

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Bk. No. 13-10670
Chapter 11

**SUPPLEMENTAL DECLARATION OF ANDREW ADESSKY, MONITOR IN
THE CCAA CASE, IN SUPPORT OF CONFIRMATION OF TRUSTEE'S REVISED
FIRST AMENDED PLAN OF LIQUIDATION DATED JULY 15, 2015**

I, Andrew Adessky, pursuant to 28 U.S.C. § 1746, state as follows:

INTRODUCTION

1. This Declaration is submitted in connection with and in support of confirmation of the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015* [Docket No. 1534] (the "Plan").¹

2. I am a vice-president of Richter Advisory Group Inc. ("Richter"), the Monitor appointed in the CCAA Case of MMA Canada. I am authorized to make this declaration on behalf of Richter.

3. Attached hereto as Exhibit A is a true and correct copy of a letter sent to me by Canada and received this afternoon.

[signature page follows]

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: September 23, 2015

Richter Advisory Group Inc.

Per: /s/ Andrew Adessky

Andrew Adessky

[signature page for Adessky declaration]



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WITHOUT PREJUDICE

September 23, 2015

Mr. Andrew Adessky
Richter Advisory Group Inc.
Monitor
1981, McGill College Avenue
Montreal, Quebec H3A0G6

Re: MONTREAL MAINE AND ATLANTIC RAILWAYS LTD
AND MONTREAL MAINE AND ATLANTIC RAILWAYS CANADA CO.

Dear Mr. Adessky:

We are writing this letter to you on behalf of Canada in support of confirmation of the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015* (the "Plan") in the Bankruptcy Case pending in the United States Bankruptcy Court in the District of Maine, Bk. No. 13-10670.¹ We understand that Richter Advisory Group Inc. is the "Monitor" appointed in the CCAA Case.

It should be noted that neither this letter nor anything in this letter shall be construed as a waiver by Canada of its sovereign immunity nor of Canada's attornment or consent to the jurisdiction of any court or tribunal outside Canada.

As you know, on July 6, 2013, an unmanned eastbound train operated by Montréal Maine & Atlantic Railway Ltd., the above-captioned debtor ("MMA" or the "Debtor") and/or MMA Canada comprised of five locomotives and 72 railcars carrying crude oil derailed in Lac- Mégantic, Quebec, Canada (the "Derailment").

Canada is included in the definition of "Released Parties" under the Plan and accordingly, will be the beneficiary of the Releases and Injunctions contained in the Plan if confirmed.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan and/or the Revised First Amended Disclosure Statement for the Trustee's Plan of Liquidations Dated July 15, 2015 [D.E. 1497] (the "Disclosure Statement").

The Attorney General of Canada is presently a defendant in a class action pending in the Quebec Superior Court for the Judicial District of Mégantic (the "Québec Class Action") in connection with the Derailment.

Canada has claims against MMA and MMA Canada for, *inter alia*, contribution and indemnity. On June 12, 2014, Développement Économique Canada has filed a proof of claim against MMA and MMAC in the amount of 21 million dollars. Moreover, Transport Canada has filed a claim for indemnity. In the negotiation of the plan, Transport Canada has accepted to withdraw its proof of claim if the plan is approved. Développement Économique Canada's proof of claim will not be withdrawn.

In addition to the above-mentioned claims against MMA and MMAC, Canada could pursue contribution and indemnity claims against various other Contributing Parties which would serve to increase the size of such Contributing Parties' claims against the MMA and the MMA Canada estates.

On March 2015, Canada has entered into a Settlement Agreement with Robert J. Keach, as trustee for MMA and MMA Canada which clearly spells-out the rights and obligations of the parties. As it appears from the Settlement Agreement, Canada would not have entered into the Settlement Agreement without obtaining the releases and injunctions orders.

Canada fully supports confirmation of the Plan.

Yours truly,



Chantal Comtois
General Counsel
Justice Canada

/cc

c.c.: Me William R. Moorman Jr.