

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670

Chapter 11

**THIRD INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR DEVELOPMENT SPECIALISTS, INC., AS FINANCIAL
ADVISOR FOR THE ESTATE REPRESENTATIVE, ROBERT J. KEACH,
FOR THE PERIOD FROM APRIL 1, 2018 THROUGH DECEMBER 31, 2019**

Name of Applicant: Development Specialists, Inc.

Authorized to Provide Professional Services as: Financial Advisor to Robert J. Keach, the
estate representative of the Debtor's post-
effective date estate

Petition Date: August 7, 2013

Date of Retention: August 29, 2013, nunc pro tunc to
August 21, 2013*

Period for Which Compensation and Reimbursement is Sought: April 1, 2018 through and including
December 31, 2019

Total Amount of Compensation sought as actual, reasonable and necessary: \$15,826.00

Total Amount of Expenses sought as actual, reasonable and necessary: \$290.92

Total Fees and Expenses Requested: \$16,116.92

This is a(n): ___ monthly X interim ___ final application.

* Development Specialists, Inc. ("DSI") was retained on this date as financial advisor to Robert J. Keach in his capacity as chapter 11 trustee for the Debtor's estate. In his capacity of estate representative of the post-effective date estate of the Debtor (the "Estate Representative"), pursuant to the terms of the *Trustee's Revised First Amended Chapter 11 Plan of Liquidation, Dated July 15, 2015 (As Amended on October 8, 2015)* [D.E. 1822] (the "Plan"), Mr. Keach selected DSI as financial advisor on the Effective Date (as defined in the Plan).

SUMMARY BY TIMEKEEPER OF SERVICES RENDERED

NAME OF PROFESSIONAL	HOURLY BILLING RATES	TOTAL BILLED HOURS	TOTAL COMPENSATION
Fred Caruso	\$695.00 to \$700.00	13.5	\$9,402.00
Taylor Caruso	\$230.00 to \$250.00	26.6	\$6,424.00
TOTAL		40.1	\$15,826.00

Blended professional hourly rate: \$394.66

COMPENSATION BY FEE CATEGORY FOR SERVICES

FEE CATEGORY	TOTAL BILLED HOURS	TOTAL COMPENSATION
Fee Application/Client Billing	0.8	\$556.00
Accounting	10.7	\$3,690.00
Business Analysis	6.9	\$4,798.50
Monthly Bankruptcy/Semi-Annual Reports	18.6	\$4,622.50
Wind Down Operations	3.1	\$2,159.00
Totals:	40.1	\$15,826.00

EXPENSE SUMMARY FOR SERVICES RENDERED

CHARGES & DISBURSEMENTS	AMOUNT
Messenger/Overnight Services	\$219.53
Photocopies (at \$0.10/page)	\$44.40
Postage	\$26.99
TOTAL	\$290.92

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**THIRD INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR DEVELOPMENT SPECIALISTS, INC., AS FINANCIAL
ADVISOR FOR THE ESTATE REPRESENTATIVE, ROBERT J. KEACH,
FOR THE PERIOD FROM APRIL 1, 2018 THROUGH DECEMBER 31, 2019**

Development Specialists Inc. (“DSI”), financial advisor to Robert J. Keach, the estate representative (the “Estate Representative”) for the post-effective date estate of Montreal Maine & Atlantic Railway, Ltd. (“MMA” or the “Debtor”),¹ submits this third application (the “Fee Application”) seeking compensation for professional services and reimbursement of expenses on an interim basis for the period from April 1, 2018 through and including December 31, 2019 (the “Compensation Period”). In support of the Fee Application, DSI states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2). The statutory predicates for the relief sought herein are sections 327(a) and 330 of the Bankruptcy Code (defined below), Federal Rule of Bankruptcy Procedure 2016(a), and Rule 2016-1 of the local rules of this Court (the “Local Rules”).

¹ In accordance with the Plan (as defined below), Robert J. Keach became the Estate Representative of the post-effective date estate of MMA on the effective date of the Plan, December 22, 2015. See Plan, § 6.1(a).

BACKGROUND

2. On August 7, 2013 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”). On August 21, 2013, the United States Trustee (the “U.S. Trustee”) appointed Robert J. Keach as chapter 11 trustee (the “Trustee”) to serve in the Debtor’s chapter 11 case (the “Case”) pursuant to 11 U.S.C. § 1163.

3. On August 26, 2013, the Trustee filed his *Application for Order, Pursuant to Sections 327 and 328 of the Bankruptcy Code, Authorizing the Employment of Development Specialists Inc., as Financial Advisor for the Trustee Nunc Pro Tunc to August 21, 2013* [Docket No. 100] (the “Retention Application”). Thereafter, on August 29, 2013, the Court entered an order authorizing the employment of DSI as financial advisor to the Trustee pursuant to sections 327 and 328 of the Bankruptcy Code [Docket No. 119] (the “Retention Order”).

4. As set forth in the Retention Order, DSI was authorized to, *inter alia*:
- (a) Analyze and comment on operating and cash flow projections, operating results, financial statements, other documents and information provided by the Debtor, and other data pursuant to the Trustee’s request;
 - (b) Advise and assist the Trustee in reviewing the Debtor’s supporting information relating to any historical financial information, financial projections and underlying assumptions;
 - (c) Advise and assist the Trustee with respect to evaluation of whether liabilities are pre-or post-petition;
 - (d) Advise the Trustee in connection with the Debtor’s preparation of various financial reports for submission to the Court, including monthly operating reports, schedules of assets and liabilities, and statements of financial affairs for the Debtor;
 - (e) Assist the Trustee with preparation of information for both the disclosure statement and plan of reorganization, including estimation of various recovery values by claims class;
 - (f) Provide testimony on related matters, as appropriate; and

- (g) Provide any other reasonably related financial advisory or management consulting services that the Trustee may, from time to time, request.

See Retention Order, ¶ 4.

5. The Retention Order further provides that DSI shall receive compensation on an hourly basis and in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. § 330 (the “UST Guidelines”), and any applicable orders of the Court. See Retention Order, ¶¶ 1–2; *see also* Retention Application, ¶¶ 15–16.

6. On October 1, 2014, the Trustee filed the *Motion Pursuant to Sections 327 and 328 of the Bankruptcy Code to Amend the Terms of Retention of Development Specialists, Inc., as Financial Advisor to the Trustee Nunc Pro Tunc to August 11, 2014* [Docket No. 1130] (the “Amended Retention Application”). The Amended Retention Application sought to expand the scope of DSI’s retention to include DSI to provide certain services to Central Maine & Quebec Railway US, Inc. (“CMQ”). *See Amended Retention Application*, ¶ 9. For these services, CMQ shall remit payment to the Debtor and the Debtor shall use payment received “to pay the associated fees and expenses requested by DSI in an interim or final application for compensation and reimbursement to the extent approved the Bankruptcy Court” Id. On October 27, 2014, the Court entered an order granting the Amended Retention Application and amending the terms of DSI’s retention [Docket No. 1175] (the “Amended Retention Order”).

7. On October 9, 2015, this Court entered the *Order Confirming Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015 and Authorizing and Directing Certain Actions in Connection Therewith* [D.E. 1801] (the “Confirmation Order”), which, among other

things, confirmed the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015 (As Amended on October 8, 2015)* [D.E. 1822] (the "Plan").

8. The effective date of the Plan occurred on December 22, 2015 (the "Effective Date"). Pursuant to the Plan, *inter alia*: (a) the Estate Representative was entitled to retain professionals in the ordinary course of business and without further order of the Court, including any professionals previously retained by the Trustee; and (b) the Estate Representative's professionals must file fee applications for approval by the Court. *See* Plan at § 6.2(d).

9. On the Effective Date, the Estate Representative retained DSI.

10. Since the Effective Date and throughout the Compensation Period, DSI has worked with the Estate Representative to meet the extraordinary challenges presented by this Case in a manner beneficial to the post-effective date estate of the Debtor (the "Post-Effective Date Estate") and the creditors of the Debtor's estate. The following discussion and materials annexed hereto cover the major categories of services for which allowance of compensation is sought.

COMPENSATION AND REIMBURSEMENT REQUEST

11. DSI seeks allowance of compensation for professional services in the amount of \$15,826.00 and reimbursement of expenses incurred in rendering such services in the amount of \$290.92. Pursuant to Rule 2016(a) of the Federal Rules of Bankruptcy Procedure and Local Rule 2016-1(a)(3)(i), a detailed statement of professional services provided by DSI to the Estate Representative during the Compensation Period (the "Billing Statement") is set forth in **Exhibit A**, annexed hereto and incorporated herein by reference. DSI has carefully reviewed the

Billing Statement on a line-by-line basis to ensure that services have been billed under the correct fee category.²

12. Pursuant to Local Rule 2016-1(a)(3)(iv), a detailed statement setting forth billing rates, total hours billed, and total amounts billed for each professional at DSI during the Compensation Period and associated expenses incurred is contained in the tables located at the beginning of this Fee Application.

13. No agreement or understanding exists between DSI and any other entity for the sharing of compensation sought by this Fee Application. In addition, no payments have been made or promised to DSI for services rendered or to be rendered in connection with the Case, except as set forth in the Retention Application.

14. As discussed in the Retention Application and the *Affidavit of M. Donald Gardner, Jr. in Support of First Day Pleadings* [Docket No. 11] (the "Gardner Affidavit"), DSI is one of the nation's oldest and most respected financial restructuring, consulting and management firms, and routinely operates, manages, and consults "troubled businesses" on behalf of lending institutions as well as other secured parties, bondholders, shareholder committees, court-approved fiduciaries, and business owners. DSI is experienced in all aspects of insolvency and bankruptcy consulting, and regularly serves as consultant to debtors in both chapter 7 and chapter 11 proceedings, as well as in other fiduciary capacities such as chapter 11 trustee, chapter 7 trustee, court-appointed examiner, post-confirmation trustee, federal equity receiverships and state court receiverships. Consultants from DSI have been involved in over 4,000 cases throughout the United States, Puerto Rico, the Virgin Islands, Canada and Europe. DSI has the necessary background to deal effectively with the financial issues and problems that

² DSI implemented fifteen (15) task codes for specific categories of work to permit a more detailed analysis of the fees incurred. Given the large range of issues involved, some overlaps and inconsistencies in task code assignments are inevitable despite DSI's best efforts to ensure that work on a specific topic is billed to a single task code.

have arisen and may arise in the context of the Case and has rendered financial advice to the Estate Representative in an efficient and timely manner. Pursuant to Local Rule 2016-1(a)(3)(v), a brief biography of each DSI professional who has rendered services in connection with the fees and expenses described herein is set forth in **Exhibit B**, annexed hereto and incorporated herein by reference.

15. On August 15, 2016, DSI submitted the First Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Estate Representative, Robert J. Keach, for the Period From December 23, 2015 Through May 31, 2016 [Docket No. 2216] (the “First Interim Fee Application”). By order of this Court entered on August 29, 2016 [D.E. 2235], the Court awarded DSI \$14,594.00 in fees and \$326.90 in expenses in relation to the First Interim Fee Application.

16. On May 21, 2018, DSI submitted the Second Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Estate Representative, Robert J. Keach, for the Period From June 1, 2016 Through March 31, 2018 [Docket No. 2455] (the “Second Interim Fee Application”). By order of this Court entered on June 18, 2018 [D.E. 2465], the Court awarded DSI \$50,991.38 in fees and \$3,459.85 in expenses in relation to the Second Interim Fee Application.

17. This Fee Application is DSI’s third application to this Court in this Case as financial advisor to the Estate Representative for compensation for professional services and reimbursement of expenses pursuant to sections 328 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2016-1. As required by paragraph (b)(v) of the UST Guidelines, the Estate Representative has been given the opportunity to review this Fee Application and has approved the requested amount.

SUMMARY OF SERVICES

18. DSI serves as financial advisor to the Estate Representative with respect to all financial matters that arise in or relate to the administration of the Post-Effective Date Estate. In rendering professional services to the Estate Representative, DSI's team includes professionals with extensive experience in financial analysis related to bankruptcy, asset sales and valuation, secured financing, and management (among other things). DSI professionals have worked closely with the Estate Representative and his other professionals to coordinate assignments in order to maximize efficiency and avoid any duplication of effort.

19. DSI does not wish to burden the Court with an overly detailed recitation of each and every matter with respect to which it has rendered services during the Compensation Period (all of which are detailed more fully in the Billing Statement). Accordingly, this Fee Application is intended to serve as a summary description of the more significant services rendered by DSI, and to highlight the benefits which have been conferred upon the creditors of the Debtor's estate as a result of DSI's efforts. The following section provides an overview of certain of the significant services rendered by DSI during the Compensation Period, organized by task code.

20. All of the services for which DSI requests compensation herein were rendered on behalf of the Estate Representative in connection with this Case, and all the time described on the attached exhibits represents the actual amount of time spent by DSI professionals who rendered the described services. The major services provided by DSI (by category) are summarized below:

A. Business Analysis: Total \$4,798.50; Total Hours 6.90

This category consists primarily of Mr. Caruso's time for the following tasks:

- (i) Monitoring daily cash flow and approve weekly disbursements;
- (ii) Preparing cash flow forecasts for use by Estate Representative;

- (iii) Preparing and respond to information requests from the Canadian monitor; and
- (iv) Maintenance of financial general ledger post-closing and assist on preparation of annual federal, state and Canadian tax returns.

B. Monthly Operating Reports: Total \$4,622.50; Total Hours 18.60

This category consists primarily of Mr. Taylor Caruso's time for the preparation of the Post-Effective Date Estate's monthly operating reports for March 2018 through October 2019 for a total of 20 monthly reports.

C. Accounting: Total \$3,690.00; Total Hours 10.70

This category includes Mr. Fred Caruso's and Mr. Taylor Caruso's time for the review and preparation of various accounting sheets, monitoring escrow transactions, as well as preparation of U.S. Trustee's fee summary.,

ACTUAL AND NECESSARY DISBURSEMENTS

21. As set forth on Exhibit A hereto, DSI has disbursed \$290.92 as expenses incurred in providing professional services during the Compensation Period. The expenses incurred arise from, *inter alia*, photocopies, overnight delivery charges, and postage charges. These expenses represent the out-of-pocket disbursements incurred during the regular course of the provision of services.

THE REQUESTED COMPENSATION AND REIMBURSEMENT OF EXPENSES SHOULD BE ALLOWED ON AN INTERIM BASIS

22. Pursuant to section 330 of the Bankruptcy Code, the Court may award professionals "reasonable compensation for actual, necessary services." 11 U.S.C. § 330(a)(1)(A). In evaluating the amount of reasonable compensation to be awarded, the Court should consider:

The nature, the extent, and the value of such services, taking into account all relevant factors including:

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

23. DSI submits that the services for which it seeks compensation in this Fee Application were necessary for and beneficial to the Post-Effective Date Estate. The services rendered by DSI were performed economically, effectively, and efficiently. Accordingly, the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Post-Effective Date Estate.

24. The work conducted was carefully assigned to appropriate professionals according the experience and level of expertise required for each particular task. Whenever possible and where appropriate, DSI sought to minimize the costs of its services by utilizing talented professionals with lower billing rates.

25. In sum, the services rendered by DSI were necessary and beneficial to the Post-Effective Date Estate and such services were consistently performed in a timely manner, commensurate with the complexity and nature of the issues involved. Accordingly, approval of compensation sought herein is warranted.

CONCLUSION

WHEREFORE, DSI respectfully requests that the Court enter an order: (a) approving on an interim basis, pursuant to 11 U.S.C. § 330, compensation for services rendered during the Compensation Period in the amount of \$15,826.00 and reimbursement of expenses in the amount of \$290.92; and (b) granting such other and further relief as the Court deems just and proper.

Dated: February 4, 2020

DEVELOPMENT SPECIALISTS, INC.

By:

/s/ Fred Caruso

Fred Caruso

70 West Madison Street, Suite 2300

Chicago, IL 60602

Telephone: (312) 263-4141

E-mail: fcaruso@dsi.biz

*Financial Advisor for Robert J. Keach,
Estate Representative for the Post-Effective
Date Estate of Montreal Maine & Atlantic
Railway, Ltd.*



No. 12268



REMIT TO:
 10 South LaSalle Street, Suite 3300, Chicago, IL 60603-1026
 Telephone: 312.263.4141 Telecopier: 312.263.1180

Date: 1/29/2020

Montreal, Maine & Atlantic Railway
 c/o Robert J. Keach
 Bernstein Shur Sawyer & Nelson
 100 Middle Street
 Portland, Maine 04104

F.E.I.N. 36-2967476

Description of Services and Disbursements	Fees	Disbursements	Credits	Balance
For services rendered through April 1, 2018 through December 31, 2019:				
Fees per attached category summary:				
Fee Application/Client Billing	0.80	\$556.00		
Accounting	10.70	3,690.00		
Business Analysis	6.90	4,798.50		
Monthly Bkcty/Semi-Annual Reports	18.60	4,622.50		
Wind Down Operations	3.10	2,159.00		
	40.10	\$15,826.00		
Out-of-Pocket Expenses:				
Messenger/Overnight Services		\$219.53		
Photocopies		44.40		
Postage		26.99		
		\$290.92		
Total				\$16,116.92
TIMELY PAYMENT OF INVOICES IS ALWAYS APPRECIATED.				PAY AMOUNT ABOVE

Montreal, Maine & Atlantic Corporation
c/o Robert J. Keach
Bernstein Shur Sawyer & Nelson
100 Middle Street
Portland ME 04104

			HOURS	
05/07/2018	FCC	Review consultant time detail and expenses incurred and prepare draft for DSI's second application for retention by the estate representative and e-mail same to Bob Keach.	0.50	
05/21/2018	FCC	Complete preparation of invoice and summary exhibits for DSI's fee application through 3/31/18 and review draft motion for same.	0.30	
		Fee Application/Client Billing	0.80	556.00
04/25/2018	TFC	Prepare the U.S. Trustee's fee summary.	0.30	
07/17/2018	TFC	Prepare calculation of the U.S. Trustee's fees.	0.20	
10/15/2018	TFC	E-mail K. Quirck regarding MMA TD bank statement and escrow balance.	0.20	
10/24/2018	TFC	E-mail to K. Quirck and A. Cummings regarding missing banks statement for MMA.	0.20	
10/30/2018	TFC	Prepare the Q3 2018 U.S. Trustee's fee calculation.	0.10	
02/01/2019	FCC	Review closing trial balance for 2017 and e-mail same to Taylor Caruso for preparation for 2018 (.3) and e-mail Shawn Travitsky for required information for MCC's trial balance (.1).	0.40	
	TFC	Prepare 2018 trial balance.	1.40	
	TFC	Prepare 2018 balance sheet.	0.60	
	TFC	Prepare 2018 income statement.	0.60	
	TFC	Review 2018 financial statements.	0.40	
02/04/2019	FCC	Review the draft trial balance prepared by Taylor Caruso for preparation of MMA's U.S. 2018 tax return, and e-mail to Taylor regarding comments.	0.50	
	TFC	Prepare an updated general ledger for review comments from F. Caruso.	0.60	
02/06/2019	FCC	Final review of MMA's and MCC trial balances for 2018 prepared by Taylor Caruso and e-mail same to Bob Keach and the tax preparers.	0.40	
	TFC	Prepare the 2018 general ledger for MCC.	2.10	
02/11/2019	FCC	Review and respond to questions received from Kristin Redstone and e-mail Taylor Caruso regarding follow up on two issues.	0.30	
	TFC	E-mail to K. Quirck regarding questions from the tax accountant on transactions with the escrow account.	0.10	
	TFC	Prepare PDF detailing the 2018 miscellaneous expense activity and related supporting documentation.	0.40	
02/13/2019	TFC	E-mail K. Quirk to follow up regarding nature of refund received.	0.10	

Montreal, Maine & Atlantic Corporation

			HOURS	
04/04/2019	FCC	Review consolidating trail balance for MMA and MCC prepared by Kristin Redstone for 2018, review MMA's 2018 federal and state tax returns, and e-mail Bob Keach approval to execute and file.	0.70	
05/15/2019	TFC	E-mail K. Quirck to clarify description of transaction within escrow account.	0.10	
07/08/2019	TFC	Meeting with L. Schmitt regarding the May 2019 monthly operating report.	0.20	
08/13/2019	TFC	E-mails to D. Deloria regarding the U.S. Trustee's fees.	0.10	
	TFC	E-mails to K. Quirck regarding bank account balance and the U.S. Trustee's fees.	0.20	
10/15/2019	TFC	Review escrow transactions.	0.20	
	TFC	E-mail to K. Quirck regarding escrow transaction activity.	0.10	
10/18/2019	TFC	Prepare calculation of the U.S. Trustee's fee. Accounting	0.20 10.70	<u>3,690.00</u>
05/07/2018	FCC	E-mail Kristin Redstone regarding MMA tax strategy issues.	0.10	
05/17/2018	FCC	Respond to information request regarding allocation of MMA selling price for the U.S. assets and e-mail prior analysis regarding same to Adam Prescott.	0.40	
05/31/2018	FCC	Prepare for (.2) and attend conference call with Bob Keach, Kristin Redstone and Roger Poulin and Nelson Toner regarding tax strategy issues (1.0).	1.20	
	FCC	Research and e-mail Bob Keach and Kristin Redstone analysis of types of income recorded by MMA in 2017.	0.40	
06/01/2018	FCC	As follow up to tax planning conference call on 5/31/18, research MMA funding of MMAC's operations and prepare revised trail balances for MMA and MMAC for the write off on intercompany debt and e-mail same to Kristin Redstone.	1.30	
06/04/2018	FCC	Additional review and research regarding write off of intercompany and related debts, including accounts receivable and accounts payable accounts with Railworld, e-mail to Bob Keach regarding same, make journal entries to the 2017 general ledger and e-mail to Kristin Redstone.	0.80	
07/24/2018	FCC	Telephone call with Kristin Redstone regarding tax returns for 2003 and 2004.	0.10	
09/28/2018	FCC	Review e-mail received from Lindsay Zahradka regarding payment of priority and secured creditors, review my historical files regarding same, and telephone call with Lindsay regarding same.	0.30	
10/10/2018	FCC	Telephone call with Kristin Redstone regarding additional information needed to complete my review of 2017 corporate income tax returns.	0.20	
10/12/2018	FCC	Review MMA's federal and state 2017 corporate income		

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			HOURS	
		tax returns, including additional adjustments made by Kristin Redstone, and e-mail Bob Keach approval to execute same.	1.00	
11/16/2018	FCC	Review historical expenses and prepare simple cash requirements forecast for the next year (.3) and telephone call with Bob Keach regarding same (.2).	0.50	
01/28/2019	FCC	Review and approve the December 2018 monthly operating report and calculate/approve payment for the 4th U.S. Trustee fees.	0.20	
02/01/2019	FCC	Review and approve engagement letter with RSM for the preparation of the MCC's 2018 tax returns.	0.10	
02/19/2019	FCC	E-mail Karla Quirk regarding request for information for MCC's tax refund deposited into the escrow account and forward to the tax preparers the response.	0.20	
04/29/2019	FCC	Review e-mail from RMS regarding status of Canadian filings and e-mail to Bob Keach regarding same.	0.10	
		Business Analysis	6.90	4,798.50
04/18/2018	TFC	Prepare the March 2018 monthly operating report.	2.00	
05/17/2018	TFC	Prepare the April 2018 monthly operating report.	0.50	
06/20/2018	TFC	Prepare the May 2018 monthly operating report.	0.50	
07/17/2018	FCC	Review, comment and approve the June 2018 monthly operating report and quarterly fee calculation.	0.10	
	TFC	Prepare the June 2018 monthly operating report.	0.70	
08/20/2018	FCC	Review and approve the July 2018 monthly operating report	0.10	
	TFC	Prepare the July 2018 monthly operating report.	0.90	
10/01/2018	FCC	Review and approve the monthly operating report for August 2018.	0.10	
	TFC	Prepare the August 2018 monthly operating report.	1.60	
10/29/2018	TFC	Prepare September 2018 monthly operating report.	1.50	
11/19/2018	TFC	Prepare October 2018 monthly operating report.	1.50	
12/11/2018	TFC	Prepare the November 2018 monthly operating report.	1.10	
01/28/2019	TFC	Prepare the December 2018 monthly operating report.	0.80	
02/25/2019	TFC	Prepare the January 2019 monthly operating report.	0.60	
02/26/2019	TFC	Prepare the January 2019 monthly operating report.	0.70	
03/19/2019	TFC	Prepare the February 2019 monthly operating report.	0.60	
05/16/2019	FCC	Review and approve the March 2019 monthly operating report.	0.10	
	TFC	Prepare the March 2019 monthly operating report.	0.30	
05/20/2019	TFC	Prepare the April 2019 monthly operating report.	1.10	

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			HOURS	
07/08/2019	TFC	E-mail to L. Schmitt regarding the May 2019 monthly operating report.	0.20	
	TFC	Review the May 2019 monthly operating report.	0.20	
07/15/2019	TFC	Review the June 2019 monthly operating report.	0.10	
09/04/2019	TFC	Prepare the July 2019 monthly operating report.	0.80	
	TFC	Review the July 2019 monthly operating report.	0.10	
09/19/2019	TFC	Prepare the August 2019 monthly operating report.	1.00	
	TFC	Review the August 2019 monthly operating report.	0.10	
10/16/2019	TFC	Prepare the September 2019 monthly operating report.	0.40	
	TFC	Prepare the September 2019 monthly operating report.	0.10	
11/12/2019	TFC	Prepare the October 2019 monthly operating report.	0.60	
	TFC	Review the October 2019 monthly operating report.	0.10	
11/13/2019	TFC	Prepare the updated October 2019 monthly operating report.	0.10	
		Monthly Bkcty/Semi-Annual Rpts	18.60	4,622.50
06/13/2018	FCC	Review record retention files and respond to e-mail received from Kristin Redstone.	0.30	
07/12/2018	FCC	Telephone call with Heidi Dennis from Maine's Department of Environment's accounts receivable department regarding license issue for the former Derby facility, and e-mail Heidi copy of the asset purchase agreement with the City of Milo.	0.30	
07/13/2018	FCC	Telephone call with Heidi Dennis regarding license issue for the Hermon facility.	0.30	
07/17/2018	FCC	Telephone call with Gaynor Ryan regarding environmental license renewal request; follow-up telephone call with Heidi Dennis at Maine Environmental Department regarding same.	0.30	
08/24/2018	FCC	Telephone call with Ron Mugeon (Maine Department of Environmental Protection) regarding the abandoned "tie pile" real estate parcel (.3) and e-mail Bob Keach regarding same (.1).	0.40	
09/06/2018	FCC	Telephone call with Bob Keach regarding amount owed to the Federal Railway Administration.	0.10	
09/24/2018	FCC	Follow up on late bank statements, including calls to TD Bank and CIBC Bank as to explanation for same, and follow-up e-mail to Bob Keach regarding same.	0.50	
01/14/2019	FCC	At the request of Lindsay Milne, research inventory dispute issue involving Railworld-owned inventory stored at MMA's former Derby location (.6) and telephone call with Lindsay regarding same (.2).	0.80	
11/06/2019	FCC	Review and respond to e-mail received from Noyes Moving and Storage regarding status of record retention.	0.10	
		Wind Down Operations	3.10	2,159.00
		FOR THE FOREGOING PROFESSIONAL SERVICES RENDERED:	40.10	15,826.00

Montreal, Maine & Atlantic Corporation

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01/29/2020

RECAPITULATION

<u>CONSULTANT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
F. C. Caruso	9.60	\$695.00	\$6,672.00
F. C. Caruso	3.90	700.00	2,730.00
T.F. Caruso	11.30	230.00	2,599.00
T.F. Caruso	15.30	250.00	3,825.00

Delivery Charges	219.53
Photocopy Charges	44.40
Postage	26.99
TOTAL DISBURSEMENTS: THRU 12/31/2019	<u>290.92</u>

TOTAL CURRENT WORK 16,116.92

BALANCE DUE \$16,116.92

BIOGRAPHIES OF DSI PROFESSIONALS

Fred C. Caruso

Fred Caruso has over thirty years of insolvency, restructuring and operational experience and currently is a Senior Managing Director of DSI. His experience is concentrated on the “debtor side,” typically serving either as the Financial Advisor, President, Chief Restructuring Officer, Chief Operating Officer, Chief Financial Officer, or as a Chapter 11 Trustee. He has also provided expert testimony on accounting, forensic and valuation topics.

Notable assignments include:

- CRO for the Montreal, Maine & Atlantic Railway subsequent to its’ catastrophic oil train derailment killing 47 individuals causing \$2 billion in damage claims; managed the crippled operation thru a 363 sale process and is assisting the Chapter 11 Trustee in a US-Canadian cross border settlement process to fund a Liquidating Plan.
- Chapter 11 Trustee for Qualteq, Inc., and its sixteen affiliated debtors, which resulted in a 363 sale that paid creditors in full with a \$15 million distribution to equity.
- CRO and COO for Giordano’s Enterprises, Inc.; in conjunction with its Chapter 11 Trustee, managed a successful 363 sale process, paid secured creditors in full, and made a significant distribution to creditors.
- Financial Advisor for the real estate trust for the Gas City, Ltd. properties; in conjunction with the CRO for Gas City, managed a successful 363 sale process which was awarded the TMA Consumer and Retail Products Turnaround Award.
- Financial Advisor for Bill Heard Enterprises, which operated 14 urban big-box Chevrolet locations with sales in excess of \$2 billion; managed a successful 363 sale process less than 60 days after the Lehman collapse brought the automotive industry to a standstill.
- President and Debtor in Possession for Ritchie Risk-Linked Strategies Trading, Ltd.; managed a successful 363 sale process for 1,100 life insurance policies with a insured value of \$2.8 billion.
- Financial Advisor for a \$3 billion hedge fund to manage negotiations with “gated” investors and monetize illiquid investments.
- CRO for BREED Technologies, Inc.; confirmed a standalone Chapter 11 plan.
- President and Debtor in Possession for Commercial Financial Services, Inc., the country’s largest acquirer of charged-off credit card debt; negotiated a consensual liquidating plan between asset-backed security holders and general unsecured creditors.
- COO for Mercury Finance Company; confirmed a standalone Chapter 11 plan.
- CFO for Shape, Inc., a manufacturer of extruder plastic components; confirmed a standalone Chapter 11 plan.

Mr. Caruso began his career in public accounting in the audit division of a Big Eight accounting firm (now Deloitte & Touche). He is a Certified Public Accountant, a Certified Insolvency and Reorganization Advisor, and is a member of the AICPA, Illinois CPA Society, the Association of Insolvency Accountants, and the American Bankruptcy Institute. He is a graduate of the University of Wisconsin-Madison with Bachelor’s degrees in accounting and finance.

Taylor F. Caruso

Taylor Caruso joined DSI's Chicago office as an Associate in 2018.

Prior to joining DSI, Mr. Caruso was a Tax Senior at Ernst & Young LLP, where he prepared and reviewed federal income tax returns, state income and franchise tax returns, and annual tax extension filings for a fortune 500 company. Additionally, Taylor performed audit procedures surrounding the accounting for income taxes for both public and private companies. Furthermore, he evaluated the design & operating effectiveness of tax related internal controls over financial reporting as part of Sarbanes Oxley.

Mr. Caruso has a Bachelor of Science degree in Accounting and Management from Purdue University.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

ORDER GRANTING THIRD INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR DEVELOPMENT SPECIALISTS, INC., AS FINANCIAL ADVISOR FOR THE ESTATE REPRESENTATIVE, ROBERT J. KEACH, FOR THE PERIOD FROM APRIL 1, 2018 THROUGH DECEMBER 31, 2019

This matter having come before the Court on the *Third Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Estate Representative, Robert J. Keach, for the Period from April 1, 2018 Through December 31, 2019* (the “Third Interim Fee Application”),¹ and after proper notice to all creditors and other parties-in-interest, the Court having independently reviewed the Fee Application, it is hereby **ORDERED**, **ADJUDGED**, and **DECREED** as follows:

1. The Third Interim Fee Application is granted.
2. In relation to the Compensation Period and pursuant to 11 U.S.C. § 331, Development Specialists, Inc. (“DSI”) is allowed compensation for services to the Estate Representative in the aggregate amount of **\$16,116.92**, which includes **\$15,826.00** for payment of professional fees and **\$290.92** in expenses.
3. The fees and expenses requested in the Third Interim Fee Application are hereby awarded on an interim basis in accordance with the applicable sections of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and this Court’s local rules.

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fee Application.

Dated: _____, 2020

The Honorable Peter G. Cary
Chief Judge, United States Bankruptcy Court
District of Maine

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.

Debtor.

Bk. No. 13-10670
Chapter 11

NOTICE OF HEARING

Development Specialists, Inc. (“DSI”), the financial advisor to Robert J. Keach, the Estate Representative (the “Estate Representative”) of the bankruptcy estate of Montreal Maine & Atlantic Railway, Ltd. (the “Debtor”), has filed the *Third Interim Application for Compensation and Reimbursement of Expenses for Development Specialists, Inc., as Financial Advisor for the Estate Representative, Robert J. Keach, for the Period from April 1, 2018 Through December 31, 2019* (the “Third Interim Fee Application”). A hearing on the Third Interim Fee Application is set to take place at the United States Bankruptcy Court, 537 Congress Street, Portland, Maine on **March 3, 2020 at 9:00 a.m.** (the “Hearing”).

By the Third Interim Fee Application, DSI seeks a total amount of **\$16,116.92**, which includes **\$15,826.00** for payment of professional fees and **\$290.92** for reimbursement of expenses incurred during the period from April 1, 2018 Through December 31, 2019 (the “Compensation Period”). DSI seeks an order authorizing and approving this compensation for fees and expenses incurred during the Compensation Period on an interim basis.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you do not want the court to approve the Second Interim Fee Application, or if you want the court to consider your views on the Second Interim Fee Application, then **on or before February 25, 2020**, you or your attorney must file with the court a written response explaining your position. If you are not able to access the CM/ECF Filing System, your response should be served upon the Court at:

Alec Leddy, Clerk
United States Bankruptcy Court
202 Harlow Street
Bangor, Maine 04401

-and-

Robert J. Keach, Esq.
Bernstein, Shur, Sawyer & Nelson, P.A.
100 Middle St., PO Box 9729
Portland, Maine 04104-5029

If you have to mail your response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Second Interim Fee Application and may enter an order granting that relief.

Dated: February 4, 2020

**ROBERT J. KEACH, ESTATE REPRESENTATIVE
OF POST-EFFECTIVE DATE ESTATE OF
MONTREAL MAINE & ATLANTIC RAILWAY,
LTD.**

By his attorneys:

/s/ Roma N. Desai
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