



Bangor Daily News

Trustee named to oversee Montreal, Maine and Atlantic Railway during bankruptcy

By Whit Richardson | August 22, 2013

A Portland attorney has been named trustee of the Montreal, Maine and Atlantic Railway as the company works through its bankruptcy proceedings.

The U.S. Trustees Office on Wednesday named Robert Keach, an attorney at Bernstein Shur in Portland, to be MMA's trustee.

MMA filed for Chapter 11 bankruptcy in U.S. Bankruptcy Court in Bangor on Aug. 7, a month after one of its trains rolled driverless down a hill before derailling in the middle of the town of Lac-Megantic, Quebec, causing an explosion that killed 47 people.

Reached on Thursday, Keach said the last few days have been a whirlwind process of delving into the company's finances, assets and prospects for sale.

"We're in the middle of gathering a lot of factual information very quickly," Keach said, adding that the process began before he was officially chosen on Wednesday. The process began when the Department of Transportation put him on a list of five names, which was sent to the U.S. Trustees Office, which has oversight responsibility for all bankruptcy cases in the United States.

Keach is co-chairman of Bernstein Shur's Business Restructuring and Insolvency Practice Group. He has been practicing bankruptcy law for 30 years and is a past chairman of the American Bankruptcy Institute's board of directors.

Keach is now faced with making decisions concerning the future of MMA, such as whether another railroad company will be tapped to operate MMA's network or whether the railroad's assets will be sold.

No decisions have been made, but appointing another railroad to operate MMA's business is very unlikely, Keach said.

"I know there's been talk about that, but based on the information I've been able to gather over the last three days, the financial circumstances don't warrant that kind of decision right now," Keach said. "While I think a sale of the railroad will certainly be explored, I think it's highly unlikely someone will be appointed to run this railroad. Right now we're running this railroad and I don't expect that to change in the short run."

By "we," Keach means himself along with MMA's existing staff.

Regarding a sale of the railroad, Keach said no decisions have been made about when that may happen or what companies are in the running as buyers, "but that will be a deliberate process. It won't be rushed," he said.

A bankruptcy hearing is scheduled for 2 p.m. Thursday in Portland. Keach said the hearing would include updates from MMA, as well as the extension of various motions to keep the railroad operating.

Bob Keach is a shareholder and co-chair of Bernstein Shur's Business Restructuring and Insolvency Practice Group. He can be reached at 207 228-7334 or rkeach@bernsteinshur.com.