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## Fortress Affiliate Wins MM&A Railway Auction

*Montreal, Maine & Atlantic Railway Was Involved in Deadly Crash in Summer 2013*

By Jacqueline Palank | January 22, 2014

A Fortress Investment Group LLC (FIG) affiliate won the bidding at Tuesday's auction of the Montreal, Maine & Atlantic Railway Ltd., which was involved in a deadly crash this past summer.

Chapter 11 trustee Robert Keach, who is leading the railway through its U.S. bankruptcy proceeding, said Wednesday in court papers that the Fortress affiliate's \$15.85 million bid was the sole offer for most of the railway's assets.

Washington County Railroad Co. submitted a \$750,000 bid for a portion of the railway's track and real estate, court papers show, while Springfield Railway Terminal Co. and Eastern Maine Railway Co. together made an \$8 million offer for the remaining assets.

Mr. Keach will ask the U.S. Bankruptcy Court in Bangor, Maine, as well as a Canadian court, to approve the railway's sale to the Fortress unit at a joint hearing Thursday.

The Fortress unit, Railway Acquisition Holdings LLC, was the leading bidder heading in to Tuesday's auction. Court papers show it amended its original offer of \$14.25 million to exclude certain assets and change certain conditions, resulting in the increased purchase price.

The Montreal, Maine & Atlantic, which operates more than 500 miles of track in Maine, Vermont and Quebec, sought court protection last August. The bankruptcy filing came as the railway faced litigation related to the July derailment of one of its trains in the small Quebec town of Lac-Mégantic, which killed 47 people and partially destroyed the town.

Last month, a Montreal, Maine & Atlantic train made its first run through Lac-Mégantic since the accident.