

CANADA

SUPERIOR COURT
(COMMERCIAL DIVISION)

PROVINCE OF QUÉBEC
DISTRICT OF ST-FRANÇOIS
N°: 450-11-000167-134

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
C. C-36, as amended)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

**MONTREAL, MAINE & ATLANTIC CANADA CO.
(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE);**

Petitioner

and

**RICHTER INC. (FORMERLY RICHTER
ADVISORY GROUP INC. /RICHTER GROUPE
CONSEIL INC.)**

Monitor

**APPLICATION FOR A THIRTY-SECOND ORDER EXTENDING THE STAY PERIOD AND
FOR APPROVAL OF PROFESSIONAL FEES
(SECTIONS 9 AND 11 *ET SEQ.* OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36 ("CCAA"))**

**TO THE HONOURABLE JUSTICE LOUIS MARQUIS OF THE SUPERIOR COURT, SITTING
IN THE COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF
SAINT-FRANÇOIS, THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:**

I. INTRODUCTION

1. On July 6, 2013, a train operated by Montreal Maine & Atlantic Canada Co. ("**MMAC**") derailed in the city of Lac-Mégantic, Québec, Canada, causing numerous fatalities, bodily injuries, psychological and moral damages to thousands of people, and extensive property and environmental damages (the "**Derailment**");
2. Numerous claims were made against MMAC and its parent company, Montreal, Maine & Atlantic Railway Ltd ("**MMA**"), arising out of the Derailment;

3. On August 7, 2013, MMA filed a voluntary petition in the United States Bankruptcy Court, District of Maine (the “**US Court**”) for relief under Chapter 11 of the U.S. Bankruptcy Code (the “**Chapter 11 Case**”);
4. On August 8, 2013, the Honourable Justice Castonguay of the Québec Superior Court (the “**CCAA Court**”) granted an initial order in respect of MMAC (the “**Initial Order**”) pursuant to the CCAA and Richter Inc. (formerly Richter Advisory Group Inc. /Richter Groupe Conseil Inc.) was appointed as monitor of MMAC (the “**Monitor**”);
5. On August 21, 2013, the United States Trustee appointed Robert J. Keach to serve as trustee in the Chapter 11 Case (now referred to as the “**Estate Representative**”);
6. Pursuant to the Initial Order, a stay of proceedings was ordered until and including September 6, 2013 (the “**Stay Period**”). That Stay Period has since been extended by this CCAA Court on thirty-one (31) occasions, with the most recent extension having been granted until June 17, 2026, pursuant to an order of December 15, 2025 (the “**Thirty-First Extension Order**”), the whole as appears from the Court record;
7. MMAC’s *Amended Plan of Compromise and Arrangement* dated as of June 8, 2015 (the “**Amended Plan**”), was unanimously approved by the creditors on June 9, 2015, and was approved by the CCAA Court on July 13, 2015 (as amended on October 9, 2015, the “**Canadian Approval Order**”);
8. The Plan of Liquidation filed in the Chapter 11 Case on March 31, 2015, and amended on July 7, 2015 (the “**US Plan**”), which is intended to mirror the effects of the Amended Plan in the United States, has also been approved by the creditors and the US Court;
9. As appears from the Court record, the Certificate of the Monitor was filed on December 22, 2015 (the “**Plan Implementation Date**”), thereby confirming implementation of the Amended Plan;
10. Capitalized terms not otherwise defined in this Application have the meaning ascribed thereto in the Amended Plan;

II. ORDER SOUGHT

11. The Petitioner hereby seeks the following:
 - a) an extension of the Stay Period until December 17, 2026; and
 - b) an order approving the fees and disbursements of the Monitor and the Monitor’s counsel and the Petitioner’s counsel (the “**Canadian Professionals**”) for the period of December 1, 2025 to May 31, 2026;
12. The Monitor supports the conclusions sought herein, the whole as appears from a copy of the Monitor’s Forty-Second Report filed in support hereof as **Exhibit R-1**;

III. EXTENSION OF THE STAY PERIOD

i) Status of distributions

13. The Monitor currently holds a sum of approximately \$17.3 million, which consists of the balance of the funds not yet distributed (the “**Undistributed Funds**”) comprised of interest earned (approximately \$11.9 million (the “**Interest**”)) on the Funds for Distribution as defined in the Amended Plan), various reserves and the Administration Charge for the Professionals. As further explained below, the Monitor is now preparing to distribute the Undistributed Funds as the CCAA proceedings are essentially concluded;

ii) Settlement of the dispute between the Province and FRA

14. As outlined in previous Monitor’s reports, Central Maine & Québec Railway Canada Inc. (“**CMQ**”) acquired substantially all of the assets of MMAC and MMA for a purchase price of US\$14.2 million (the “**Purchase Price**”).
15. Following the completion of the transaction, two disputes arose between the Federal Railroad Administration (“**FRA**”) and the Province;
- a) Each of the Province and the FRA claimed entitlement to the net proceeds of the Purchase Price, an amount of approximately US\$633,000. As a result of the dispute, the Monitor retained these funds in a separate trust account which with accrued interest totals approximately US\$747,000 as of May 31, 2026 (the “**Net Proceeds**”).
 - b) In addition, the Province disputed the allocation of the Purchase Price between MMAC and MMA. As a result, each of the Province and the FRA filed motions with the Canadian and US Courts respectively on this issue. No hearing has ever taken place on the dispute over the allocation of the Purchase Price.
16. The Monitor understands that the Province and the FRA are in settlement discussions whereby the Net Proceeds together with any accrued interest thereon should be distributed to the Province and to the FRA, in equal shares and that both parties will desist from their respective proceedings regarding the dispute over the allocation of the Purchase Price.

iii) Interest Treatment and Final Distribution

17. As previously indicated, as of the date of this report there is approximately \$17.3 million of Undistributed Funds. The Undistributed Funds consist of Interest, approximately \$11.9 million has been earned on the Funds for Distribution since the effective date of the Amended Plan (this amount is up from \$11.6 millions since the Thirty-First Extension Order), as well as \$5.4 million (the “**Reserve Funds**”) previously held in reserve for various provisions that are no longer required;
18. In accordance with the terms of the Amended Plan, the Reserve Funds is to be distributed as outlined in the table below:

<u>Category</u>	<u>Distribution of additional funds from the estimated reserve</u>
Wrongful Death	\$ 1,431,652
Moral Damages	627,450
Economic Damages	338,073
Subrogated Insurers	228,371
Province of Québec	2,576,977
Federal Government	-
City of Lac-Mégantic	158,653
	<u>\$ 5,361,176</u>

19. After many months of discussion, the Province recently advised the Monitor that it takes the position that the allocation of the Interest between the claimants should be based on the entitlement to the principal on which the interest has accrued as opposed to the terms of the Amended Plan. The Province contends that the majority of the Interest has accrued on Funds for Distribution to which it is entitled. The table below reflects the differences in allocation under these two scenarios:

<u>As at May 31, 2026</u>	<u>Scenario 1 : Pro rata distribution of total interest pursuant to section 4.2 of the Plan of Arrangement</u>	<u>Scenario 2 : Allocation of interest taking into account the distribution dates</u>	<u>Difference in interest allocation between Scenario 1 and Scenario 2</u>
<u>Category</u>			
Wrongful Death	\$ 3,185,937	\$ 544,066	\$ (2,641,872)
Moral Damages	1,396,832	464,408	(932,424)
Economic Damages	721,977	240,019	(481,959)
Subrogated Insurers	508,208	168,995	(339,213)
Province of Québec	5,732,445	10,362,072	4,629,627
Federal Government	-	-	-
City of Lac-Mégantic	352,922	118,762	(234,160)
	<u>\$ 11,898,321</u>	<u>\$ 11,898,321</u>	<u>\$ 0</u>

20. As shown in in the table, Scenario 2 results in the Province receiving an additional \$4.6 million in interest (the “**Additional Interest**”) compared to the distribution under the Amended Plan. While the Province maintains it is entitled to the Additional Interest, it nonetheless intends to redistribute this amount such that all claimants will receive the same distribution as in Scenario 1;
21. While the Monitor is of the view that the accrued interest should be distributed in accordance with the Amended Plan, the Monitor consulted with both the US Legal Representatives and Class Counsel on this issue;
22. Following the position of the US Legal Representatives and Class Counsel, the Province has agreed that Scenario 1 can be followed for the distribution of interest provided that no professional fees will be deducted from the Additional Interest;

iv) Tax implications

23. As described in the Monitor's Twenty-Ninth Report dated November 14, 2018, and subsequent reports, the Monitor is required by the fiscal authorities to issue provincial and federal tax slips to each claimant who will have received \$50 or more of the interest earned on the funds for distribution;
24. Since the Monitor will be in a position to issue the final distribution, the final allocation of interest may be completed, and tax slips may be issued. Based on the information currently available to the Monitor, at least 4,400 tax slips may need to be issued to individuals and corporations, unless an arrangement can be reached with the fiscal authorities.
25. Since the Thirty-First Extension Order, the Monitor initiated discussions with the fiscal authorities to determine how to accomplish the issuance of tax slips as the Monitor does not have the social insurance numbers for the claimants and obtaining such information will be both costly and lengthy and reduce funds available for distribution. Alternative solutions are currently being reviewed by the tax authorities.

v) Ongoing Litigation

26. As outlined in previous Monitor's reports, a number of matters were ongoing in the Chapter 11 Case that could have an impact on the Amended Plan, both in terms of distribution and in respect of the overall administration;
27. As detailed in the Forty-First Report dated December 11, 2025, the litigation against Canadian Pacific Railway ("CP") under the Carmack Amendment (also referred to in previous reports as the Carmack Litigation) is terminated and the only remaining litigation in the Chapter 11 was the Estate Representative's separate litigation against CP. The Estate Representative has advised that the Adversary Proceeding in MMAC's Chapter 11 before the US Court has been dismissed and is therefore terminated;

vi) The Monitor

28. Since the Thirty-First Extension Order, the Petitioner, through its counsel, has continued to cooperate and assist the Monitor as required;
29. The Monitor continues to respond to queries from creditors and maintains regular contact with the Estate Representative and major stakeholders;
30. Moreover, the Monitor has continued to provide monthly updates (February 2017 to April 2026) to CP's attorneys as well as to Class Counsel, the whole pursuant to the CP Document Order (as more fully described in the Twenty-Sixth Report dated June 8, 2017);

vii) Reasonableness of the Extension Sought

31. Since the issuance of the Thirty-First Extension Order, the Petitioner has acted and continues to act in good faith and with due diligence;
32. Given the implementation of the Amended Plan and the distributions to creditors, no creditor will suffer any prejudice by the extension of the Stay Period;

33. In light of the foregoing, the Petitioner requests an extension of the Stay Period to June 17, 2026 in order to allow the Monitor to (i) proceed with the complete distribution of the Undistributed Funds to claimants, (ii) issue tax slips to claimants, as required by the fiscal authorities, and (iii) complete the administration of the CCAA proceedings;
34. The Petitioner is of the view that extending the Stay Period to June 17, 2026, is appropriate in the present circumstances;
35. The Monitor has indicated to the Petitioner that it supports the present request for an extension of the Stay Period to June 17, 2026, as appears from its Forty-Second Report;
36. In addition, the Monitor has communicated with the major stakeholders (the Province, the Class Counsel and the US Legal Representatives, who together represent 99% of all claimants and 93% of the value of the claims) who have all indicated their support and consent to the extension request.

IV. APPROVAL OF CANADIAN PROFESSIONALS' FEES

37. The following table, drawn from the Monitor's Forty-Second Report, summarizes the Canadian Professional fees incurred for the period of December 1, 2025 to May 31, 2026, for which approval is sought:

Montreal, Maine & Atlantic Canada Co.			
Administration Charge Summary			
As of May 31, 2026			
	Fees /		
	Disbursements	Sales Taxes	Total
Administration Charge ¹	\$ 14,650,000	\$ 2,170,000	\$ 16,820,000
Accrued Professional Fees as of November 30, 2025	(14,624,053)	(2,165,725)	(16,789,779)
Balance of Administration Charge to implement the Plan	25,947	4,275	30,221
Richter	56,134	8,406	64,540
Woods	60,374	9,041	69,415
Gowing WLG	11,383	1,705	13,087
	<u>127,890</u>	<u>19,152</u>	<u>147,042</u>
Shortfall ²	\$ (101,943)	\$ (14,877)	\$ (116,820)
Funds used from Retainer ²	101,943	14,877	116,820
Balance owing	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
¹ As per the Amended Plan of Compromise and Arrangement dated June 8, 2015, the Order dated March 3, 2017, the Order dated November 21, 2018 and the Order dated June 16, 2021.			
² The Monitor and its counsel hold a \$150,000 retainer which will be applied to cover the shortfall in the administration charge.			

38. As appears from the table, total fees for all Professionals for the six-month period ending on May 31, 2026, amount to \$127,890, plus the applicable taxes;

V. CONCLUSION

39. The Petitioner respectfully requests that this Honourable Court issue an order in keeping with the conclusions set out below;
40. The Petitioner respectfully submits that the notices given of the presentation of the present Application are proper and sufficient;

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present *Application for a Thirty-Second Order Extending the Stay Period and for Approval of Professional Fees* (the “**Application**”);

DECLARE that the notices given of the presentation of the Application are adequate and sufficient;

EXTENSION OF THE STAY PERIOD

ORDER that the Stay Period, as defined in the Initial Order, is extended up to and including December 17, 2026, the whole subject to all the other terms of the Initial Order;

ORDER that all capitalized terms not otherwise defined in the order to be rendered hereon shall have the meanings ascribed thereto in the Amended Plan of Compromise and Arrangement dated as of June 8, 2015 (the “**Amended Plan**”);

DECLARE that the Initial Order, as amended on August 23, 2013, September 4, 2013, October 9, 2013, January 23, 2014, February 11, 2014, February 25, 2014, March 12, 2014, April 29, 2014, June 30, 2014, September 24, 2014, November 24, 2014, April 15, 2015, November 30, 2015, May 30, 2016, October 20, 2016, June 16, 2017, December 20, 2017, June 18, 2018, November 21, 2018, June 17, 2019, November 29, 2019, June 11, 2020, December 10, 2020, June 16, 2021, December 17, 2021, June 14, 2022, December 12, 2022, June 14, 2023, December 15, 2023, December 12, 2024 and December 15, 2025, shall remain otherwise unchanged;

APPROVAL OF FEES FOR CANADIAN PROFESSIONALS

APPROVE the fees and disbursements (including taxes) of the following professionals as at May 31, 2026, in the following amount:

- a) \$64,540 to Richter Inc. (formerly Richter Advisory Group Inc. /Richter Groupe Conseil Inc.), Monitor;
- b) \$69,415 to the Monitor’s counsel, Woods LLP;
- c) \$13,087 to the Petitioner’s counsel, Gowling WLG (Canada) LLP.

ORDER the Monitor to pay those fees and disbursements, which include applicable sales taxes, from the Indemnity Fund;

ORDER that the Monitor, as it pertains to the Canadian Professionals, be authorized to hold all necessary funds to secure the payment of all fees and disbursements, as it pertains to the Canadian Professionals, to be incurred from June 1st, 2026, to the closing of the CCAA Proceeding;

ORDER the provisional execution of the order notwithstanding any appeal, without the necessity of furnishing any security;

THE WHOLE without costs, save and except in the event of contestation.

MONTREAL, June 9, 2026

Gowling WLG (Canada)

GOWLING WLG (CANADA) LLP
Attorneys for Petitioner

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

SUPERIOR COURT
(COMMERCIAL DIVISION)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
C. C-36, as amended)

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

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(MONTREAL, MAINE & ATLANTIQUE CANADA
CIE)**

Petitioner

and

**RICHTER INC. (FOMERLY RICHTER ADVISORY
GROUP INC. /RICHTER GROUPE CONSEIL
INC.)**

Monitor

SWORN DECLARATION OF ROBERT J. KEACH

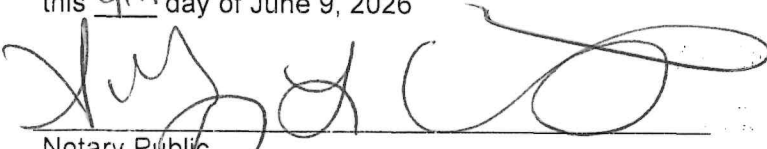
I, the undersigned, Robert J. Keach, Counsel at Verrill Dana LLP, One Portland Square, Portland, Maine 04101, solemnly declare as follows:

1. I am the Estate Representative to the estate of Montreal, Maine & Atlantic Railway Ltd., the sole shareholder of the Petitioner;
2. All the facts alleged in the present *Application for a Thirty-Second Order Extending the Stay Period and for Approval of Professional Fees* are true.

AND I HAVE SIGNED:


ROBERT J. KEACH

SWORN TO before me in Portland, Maine,
this 9th day of June 9, 2026


Notary Public

AUBREY L. CUMMINGS
NOTARY PUBLIC
State of Maine
My Commission Expires
October 21, 2031

CANADA

SUPERIOR COURT
(COMMERCIAL DIVISION)

PROVINCE OF QUÉBEC
DISTRICT OF SAINT-FRANÇOIS
N°: 450-11-000167-134

(Sitting as a court designated pursuant to the
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C. C-36, as amended)

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COMPROMISE OR ARRANGEMENT OF:

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CO. (MONTREAL, MAINE & ATLANTIQUE
CANADA CIE)**

Petitioner

and

**RICHTER INC. (FORMERLY RICHTER
ADVISORY GROUP INC. /RICHTER GROUPE
CONSEIL INC.)**

Monitor

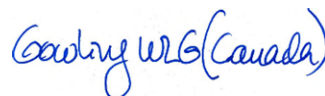
NOTICE OF PRESENTATION

TO: **SERVICE LIST**

TAKE NOTICE that the present ***Application for a Thirty-Second Order Extending the Stay Period and for Approval of Professional Fees*** will be presented for adjudication before the Honourable Justice Louis Marquis, J.S.C., of the District of Saint François, in chambers and without a hearing, save and except in the event that any interested party advises the Service List, by no later than **4:00 p.m. on June 11, 2026**, of its intention to contest the Application. In that case, the Application will be heard on **June 12, 2026**, at **9:30 a.m.** by Teams.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, June 9, 2026



GOWLING WLG (CANADA) LLP
Attorneys for Petitioner

N°: 450-11-000167-134

SUPERIOR COURT
(COMMERCIAL DIVISION)
DISTRICT OF ST-FRANÇOIS

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Petitioner

and

**RICHTER INC. (FORMERLY RICHTER ADVISORY
GROUP INC. /RICHTER GROUPE CONSEIL INC.)**

Monitor

BL0052

**APPLICATION FOR A THIRDMG97 CB8 ORDER
EXTENDING THE STAY PERIOD AND FOR
APPROVAL OF PROFESSIONAL FEES
(SECTIONS 9 AND 11 ET SEQ. OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36 ("CCA"))**

ORIGINAL

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