

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

In re:

MONTREAL MAINE & ATLANTIC
RAILWAY, LTD.,

Debtor.

Bk. No. 13-10670
Chapter 11

**DECLARATION OF RICHARD SEYMOUR OF FIRST UNION RAIL
CORPORATION REGARDING TRUSTEE'S REVISED FIRST AMENDED
PLAN OF LIQUIDATION DATED JULY 15, 2015**

I, Richard Seymour, pursuant to 28 U.S.C. § 1746, state as follows:

1. This Declaration is submitted with respect to the *Trustee's Revised First Amended Plan of Liquidation Dated July 15, 2015* [Dkt #1495] (the "Plan").

2. I am the Vice President – Sales and Marketing of First Union Rail Corporation ("FURC") and am authorized to make this declaration on FURC's behalf. All facts set forth herein are based on my personal knowledge, on information supplied to me by others within FURC, on my review of relevant FURC business records, or on my opinion based upon my experience and knowledge of FURC's business and records as they relate to FURC's proposed settlement with the Trustee (and related parties) pursuant to FURC's Plan and Settlement Agreement (the "FURC Settlement Agreement"). Such business records of FURC are prepared and kept in the ordinary course of FURC's regular business. Each entry into such regularly kept business records regarding the FURC's negotiation of and entry into the FURC Settlement Agreement was made at or near the time of FURC's negotiation of and entry into the FURC Settlement Agreement and were made by a FURC employee who had knowledge of each such entry at the time it was made. If I were called to testify, I could and would testify competently to the facts set forth herein.

3. FURC is one of the “Released Parties” as defined under the under the Plan and accordingly, if the Plan is confirmed, will be a beneficiary of the Releases and Injunctions (as such terms are defined in the Plan and/or related disclosure statement) contained in the Plan.

4. FURC presently is a defendant in at least 37 lawsuits filed by various plaintiffs asserting claims arising out of the derailment. FURC is subject to potential assertion by co-defendants of cross-claims seeking contribution and indemnity, and FURC likewise has cross-claims for contribution and indemnity as to at least some of its co-defendants (including Western Petroleum, as lessee of FURC’s leased railcars involved in the derailment, and its guarantor, World Fuel).

5. FURC has filed a proof of claim against the Debtor (Claim # 232-1).

6. In the event and to the extent that the Plan is not confirmed and the releases and injunctions proposed in the Plan are not implemented and do not become effective, FURC would be asserting contribution and indemnity claims against the Debtor and against other parties who, under the proposed Plan, are to make substantial settlement payments to the Debtors estate pursuant to their own settlement agreements.

7. In response to the Trustee’s efforts to formulate a confirmable Chapter 11 plan addressing the potential and alleged claims of all creditors and claimants, including alleged claims of derailment victims and other non-debtor parties, FURC engaged in substantial settlement negotiations with Robert J. Keach, trustee for the Debtor’s Chapter 11 Case (the “Trustee”). After significant and substantial good faith, arm’s-length negotiation, FURC and its insurers conditionally agreed to contribute substantially to the settlement fund formulated by the Trustee for satisfaction of claims against the Debtor, subject to the terms and conditions of the FURC Settlement Agreement. The terms of the FURC Settlement Agreement require that

the Releases and Injunctions (as such terms are defined in the Plan and/or the related disclosure statement) become effective.

8. FURC ultimately agreed to settle with the Trustee in part to avoid the expense and delay of protracted litigation as to FURC's alleged or potential liability arising out of the derailment – notwithstanding that FURC steadfastly believes and maintains that it has strong legal and factual defenses to any and all such alleged or potential claims against FURC arising out of the derailment.

9. FURC would not have entered into the FURC Settlement Agreement, and FURC and its insurers would not have agreed to pay over funds in settlement as provided in the FURC Settlement Agreement, but for the fact that such settlement (if approved and implemented) will be a final settlement of all claims and liabilities arising out of or in any way related to the derailment – not only the potential liabilities of FURC and its insurers, but also any potential liabilities of related parties, including FURC's direct and indirect affiliates and their present and former officers, directors, agents, insurers and employees. This component of the FURC Settlement Agreement was absolutely necessary in order for FURC and its insurers to be willing to pay over funds as contemplated by the FURC Settlement Agreement.

10. FURC would not have settled with the Trustee and would not have entered into the FURC Settlement Agreement if FURC (and the First Union Parties as defined in the FURC Settlement Agreement) were not protected from (a) further third party claims which have been brought or could be brought by any of the derailment victims or other parties damaged by the derailment and (b) any and all potential contribution, indemnity and other claims relating in any way to the derailment. FURC also would not have entered into the FURC Settlement Agreement had such agreement not contemplated and required implementation of protections consistent with the releases and injunctions ultimately set forth in the proposed Plan. From

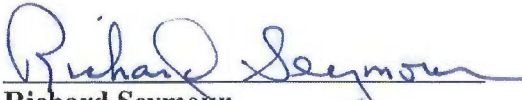
FURC's perspective, such third-party release and injunction provisions in the Plan are an essential component of the proposed settlement with FURC – absent which FURC and its insurers would have been and are unwilling to pay over to the Debtor's estate the agreed settlement payment as provided in the FURC Settlement Agreement.

11. FURC fully supports confirmation of the Plan.

[signature page follows]

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


Richard Seymour
Vice President – Sales and Marketing
First Union Rail Corporation