

In re:)	
)	
ACR MANAGEMENT, L.L.C., <u>et al.</u> , ¹)	Case No. 04-027848-MBM
)	
)	Chapter 11
)	
Debtors.)	(Jointly Administered)
)	
KIRKLAND & ELLIS LLP,)	
)	
Applicant,)	
)	

1. Kirkland & Ellis LLP (“K&E”) was appointed by Order of Court dated July 13, 2004, effective as of June 15, 2004.
2. K&E represents the above-captioned debtors and debtors-in-possession (the “Debtors”).
3. This is K&E’s Supplemental Final Application covering the period from December 31, 2004, through January 31, 2005.
4. K&E previously requested allowance and approval of 100% of the fees (\$2,395,918.50) and 100% of the expenses (\$113,057.70), pursuant to its Final Fee Application of Kirkland & Ellis LLP, Attorneys for the Debtors, for Final Compensation and Reimbursement of Expenses for the Period of June 15, 2004 Through December 30, 2004, dated February 14, 2005 (the “Final Fee Application”). K&E has previously received: (i) 100% of its fees and expenses requested for the period June 15, 2004, through September 30, 2004, which amount is \$1,249,194.92 and (ii) 80% of its fees and 100% of its expenses for the period October 1, 2004, through November 30, 2004, which amount is \$667,992.31.

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5. K&E, by this Supplemental Final Fee Application, hereby further requests allowance and approval of 100% of the fees (\$250,218.50) and 100% of the expenses (\$8,474.40) for the period December 31, 2004, through January 31, 2005.²
6. As of February 10, 2005, K&E held a retainer in the amount of \$384,316.01.
7. K&E's blended hourly rate for professionals and paraprofessionals in this Supplemental Final Application is \$362.37.
8. A hearing on this matter, if necessary, will be scheduled by the Court.

KIRKLAND & ELLIS LLP

Dated: February 18, 2005
Pittsburgh, Pennsylvania

By: /s/ Anup Sathy
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Counsel for the Debtors and Debtors-in-Possession

² K&E reserves the right to supplement this request should additional fees or expenses relating to the Fee Period be identified by K&E.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

)	
In re:)	
)	Case No. 04-027848-MBM
ACR MANAGEMENT, L.L.C., <u>et al.</u> , ¹)	
)	Chapter 11
)	
Debtors.)	(Jointly Administered)
)	
)	
KIRKLAND & ELLIS LLP,)	
)	
Applicant,)	
)	

**SUPPLEMENT TO FINAL FEE APPLICATION OF KIRKLAND & ELLIS LLP,
ATTORNEYS FOR THE DEBTORS, FOR FINAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD OF
DECEMBER 31, 2004 THROUGH JANUARY 31, 2005**

Pursuant to sections 105(a) and 331 of title 11 of the United States Code (as amended, the “Bankruptcy Code”), Fed. R. Bankr. P. 2016 (the Federal Rules of Bankruptcy Procedure are referred to herein as the “Bankruptcy Rules”), rule 2016-1 of the Bankruptcy Rules for the United States Bankruptcy Court for the Western District of Pennsylvania (the “Local Bankruptcy Rules”), the Retention Order (as defined below) and the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members (the “Interim Compensation Order”), the law

¹ The Debtors are the following entities: ACR Management, L.L.C., Anthony Crane Rental Holdings, L.P., ACR/Dunn Acquisition, Inc., Anthony Crane Capital Corporation, Anthony Crane Holdings Capital Corporation, Anthony Crane International, L.P., Anthony Crane Sales & Leasing, L.P., Anthony International Equipment Services Corporation, Anthony Sales & Leasing Corporation, Carlisle Equipment Group, L.P., Carlisle GP, L.L.C., Husky Crane, Inc., Anthony Crane Rental, L.P., d/b/a Maxim Crane Works, Maxim Crane Works, LLC, Sacramento Valley Crane Service, Inc., The Crane & Rigging Company, LLC, Thompson & Rich Crane Service, Inc.

firm of Kirkland & Ellis LLP (“K&E”), bankruptcy attorneys for the debtors and debtors-in-possession (the “Debtors”) in the above-captioned chapter 11 cases, hereby applies (the “Supplemental Final Fee Application”) for payment of: (a) compensation in the amount of **\$250,218.50** for the reasonable and necessary legal services that K&E has rendered to the Debtors (the “Fees”); and (ii) reimbursement in the amount of **\$8,474.40** for the actual and necessary expenses that K&E incurred (the “Expenses”), in each case for the period from December 31, 2004, through January 31, 2005 (the “Fee Period”). In support of this Supplemental Final Fee Application, K&E respectfully states as follows:

Background

1. K&E began actively working with ACR Management, L.L.C. (“ACR”) and its subsidiaries in November 2003, to restructure the company’s balance sheet. K&E initiated communications with various creditor constituencies, and began negotiating the terms of a pre-arranged plan of reorganization. These negotiations culminated in the execution of a lock up agreement in late May 2004.

2. On June 14, 2004, ACR and its sixteen subsidiaries filed for chapter 11 in what was reported to be one of the top ten largest corporate bankruptcies in 2004 (the “Chapter 11 Cases”). From the very first day, K&E worked assiduously to put these Chapter 11 Cases on a fast track by working to reach consensus among the prepetition lenders and the unsecured creditors committee. As a result, the Chapter 11 Cases were completed in just over six months. On August 20, 2004, just over two months after the Petition Date, the Debtors filed their initial plan of reorganization. Ultimately, on December 30, 2004, after having filed three amended versions of their plan of reorganization, the Debtors’ joint plan of reorganization was confirmed. On January 28, 2005, the ACR Debtors emerged from bankruptcy (the “Effective Date”).

3. K&E worked tirelessly throughout this process to achieve a swift and successful restructuring in order to preserve as much value as possible for the Debtors' estates and creditors. Approximately 60 K&E attorneys and paraprofessionals worked over 6,200 hours during the seven-month span of the Chapter 11 Cases, and an additional 690.50 hours after the confirmation date preparing for the Effective Date. In many areas, K&E attorneys and paraprofessionals developed and prosecuted novel solutions to critical issues facing the Debtors. In addition to the team of dedicated bankruptcy attorneys dedicated almost exclusively to the Chapter 11 Cases (which limited the amount of learning time), K&E was also able to draw on and utilize experienced attorneys from the firms' other departments, including corporate, litigation, tax, and employee benefits, among others.

Retention of and Continuing Disinterestedness of Kirkland & Ellis

4. By this Court's order dated July 13, 2004, the Debtors were authorized to retain K&E as their counsel, effective as of the Petition Date, with regard to the filing and prosecution of the Chapter 11 Cases and all related matters (the "Retention Order"). The Retention Order authorizes the Debtors to compensate K&E at K&E's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, all applicable local rules, and orders of this Court. A copy of the Retention Order is attached hereto as Exhibit A.

5. K&E does not hold or represent any interest adverse to the estates, and is a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code. K&E has previously filed the Affidavit of David L. Eaton in Support of Application for Order Under 11 U.S.C. § 327(a) and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure Authorizing the Employment and Retention of

Kirkland & Ellis LLP as Attorneys for the Debtors And Debtors-In-Possession (the “Original Affidavit”) and the Supplemental Affidavit of Anup Sathy Under 11 U.S.C. § 327(a) and Rule 2014 of the Federal Rules of Bankruptcy Procedure in Connection with the Kirkland & Ellis LLP Retention Application (the “Supplemental Affidavit”, together with the Original Affidavit , are the “Affidavits”).

6. K&E may have in the past represented, may currently represent, and likely in the future will represent, parties-in-interest in connection with matters unrelated to the Debtors and this case. In the Affidavits, K&E disclosed its connections to parties-in-interest that it has been unable to ascertain using its reasonable efforts.

7. K&E performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates and not on behalf of any committee, creditor or other person.

8. Except to the extent of the advance payment retainers paid to K&E that K&E previously disclosed to this Court and payments made in accordance with the Interim Compensation Order, K&E has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the Chapter 11 Cases.

9. Pursuant to Fed. R. Bankr. P. 2016(b), K&E has not shared, nor has K&E agreed to share: (a) any compensation it received or may receive with another person other than with the partners, counsel and associates of K&E; or (b) any compensation another person or party has received or may receive.

10. This is K&E’s supplemental final fee application. Pursuant to the Interim Compensation Order, K&E has submitted the monthly fee applications (the “Monthly Applications”) covering the 7 monthly periods of June 15, 2004, through December 30, 2004

(the “Final Fee Period”), as listed on Exhibit B.² K&E has already received \$1,576,222.40 for its fees and \$102,146.33 for its expenses incurred during the Final Fee Period, pursuant to the Interim Compensation Order (100% of the fees and expenses requested in the June through September Monthly Applications and 80% of the fees requested and 100% of the expenses requested in the October and November Monthly Applications).³ K&E filed its Final Fee Application on February 14, 2005, requesting payment of the remaining balance in the amount of \$591,788.97 and final approval of all fees and expenses that accrued during the Final Fee Period.

11. The K&E attorneys and paraprofessionals who rendered professional services in these Chapter 11 Cases during the Fee Period are listed in Exhibit C.

12. A summary of all expenses for which reimbursement is sought during the Fee Period is attached hereto as Exhibit D.

13. K&E has advised and represented the Debtors in connection with the operation of their businesses and all other matters arising in the performance of their duties as debtors in possession. Furthermore, K&E has prepared various pleadings, motions, and other documents submitted to this Court for consideration, has appeared before this Court during hearings regarding the Chapter 11 Cases and has performed all of the other professional services that are described in this Application.

² The Monthly Applications, and their respective certificates of no objection, are referenced on Exhibit B attached hereto, and are available on the docket of the Bankruptcy Court for the Western District of Pennsylvania at their respective docket numbers listed on Exhibit B under Case No. 04-27848 and are also available upon request from Kirkland & Ellis LLP by contacting the undersigned in writing.

³ As of the filing of this Supplemental Final Fee Application, K&E expects that 80% of the fees and 100% of the expenses requested in the December 2004, Monthly Fee Application may be paid prior to the hearing on the final Fee Application, as no objections were timely filed.

14. The rates described in Exhibit C are K&E's hourly rates for services of this type. Based on these rates and the services performed by each individual during the Fee Period, the total reasonable value of such services rendered during the Fee Period is **\$250,218.50**. The K&E attorneys and paraprofessionals expended a total of 690.50 hours working on the Chapter 11 Cases during the Fee Period. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of the Chapter 11 Cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

15. Further, Exhibit E attached hereto is the detailed itemization and description of the services that K&E rendered during the Fee Period, which: (a) identify the individuals that rendered services in each Subject Matter (as defined below); (b) describe each activity or service that each individual performed; and (c) state the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services.

**Reasonable and Necessary Services Rendered
by Kirkland & Ellis - Categorized by Matter**

16. The professional services that K&E rendered during the Fee Period is described in Paragraph 17 below.

17. Matter 45: Post-Confirmation

(Fees: \$250,218.50; Hours: 690.50)

This Subject Matter include time spent: (a) negotiating and finalizing the terms of the exit credit facility; (b) preparing the many schedules and exhibits attendant to the exit credit facility; (c) drafting and negotiating the various corporate documents required to be filed on or prior to the Effective Date, including the certificates of incorporation, bylaws, warrant

agreements and shareholders' agreement; (d) preparing to implement the steps and transactions necessary to implement substantive consolidation, as provided in the Plan; (e) coordinating the various notices required by the Confirmation Order; and (f) ongoing case administration.. A summary of the attorneys and paraprofessionals who provided services in this category is as follows:

Attorney or Paraprofessional	Total Hours	Total Amount
Catherine A Aebischer	42.50	\$9,562.50
Jesse Aguilar	15.50	\$3,332.50
David Andrews	0.80	\$100.00
Andrea L Blood	1.60	\$280.00
Maria P Bonifacini	64.40	\$15,768.00
Tanya E Brady	9.80	\$3,332.00
John G Caruso	2.00	\$1,030.00
Michael G Fatall	3.30	\$1,419.00
Adam J Gorman	54.00	\$8,060.00
Elizabeth J Griggs	3.50	\$490.00
Jeffrey C Hammes, P.C.	6.00	\$4,470.00
Roger J Higgins	32.20	\$15,567.00
Kevin J Horan	13.20	\$1,716.00
Claude W Irmis	36.90	\$7,933.50
Andrew M Kaufman, P.C.	2.50	\$1,812.50
Nancy L Kowalczyk	7.00	\$1,715.00
Ross M Kwasteniet	31.40	\$11,727.00
Elena Marre	6.40	\$2,752.00
Daryll Marshall	140.20	\$60,286.00
Kevin McKenna	1.40	\$693.00
Marisa Murillo	4.30	\$1,268.50
Linda K Myers, P.C.	10.20	\$6,885.00
Amy Peters	79.60	\$27,064.00
Renee M Prescan	2.00	\$400.00
Jillian Rice	4.50	\$1,372.50
Joyce Rocco	0.80	\$88.00
Nabil Sabki	2.60	\$1,066.00
Anup Sathy	31.30	\$17,706.00
Joshua B Simon	20.10	\$8,442.00
Matthew E Steinmetz, P.C.	28.00	\$19,460.00
Sarah E Tybor	2.50	\$425.00
Keith E Villmow	10.60	\$6,678.00
Scott F Walker	2.90	\$333.50
Toni L Wallace	7.80	\$1,677.00
Steven M Wellner	8.70	\$5,307.00
Total	690.50	\$250,218.50

Actual and Necessary Expenses

18. It is K&E's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been

incurred except for representation of that particular client. It is also K&E's policy to charge its clients only the amount actually incurred by K&E in connection with such items. Examples of such expenses are postage, overnight mail, courier delivery, transportation, overtime expenses (including secretarial overtime), computer assisted legal research, photocopying, out-going facsimile transmissions, airfare, meals and lodging. With respect to airfare expenses, all travel, by all individuals, is billed at the coach class rate with the allowance of class upgrades.

19. In order to ensure the compliance with all applicable deadlines in these highly complex Chapter 11 Cases K&E utilizes the services of overtime secretaries, consistent with prepetition practices. In addition, because of the almost constant attention K&E professionals must give to these Chapter 11 Cases, K&E professionals also may charge their overtime meals and overtime transportation to the Debtors consistent with prepetition practices. K&E's policy regarding overtime expenses is also applicable to its non-bankruptcy clients.

20. K&E charges: (a) \$0.10 to \$0.15 per page for duplication and (b) \$0.75 per page for outgoing telecopier transmissions (plus related toll charges). K&E does not charge its clients for incoming telecopier transmissions. K&E has negotiated a discounted rate for Westlaw computer assisted legal research, which is approximately \$125/hour of online use of the standard Westlaw databases. Computer assisted legal research is used whenever the researcher determines that using Westlaw is more cost effective than using traditional (non-computer assisted legal research) techniques.

21. A detailed itemization and description of the disbursements made by K&E on the Debtors' behalf during the Fee Period is attached as Exhibit E. The total disbursements for the Fee Period total **\$8,474.40**.

Representations

22. Although every effort has been made to include all fees and expenses incurred in the Fee Period, some fees and expenses might not be included in this Supplemental Final Fee Application due to delays caused by accounting and processing procedures. K&E reserves the right to make further application to this Court for allowance of such fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, Local Bankruptcy Rules, and the Interim Compensation Order.

23. In summary, by this Supplemental Final Fee Application, in addition to the amounts previously requested by K&E in its Final Fee Application,⁴ K&E hereby further requests payment of compensation for fees and expenses in the total amount of **\$258,692.90** consisting of (a) **\$250,218.50** for the fees incurred by the Debtors for reasonable and necessary professional services rendered by K&E and (b) **\$8,474.40** for actual and necessary costs and expenses.

⁴ K&E previously requested allowance and approval of 100% of the fees (\$2,395,918.50) and 100% of the expenses (\$113,057.70) for the period June 15, 2004, through December 30, 2004.

WHEREFORE, K&E respectfully requests that this Court enter an Order (i) allowing and approving 100% of the fees and expenses for the period December 31, 2004, through January 31, 2005; (ii) allowing and approving payment to K&E 100% of the fees requested for the period December 31, 2004, through January 31, 2005, which amount is \$250,218.50; and (iii) allowing and approving payment to K&E 100% of the expenses requested for the period December 31, 2004, through January 31, 2005, which amount is \$8,474.40 for a grand total payment of \$258,692.90.

KIRKLAND & ELLIS LLP

Dated: February 18, 2005
Pittsburgh, Pennsylvania

By: /s/ Anup Sathy
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