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

In re:	)	
	)	
ACR MANAGEMENT, L.L.C., *et al.*,[1]	)	Case No. 04-27848-MBM
Debtors.	)	Chapter 11
	)	(Jointly Administered)
	)	
ACR MANAGEMENT, L.L.C., *et al.*,	)	**Docket No.: ____**
Movants,	)	
	)	**Related Docket No.: 1806**
v.	)	
	)	**Objection Deadline: _____**
OLD REPUBLIC INSURANCE	)	**Hearing Date: _____**
COMPANY, and its subsidiaries and	)	
affiliated companies,	)	
Respondents.	)	
	)	

MOTION OF THE DEBTORS PURSUANT TO 11 U. S. C. § 105 AND FED. R. BANKR. P. 9019(a) FOR APPROVAL OF SETTLEMENT AGREEMENT RESOLVING PROOFS OF CLAIM FILED BY OLD REPUBLIC INSURANCE COMPANY AND ITS SUBSIDIARIES AND AFFILIATED COMPANIES

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors" or the "Movants") hereby move (the "Motion") this Court pursuant to §105 of title 11 of the United States Code, §§101, *et seq.* (the "Bankruptcy Code") and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the "Rules") for approval of a certain Settlement Agreement (described below) by and between one of the Debtors ACR Management, L.L.C. (the "Reorganized Debtor") and Old Republic Insurance Company and its subsidiaries and affiliated companies (collectively, "ORIC," together with the Reorganized Debtor, the "Parties") pursuant to which

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.

the Parties resolve the Debtors' Ninth Omnibus Objection (described below) as it relates to certain Proofs of Claim filed by ORIC in the Debtors' above-captioned bankruptcy cases. In support of this Motion, the Movants respectfully state as follows:

JURISDICTION

1. This Court has jurisdiction over this Motion under 28 U. S. C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U. S. C. § 157(b)(2)(A)(B)(O).

2. Venue of these cases and this Motion is proper in this District pursuant to 28 U. S. C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Fed. R. Bankr. P. 9019 and 11 U. S. C. § 105(a).

BACKGROUND

The Chapter 11 Cases; The Proofs of Claim

3. On June 14, 2004 (the "Petition Date"), each of the Debtors, including the Reorganized Debtor, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (these "Chapter 11 Cases").

4. The Bankruptcy Court set November 17, 2004, as the bar date (the "Bar Date") for creditors to file a proof of claim in these Chapter 11 Cases.

5. ORIC timely filed proofs of claim in the Chapter 11 Cases (assigned Claim Nos. 81 through and including 97) (the "Proofs of Claim"), which Proofs of Claim describe the Debtors' obligations to ORIC arising from, related to, or in connection with certain insurance policies and agreements (described below).

6. On December 30, 2004, this Court entered an Order confirming the Debtors' proposed plan of reorganization (the "Plan[2]") and such Plan became effective pursuant to its terms on January 28, 2005.

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2 All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

7. Pursuant to the Plan, the Debtors' assets were revested with the Reorganized Debtor and certain of its affiliates.

8. Also, pursuant to the Plan, the Reorganized Debtor possesses the authority to object to the Proofs of Claims and settle any dispute related thereto.

9. On May 10, 2005, the Debtors filed their Ninth Omnibus Objection to Claims in the Chapter 11 Cases (CM/ECF #1806, the "Ninth Omnibus Objection"), including ORIC's Proofs of Claim.

The Insurance Policies and Escrows

10. ORIC issued certain Workers Compensation and Employers' Liability insurance policies to the Debtors for the periods from August 15, 1990 through August 15, 1996 (the "Greensburg Policies"), pursuant to the terms of which the Debtors are required to pay certain deductibles or retentions per incident. The Debtors' obligations with regard to amounts owed pursuant to the Greensburg Policies are supported by a certain escrow account held at Mellon Bank (the "Greensburg Escrow").

11. ORIC issued certain Workers Compensation and Employers' Liability insurance policies to the Debtors for the periods from October 21, 1997, to May 14, 1999, (the "Later Policies," together with the Greensburg Policies, the "Policies"), pursuant to the terms of which the Debtors are required to pay certain deductibles or retentions per incident. The Debtors' obligations with regard to amounts owed pursuant to the Later Policies are supported by a certain escrow account held at Mellon Bank (the "Later Escrow").

12. At the same time the Debtors' objected to ORIC's right to recover against the Debtors' bankruptcy estates pursuant to the Proofs of Claim, the Debtors also disputed ORIC's right to retain the entire amount of the funds held in the Greensburg Escrow and the Later Escrow.

13. Since the filing of the Debtors' Ninth Omnibus Objection, the Parties have agreed that the net retrospective premium credits owed to the Debtors and the remaining funds in the Greensburg Escrow, exceed the Debtors' obligations to ORIC with respect to the Greensburg Policies by $537,027.

14. In an effort to resolve all disputes between them, the Parties have executed that certain Settlement Agreement (a true and correct copy of which is attached hereto as Exhibit A).

15. Although the Debtors are authorized pursuant to the Plan to resolve all disputed proofs of claim without this Court's approval, ORIC requires that the Court approve the Settlement Agreement for it to become effective.

16. The material terms of the Settlement Agreement are as follows:

Material Terms of the Settlement Agreement

i. ORIC shall withdraw their Proofs of Claim filed in the Debtors' Chapter 11 Cases;

ii. ORIC shall pay $537,027 to the Reorganized Debtor from the Greensburg Escrow and its own funds;

iii. ORIC shall retain $16,125 from the Greensburg Escrow;

iv. Mutual releases shall be provided by both the Debtors and ORIC as to all issues regarding the Greensburg Escrow and the Greensburg Policies other than ORIC's obligation to honor the ongoing insurance provided by the Greensburg Policies;

v. The Debtors shall have a continuing obligation to provide ORIC with necessary information and cooperation required under the Greensburg Policies;

vi. The resolution of certain issues with respect to the Later Policies and the Later Escrow shall be deferred to a later date, and the Parties shall have a continuing obligation to try to consensually resolve these issues. However, the Reorganized Debtor agrees to take no steps to recover from ORIC or Mellon Bank any amount held in the Later Escrow until March 31, 2006;

RELIEF REQUESTED

17. By this Motion, the Movants seek an Order approving this resolution on the terms set forth herein pursuant to Fed. R. Bankr. P. 9019(a).

18. In determining whether a compromise is in the best interests of a debtor's estate, courts under the purview of the Court of Appeals for the Third Circuit, have considered the following four factors: (i) the probability of success in the litigation; (ii) the difficulties, if any, to be encountered in the matter of collection; (iii) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors. In re Neshaminy Office Bldg. Assocs., 62 B.R. 798, 803 (E.D. Pa. 1986). See also In re Pennsylvania Truck Lines, Inc., 150 B.R. 595, 598 (E.D. Pa. 1992), aff'd, 8 F.3d 812 (3d Cir. 1993).

19. The Debtors respectfully submit that, in their business judgment, the proposed resolution, as set forth in the attached Settlement Agreement, is in the best interests of the Debtors, their estates and their creditors.

WHEREFORE, the Movants respectfully request that this Court enter the Order attached hereto approving the Settlement Agreement or granting such other and further relief as is just and proper.

Pittsburgh, Pennsylvania
Dated: July 26, 2005

CAMPBELL & LEVINE, LLC

/s/ Salene R. Mazur

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