

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

In re:)	
)	
ACR MANAGEMENT, L.L.C., <u>et al.</u> , ¹)	Case No. 04-27848-MBM
)	
Debtors.)	Chapter 11
)	(Jointly Administered)
)	
ACR MANAGEMENT, L.L.C., <u>et al.</u> ,)	Docket No. _____
)	
Movants,)	Related to Docket No. 231
)	Hearing Date and Time:
)	Objection Deadline: September 16, 2004
)	
v.)	
Smoke Oil, Inc.,)	
Corporate Express, Inc.,)	
BP Products North America, Inc.)	
)	
Respondents.)	

**NOTICE OF FILING
OF DEBTORS' RECLAMATION REPORT**

TO: (a) the United States Trustee; (b) counsel to the DIP Lenders; (c) counsel to the Prepetition Senior Lenders; (d) counsel to the Term B Lenders; (e) counsel to the Term C Lender; (f) the Indenture Trustee for the New Senior Notes; (g) the Indenture Trustee for the New Debentures; (h) counsel to the Official Committee of Unsecured Creditors; (j) the Respondents; and (k) all parties who have requested notice pursuant to Fed R. Bankr. P. 2002.

PLEASE TAKE NOTICE that the above-captioned Debtors-in-Possession (collectively, the "Debtors") by and through their undersigned attorneys, hereby submit the attached Reclamation Report (the "Report") (attached hereto as Exhibit A) in accordance with that Order

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.

(A) Establishing a Procedure for Treatment of Reclamation Claims and Prohibiting Third Parties from Interfering with Delivery of the Debtors Goods (signed on 7/13/2004) (the “Reclamation Order,” filed on 07/14/2004, CM/ECF#231). The Debtors respectfully represent as follows:

BACKGROUND

1. On June 14, 2004 (the “Petition Date”), the Debtors filed petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Pennsylvania (the “Court”).

3. Pursuant to Code §§ 1107 and 1108, the Debtors are continuing to operate their businesses as Debtors-in-Possession.

4. Headquartered in Pittsburgh, Pennsylvania, the Debtors operate the largest comprehensive crane and lifting equipment rentals and services provider in North America. The Debtors have a network of 45 crane rental yards providing services to approximately 8,000 customers in 47 states and the U.S. Virgin Islands.

RECLAMATION PROCEDURES

5. Section 546(c)(1) of the Title 11 of the United States Code, §§101, *et seq.* (the “Bankruptcy Code”), authorizes vendors who have sold goods to a debtor in the ordinary course of business to reclaim such goods (subject to certain other limitations) if: (a) the debtor was insolvent when the goods were delivered; (b) the seller demands reclamation in writing; (c) such demand is made within 10 days after the debtor received possession of the goods (or within twenty (20) days if the ten (10) day period were to expire after the Petition Date); and (d) the seller is otherwise entitled to reclamation under applicable state law. To reclaim goods, the debtor must have had actual possession of the goods at the time the debtor received the written reclamation demand. See In re Rozel Industries, Inc., 74 B.R. 643, 646 (Bankr. N.D. Ill. 1987); see generally In re Braniff, Inc., 113 B.R. 745, 751 (Bankr. M.D. Fla. 1990). Section

546(c)(2)(A) of the Bankruptcy Code further provides that the Court may deny reclamation to a vendor with a valid right of reclamation only if the Court grants to such vendor a priority claim for reimbursement as an administrative expense or secures such claim by a lien. 11 U. S. C. §§ 546(c)(2)(A).

6. On June 15, 2004, the Debtors filed a Motion for an Order (A) Establishing a Procedure for the Treatment of Reclamation Claims and (B) Prohibiting Third Parties from Interfering with the Delivery of the Debtors' Goods (the "Motion," CM/ECF#36).

7. This Court entered the Reclamation Order, granting the Motion and establishing a procedure for the treatment of reclamation claims ("Reclamation Claim(s)") in the Debtors' cases.

8. The Reclamation Order, *inter alia*, states the following:

- i. In response to Reclamation Claims, the Debtors must (within forty-five (45) days of July 13, 2004) file a Report on notice to each party in interest, setting forth all Reclamation Claims that have been asserted by vendors and categorizing such claims as valid or invalid.
- ii. The Reclamation Claims designated as invalid in the Report that are not properly the subject of a timely-filed Objection (defined below), are deemed invalid without further order of the Court.
- iii. All valid Reclamation Claims allowed by the Court pursuant to the Report will be treated in accordance with the terms of the Reclamation Order allowing such claims.
- iv. The Debtors are authorized to refuse all demands for actual reclamation and return of goods, but the Debtors are authorized, in their discretion and upon the prior written consent of the DIP Agent (as defined in the First Day Affidavit²) and otherwise subject to the DIP Budgets, the DIP Loan Amendment and the DIP Orders (as each term is defined in the First Day Affidavit), to make goods available for pick-up by any reclamation claimant (a) who timely demands in writing reclamation of goods pursuant to section 546(c) of the Bankruptcy Code and section 2-702 of the UCC, (b) whose goods the Debtors have accepted for delivery, and (c) who properly identifies the goods to be reclaimed.

² The "First Day Affidavit" is the Affidavit of Ronald M. Marmo, Vice President, Administration, filed on June 14, 2004, in support of certain first day motions contemporaneously filed on the Petition Date.

9. To date, the vendors set forth on the Report (attached hereto as Exhibit A) have each asserted that they are entitled to a right of reclamation under applicable state law and section 546(c)(1) of the Bankruptcy Code. The Report sets forth whether the Debtors deem each asserted Reclamation Claim as valid or invalid. For Reclamation Claims that the Debtors deem valid, the Reclamation Report also indicates whether the Debtors wish to make the goods available for return to the vendors or to provide such a vendor a priority claim for reimbursement as an administrative expense.

10. All parties in interest now have the right and opportunity to object (an "Objection") to the designation of any asserted Reclamation Claim as valid or invalid in the Report within twenty (20) days after this Report is filed (or by September 16, 2004).

Respectfully submitted,

Dated: Pittsburgh, Pennsylvania
August 27, 2004

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