

Joseph J. Wielebinski, Esq.  
Texas Bar No. 21432400  
Kevin M. Lippman, Esq.  
Texas Bar No. 00784479  
MUNSCH HARDT KOPF & HARR, P.C.  
4000 Fountain Place  
1445 Ross Avenue  
Dallas, Texas 75202-2790  
Telephone: (214) 855-7500  
Telecopier: (214) 978-4335  
E-mail: [jwielebinski@munsch.com](mailto:jwielebinski@munsch.com)  
E-mail: [klippman@munsch.com](mailto:klippman@munsch.com)

PROPOSED ATTORNEYS FOR THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

IN RE: § CHAPTER 11  
CEI ROOFING, INC., *et al.*, §  
DEBTORS. § CASE NO. 04-35113-HDH-11  
§  
§ (Jointly Administered)

**LIMITED OBJECTION TO DEBTORS' EMERGENCY MOTION FOR ENTRY OF  
INTERIM AND FINAL ORDERS (A) PROVIDING ADMINISTRATIVE EXPENSE  
TREATMENT FOR CERTAIN HOLDERS OF VALID RECLAMATION CLAIMS; AND  
(B) ESTABLISHING PROCEDURES FOR RESOLUTION AND PAYMENT OF  
RECLAMATION CLAIMS**

TO THE HONORABLE HARLIN D. HALE, U.S. BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors of CEI Roofing, Inc., *et al.* (the "Committee") files this Limited Objection ("Objection") to Debtors' Emergency Motion for Entry of Interim and Final Orders (A) Providing Administrative Expense Treatment for Certain Holders of Valid Reclamation Claims; and (B) Establishing Procedures for Resolution and Payment of Reclamation Claims (the "Motion"), filed herein by CEI Roofing, Inc. and its affiliated debtors (collectively, the "Debtors"), and in support thereof would respectfully show the Court as follows:

## I.

### BACKGROUND

1. On May 3, 2004 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under Chapter 11 of title 11, United States Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On May 14, 2004, the Committee was appointed by the United States Trustee.

3. On May 3, 2004, the Debtors filed the instant Motion, "requesting the entry of an interim and final order (a) providing administrative treatment for certain holders of valid reclamation claims, and (b) establishing procedures for the resolution and payment of valid reclamation claims against the Debtors." *See* Motion at 2.

4. On May 17, 2004, an interim order was entered granting the Motion.

## II.

### OBJECTION

5. The Committee's limited objection to the Motion relates to the procedure the Debtors have requested be implemented to satisfy what the Debtors determine to be valid reclamation claims ("Reclamation Claims"). Under the Debtors' proposed procedures, the Debtors, *without input from the Committee or any other party in interest and without need of further order of the Bankruptcy Court*, will have the unsupervised ability to determine which Reclamation Claims will be allowed and in what amount. There is no proposed mechanism allowing the Committee or any party in interest to object to the allowance of these claims.<sup>1</sup>

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<sup>1</sup> The only proposed mechanism for Court oversight involves the situation where the reclamation claimant and the Debtors are unable to consensually resolve their differences on the allowance of the Reclamation Claim. If such event occurs, the dispute will be brought to the attention of the Court for determination. *See* Motion at 7.

6. Such a procedure provides overly broad and unfettered discretion to the Debtors. It shuts out any other party in interest and the Bankruptcy Court from the process of fixing and allowing administrative claims, many of which may be substantial. Considering the impact of allowing a claim administrative priority status and the undisclosed magnitude of the potential reclamation claims, the process should be opened up to other parties in interest, particularly the Committee, to review the Reclamation Claims the Debtors deem to be valid before such claims are allowed and paid.

7. Accordingly, the Committee requests that any order granting the Motion provide the Committee and any other party in interest a reasonable opportunity to oppose the allowance and payment of any Reclamation Claim, including an ability to access information that supports the Debtors' decision.

8. It is not the Committee's intention to unnecessarily or unreasonably withhold its approval of the satisfaction of any proposed Reclamation Claims. Nevertheless, the Committee, as the representative of the unsecured creditor body, should be involved in the process of determining which claims will be afforded administrative expense claim status.



**CERTIFICATE OF SERVICE**

This is to certify that the undersigned caused a true and correct copy of the foregoing Limited Objection to Debtors' Emergency Motion for Entry of Interim and Final Orders (A) Providing Administrative Expense Treatment for Certain Holders of Valid Reclamation Claims; and (B) Establishing Procedures for Resolution and Payment of Reclamation Claims to be served via telecopy on Charles Gibbs and Keith Aurzada, counsel for the Debtors (214.969.4343) and on the parties listed on the service list attached hereto as **Exhibit "A"** by depositing same in the United States Mail, first class postage prepaid, and properly addressed, on the 19<sup>th</sup> day of May, 2004.

/s/ Kevin M. Lippman  
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Kevin M. Lippman, Esq.