

James A. Patten (MT Bar No. 1191)
Molly S. Considine (MT Bar No. 13800)
PATTEN, PETERMAN, BEKKEDAHN & GREEN PLLC
2817 2nd Avenue North, Suite 300
P.O. Box 1239
Billings, MT 59103-1239
Telephone: (406) 252-8500
Facsimile: (406) 294-9500
Email: apatten@ppbglaw.com
Mconsidine@ppbglaw.com

Matthew A. Lesnick (*pro hac vice pending*)
Christopher E. Prince (*pro hac vice pending*)
Kaitlyn M. Husar (*pro hac vice pending*)
Lisa R. Patel (*pro hac vice pending*)
LESNICK PRINCE PAPPAS & ALVERSON LLP
315 W. Ninth Street, Suite 705
Los Angeles, CA 90015
Telephone: (213) 493-6496
Facsimile: (213) 493-6596
Email: matt@lesnickprince.com
cprince@lesnickprince.com
khusar@lesnickprince.com
lpatel@lesnickprince.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MONTANA**

In re:

ELITE EQUIPMENT LEASING, LLC,
Debtor.

RELIABLE CONSTRUCTION
SERVICES, LLC,
Debtor.

RELIABLE CRANE SERVICE, LLC,
Debtor.

CHAMPION CRANE HOLDINGS, LLC,
Debtor.

CHAMPION CRANE RENTAL, INC.,
Debtor.

Case No. 1:25-bk-10145-BPH

Case No.: 1:25-bk-10147-BPH

Case No.: 1:25-bk-10146-BPH

Case No.: 1:25-bk-10149-BPH

Case No.: 1:25-bk-10148-BPH

RELIABLE PHOENIX, LLC,
Debtor.

Case No.: 1:25-bk-10150-BPH

[Joint Administration Requested]

**DECLARATION OF CURT KROLL IN SUPPORT OF
DEBTORS' FIRST-DAY MOTIONS**

I, Curt Kroll, hereby declare:

1. I am the Chief Restructuring Officer (“CRO”) of debtors and debtors-in-possession Elite Equipment Leasing, LLC; Reliable Crane Service, LLC; Reliable Construction Services, LLC; Reliable Phoenix, LLC; Champion Crane Holdings, LLC; and Champion Crane Rental, Inc., (the “Debtors”). Unless otherwise stated, I have personal knowledge of the facts set forth in this declaration and, if called as a witness, could and would competently testify as to these facts.

2. I am a Partner employed by SierraConstellationPartners LLC (“Sierra”), and I regularly provide interim management and operational and financial advisory services to underperforming companies and companies in transition. My experience includes CRO roles, interim management, refinancings, distressed acquisitions, and in- and out-of-court restructurings. I have held roles in various industries including retail, industrial manufacturing, real estate, financial services, and healthcare. I hold both a bachelor’s and master’s degree in accountancy from the University of Missouri, and I am a licensed Certified Public Accountant (CPA Inactive). Further information about my credentials and experience can be found at: <https://sierraconstellation.com/professionals/>

3. As CRO, I am generally familiar with the Debtors’ day-to-day operations, business affairs, and books and records. I submit this declaration in support of the emergency relief that the

Debtors are requesting from the Court in the so-called “First Day Motions.” Sierra and I were retained and have been working with the Debtors since approximately April 2025.

4. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Debtors’ operations and finances, my discussions with the Debtors’ management team and advisors, information learned from my review of relevant documents and information supplied to me by members of the Debtors’ management team, and consultation with the Debtors’ professional advisors, including other professionals of Sierra, or my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations and financial condition. I have obtained this information during my tenure working with the Debtors, and my analysis of and experience with the Debtors’ operations and circumstances is ongoing.

A. Events Leading to the Bankruptcy Filing

5. Based on my conversations with the Debtors’ executives and review of the Debtors’ records and financial information, I believe that Reliable Crane was adversely impacted by several events in 2020 and after. In 2020, the Company acquired 20 tower cranes from Bigge. The financing payments associated with the acquisition were initially \$90,000 per month but have since ratcheted up to \$160,000 per month, all of which is currently applied to interest.

6. In 2021, the Company purchased Champion Crane Rental, Inc. Integration of Champion Crane into Reliable Crane proved difficult, particularly with respect to the Company’s tour dispatch and accounting software.

7. In addition, the Company has several loans that have floating interest rates calculated by the Secured Overnight Financing Rate (SOFR plus 2). The substantial jump in interest rates combined with the short amortization periods on most of the Company’s equipment financing have placed increasing demands on the Company’s cash flow. The short amortization

schedules have been especially problematic. Much of the Debtors' heavy equipment has long life spans – sometimes more than 20 years. But the equipment financing loans are amortized over much shorter periods. This has put a strain on cashflow.

B. Plans for Exiting Bankruptcy

8. The Debtors retained me as CRO and Sierra as financial advisors in order to help them navigate their financial issues and develop a strategic plan for addressing their debts and making their operations more efficient and profitable. We have identified certain issues that can be addressed through the chapter 11 process and help the Debtors successfully reorganize.

9. The Debtors have a current work backlog of more than \$80 million. They have been selected to provide services on two of the largest construction projects in the United States – construction of the Athletics' baseball stadium in Las Vegas and development of the "One Beverly Hills" project. The Debtors began working on both projects within the last few months. The A's baseball stadium construction project is expected to continue through 2028. One Beverly Hills is a 17.5-acre project that will unify the historic Beverly Hilton and Waldorf Astoria hotels with over 10 acres of public and private botanical gardens, open space, and luxury retail and dining offerings. The Debtors expect this to be a long-term revenue source, as well.

10. With these and other projects, the Company can generate sufficient cash flow to pay the secured debt on all assets it intends to maintain. The Company expects to sell or turn over certain underutilized equipment to reduce its debt load. It also intends to restructure or refinance some of the secured debt on its equipment to increase the amortization period and ease the strain on its cash flow.

11. Sierra and I are continuing to review the Debtors' operations to look for other opportunities to improve efficiency and profitability.

C. DIP Financing Efforts

12. The proposed DIP Loan from CFI was thoroughly evaluated by the Debtors and their advisors and was the subject of arm's-length and good faith negotiations before the Petition Date. Further, as a result of the Debtors' debt structure and the challenges facing the Debtors' businesses, as described above, the Debtors faced significant challenges leading to the commencement of these chapter 11 cases. The Debtors, with their advisors, ultimately determined to obtain the proposed DIP Loan from CFI as the best available credit under the circumstances.

13. Understanding that the Debtors' situation presented certain difficulties to obtaining such financing—namely that: (a) all or substantially all of the Debtors' assets are encumbered and subject to senior prepetition liens, and (b) seeking debtor-in-possession financing could invoke costly and time consuming legal challenges, particularly if priming liens were required by a lender—the Debtors and their advisors began discussions with CFI and others regarding the possibility of obtaining debtor-in-possession financing. On a parallel path, the Debtors corresponded with a number of other potential lenders. I have spent considerable time and effort over the last three years trying to raise additional working capital for the Debtors and trying to restructure the Debtors' secured debt, including both its equipment finance loans and its asset-based revolving line of credit. I and other executives at the Debtors have reached out to and spoken with numerous potential lenders over the past few years about refinancing the Debtors' secured debt, in whole or in part. Earlier this year, the Debtors entered into a non-binding term sheet with a major bank to refinance all the Debtors' equipment loans. However, the transaction failed to close.

14. Since 2022, the Debtors have retained at least three outside professional financial advisors specializing in distressed situations, as well as an investment banking firm,

all of whom tried to locate alternative financing or investments in the Debtors. Although there was some interest along the way, none of the transactions closed.

15. The Debtors also have explored potential mergers and sale transactions with several strategic partners. At least one of these potential transactions got as far as a signed term sheet but failed to close.

16. Within the last few months, the Debtors received a letter of intent from a potential lender that was willing to refinance some of the Debtors' secured debt in connection with a chapter 11 filing. However, the terms of that proposal were substantially more expensive than the proposed CFI DIP Loan. No party that the Debtors approached was willing to offer the Debtors sufficient postpetition financing on terms more favorable than those offered by CFI. The proposed DIP Loan from CFI and consent to the use of cash collateral by its affiliate, CCG, therefore, is the best source of debtor-in-possession financing available to the Debtors.

17. The Debtors have been unable to obtain unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense. The Debtors have also been unable to obtain: (a) unsecured credit having priority over that of administrative expenses of the kind specified in sections 503(b), 507(a), and 507(b) of the Bankruptcy Code; (b) credit secured solely by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) credit secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. Moreover, the Debtors were unable to obtain financing that would replace their prepetition credit facility at all, let alone while providing additional necessary liquidity and on the timetable the Debtors required. Financing on a postpetition basis on better terms is not otherwise available without granting (1) perfected security interests in and liens on (each as provided herein) all of the Debtors' existing and after-acquired assets with the priorities set forth

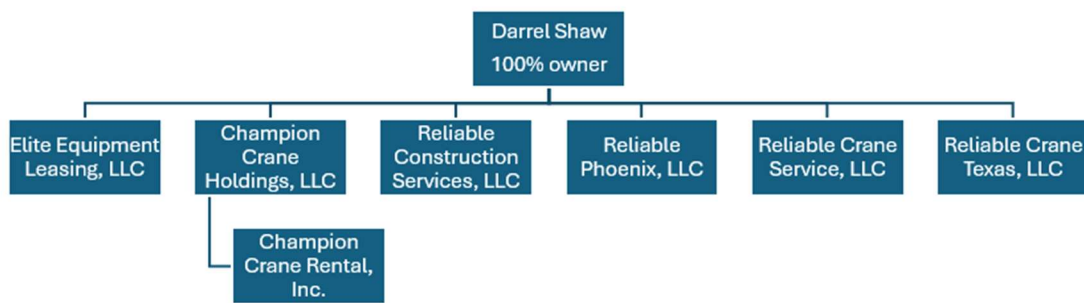
herein; (2) superpriority claims and liens as provided herein; and (3) the other protections set forth in the Interim Order.

18. The requested financing and use of cash collateral is also necessary. The Debtors require immediate access to liquidity to ensure that they are able to continue operating their businesses during these chapter 11 cases, preserve the value of their estates for the benefit of all parties in interest, and administer a value-maximizing chapter 11 process. All or substantially all of the Debtors' cash is cash collateral, and, without prompt access to such cash collateral, the Debtors would be unable to satisfy employee compensation obligations, satisfy trade payables incurred in the ordinary course of business, preserve and maximize the value of their estates, and fund the administration of these chapter 11 cases. Put simply, without access to cash collateral and the funds to be advanced via the proposed DIP Loan, the Debtors will not have sufficient funds to continue the operation of their businesses while also administering these chapter 11 cases, causing immediate and irreparable harm to the Debtors' estates and operations.

19. The Debtors have closely scrutinized the financing terms offered by CFI, including the economic terms, the proposed roll-up of a portion of the prepetition debt, the impact on the Debtors' businesses, any restrictions on the use of proceeds and the collateral and security requested, and believe that the terms are necessary and appropriate. The DIP Loan offers the best and only available option for the Debtors and provides the necessary liquidity for the Debtors to conduct a robust marketing process in an orderly fashion, with minimal disruption to operations.

D. Joint Administration of Cases

20. The Debtors' financial affairs and business operations are closely related. The Debtors' ownership structure is as follows:



21. The Debtors operate through a single management team and share certain overhead expenses. Debtor Elite Equipment Leasing, LLC purchases and leases cranes to several of the other Debtors.

22. The Debtors share many of the same creditors. Most notably, the Debtors' primary asset-based lender, Commercial Funding Inc. ("CFI") provides working capital financing to all the Debtors. All the Debtors are obligors under the same CFI loan, which is cross-collateralized by assets of all Debtors. As set forth in a separate first-day motion, the Debtors are seeking approval to use CFI's cash collateral and borrow money pursuant to a debtor-in-possession (DIP) financing agreement with CFI and its affiliate Commercial Credit Group ("CCG"). Many other lenders have loans that are guaranteed by and/or cross-collateralized by other Debtors, as well.

23. As a result of the common ownership, overlapping debts, single management team, substantial number of shared creditors, and single operating business, it will be significantly more efficient to administer these related cases as a single, jointly administered proceeding.

E. Consolidated Creditor Matrix & List of Top 30 Creditors

24. Because of the close affiliation of the Debtors and the fact that the Debtors are requesting that their bankruptcy cases be jointly administered, it makes more sense to have a single mailing list for the Debtors' jointly-administered proceedings. This will ensure that all creditors of any of the Debtors will receive proper notice and that creditors will not receive duplicate mailings if they are creditors of multiple debtors.

25. It also makes more sense to have a single Consolidated Top 30 List rather than six separate lists. A single consolidated list of the Debtors' combined 30 largest unsecured creditors is more reflective of the body of unsecured creditors that have the greatest stake in these cases than separate lists for each of the Debtors. Additionally, a Consolidated Top 30 List will alleviate administrative burdens, costs, and the possibility of duplicative service.

F. Extension of Time to File Schedules & Statements of Financial Affairs

26. Because of the size and complexity of these cases, the Debtors require additional time to prepare and file their Schedules and Statement of Financial Affairs (together, "Schedules"). The Debtors have a large number of creditors, a large number of assets, and a comparatively small number of administrative level employees sufficiently familiar with the Debtors' books and records to prepare the Debtors' Schedules, address the Debtors' business and financial issues and work on the first-day motions and other tasks required in the early stages of an operating chapter 11 bankruptcy case.

27. The consolidated mailing matrix lists approximately 3,200 parties in interest, and the Debtors own more than 500 pieces of heavy equipment spread across multiple states. And, although the Debtors have brought me and Sierra in to act as CRO and financial advisors, Sierra needs to rely heavily on the Debtors' employees to obtain information.

28. The Debtors' staff and Sierra have begun working to compile and analyze information needed to complete the Schedules. However, the Debtors require an additional 30 days to compile the necessary information and complete the Schedules accurately and completely.

29. If the Debtors are forced to file their Schedules within 14 days, it is likely that the Debtors will have to later revise or amend the Schedules. Doing so will require the Debtors and their professionals to spend additional time and effort and ultimately increase the administrative expenses of the Debtors' estates and add confusion for creditors and parties in interest.

G. Prepetition Employee Benefits & Wages

30. As of the Petition Date, the Debtors employed approximately 194 full-time employees (the "Employees") across their various locations, including their headquarters in Anaheim, California and other work yards and offices in California, Nevada, Arizona and Texas. Of the Employees, approximately 38 are salaried personnel and approximately 156 are compensated hourly.

31. Approximately 138 of the Debtors' Employees are members of various unions. These employees are critical, and ensuring they continue to provide essential labor, are necessary to preserve value to the Debtors' estates on a go-forward basis.

Employee and Independent Contractor Compensation

32. On average, the aggregate amount of weekly payroll for the Employees is approximately \$700,000. Hourly employees are paid on a weekly basis, on Fridays, in arrears for work performed in the prior week. Salaried employees are paid on a weekly basis, on Fridays, in arrears for work performed in the prior week. The aggregate amount of prepetition wages (collectively, the "Prepetition Wages") sought to be paid to Employees postpetition under this Motion is approximately \$700,000, the entirety of which is expected to come due within five days

following the Petition Date. The next payroll date after the Petition Date is September 12, 2025 and will include earnings for the time period of August 31, 2025 to September 6, 2025 for all entities except Champion Crane, and September 1, 2025 to September 7, 2025 for Champion Crane, which the Debtors seek to pay when due, in the ordinary course of business. Payroll is processed by ADP, which charges a service fee of approximately \$3,000 per weekly pay period. As of the Petition Date, \$3,000 will be owed to ADP for processing or service fees, the entirety of which is expected to come due during the Interim Period. **The Debtors are required to fund the ADP payroll no later than Thursday, September 11, 2025, in order to be able to make their payroll in a timely fashion.**

33. The Debtors also have five independent contractors (collectively, the “Independent Contractors”). As of the Petition Date, the Independent Contractors were owed and had accrued various sums for Prepetition Wages, totaling approximately \$130,500 in the aggregate, all of which is expected to come due during the interim period. The independent contractors help the Company with sales, accounting, project management and tower cranes.

34. Many of the Employees and Independent Contractors are completely reliant on the timely payment of their compensation to cover their living expenses. Failure to allow full payment of their compensation would inflict great hardship on the Employees and would likely result in many of them terminating employment with the Debtors. This would cause irreparable harm to the Debtors’ operations.

35. Although one of the Independent Contractors is owed more than \$17,150 on account of prepetition compensation, which I understand is the statutory maximum for priority wage claims under the Bankruptcy Code (the “Priority Cap”), under the relief sought in the Motion,

the Debtors will not pay any Employee or Independent Contractor more than the Priority Cap amount on account of prepetition compensation.

Deductions and Withholdings

36. During each applicable payroll period, the Debtors routinely deduct certain amounts from their employees' gross pay, including, without limitation, pre-tax and after-tax deductions payable pursuant to employee benefit plans, wage garnishments, contributions relating to health care benefits, insurance premiums, and flexible spending programs (collectively, "Deductions"). Out of an abundance of caution, the Debtors request authority to remit any unpaid prepetition deductions that exist. Additionally, the Debtors seek authority to continue deducting amounts from employee wages and salaries and forwarding Deductions to the appropriate third-party recipients on a postpetition basis, in the ordinary course of business, and consistent with past practices.

37. In addition to the Deductions, the Debtors are required by law to withhold amounts related to federal income taxes, as well as Social Security and Medicare taxes for remittance to the appropriate taxing authority and to pay additional amounts for federal and state unemployment insurance (collectively, "Payroll Taxes").

38. As of the Petition Date, the Debtors estimate that they have approximately \$165,000 in accrued and unpaid Payroll Taxes. Some portion of the Deductions and Payroll Taxes are not property of the Debtors' estates. The Debtors request that the Court authorize the Debtors to transmit these amounts, all of which will become due within the first 21 days of these bankruptcy cases, to the appropriate parties in the ordinary course of business.

Employee Benefit Plans Pre-Petition Reimbursable Expenses

39. As stated in the Debtors' Employee Handbook, the Debtors offer the Employees other forms of benefits and compensation through the Employee Benefit Plans, set forth below:

- a. Vacation Pay: Employees are entitled to paid time off based upon their years of active service. Vacation time is given to Employees so that they are better able to perform their jobs when they return. For this reason, Employees are required to take their vacations and are not permitted to take pay in lieu of time off.
- b. Overtime: Overtime pay is based on actual hours worked and is paid to Employees in non-exempt positions according to state and federal regulations.
- c. Sick Leave or other Paid Time Off ("PTO"): Employees are awarded sick time at a rate of 0.385 per hour or five days per year and 1.54 hours a week.
- d. Reimbursement of Expenses: Employees are reimbursed for reasonable pre-approved expenses incurred in the ordinary course of business. These expenses may include air travel, hotels, motels, meals, cab fare, rental vehicles, or gas and car mileage for personal vehicles (at the IRS-mileage rate).
- e. Medical Plan: Employees are offered medical insurance through Kaiser Permanente and UnitedHealthcare.
- f. Retirement Plan: The Debtors offer a 401(k) retirement savings plan to eligible Employees (the "401(k) Plan") and fund up to 4% of eligible employee earnings to the 401K Plan dependent upon the employee's contribution rate. Employees are eligible to enroll after on the first day of their third calendar month of employment. By this Motion, the Debtors seek authorization to continue the 401(k) Plan as it existed prepetition and to honor any obligations arising in connection with such

program in the ordinary course business. In addition, while fees for such programs are paid by the plan participants, the Debtors seek authorization to remit any accrued prepetition administration fees for the Employee Benefit Programs and the 401(k) Plan when such amounts come due. As of the petition date, the Company owes approximately \$15,000 in employee matching contributions, all of which is expected to come due in the Interim Period.

40. The Debtors request authorization to: (a) pay and/or honor, in their discretion, of all prepetition amounts required under or related to Employee Obligations; (b) pay on regularly scheduled post-petition pay dates of the Employee Obligations, including any administrative fees owed in connection with the Employee Obligations, in accordance with the policies and practices established by Debtors prior to the Petition Date; (c) continue the Employee Obligations post-petition; and (d) authorizing and directing banks to honor prepetition checks for payment of prepetition Employee Obligations.

41. The Debtors also request that, in the event checks issued for the Employee Obligations and any other payments authorized by this Motion are not honored, the Debtors will be authorized to reissue such checks. The Debtors request that all applicable banks and other financial institutions be authorized to receive, process, honor and pay any and all checks drawn on the Debtors' payroll and other disbursement accounts to pay the Employee Obligations, amounts owed to Independent Contractors, and Deductions and Payroll Taxes, whether such checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments. Such checks are drawn on identifiable payroll and disbursement accounts and can be readily identified as relating directly to the authorized payment

of Employee Obligations. Accordingly, the Debtors believe that checks, other than those relating to authorized payments, will not be honored inadvertently.

H. Utilities

42. The Debtors receive utility services needed for the operation of their businesses, such as electricity, internet, gas, and water (the “Utility Services”) from certain utility providers (the “Utility Providers”). The following is a list of the Utility Services and Utility Providers, as well as the average monthly cost for each:

Utility Provider	Monthly Average
City of Anaheim (electricity, water, and trash)	\$4,923.10
City of Anaheim (water – separately metered)	\$268.20
AT&T (internet)	\$171.20
LA DWP (electricity and water)	\$1,744.33
Spectrum Business (internet)	\$1,053.88
Republic Services (trash/Pacoima)	\$326.04
Starlink (internet/Las Vegas and Phoenix)	\$485.00
Republic Services (trash/Las Vegas)	\$1,095.15
SRP	\$2,130.00
Republic Services (trash/Pheonix)	\$316.00
TOTAL	\$12,512.90

43. On average, the Debtors pay approximately \$12,500.00 each month for Utility Services on an aggregate basis. As set forth in the separately filed motion to approve the use of cash collateral and debtor in possession financing, the Debtors have prepared a 13-week projection of anticipated revenues and expenses (the “Budget”). The Budget has been approved by the Debtors’ primary lenders, CFI and CCG. The anticipated cost of the Utility Services is built into the Budget.

44. As shown in the Budget, the Debtors expect that funds on hand and revenue generated from ongoing business operations, along with ongoing cash collateral authority and the proposed DIP financing, will be sufficient to pay the postpetition obligations related to the Utility Services on a timely basis. However, as explained in the motion, the Debtors propose to fund an

escrow account to hold adequate assurance amounts for the utility companies in the amounts shown in the table above.

45. The Utility Services are essential for the Debtors to maintain their operations and meet their obligations in these cases. Any interruption in Utility Services, even for a brief period, would severely, and potentially irreparably, disrupt the Debtors' operations, potentially cause damage or other harm to the Debtors' facilities, and jeopardize the Debtors' reorganization efforts. Accordingly, it is critical to the success of the chapter 11 cases and in the best interests of creditors that the Utility Services continue without interruption during the cases.

I. Workers' Compensation/Other Insurance

46. In order to operate their businesses, the Debtors are required to maintain various insurance policies issued by various insurance carriers. The Debtors hold the following insurance policies that are current as of the Petition Date (collectively, the "Insurance Programs"):

Debtor	Insurance Carrier	Policy Type	Period Covered	Annual Premium
Reliable Construction Services, LLC	AXIS Surplus Insurance Company	Excess Insurance	Aug. 1, 2025-Aug. 1, 2026	\$875,000
Reliable Construction Services, LLC	Arch Specialty Insurance Company	Excess Third Party Liability Insurance	Aug. 1, 2025-Aug. 1, 2026	\$425,000
Reliable Construction Services, LLC	Landmark American Insurance Company (RSUI)	Excess Liability Insurance	Aug. 1, 2025-Aug. 1, 2026	\$425,000
Reliable Construction Services, LLC	MS Transverse	Commercial Auto Insurance	Aug. 1, 2025-Aug. 1, 2026	\$1,116,945

Debtor	Insurance Carrier	Policy Type	Period Covered	Annual Premium
Reliable Construction Services, LLC	Starr Indemnity & Liability Company	Auto Physical Damage	Aug. 1, 2025-Aug. 1, 2026	\$62,500
Reliable Construction Services, LLC	Starr Indemnity & Liability Company	Inland Marine Insurance	Aug. 1, 2025-Aug. 1, 2026	\$799,368
Reliable Crane Service, LLC	Federal Insurance Company	Employment Practices Liability	Aug. 1, 2025-Aug. 1, 2026	\$9,232
Reliable Crane Service, LLC	Gotham Insurance Company	General Liability Insurance	Aug. 1, 2025-Aug. 1, 2026	\$750,492
Reliable Crane Service, LLC	Axis Surplus Insurance Company	General Liability – Tower Cranes	Aug. 1, 2025-Aug. 1, 2026	\$145,000
Reliable Crane Service, LLC	Westchester Surplus Lines Insurance Company	Environmental Common/Pollution	Aug. 1, 2025-Aug. 1, 2026	25,000
Reliable Crane Service, LLC	CFC Underwriters	Cyber Insurance	Aug. 1, 2025-Aug. 1, 2026	\$16,320
Reliable Crane Service, LLC	Continental Indemnity Co	Workers Compensation	Aug. 1, 2025-Aug. 1, 2026	\$1,292,335
Reliable Crane Service, LLC	Pennsylvania Insurance Company	Workers Compensation	Aug. 1, 2025-Aug. 1, 2026	Included with above

47. The insurance premiums are financed on a monthly basis pursuant to a Premium Finance Agreement between Debtor Reliable Crane Service, LLC (“Reliable Crane Service”) and First Insurance Funding. Under the terms of the agreement, Reliable Crane Service is obligated to

make ten monthly installment payments beginning on September 1, 2025. The Debtors believe that continuing to make payments under the Premium Finance Agreement is in the best interests of the Debtors' estates and creditors, as it ensures uninterrupted insurance protection that is critical to the Debtors' operations and compliance with applicable legal requirements.

48. The Debtor's 13-week Budget, which has been approved by the Debtors' primary lenders, CFI and CCG, includes a line item for payment of the Debtors' Insurance Program premiums on a monthly basis.

49. Although the insurance premium obligations relate, in part, to prepetition obligations, if the Debtors do not timely continue to meet their postpetition obligations with respect to the premiums owed to the Debtors' insurance carriers, the insurance carriers may refuse to renew insurance policies, which will require the Debtors to obtain replacement policies, shut down operations, or attempt to reconfigure their entire risk management program.

50. Obtaining replacement policies would require the Debtors to commit significant resources and could result in less favorable coverage or terms. Insurance carriers could also deny coverage. Any disruption in insurance coverage could threaten the Debtors' ability to operate, preserve their property, and reorganize through this chapter 11 process.

51. As a business operating cranes, other heavy construction equipment, and motor vehicles, the Debtors are required by applicable non-bankruptcy law to maintain adequate insurance to protect against third-party liability as well as the safety of its own workers. Insurance is required to protect and preserve the Debtors' assets from theft and damage and is needed to protect against any postpetition liability claims arising from accidents.

52. Insurance coverage is also required by the terms of many of the Debtors' equipment financing agreements, construction contracts, union requirements, real property leases, and the

guidelines established by the Office of the United States Trustee. Additionally, the funding of the Workers' Compensation Program is a requirement under applicable law for the Debtors' ability to employ personnel for its businesses and operations. Therefore, the continuation of the Insurance Programs and the payment of all prepetition and postpetition obligations arising under the Insurance Programs is essential to the Debtors' businesses and to preserve value for all parties in interest.

53. In addition, the Debtors may need to renew or replace certain of their Insurance Programs in the upcoming months. The nonpayment of any premiums, deductibles, or related fees under one of the Insurance Programs could result in one or more of the insurance carriers increasing future insurance premiums, declining to renew insurance policies or refusing to enter into new insurance agreements with the Debtors in the future. If the Insurance Programs lapse without renewal, the Debtors may be exposed to substantial liability for personal and/or property damages to the detriment of all parties in interest.

J. Maintenance of Existing Accounts and Cash Management System

54. **CFI Lockbox Account**. The Debtors are required to continue to utilize a so-called "lockbox account" arrangement to permit CFI, its primary asset-based lender, to collect funds for payment on the Debtors' revolving line of credit. CFI is also the proposed DIP lender. Prior to the Petition Date, the Debtors' customers paid funds directly into the lockbox account, and CFI swept the collections from the lockbox account and applied the receipts to the Debtors' revolving credit line. Historically, CFI would then re-loan funds to the Debtors to the extent permitted under the borrowing base formula.

55. The proposed DIP financing arrangement with CFI also requires the Debtors' receipts to be paid into the lockbox account from which they will be swept by CFI. However,

instead of re-loaning funds to the Debtors based on a borrowing base formula, the proposed DIP loan provides that CFI will advance money to the Debtors based on the Debtors' projected weekly expenses contained in the agreed-upon 13-week Budget.

56. **Other Prepetition Bank Accounts.** The Debtors also maintain the following prepetition bank accounts:

Debtor	Bank	Last 4 Digits of Acct. No.	Account Type
Champion Crane Rental, Inc.	Banc of California	1274	Business Checking
Reliable Crane Service, LLC	Banc of California	2807	Business Checking
Reliable Crane Service, LLC	Banc of California	8084	Business MMA
Reliable Construction Services, LLC	Banc of California	2788	Business Checking
Reliable Phoenix, LLC	Banc of California	6733	Business Checking
Elite Equipment Leasing, LLC	Banc of California	4706	Business Checking
Elite Equipment Leasing, LLC	Wells Fargo Bank	6436	Business Checking

57. The Debtors process a very high volume of disbursements each month—including payments by check, wire, and ACH—to satisfy obligations such as payroll, union dues, rent, equipment loan payments, and numerous other ordinary course of business expenses. The Debtors estimate that they process over 500 transactions to more than 175 payees through these prepetition accounts each month. Many, if not most, of these disbursements are paid electronically, through either wire transfer, ACH or bill pay transactions. If the Debtors were required to close these prepetition accounts and make all disbursements through new debtor in possession bank accounts,

it would require an enormous amounts of work and create disruption in payments to crucial vendors and other payees.

58. **BILL/Divvy Account.** The Debtors pay for many ordinary business expenses using a type of credit card platform called BILL (until recently, known as “Divvy”). Divvy is a corporate expense platform that provides physical and virtual credit cards to employees, along with tools that allow the Debtors to manage and track spending in real time. Around 70 employees have at least one Divvy card—some with more than one—which are typically used for travel, fuel, and same-day purchases of parts and supplies. All of the employee cards are linked to a single Divvy account managed and paid for by the Debtors. As of the Petition Date, the Debtors’ Divvy account has an outstanding balance of approximately \$1,600.

59. Continued use of the Divvy account and employee cards is essential to the Debtors’ operations. Without access to Divvy, employees, such as crane operators, truckers and maintenance would need to advance funds for the Debtors to make necessary purchases by using their personal credit cards and then later seeking reimbursement. This is impractical for at least two reasons. First, many employees are either unable or unwilling to use their personal cards to pay for the Debtors’ business expenses. Second, processing expense reimbursements would create additional administrative burdens and delays for the Debtors at a time when maintaining operational efficiency is critical.

60. The Divvy card system, on the other hand, provides multiples benefits. First, the Divvy system allows the Debtors to see and track all business expenses in real time, which will help the Debtors operate within the 13-week Budget that is required under the Debtors’ proposed DIP financing and cash collateral agreement with its secured lenders. Second, the Divvy system

will make the Debtors' financial reporting (including the weekly reports required by the proposed DIP Loan Agreement and the Monthly Operating Reports) easier and more accurate.

K. DIP Facility and/or Cash Collateral

61. **CFI Secured Claim.** CFI is the Debtors' prepetition asset-based lender and its largest creditor. CFI has provided the Debtors with a revolving line of credit secured by a lien on all the Debtors' assets, including its cash collateral. A description of CFI's relevant prepetition loan documents is contained in the DIP Loan Agreement. CFI's liens are junior only to (a) the purchase money security interest (PMSI) liens of the Debtors' numerous equipment lenders, and (b) the lien of Celtic Bank Corporation on the assets of Debtor Champion Crane Holdings, LLC.¹ As of the Petition Date, CFI is owed approximately \$23,755,232.06.

62. **CCG Secured Claim.** CCG is the Debtors' largest equipment lender and its second largest creditor. CCG is an affiliate of CFI. CCG provided PMSI financing for numerous pieces of the Debtors' equipment in 18 different PMSI financing agreements. A description of CCG's relevant prepetition loan documents is contained in the DIP Loan Agreement. CCG has a first position PSMI lien on all the equipment it financed. CCG also has a blanket lien on the assets of all the Debtors except for Champion Crane Holdings, LLC. CCG's blanket liens are second priority liens (behind CFI) with respect to Debtors Reliable Crane Service, LLC, Reliable Construction Services, LLC, Elite Equipment Leasing, LLC, and Reliable Phoenix, LLC. CCG's blanket lien is a third priority lien (behind CFI and Celtic Bank) with respect to the assets of Champion Crane Rental, Inc. As of the Petition Date, CCG is owed approximately \$18,208,355.23.

¹ Champion Crane Holdings is a holding company, not an operating entity. Its only asset is the stock of its subsidiary, Champion Crane Rental, Inc.

63. **Celtic Bank Secured Claim.** In 2021, the Debtors and their owner, Darrell Shaw, wished to acquire a company called Champion Crane Rental, Inc. that would operate as an affiliate of the other Debtors. Champion Crane Holdings, LLC was formed to purchase the stock of Champion Crane Rental. The acquisition was financed through a Small Business Administration (SBA) loan from Celtic Bank Corporation (“Celtic”). Both Champion Crane Holdings and Champion Crane Rental are obligors under the Celtic loan and granted Celtic first-position liens on all their assets. On December 16, 2021, CFI and Celtic entered into a Subordination Agreement by which Celtic agreed to subordinate its liens on Champion Crane Rental’s assets to CFI’s lien. As of the Petition Date, Celtic is owed approximately \$3,343,668.

64. **Other Junior Perfected Liens.** In addition, the following lenders have filed UCC financing statements asserting perfected junior liens in certain of the Debtors’ assets, which may include cash collateral:

Creditor Name	Affected Debtors	Debtors’ Estimated Current Liability to the Creditor	Estimated FMV of Specific Equipment-Collateral, besides Cash Collateral, in which Creditor has a First Position Equipment Lien
Celtic Bank	Champion Crane Holdings, LLC & Champion Crane Rental, Inc.	\$3,343,668	\$4,698,582
TBK Bank	Elite Equipment Leasing, LLC	\$45,490	\$294,629
TVT Capital	Reliable Crane Service, LLC & Reliable Crane Construction Services, LLC	\$1,036,473.82	<i>Not Applicable</i>
EFFI Finance, Inc.	Reliable Crane Service, LLC, Reliable Crane Construction Services,	\$2,250,000	\$3,704,048

	LLC, Elite Equipment Leasing, LLC, & Reliable Pheonix, LLC.		
--	---	--	--

65. All of these creditors, except TVT Capital, hold PMSI liens primarily on specific equipment. The Debtors believe that these interests are adequately protected by the value of their equipment collateral. However, as additional adequate protection, the Debtors propose granting these parties (along with CFI, CCG and Celtic), replacement liens on post-petition cash collateral to the same extent and priority of each party's valid prepetition interest in the Debtors' cash collateral.

66. **Unperfected Liens.** The Debtors have reviewed their books and records and all available loan documents and conducted lien searches of public records to determine whether any additional creditors hold liens on cash collateral. Based on this review, the Debtors have determined that, other than the secured parties described above, no parties have a perfected interest in the cash collateral.

67. **Summary of Liens on Cash Collateral.** The following chart summarizes secured creditors' perfected liens on the Debtors' cash collateral:

Debtor	First Priority	Second Priority	Third Priority	More Junior Priority
Reliable Crane Service, LLC	CFI	CCG		TVT Capital, EFFI Finance
Reliable Construction Services, LLC	CFI	CCG		TVT Capital, EFFI Finance
Champion Crane Rental, Inc.	CFI	Celtic	CCG	
Champion Crane Holdings, LLC	Celtic	CFI		

Elite Equipment Leasing, LLC	CFI	CCG		TBK Bank, EFFI Finance
Reliable Phoenix, LLC	CFI	CCG		EFFI Finance

68. **Summary of UCC-1 Financing Statements.** The Debtors engaged Corporation Service Company (“CSC”) to perform UCC-1 financing statement searches on the Debtors’ assets through the offices of the Secretaries of State for California, Montana, Nevada, Texas, and Arizona (all the states in which the Debtors are organized). A spreadsheet summarizing CSC’s search results is attached as Exhibit A.

69. The Debtors require the use of cash on a daily basis to maintain operations. The Debtors’ estates will suffer immediate and irreparable harm if the relief requested in this Motion is not granted. Without approval of the DIP Loan Agreement and the use of cash collateral, the Debtors will not be able to pay the necessary costs and expenses associated with their ongoing operations including payroll, utilities, insurance, taxes, diesel fuel, tires, repair and maintenance items, trucking services to move crane equipment, etc.

70. The Debtors operate in the construction industry, where uninterrupted performance and maintaining strong client relationships are vital to preserving value. Without the DIP Loan and use of cash collateral, the Debtors would be forced to stop working on and abandon all their ongoing construction projects. Many of these projects were planned months, if not years, in advance. Some of these projects will last for years.

71. For example, the Debtors recently began providing crane services for the construction of a new pro sports stadium in Las Vegas. The project is expected to take as long as 3 years to complete. If the Debtors were to cease working on that project or any other project, it would cause massive disruptions and delays to the entire construction project. It is likely that the

general contractor and property owner would assert that the Debtors' failure to perform resulted in millions of dollars in damages.

72. The same is true for all the Debtors' projects. The Debtors believe that there would be virtually zero chance of collecting any accounts receivable for any project it failed to complete. Because almost all the Debtors' accounts receivable relate to ongoing projects, if the Debtors were forced to stop or even pause operations, virtually all their accounts receivable would become uncollectible. Indeed, if the Debtors cease operations, the chances of them getting sued for millions of dollars are much greater than the chances of collecting receivables.

73. The Debtors currently have approximately \$20,917,149 in outstanding accounts receivable, of which an estimated 85% is collectible. However, collection is contingent on the Debtors' ability to continue operating and complete projects. Immediate access to DIP financing is therefore critical, as the receivables can only be realized if operations are sustained. Without approval of the DIP Loan and use of cash collateral, the value of the Debtors' accounts receivable would quickly drop from approximately \$17.78 million to close to \$0.00.

74. Prior to the Petition Date, the Debtors explored a range of options to address their ongoing cash flow challenges. To ensure sufficient liquidity while the Debtors navigate through chapter 11 bankruptcy, CFI has agreed to provide postpetition financing to the Debtors of up to \$26 million under the terms set forth in the DIP Loan Agreement. In addition, CCG has consented to the Debtors' use of Cash Collateral as provided for in the DIP Budget.

75. As shown in the Budget, the Debtors require the DIP Loan in order to sustain operations. The DIP Loan provides more than \$2.2 million in additional revolving liquidity on top of the current credit line balance. The Budget shows the Debtors' revenue and expense projections

for the 13-week period following the Petition Date. Without the DIP Loan, the Debtors' likely will not be able to pay their ordinary operating expenses.

76. The Debtors have been unable to obtain alternative financing on better terms than the proposed DIP Loan from CFI. Over the past two years, the Debtors have sought financing and/or capital investments from numerous other lenders and investors aside from CFI and CCG. The Debtors worked with an investment banking firm over a long period of time to try to find additional working capital in the form of loans or investments but were unsuccessful. The Debtors were either unable to obtain loan commitments or could not negotiate better terms with those lenders than the terms of the proposed DIP Loan. The only potential financing that the Debtors were able to locate would have been *substantially* more expensive than the proposed DIP Loan.

77. The Debtors are unable to obtain new financing unless they provide lenders with the following protections: (i) super-priority administrative expense status for the new loan; (ii) first-position lien on all post-petition assets; (iii) first-position lien on pre-petition assets where CFI or CCG already holds first-position liens; and (iv) a junior lien on all other pre-petition assets. The Debtors do not believe it is possible to obtain unsecured financing in any amount, much less the amount necessary to sustain the Debtors' operations during the bankruptcy cases.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on September 7, 2025 at St. Louis, Missouri

_____.



Curt Kroll