


UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF <u>South Carolina</u>		FILED PROOF OF CLAIM
Name of Debtor: <u>The Cliffs Club and Hospitality Group, Inc. et al</u> <u>3598 Highway 11</u> <u>Travelers Rest, SC 29690</u>		Case Number: <u>12-01220</u>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <u>Alan S. and Susan L. Ruby</u>		12 MAR -5 PM 12: 10 U.S. BANKRUPTCY COURT DISTRICT OF SOUTH CAROLINA
Name and address where notices should be sent: <u>304 Raven Road</u> <u>Landrum, SC 29356</u>		COURT USE ONLY
Telephone number: <u>843-895-0315</u> email: <u>alan.ruby@fentress.com</u>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.
Name and address where payment should be sent (if different from above):		Court Claim Number: _____ (If known)
Telephone number: _____ email: _____		Filed on: _____
APR 30 2012 BMC GROUP		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
1. Amount of Claim as of Date Case Filed: \$ <u>80,000.00</u>		
If all or part of the claim is secured, complete item 4.		
If all or part of the claim is entitled to priority, complete item 5.		
<input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Attached as Exhibits 1, 2, & 3</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: _____	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Basis for perfection: _____
Value of Property: \$ _____		Amount of Secured Claim: \$ _____
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. §507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)().
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		Cliffs POC  00452 Amount entitled to priority: \$ _____
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		

3

7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

Attached as Exhibits 1, 2, & 3.
If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor. I am the creditor's authorized agent. I am the trustee, or the debtor, or their authorized agent. I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)
(Attach copy of power of attorney, if any.) (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Alan S. and Susan L. Ruby
Title: _____
Company: _____
Address and telephone number (if different from notice address above): _____

[Signature] 3/3/2012
(Signature) (Date)
[Signature] 3/3/2012

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:
Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:
If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:
Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).
If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:
Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:
The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

**Summary of Claim
Exhibit 1**

Debtor: The Cliffs Club & Hospitality Group, Inc., et al
Primary Case Docket #: 12-01220
Creditor: Alan S. and Susan L. Ruby

On February 1, 1998 we acquired a Cliffs A Membership in The Cliffs Golf & Country Club (Club) as evidenced by the attached copy of the Membership Addendum (**Exhibit 2**).

The terms proposed by all parties presently interested in acquiring the Club include substantial transfer fees to be charged to current members for the right to obtain a membership in the new Club. Because we are unable to meet this transfer fee requirement, our membership in the Club has been terminated through no fault or action of our own.

In accordance with the terms of The Cliffs Clubs Membership Plan (Plan) in effect at the time of our acquisition of the membership as noted in the attached Section 17B(ii) (**Exhibit 3**) of the Plan, we hold an appreciating membership and are entitled to a refund of 80% of the current refundable membership fee. The current refundable fee for a Cliffs A Membership is \$100,000.00. Correspondingly, we are owed a refund of 80% of \$100,000.00: **\$80,000.00**



MEMBERSHIP ADDENDUM

This document shall serve as official record of membership transfer between Alan S. Susan L. Ruby, and David and Barbara Lange, in conjunction with property transfer identified as Section 8, Lot 068, The Cliffs at Glassy Community. It is understood that Alan S. and Susan L. Ruby have purchased said property from David and Barbara Lange, and Valley A Membership held by David and Barbara Lange, is hereby transferred to Alan S. and Susan L. Ruby for the fee of twenty-seven thousand five hundred dollars (\$27,500). Of the \$27,500 membership fees collected, David and Barbara Lange are due a refund in the amount of twenty two thousand dollars (\$22,000), or 80% of the total fees, in accordance with refund policies and procedures as outlined in The Cliffs Golf & Country Club by-laws, rules and regulations. The Cliffs A Membership transferred shall retain all rights, benefits and privileges as provided for in the master membership program, as outlined in the club by-laws. As evidenced by signatures below, the parties agree to a full understanding of the Cliffs A membership classification transfer procedure.

2/1/98
Date
Patt Fero
Patt Fero, Membership Director

2.10.98
Date
Alan S. Ruby
Alan S. Ruby
Susan L. Ruby
Susan L. Ruby

Exhibit 2

Debtor: The Cliffs Club & Hospitality Group, Inc., et al
Primary Case Docket #: 12-01220
Creditor: Alan S. and Susan L. Ruby

Exhibit 3

Debtor: The Cliffs Club & Hospitality Group, Inc., et al
Primary Case Docket #: 12-01220
Creditor: Alan S. and Susan L. Ruby



**The Cliffs Golf and Country Club, Inc.
The Cliffs at Keowee Vineyards Golf Club, LLC
The Cliffs at Walnut Cove Golf and Country Club, LLC
The Cliffs at Keowee Falls Golf and Country Club, LLC
The Cliffs at Keowee Falls South Golf and Country Club, LLC
Keowee Springs Wellness and Spa, LLC**

**THE CLIFFS CLUBS
MEMBERSHIP PLAN**

First Edition	May, 1992
Revised	January, 1993
Revised	June, 1995
Revised	January, 1999
Revised	January, 2001
Revised	September, 2004

**The Cliffs Clubs
250 Knightsridge Road
Travelers Rest, South Carolina 29690
(864) 660.1100**

Table of Contents

Section	Page
INTRODUCTION.....	1
1. Membership Opportunity	1
2. Home Club's Reserved Right to Convert to Equity Club	1
3. Facilities Located Within Each Cliffs Community	1
MEMBERSHIP CLASSIFICATIONS.....	1
4. Memberships	1
4.1 Cliffs Family Membership.....	1
4.2 Cliffs Golf Membership.....	2
4.3 Cliffs Corporate and Executive Membership	3
4.4 Marina Membership	3
4.5 Cliffs Temporary Membership	3
4.6 Cliffs Charter Membership.....	3
4.7 Cliffs Sports Membership.....	4
MEMBERSHIP LIMITATIONS.....	5
5. Right To Reserve Memberships	5
6. Number of Memberships	5
7. Right to Change Membership Classification Privileges.....	5
MEMBERSHIP "ADD-ON" PRIVILEGE.....	6
8. A Member's Add-on Privilege	6
RECIPROCITY -- USE PRIVILEGES	6
9. Use Reciprocity	6
MEMBERSHIP FAMILY PRIVILEGES	7
10. Definition of Family and Selection of Designated Adult.....	7
MEMBERSHIP FEES, DUES AND CHARGE PRIVILEGES.....	8
11. Membership Fees.....	8
11.1 Initiation Deposit	8
11.2 When Initiation Deposits Will Be Refunded	8
11.3 Membership Classification Upgrade and Downgrade	9
12. Dues.....	9
MEMBERSHIP CARDS, CHARGE PRIVILEGES AND ACCOUNTS.....	10
13. Membership Cards.....	10
14. Charge Privileges.....	10
15. Accounts.....	10
MEMBERS' FINANCIAL RESPONSIBILITIES/INDEBTEDNESS	11
16. Members' Financial Responsibilities; Delinquent Accounts.....	11
TRANSFER, CHANGE OF MEMBER DESIGNEE, RESIGNATION OR REVOCATION OF MEMBERSHIP.....	12
17. Transfers Prohibited: Membership Resignation Only.....	12
18. Membership Acquisition with Purchase of Property from the Developer	14
19. Change of Membership Designee.....	15
19.1 Cliffs Corporate and Executive Membership	15
19.2 Multiple Property Owners	16
20. Resignation of Member	17
21. Revocation of Membership: No Refund Due	18
22. Recall of Membership: Refund Due	18
DEATH/DIVORCE OF MEMBER	18

The Cliffs Clubs reserves the right to require Members to provide a credit card, check or cash deposit as security for payment of a Club account. All club charges which are outstanding after the required payment period, may be processed against the credit card, check or cash deposits

TRANSFER, CHANGE OF MEMBER DESIGNEE, RESIGNATION OR REVOCATION OF MEMBERSHIP

**17. Transfers Prohibited:
Membership Resignation
Only**

A Member may not transfer his/her membership to any person, including a purchaser of the Member's Cliffs property in a resale transaction. Such prohibited transfer includes a prohibition upon any sale, pledge, hypothecation, assignment, transfer or encumbrance of a membership except in accordance with this Membership Plan. A Cliffs Charter or Cliffs Golf Member (previously known as "A" or Full Golf Memberships) may resign the membership and the Cliffs Clubs may reissue the membership as a Cliffs Golf Membership in accordance with the following provisions:

A. Upon the sale of the Member's Cliffs property in a resale transaction, a Cliffs Charter or Cliffs Golf Member may resign the membership and the Cliffs Clubs may reissue the membership as a Cliffs Golf Membership to the resale purchaser at the closing of said property. The resale purchaser must first, however, be approved for membership.

B. At the time of re-issuance of the membership to a resale purchaser of the Member's Cliffs property, the Cliffs Charter or Cliffs Golf Member who is resigning the membership shall be entitled to receive a refund. With respect to Cliffs Golf Memberships (previously known as "A" or Full Golf Memberships) issued on or after June 1, 1999, the amount of the refund shall be the original initiation deposit paid by such Member at the time the Member joined the Club. With respect to Cliffs Charter or Cliffs Golf Memberships (previously known as "A" or Full Golf Memberships) issued prior to June 1, 1999, the refund shall be the greater of:

(i) the original amount of initiation deposit paid by such Member at the time he/she joined the Club, or:

(ii) eighty percent (80%) of the membership deposit being charged at the time of resignation and re-issuance to a new Member for the same membership classification.

C. A Cliffs Charter or Cliffs Golf Member whose membership is not to be reissued to a resale purchaser of the resigning Member's property may tender their resignation to their Home Club and be eligible for a refund as provided for in this Membership Plan.

D. A formal written letter of resignation and/or a membership addendum, which outlines the resignation and re-issuance, must be processed before the re-issuance of any Cliffs Golf Membership is finalized.

E. The new Member of a reissued Cliffs Golf Membership must submit a completed application form and enrollment form with the required initiation deposit before new membership cards and an account number will be processed.

F. All account balances owed by the resigning Cliffs Charter or Cliffs Golf Member must be paid in full before the Cliffs Clubs acts upon the requested membership resignation and re-issuance.

G. Resigning Members must return their membership card(s), and return any locker key(s) before the Cliffs Clubs acts upon the requested membership resignation and re-issuance.

H. Upon return of a resigning Members' cards and locker keys, and upon complete satisfaction of all outstanding account balances, the resigning Member shall be issued the refund due within a reasonable period of time following such resignation and re-issuance, consistent with the Cliffs Clubs processing of accounts payable.

I. A Cliffs Charter or Cliffs Golf Member may not resign the membership and be entitled to have the membership reissued to another Cliffs property owner except in connection with the transfer of the member's property to the new owner requesting membership re-issuance. Neither a resigned Cliffs Charter nor Cliffs Golf Membership will be reissued to an individual who is not a property owner within the Cliffs Communities.

J. A Cliffs Charter or Cliffs Golf Member (previously known as "A" or Full Golf Memberships) who has a Cliffs Golf Membership Add-on privilege must resign the add-on privilege at the same time as the Member resigns his/her Home Club membership. The resigned Member's Cliffs Golf Membership Add-on privileges will be reissued to the Member's resale purchaser requesting such re-issuance. The resignation and re-issuance of the add-on privileges must be processed in the same manner as the resigned Home Club Cliffs Charter or Cliffs Golf Membership (previously known as "A" or Full Golf Memberships). The re-issuance of add-on privileges is, however, contingent upon first having the Cliffs Charter or Cliffs Golf Membership (previously known as "A" or Full Golf Memberships) for the Member's Home Club reissued. In the event the resale purchaser of the property of a Member with add-on privileges does not elect to have the add-on privileges reissued, the resigned add-on privileges will be

processed for refund in accordance with the resignation policies and procedures outlined in this Membership Plan. Upon the re-issuance of add-on privileges to the Cliffs Charter or Cliffs Golf Member's resale purchaser of the Member's Cliffs property, the resigning Member will be entitled to receive a refund for the resigned add-on privileges in addition to the refund due for the resigned Cliffs Charter or Cliffs Golf Membership (previously known as "A" or Full Golf Memberships) in the Member's Home Club set forth in paragraph B above. With respect to any add-on privileges issued on or after June 1, 1999, the amount of the add-on privilege refund will be the initiation deposit paid by such Member at the time he/she acquired the add-on privilege. With respect to add-on privileges issued prior to June 1, 1999 the refund shall be the greater of:

(i) the original amount of the deposit paid by such Member at the time he/she acquired the add-on privilege, or;

(ii) eighty percent (80%) of the membership deposit being charged at the time of resignation and re-issuance to a new Member for the same membership classification.

K. A resigned Cliffs Golf Membership or Cliffs Golf Membership Add-on privilege awaiting a refund cannot reactivate the resigned membership in order to later again resign the membership and have the Cliffs Clubs reissue the membership to a subsequent purchaser of his/her property.

**18. Membership Acquisition
with Purchase of Property
from the Developer**

The Club may, and from time to time in its sole discretion, allow a purchaser of previously unsold company inventory wishing to acquire a Membership simultaneously with the property closing, to collaterally assign to its lender such amounts as may be due upon resignation of Membership hereunder, subject to the following conditions:

A. The lender must be a bank, trust company, insurance company, or other recognized lending institution, and the holder of a first lien and encumbrance on the Cliffs property as security for the purchase thereof and the funding of the Membership Deposit.

B. In case the lender forecloses its lien or takes a deed in lieu of foreclosure, dues will abate for no more than 6 months or until the property is transferred to another owner, whichever occurs first. If the lender is still the owner of the property after 6 months, dues will commence with respect thereto, and the membership will be deemed a Cliffs Corporate Membership classification under this Membership Plan.

OFFICE OF THE CLERK

UNITED STATES BANKRUPTCY COURT

Tammi M. Hellwig
Clerk of Court

DISTRICT OF SOUTH CAROLINA
J. BRATTON DAVIS UNITED STATES BANKRUPTCY COURTHOUSE
1100 LAUREL STREET
COLUMBIA, SOUTH CAROLINA 29201-2423

TELEPHONE (803)765-5436
www.scb.uscourts.gov

April 26, 2012

Julia Osborne
The Cliffs Club & Hospitality, Inc.
Claims Processing/BMC Group, Inc.
18675 East Lake Drive
Chanhassen MN 55317

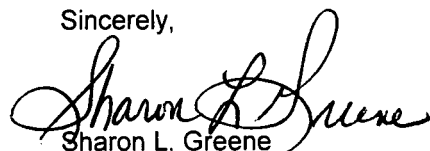
Re: The Cliffs Club & Hospitality Group, Inc.
C/A No.12-01220-jw

Dear Ms. Osborne,

Enclosed please find the original claims that were registered at our court. There are a total of 6 claims.

If you have any questions, please do not hesitate to contact me at (803) 765-5038.

Sincerely,



Sharon L. Greene
Public Services Supervisor/Pro Se Coordinator

Express

ORIGIN ID: LGBA (310) 321-5555
SHARON GREENE/ CLERK OF COURT
J. BRATTON DAVIS UNITED STATES
BANKRUPTCY COURTHOUSE
1100 LAUREL STREET
COLUMBIA, SC 29201
UNITED STATES US

SHIP DATE: 17APR12
ACTWGT: 1.0 LB MAN
CAD: 462272/CAFE2511

BILL SENDER

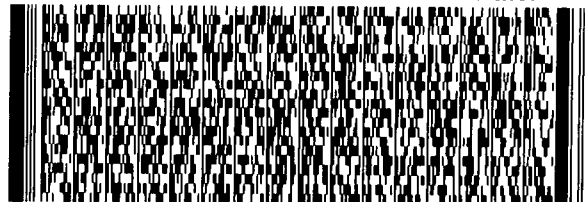
TO THE CLIFFS CLUB & HOSPITALITY, INC.
CLAIMS PROCESSING/ BMC GROUP INC
18675 EAST LAKE DRIVE

RECEIVED

CHANHASSEN MN 55317
(310) 321-6666
REF: CLIFFS CLAIMS

APR 30 2012

BMC GROUP



FedEx Express



RETURNS MON - FR

TRK# 5113 0600 7105

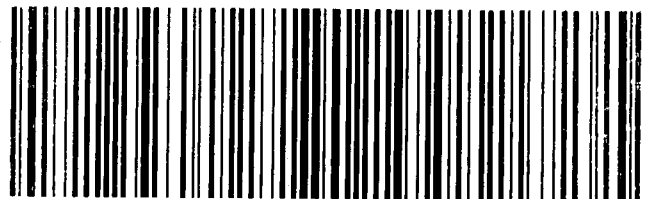
FedEx

TRK# 0221 5113 0600 7105

MON - 30 APR A1
STANDARD OVERNIGHT

XH FBLA

55317
MN-US
MSP



Emp# 216120 27APR12 USCA 512C1/C44D/A278

Envelope

The World On Time[®]

RT 35

FZ

6
7105
04:30
B

Align bottom of Peel and Stick Airbill or Pouch here.