


<b>UNITED STATES BANKRUPTCY COURT</b>		<b>District of South Carolina</b>	<b>PROOF OF CLAIM</b>
Name of Debtor: The Cliffs Club & Hospitality Group, Inc., et al		Case Number: 12-01220	<p style="text-align: center;"><b>COURT USE ONLY</b></p> <input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
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): Peter J. Rodgers and Barbara R. Watkins			
Name and address where notices should be sent: 2800 Horseshoe Trail Chester Springs, PA 19425		Telephone number: (215) 285-8555    email: pete@watkinsrodgers.com	<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.
Name and address where payment should be sent (if different from above):		RECEIVED  MAY 21 2012  BMC GROUP	
Telephone number:		email:	
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>6,305.09</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 checked="" 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.			
<b>2. Basis for Claim:</b> <u>Pre-petition interest due and unpaid on our note to ClubCo</u> (See instruction #2)			
<b>3. Last four digits of any number by which creditor identifies debtor:</b>  8 8 2 0		<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b> _____ (See instruction #3b)
<b>4. Secured Claim</b> (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.		<b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ <u>6,305.09</u>	
Nature of property or right of setoff: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: All of debtor's real property		Basis for perfection: <u>lien on debtor's property</u>	
Value of Property: \$ <u>100,000,000.00</u>		Amount of Secured Claim: \$ <u>6,305.09</u>	
Annual Interest Rate <u>3.180%</u> <input type="checkbox"/> Fixed    or <input checked="" type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ <u>0.00</u>	
<b>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.</b>			
<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"/> 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"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	
		<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)( ).	
			Amount entitled to priority: \$ _____
Cliffs POC  00816			
*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.			
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			

**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.

If the documents are not available, please explain: Original documents (the note) are in PA

**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.
- (Attach copy of power of attorney, if any.)    (See Bankruptcy Rule 3004.)    (See Bankruptcy Rule 3005.)

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: Peter J. Rodgers & Barbara R. Watkins

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address and telephone number (if different from notice address above): \_\_\_\_\_

\_\_\_\_\_

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

*Peter J. Rodgers*  
*Barbara R. Watkins*  
(Signature)

05/17/2012

(Date)

*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.

**DEFINITIONS****INFORMATION****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

**Claim**

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**Proof of Claim**

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

**Secured Claim Under 11 U.S.C. § 506 (a)**

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. § 507 (a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of 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.

**Evidence of Perfection**

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system ([www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov)) for a small fee to view your filed proof of claim.

**Offers to Purchase a Claim**

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

**DOCUMENTATION IN SUPPORT OF CLAIM FOR PRE-  
PETITION UNPAID INTEREST DUE US AS HOLDERS OF A  
\$100,000 SERIES "A" NOTE TO CLUBCO**

- (1) Noteholder Name: Peter J. Rodgers and Barbara R. Watkins
- (2) Documents: The original note is in our safe deposit box in PA and not readily available at this time. I have, however, included a copy of the signed signature page to the original note subscription agreement which I had in my files in SC.
- (3) Supporting Calculations:  
ClubCo's petition for bankruptcy protection was filed on, or about, 2/28/2012.  
Interest due and payable to us under the terms of our \$100,000 Series "A" note from ClubCo required that certain interest payments be made to us during the term of the note. The following calculations detail the amounts of various portions of the aforesaid required interest payments that were due and payable to us (but that remain unpaid to this date) prior to ClubCo's filing for bankruptcy protection:
- (a) Unpaid cash portion of series "A" note's interest for calendar 2011  
3.18% annual interest x \$100,000 note principle = **\$3,180**
- (b) Similarly, unpaid cash portion of series "A" note's interest for Jan & Feb 2012  
= (2/12) x \$3,180 = **\$530**
- (c) Unpaid golf dues portion of series "A" note's interest for Dec, 2011; Jan, 2012 and Feb, 2012 which according to my billings from ClubCo were \$865.11, \$864.99 and \$864.99 for a total of **\$2,595.09** (which sum I paid directly to ClubCo in order to keep my club membership in good standing).

**Therefore, the total of this claim for pre-petition unpaid interest on our Series "A" ClubCo note = \$3,180 + \$530 + \$2,595.09 = \$6,305.09**

**SIGNATURE PAGE  
TO THE  
SUBSCRIPTION AGREEMENT  
THE CLIFFS CLUB & HOSPITALITY GROUP, INC.**

IN WITNESS WHEREOF, the Investor has executed this Subscription Agreement as of the date set forth below:

Signature: *Peter J. Rodgers*  
 Print Name: PETER J. RODGERS  
 Title: INDIVIDUAL

Date: 3/20/10

Signature: *Barbara R. Watkins*  
 Print Name: BARBARA R. WATKINS  
 Title: INDIVIDUAL

Date: 3/20/10

State of Residence or Incorporation:  
PENNSYLVANIA

**Signature for Series B Investors Other Than Individuals:**

\_\_\_\_\_  
 Signature of Authorized Signatory

\_\_\_\_\_  
 Print Name & Title of Authorized Signatory

*PLEASE ISSUE THE  
 NOTE TO US AS  
 JOINT TENANTS WITH  
 THE RIGHT OF SURVIVORSHIP,  
 OR TENANTS BY ENTIRETY*

	<u>Series</u>	<u>Return</u>	<u>Amount</u>
X	A	3.18%, plus Dues credit	<u>\$ 100,000.00</u>
-	B	12%	<u>\$ _____</u>

Funds invested are from an IRA . (See Page A-6 for additional instructions)

IRA Account Name: \_\_\_\_\_

Funds invested are from a personal account. (See Page A-6 for additional instructions)

(If funds for Series B are from two different sources for each \$50,000 unit, please complete a separate form for each)

**Accepted:**

THE CLIFFS CLUB & HOSPITALITY GROUP, INC.

By: \_\_\_\_\_  
 Name: J. Scott Carlton, President

Date: \_\_\_\_\_

**SIGNATURE PAGE  
TO THE  
SUBSCRIPTION AGREEMENT  
THE CLIFFS CLUB & HOSPITALITY GROUP, INC.**

IN WITNESS WHEREOF, the Investor has executed this Subscription Agreement as of the date set forth below:

Signature: *Peter J. Rodgers*  
 Print Name: PETER J. RODGERS  
 Title: INDIVIDUAL

Date: 3/20/10

Signature: *Barbara R. Watkins*  
 Print Name: BARBARA R. WATKINS  
 Title: INDIVIDUAL

Date: 3/20/10

State of Residence or Incorporation:  
PENNSYLVANIA

**Signature for Series B Investors Other Than Individuals:**

\_\_\_\_\_  
 Signature of Authorized Signatory

\_\_\_\_\_  
 Print Name & Title of Authorized Signatory

*PLEASE ISSUE THE  
 NOTE TO US AS  
 JOINT TENANTS WITH  
 THE RIGHT OF SURVIVORSHIP,  
 OR TENANTS BY ENTIRETY*

	<u>Series</u>	<u>Return</u>	<u>Amount</u>
<input checked="" type="checkbox"/>	A	3.18%, plus Dues credit	<u>\$ 100,000.00</u>
<input type="checkbox"/>	B	12%	<u>\$ _____</u>

Funds invested are from an IRA . (See Page A-6 for additional instructions)

IRA Account Name: \_\_\_\_\_

Funds invested are from a personal account. (See Page A-6 for additional instructions)

**(If funds for Series B are from two different sources for each \$50,000 unit, please complete a separate form for each)**

**Accepted:**

THE CLIFFS CLUB & HOSPITALITY GROUP, INC.

By: \_\_\_\_\_  
 Name: J. Scott Carlton, President

Date: \_\_\_\_\_

Peter Rodgers  
5 BLUE SKY TRAIL  
TRAVELERS REST, SC 29690

**CERTIFIED MAIL™**



70JJ 2000 0000 7812 2269



1000



55317

U.S. POSTAGE  
PAID  
TRAVELERS REST, S.C.  
MAY 17, 2012  
AMOUNT  
**\$6.80**  
00077410-08

RETURN RECEIPT  
REQUESTED

BMC GROUP, INC.  
ATTN: CLIFFS CLAIMS PROCESSING  
P.O. BOX 3020  
CHANHASSEN, MN 55317-3020

RECEIVED  
MAY 21 2012  
BMC GROUP