

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA

In re:

The Cliffs Club & Hospitality Group, Inc., *et al.*,<sup>1</sup> *d/b/a* The Cliffs Golf & Country Club,

Debtors.

CHAPTER 11

Case No. 12-01220

Joint Administration Pending

**MOTION OF DEBTORS FOR ORDER AUTHORIZING THE DEBTORS TO (A) PREPARE A CONSOLIDATED LIST OF CREDITORS AND EQUITY SECURITY HOLDERS IN LIEU OF A MAILING MATRIX, (B) FILE A CONSOLIDATED LIST OF THE DEBTORS' FIFTY LARGEST UNSECURED CREDITORS, AND (C) MAIL INITIAL NOTICES**

COME NOW The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), and, pursuant to 11 U.S.C. §§ 105, 521, Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule 1007-1 of the Local Rules for the United States Bankruptcy Court for the District of South Carolina (the "Local Rules"), hereby move for entry of an order authorizing the Debtors to (a) prepare a consolidated list of creditors and equity security holders in lieu of a mailing matrix, (b) file a consolidated list of the debtors' fifty largest unsecured creditors, and (c) mail initial notices. In support of the Motion, the Debtors rely upon and incorporate by reference the Declaration of Timothy P. Cherry in Support of First Day Motions, filed concurrently herewith (the "Cherry Declaration"). In further

<sup>1</sup> The Debtors, followed by the last four digits of their respective taxpayer identification numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338); CCHG Holdings, Inc. (1356); The Cliffs at Mountain Park Golf & Country Club, LLC (2842); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898); The Cliffs at High Carolina Golf & Country Club, LLC (4293); The Cliffs at Glassy Golf & Country Club, LLC (6559); The Cliffs Valley Golf & Country Club, LLC (6486); Cliffs Club & Hospitality Service Company, LLC (9665).

support of the Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these Chapter 11 cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

**BACKGROUND**

2. On the date hereof (the "Petition Date"), the Debtors filed their voluntary petitions for relief under the Bankruptcy Code. The Debtors are authorized to operate their businesses as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. No creditors' committee has been appointed by the United States Trustee in these Chapter 11 cases. No trustee or examiner has been appointed in these Chapter 11 cases.

4. A description of the Debtors' businesses, the reasons for filing these Chapter 11 cases, and the relief sought from this Court to allow for a smooth transition into operations under Chapter 11 are set forth in the Cherry Declaration filed with the Court.

**RELIEF REQUESTED**

5. By this Motion, the Debtors seek entry of an order, pursuant to 11 U.S.C. §§ 105, 521; Bankruptcy Rule 1007; and Local Rule 1007-1, authorizing the Debtors to (a) prepare a consolidated list of creditors and equity security holders in lieu of a mailing matrix, (b) file a consolidated list of the Debtors' fifty largest unsecured creditors, and (c) mail initial notices.

**BASIS FOR RELIEF**

**A. Consolidated List of Creditors and Equity Security Holders**

6. Permitting the Debtors to maintain a consolidated list of their creditors in electronic format only in lieu of filing a creditor matrix is warranted. The Debtors have

approximately 8,000 creditors and parties in interest. Converting the Debtors' computerized information to a format compatible with the matrix requirements would be an extremely burdensome task and would greatly increase the risk and recurrence of error with respect to information already intact on computer systems maintained by the Debtors or their agents.

7. Moreover, in accordance with Local Rule 2081-1, the Debtors have filed an application (the "Claims and Noticing Agent Application") seeking the appointment of BMC Group ("BMC") as claims, noticing and balloting agent in the Chapter 11 cases. If such application is granted, BMC will, among other things, (a) assist with the consolidation of the Debtors' computer records into a creditor database and (b) complete the mailing of notices to the parties in such database. Accordingly, it is in the best interest of the Debtors' estates to avoid the cost and risks associated with preparing and filing a separate matrix.

8. After consultation with BMC, the Debtors believe that preparing the consolidated list in the format or formats currently maintained in the ordinary course of business will be sufficient to permit BMC to promptly notice all applicable parties. Accordingly, it is in the best interest of the Debtors' estates to avoid the costs and risks associated with preparing and filing separate matrices for each of the Debtors.

9. Relief similar to that requested herein has been granted in comparable chapter 11 cases in other districts. *See e.g., In re BI-LO, LLC*, Case No. 09-02140-HB (Bankr. D.S.C. 2009); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB) (Bankr. S.D.N.Y. Sept. 16, 2005); *In re Nw. Airlines Corp.*, Case No. 05- 17930 (ALG) (Bankr. S.D.N.Y. Sept. 15, 2005); *In re Tower Auto., Inc.*, Case No. 05- 10578 (ALG) (Bankr. S.D.N.Y. Feb. 4, 2005); *In re NRG Energy, Inc.*, Case No 03-13054 (PCB) (Bankr. S.D.N.Y. May 14, 2003); *In re Enron Corp.*,

*Inc.*, Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001); *In re Laidlaw USA, Inc.*, Case No. 01-14099 (MJK) (Bankr. W.D.N.Y. June 29, 2001).

**B. Single Consolidated List of the Fifty (50) Largest General Unsecured Creditors**

10. Pursuant to Bankruptcy Rule 1007(d), a debtor shall file "a list containing the name, address and claim of the creditors that hold the largest 20 unsecured claims, excluding insiders . . ." FED. R. BANKR. P. 1007(d). However, because many creditors are shared among the Debtors, and the Debtors would therefore have to expend significant resources and effort to reconcile which claims may be asserted against which Debtors, the Debtors request authority to file a single, consolidated list of their fifty (50) largest general unsecured creditors on a consolidated basis.

11. The Debtors have thousands of potential unsecured creditors. Requiring each of the Debtors to file a separate top twenty (20) list in each of their respective cases would generate numerous names, addresses and claim amounts of materially varying sizes. The Debtors do not believe that such voluminous and disjointed filings would facilitate the Office of the United States Trustee for the District of South Carolina (the "U.S. Trustee"), or any other parties', review of creditor claims. In addition, the exercise of compiling eleven (11) separate lists of twenty (20) would consume an excessive amount of the Debtors' scarce time and resources. In light of the foregoing, the Debtors submit that authority to file a single, consolidated list of the fifty (50) largest unsecured creditors in these cases on a consolidated basis is in the best interests of the estates and will facilitate the efficient and orderly administration of these cases.

**C. Mail Initial Notices To Creditors**

12. The Debtors, by separate application, are seeking authority to retain BMC as claims, noticing and balloting agent. The Debtors propose that BMC will undertake all mailings

directed by this Court, the U.S. Trustee or as required by the Bankruptcy Code. Additionally, BMC will assist the Debtors in preparing creditor lists and mailing initial notices. With such assistance, the Debtors will be prepared to file a computer readable consolidated list of creditors and a list of equity security holders upon any request, and will be capable of undertaking all necessary mailings.

**NOTICE**

13. No trustee, examiner, or creditors' committee has been appointed in these Chapter 11 cases. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the District of South Carolina; (b) counsel to the Indenture Trustee (as defined in the Cherry Declaration); (c) counsel to the DIP Lender (as defined in the Cherry Declaration); (d) the Debtors' fifty (50) largest unsecured creditors (on a consolidated basis); (e) those persons who have formally appeared in the bankruptcy cases and requested service pursuant to Bankruptcy Rule 2002; and (f) all applicable government agencies to the extent required by the Bankruptcy Rules and the Local Rules. The Debtors submit that, under the circumstances, no other or further notice is required.

**NO PRIOR REQUEST**

14. No previous request for the relief sought herein has been made to this or any other court.

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form annexed hereto, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: February 28, 2012

Respectfully submitted,

/s/ Däna Wilkinson  
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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

Case No. 12-01220

**ORDER AUTHORIZING THE DEBTORS TO (A) PREPARE A CONSOLIDATED LIST OF CREDITORS AND EQUITY SECURITY HOLDERS IN LIEU OF A MAILING MATRIX, (B) FILE A CONSOLIDATED LIST OF THE DEBTORS' FIFTY LARGEST UNSECURED CREDITORS, AND (C) MAIL INITIAL NOTICES**

The relief set forth on the following pages, for a total of 5 pages including this page, is hereby **ORDERED**.

UNITED STATES BANKRUPTCY COURT  
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Upon the motion (the "Motion")<sup>2</sup> of the Debtors for an order authorizing the Debtors to (a) prepare a consolidated list of creditors and equity security holders in lieu of a mailing matrix, (b) file a consolidated list of the debtors' fifty largest unsecured creditors, and (c) mail initial notices, and upon the Cherry Declaration; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation thereon; and sufficient cause appearing therefor, it is hereby

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED.
2. Notwithstanding Bankruptcy Rule 1007(d) and Local Rule 1007-1, the Debtors are authorized to prepare a consolidated list of creditors and a list of equity security holders in a computer readable format that is acceptable to the Clerk of the Court and to make such list available only upon request.
3. The Debtors are authorized to file a consolidated list of their fifty (50) largest general unsecured creditors on a consolidated basis.
4. The Debtors, with the assistance of BMC Group (upon this Court's authorization to engage BMC Group as the Debtors' claims, noticing and balloting agent, the "Claims and Noticing Agent"), are authorized, but not directed, to mail initial notices, such as: (a) a notice of filing of the Chapter 11 cases; (b) a notice of a meeting of creditors under § 341 of the Bankruptcy Code; and (c) any correspondence the Debtors may wish to send to creditors and equity security holders as part of the Debtors' communication efforts to keep their creditors and equity security holders informed with respect to the status of the Chapter 11 cases.
5. The Debtors, with the assistance of the Claims and Noticing Agent, are authorized, but not directed, to undertake all mailings directed by the Court, the U.S. Trustee or as required by the Bankruptcy Code, including the notice of commencement and any other correspondence that the Debtors may wish to send to creditors and equity security holders.
6. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.
7. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

9. The Debtors shall, within three (3) business days hereof, serve a copy of this Order on all parties that received notice of the Motion, as well as all parties that have appeared in these Chapter 11 cases and requested notice since the Debtors filed the Motion, and file a certificate of service evidencing such service.

AND IT IS SO ORDERED.

**Prepared and presented by:**

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