

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

IN RE:

CCHG Liquidation Co.,

Debtor

CHAPTER 11

Case No. 12-01220

Substantively Consolidated

**NOTICE OF DEBTOR'S REPORT OF SUBSTANTIAL CONSUMMATION OF THE
PLAN AND APPLICATION FOR FINAL DECREE**

PLEASE TAKE NOTICE that the following document has been filed in the above-captioned case:

Docket Entry No.	TITLE
1376	DEBTOR'S REPORT OF SUBSTANTIAL CONSUMMATION OF THE PLAN AND APPLICATION FOR FINAL DECREE

PLEASE TAKE FURTHER NOTICE that a copy of the above-shown document accompanies this notice, and may also be inspected in the offices of the Clerk of the Bankruptcy Court during normal business hours or downloaded from the Bankruptcy Court's website at <http://www.scb.uscourts.gov>. Please note that prior registration with the PACER Service Center and payment of a fee may be required to access such document. Additionally, copies of the above-shown document are available for free download via an unofficial version of the case docket accessible through the claims, noticing and balloting agent, BMC Group, Inc., at <http://www.bmcgroup.com/cliffs>. Requests for copies of the above-shown document may also be made to undersigned counsel at the contact information shown below.

PLEASE TAKE FURTHER NOTICE that any response, return, and/or objection to this filing should be filed with the Court **within thirty (30) days** of this notice.

PLEASE TAKE FURTHER NOTICE that no hearing will be held on this filing, except at the direction of the Judge, unless a response, return, and/or objection is timely filed and served, in which case the Court will conduct a hearing at **J. Bratton Davis United States Bankruptcy Courthouse, 1100 Laurel Street, Columbia, South Carolina 29201-2423 on November 4, 2014 at 9:30 A.M.** No further notice of this hearing will be given.

Any party that has filed and served an objection to this filing, and that fails to appear at the time and place above noticed to prosecute that objection, may not have the objection considered. If the party filing the document referred to above has not served the document as required by the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court, the

filing party is hereby notified that, at the hearing above referenced, the Court may give notice of the possible imposition of sanctions against the filing party pursuant to Rule 9011 of the Federal Rules of Bankruptcy Procedure for failure to effect service.

NOTICE IS HEREBY GIVEN this 1st day of October, 2014.

Respectfully submitted,

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**UNITED STATES BANKRUPTCY COURT
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In re:

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CHAPTER 11

Case No. 12-01220

Substantively Consolidated

**DEBTOR'S REPORT OF SUBSTANTIAL CONSUMMATION OF THE PLAN AND
APPLICATION FOR FINAL DECREE**

COMES NOW CCHG Liquidation Co., the above-captioned substantively consolidated debtor (the "Debtor"), and, pursuant to 11 U.S.C. §§ 350(a), 1101(2) and Rule 3022 of the Federal Rules of Bankruptcy Procedure, hereby submits its: (i) report of substantial consummation of the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor dated June 30, 2012, as amended [Docket Entry No. 616, Ex. A] (the "Plan"),¹ which Plan was confirmed by Order of this Court on August 17, 2012 [Docket Entry No. 678] (the "Confirmation Order"); and (ii) application for a final decree.

As reported in the Notice of Occurrence of Effective Date of Chapter 11 Plan; Limitation of Notice; and Related Matters [Docket Entry No. 691], the Effective Date of the Plan occurred on August 23, 2012. On October 1, 2012, this Court entered that certain Order Pursuant To Confirmed Plan Amending Case Dockets To Reflect Amended Corporate Names Of Debtors And Closing Substantively Consolidated Cases [Docket Entry No. 712], closing the substantively consolidated cases of the following debtors affiliated with the Debtor: CCHG Holdings, Inc.; The Cliffs at Glassy Golf & Country Club, LLC; The Cliffs Valley Golf &

¹ All capitalized terms not defined herein shall have the meanings ascribed thereto in the Plan.

Country Club, LLC; The Cliffs at Mountain Park Golf & Country Club, LLC; The Cliffs at Keowee Springs Golf & Country Club, LLC; The Cliffs at Keowee Falls Golf & Country Club, LLC; The Cliffs at Keowee Vineyards Golf & Country Club, LLC; The Cliffs at Walnut Cove Golf & Country Club, LLC; The Cliffs at High Carolina Golf & Country Club, LLC; and Cliffs Club & Hospitality Service Company, LLC.

Substantially all of the property proposed by the Plan to be transferred was transferred on the Effective Date or immediately thereafter. The CCHG Liquidation Co. Liquidating Trust (the “Trust”), formed pursuant to the Plan, assumed the management of the property dealt with by the Plan that vested in the Trust. The administration of the Trust is substantially completed. Distributions under the Plan have commenced. All motions and contested matters have been finally resolved.

As summarized below, the requirements of 11 U.S.C. § 1101(2) for substantial consummation of the Plan have been satisfied.

I. Final Account² of the Transfers of Property and Distributions by the Debtor Pursuant to Orders of this Court and Pursuant to the Plan, and the Commencement of Distributions under the Plan.

As further described below, all transfers of property and distributions approved by this Court have occurred, all transfers of property and distributions contemplated in the Plan have either occurred on the Effective Date or have commenced in accordance with the Plan, and all Allowed Claims against the Debtor have been satisfied pursuant to the Plan.

On or about the Effective Date, the Plan Sponsor satisfied the Debtor in Possession Loan and Security Agreement via payment of approximately \$6,656,000. All Allowed Administrative

² The Reorganized Debtor submits this final account in discharge of its obligations under 11 U.S.C. §§ 704(9), 1106(a)(1) and 1107(a).

Claims, including Professional Fee Claims for services rendered from the Petition Date through the Effective Date (\$2,522,702), were either paid on the Effective Date, assumed by the Plan Sponsor pursuant to the Asset Purchase Agreement, or otherwise satisfied. All Allowed Priority Tax Claims were either paid on the Effective Date, assumed by the Plan Sponsor pursuant to the Asset Purchase Agreement, or otherwise satisfied. As more fully described in the Plan, all classified claims were satisfied pursuant to the Plan as follows:

- Class 1 Claims (Indenture Trustee – Note Holder Claims) were satisfied via agreements executed on or about the Effective Date, or shortly thereafter, providing for, among other things, the repayment of \$64,050,000, without interest, in twenty (20) annual payments, with a balloon payment, if any, at maturity, secured by certain rights and subject to certain obligations;

- the Class 2 Claim (Indenture Trustee – Bridge Loan Claim) was satisfied via payment by the Plan Sponsor of approximately \$2,199,800 on or about the Effective Date, or shortly thereafter, in full satisfaction, settlement, release, and extinguishment of such Claim, and of any lien securing such Claim;

- Class 3 Claims (Mechanic's Lien Claims) were satisfied via payment by the Plan Sponsor on or about the Effective Date, or shortly thereafter, of the full principal amount of such Claims, or such other amount as agreed by the claimants, without interest, costs or attorneys' fees (estimated as of the Effective Date to total \$1,535,566), in full satisfaction, settlement, release, and extinguishment of such Claims, and of any lien securing such Claims;

- Class 4 Claims (Other Senior Secured Party Claims) were satisfied via payment by the Plan Sponsor on or about the Effective Date, or shortly thereafter, of approximately \$19,500, in full satisfaction, settlement, release, and extinguishment of such Claims, and of any lien securing such Claims;

- Class 5 Claims (General Unsecured Claims) were satisfied via receipt of a pro rata share of the General Unsecured Claims Fund administered by the Trust, less expenses incurred for the administration of the Trust;

- Class 6 Claims (Administrative Convenience Claims) were satisfied via payment of the full amount of each such Allowed Claim, without interest, costs or fees, totaling approximately \$73,000;

- Class 7 Claims (Club Member Claims) were satisfied via an election to join the New Clubs, pursuant to which: (i) re-joining Club Members received, subject to certain terms, conditions and documentation, membership with New ClubCo and the right to satisfaction by New ClubCo of Membership Deposit Obligations in accordance with the Vesting Schedule, and (ii) Club Members who elected to not re-join received a pro rata share of the Rejecting Member Fund administered by the Trust, less expenses incurred for the administration of the Trust; and

- Class 8 Interests (Equity Interests) were cancelled, and did not receive or retain any Property under the Plan on account of such Interests.

The executory contracts listed on the Amended Schedule of Assumed Contracts set forth in Attachment 5 to the Second Plan Supplement were assumed, and all executory contract cure obligations (approximately \$192,300) were satisfied by the Plan Sponsor. The Plan Sponsor paid to the Liquidation Trustee the Post-Effective Date Administration Plan Sponsor Funding of \$100,000.

Distributions by the Trust, as contemplated in the Plan, have commenced. As set forth above, on the Effective Date, each Holder of an Allowed Class 5 Claim received an interest in the General Unsecured Claims Fund, administered by the Trust, based on the percentage that its Allowed Claim bears to the total amount of Allowed Claims in Class 5. The General Unsecured

Claims Fund consists of three payments of \$953,867 by the Plan Sponsor to the Trust, payable over the period of August 23, 2012 to August 23, 2014. The Trust received the General Unsecured Claims Fund payments, totaling \$2,861,601, consistent with the terms of the Plan. Since its formation, the administration of the Trust for the benefit of Class 5 claimants focused on the review and administration of numerous Class 5 Claims filed. As set forth in the First Amended and Restated Disclosure Statement to Accompany the First Amended and Restated Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor (the "Disclosure Statement"), the debtors estimated that the total sum of Allowed Class 5 Claims would equal approximately \$3,900,000, based on the debtors' books and records. In fact, more than \$137 million in Class 5 Claims were filed against the debtors, necessitating that the Trust analyze numerous objectionable claims and file numerous formal objections to such claims in order to ensure that distributions to holders of properly allowable Class 5 Claims were not inequitably diluted by such objectionable claims. Through its formal objections, the Trust succeeded in reducing the total sum of Allowed Class 5 Claims to \$4,079,040.53 through entry of numerous Orders from the Bankruptcy Court disallowing approximately \$133 million in claims filed. The Trust has made one interim distribution in the total sum of \$1,250,000 to holders of Allowed Class 5 Claims, and the Trust will soon make its final distribution to Holders of Allowed Class 5 Claims from the General Unsecured Claims Fund, net of administrative expenses of the Trust.

As set forth above, on the Effective Date, each Holder of an Allowed Class 7 Claim received an interest in the Rejecting Member Fund, administered by the Trust, based on the percentage that its Allowed Claim bears to the total amount of Allowed Claims in Class 7. The Rejecting Member Fund consists of \$100,000 paid by the Plan Sponsor to the Trust, plus the net recovery of the Retained Actions transferred to the Trust, less expenses incurred for the

administration of the Trust. The Retained Actions transferred by the debtors to the Trust included causes of action for preferential transfers, accounts receivable due to the debtors, and other potential litigation assets, as further described in the Plan. Total estimated Class 7 Claims exceeds \$76,000,000. Despite its best efforts, the Trust has been unable to recover material net assets from the Retained Actions for distribution to Class 7 Trust beneficiaries. Unfortunately, the vast majority of the assets owing to the debtors relating to the Retained Actions was either uncollectible or unlikely to yield material recoveries to the Trust net of costs to pursue such claims. Accordingly, no distribution will be made to Holders of Allowed Class 7 Claims from the Rejecting Member Fund.

The Debtor respectfully submits that this case does not need to remain open for the Trust to make the final distribution of property from the Trust to holders of Holders of Allowed Class 5 Claims, and to then terminate the Trust. Accordingly, all transfers of property and distributions approved by Orders of this Court have occurred, and all transfers of property and distributions contemplated in the Plan have either occurred on the Effective Date or have commenced in accordance with the Plan. Therefore, the requirements of 11 U.S.C. § 1101(2)(A) and (C) for substantial consummation of the Plan have been satisfied.

II. The Trust Assumed the Management of all Property that Vested in the Trust Pursuant to the Plan.

Pursuant to the Plan, on the Effective Date, all property of the Debtor and the affiliated debtors not conveyed to the Plan Sponsor under the Asset Purchase Agreement vested in the Trust, free and clear of all Claims, Liens, contractually-imposed restrictions, charges, encumbrances and Interests of Creditors and equity security holders, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances and Interests being extinguished subject to the rights of Holders of Rejecting Club Member Claims and General Unsecured

Claims to obtain distributions provided for in the Plan. As described above, from and after the Effective Date, the Trust managed such assets pursuant to the terms of the Plan and the Liquidating Trust Agreement. Therefore, this requirement under 11 U.S.C. § 1101(2)(B) for substantial consummation of the Plan has been satisfied.

APPLICATION FOR FINAL DECREE

As shown above, the Plan has been substantially consummated in accordance with 11 U.S.C. § 1101(2). Rule 3022 of the Federal Rules of Bankruptcy Procedure provides, “After an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case.” Fed.R.Bankr.P. 3022. All of the property proposed by the Plan to be transferred has been transferred, no further transfers are contemplated, the Trust assumed the management of all property that vested in the Trust pursuant to the Plan, and the distributions under the Plan have commenced. All administrative costs have been paid, it is not anticipated that there will be any further application for administrative expenses, and all motions and contested matters have been finally resolved.

In accordance with section 7.12 of the Plan and paragraph 32 of the Confirmation Order, notice is provided to the Debtor, the Liquidation Trustee, the Plan Sponsor, the United States Trustee, and their respective counsel, to any person whose rights are directly affected by the relief sought, and to all other parties in interest who have filed a request for notice, as reflected in the attached certificate of service.

WHEREFORE, the Plan, as confirmed, having been fully administered pursuant to Federal Rule of Bankruptcy Procedure 3022, the Debtor respectfully requests that the Court enter a final decree closing the Debtor’s case, and grant such other and further relief as may be just and proper.

This 1st day of October, 2014.

/s/ Däna Wilkinson

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CERTIFICATE OF SERVICE

Undersigned counsel hereby certifies that on this day he caused to be served a true and correct copy of the **DEBTOR'S REPORT OF SUBSTANTIAL CONSUMMATION OF THE PLAN AND APPLICATION FOR FINAL DECREE** [Docket Entry No. 1376], and notice thereof, via first class mail, postage prepaid, or electronic mail, if indicated, to the parties listed on Exhibit "A."

This 1st day of October, 2014.

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