

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

In re:)	
)	
The Cliffs Club & Hospitality Group, Inc.,)	
et al. ¹ , d/b/a The Cliffs Golf & Country Club,)	Case No. 12-01220-jw
)	Chapter 11
Debtors.)	
)	Joint Administration

OBJECTION OF UNITED STATES TRUSTEE TO DEBTORS' MOTION FOR AN ORDER (I) ESTABLISHING CERTAIN BAR DATES FOR FILING PROOFS OF CLAIM, (II) APPROVING BAR DATE NOTICE AND MAILING AND PUBLICATION PROCEDURES, (III) IMPLEMENTING UNIFORM PROCEDURES REGARDING SECTION 503(b)(9) CLAIMS, AND (IV) PROVIDING CERTAIN SUPPLEMENTAL RELIEF

The United States Trustee (the UST) files this objection and responds to the debtors' motion for an order (i) establishing certain bar dates for filing proofs of claim, (ii) approving bar date notice and mailing and publication procedures, (iii) implementing uniform procedures regarding section 503(b)(9) claims, and (iv) providing certain supplemental relief (the Motion). The UST files this objection pursuant to the authority granted to him by 28 U.S.C. § 586 and 11 U.S.C. § 307.

¹The 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 a 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); and Cliffs Club & Hospitality Service Company, LLC (9665).

The grounds for this objection are:

1. The Motion fails to address how proofs of claim which have been filed with the Bankruptcy Court will be treated. The Motion excludes parties, who have previously filed claims with the Claims Agent, but does not address those who have filed claims with the Bankruptcy Court.
2. The procedures seek to exclude parties from filing proofs of claim by electronic means which is permitted in filing claims with the Court. Additionally in this case, the debtors have procedures that provide notice by electronic mail is appropriate in most instances, but seek to disallow claimants from using similar methods.
3. The debtors seek to reduce the time for governmental agencies to file proofs of claim which is set by statute.
4. The debtors seek to limit claimants seeking payment of 11 U.S.C. § 503(b)(9) claims by including in the order that 503(b)(9) Claimants shall not file a motion to compel allowance or payment of administrative expenses. The debtors should demonstrate why 503(b)(9) Claimants should be prohibited from seeking payment if they are entitled to request such payment.
5. The debtors request the Court to find that publication notice of the proof of claim deadline in two newspapers—USA Today and The Greenville News – provides good, adequate and sufficient notice of the bar date. The debtors seek to affect unknown claimants, while the unknown claimants have no notice of the Motion to respond. Until a claimant comes forward and files a late claim and the debtors object to the allowance of the claim, the sufficiency of the notice cannot be determined. The facts for that particular creditor would need to be reviewed. The debtors should not be able to obtain an order barring arguments from a claimant regarding whether its due process rights have been infringed prior to the issue becoming ripe for adjudication.
6. The debtors have also inserted language in the proposed order which provides that any Entity that is required to file a proof of claim, and fails to do so in a timely manner, is forever barred. Late filed claims are not always disallowed. There are situations in which notice to a claimant is insufficient or a claimant has filed sufficient information to constitute an informal proof of claim. These matters are reviewed on a case by case basis. The proposed language appears to prevent any such arguments from being made.

The UST asks the Court to deny the relief requested by the debtors unless they can adequately address the concerns raised herein.

W. CLARKSON MCDOW, JR.
UNITED STATES TRUSTEE
REGION FOUR

By: /s/ Linda K. Barr
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Date: 4-5-12

CERTIFICATE OF SERVICE

I, Linda K. Barr, do hereby certify that on April 5, 2012, I served the below-named documents upon the parties listed below by electronic mail and/or by electronic transmission through the Court's Electronic Case Filing system to the participants thereof:

OBJECTION OF UNITED STATES TRUSTEE TO DEBTORS' MOTION FOR AN ORDER (I) ESTABLISHING CERTAIN BAR DATES FOR FILING PROOFS OF CLAIM, (II) APPROVING BAR DATE NOTICE AND MAILING AND PUBLICATION PROCEDURES, (III) IMPLEMENTING UNIFORM PROCEDURES REGARDING SECTION 503(b)(9) CLAIMS, AND (IV) PROVIDING CERTAIN SUPPLEMENTAL RELIEF

CERTIFICATE OF SERVICE

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Gary W. Marsh
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Bryan E. Bates
John B. Butler
Jonathan B. Atler

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