

**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**

**Jointly Administered**

**DEBTORS' MOTION FOR ENTRY OF AN ORDER APPROVING (I) THE  
DISCLOSURE STATEMENT; (II) PROCEDURES FOR THE SOLICITATION AND  
TABULATION OF VOTES TO ACCEPT OR REJECT THE JOINT CHAPTER 11  
PLAN FILED BY THE DEBTORS AND THE PLAN SPONSOR; AND  
(III) RELATED NOTICE AND OBJECTION PROCEDURES**

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"), file this Motion for Entry of an Order Approving (I) the Disclosure Statement; (II) Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor; and (III) Related Notice and Objection Procedures (the "Motion"). In support of this Motion, the Debtors respectfully represent as follows:

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<sup>1</sup> The Debtors, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (7576) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); and Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief requested herein are sections 105, 1125, 1126 and 1128 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) and Rules 2002, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **BACKGROUND**

3. On February 28, 2012 (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

4. On March 12, 2012, the United States Trustee appointed the Official Committee of Unsecured Creditors (the “Committee”) in these Chapter 11 cases pursuant to that certain Fourth Amended Appointment of Committee of Unsecured Creditors [Docket Entry No. 141]. No trustee or examiner has been appointed in these Chapter 11 cases.

5. The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

6. 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 Declaration of Timothy P. Cherry in Support of First Day Motions (the “Cherry Declaration”), which has been filed with the Court [Docket Entry No. 44].

### **RELIEF REQUESTED**

7. By this Motion, the Debtors seek the entry of an order (the “Approval Order”) approving: (1) the Disclosure Statement to Accompany the Joint Chapter 11 Plan filed by the

Debtors and the Plan Sponsor (as may be amended, the “Disclosure Statement”) [Docket Entry No. 366], (2) procedures for solicitation and tabulation of votes to accept or reject the Joint Chapter 11 Plan filed by the Debtors and the Plan Sponsor (as may be amended, the “Plan”)<sup>2</sup> [Docket Entry No. 365], and (3) related notice and objection procedures, including dates for hearings and objections with respect to the approval of the Disclosure Statement and confirmation of the Plan.

**SUMMARY OF CONFIRMATION-RELATED DEADLINES**

8. On May 22, 2012, the Debtors filed the Plan and the Disclosure Statement.

9. By this Motion, the Debtors request that the Court establish the following dates with respect to the approval of the Disclosure Statement and the confirmation of the Plan:

- a. **June 28, 2012:** Deadline for objections to adequacy of the Disclosure Statement;
- b. **July 2, 2012:** Hearing to consider approval of the Disclosure Statement;
- c. **August 1, 2012:** Deadline for submission of ballots on the Plan and objections to confirmation; and
- d. **August 6, 2012:** Hearing to consider confirmation of the Plan.

10. The Debtors believe that this proposed timeline is appropriate under the circumstances and will provide creditors and parties in interest with sufficient notice and adequate time to review the Plan and the Disclosure Statement and to decide whether to vote to accept or reject the Plan. In addition, it will allow the Debtors to resolve their chapter 11 cases expeditiously, thereby minimizing costs and maximizing value for the benefit of all creditor constituencies.

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<sup>2</sup> Terms used but not defined herein shall have the meaning ascribed thereto in the Plan.

11. The Debtors further assert that the Disclosure Statement provides adequate information as required by section 1125 of the Bankruptcy Code, and that the solicitation materials for which the Debtors seek approval hereby will provide for proper solicitation of votes on the Plan.

### **BASIS FOR RELIEF**

#### **I. The Disclosure Statement Contains Adequate Information and Should Be Approved**

12. The Debtors request that the Disclosure Statement be approved as providing “adequate information” within the meaning of section 1125 of the Bankruptcy Code. Under section 1125 of the Bankruptcy Code, a debtor must provide its creditors and interest holders with “adequate information” regarding the debtor’s proposed plan of reorganization:

“[A]dequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . . [I]n determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information . . . .

11 U.S.C. § 1125(a)(1).

13. The determination of the adequacy of information in a disclosure statement must be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. The Disclosure Statement contains ample information relating to, and descriptions and summaries of, among other things: (a) the terms of the Plan; (b) certain events preceding the Debtors’ chapter 11 cases; (c) the operation of the Debtors’ businesses; (d) the bidding process; (e) estimates of the Claims asserted, or to be asserted, against the Debtors’ estates and the value

of distributions to be received by Holders of Allowed Claims; (f) risk factors that may affect the Plan; (g) the method and timing of distributions under the Plan; (h) a liquidation analysis identifying the estimated return that creditors would receive if the Debtors' bankruptcy cases were cases under chapter 7; (i) an explanation of the federal tax consequences of the Plan; and (j) appropriate disclaimers regarding the Court's approval of information only as contained in the Disclosure Statement. Accordingly, the Debtors respectfully submit that the Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code.

**II. The Solicitation Procedures Should Be Approved**

**A. Establishment of a Voting Record Date**

14. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with confirmation of a plan of reorganization, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3017(d). Consistent with such provision, the Debtors request that the Court establish the date the order approving the Disclosure Statement is entered as the record date (the "Voting Record Date") for purposes of determining: (a) the creditors who are entitled to vote to accept or reject the Plan; and (b) in the case of nonvoting classes, the creditors and interest holders who are entitled to receive non-voting materials.

**B. Notices to Nonvoting Classes**

15. Holders of Claims and Interests in Classes 2 and 8 are not entitled to vote for or against the Plan. Holders of Claims in Class 2 are designated under the Plan as unimpaired and, therefore, are conclusively presumed to accept the Plan. *See* 11 U.S.C. § 1126(f). Holders of

Class 8 Interests will not receive or retain any property on account of such Interests under the Plan and, thus, are conclusively presumed to reject the Plan. *See* 11 U.S.C. § 1126(g).

16. Bankruptcy Rule 3017(d) provides, in relevant part, as follows:

If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

Fed. R. Bankr. P. 3017(d). Accordingly, the Debtors propose to send to Holders of unimpaired Claims in Class 2 a notice of non-voting status, substantially in the form annexed to the proposed Approval Order as Exhibit B (the "Notice of Non-Voting Status"), which informs such Holders that their Claims are unimpaired and sets forth the manner in which they may obtain a copy of the Plan and Disclosure Statement at no charge. The Debtors further propose to send a copy of the Notice of Non-Voting Status to each Holder of a Class 8 Interest, which Class 8 Interests do not receive or retain any property on account of such Interest.

17. The Debtors submit that such notice satisfies the requirements of the Bankruptcy Code and Bankruptcy Rules.

**C. Approval of Solicitation Packages**

18. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of Claims and Interests entitled to vote for the purpose of soliciting their votes and providing adequate notice of the hearing to confirm a chapter 11 plan. Specifically, Bankruptcy Rule 3017(d) provides, in relevant part, that:

Upon approval of a disclosure statement—except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders—the debtor in possession, trustee, proponent of the plan or clerk as the court orders, shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,

- a. the plan or a court-approved summary of the plan;
- b. the disclosure statement approved by the court;
- c. notice of the time within which acceptances and rejections of such plan may be filed; and
- d. any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan.

19. Contingent upon the Court's approval of the Disclosure Statement, the Debtors propose to distribute or cause to be distributed solicitation packages (the "Solicitation Packages") to all Holders of Claims in Classes 1, 3, 4, 5, 6 and 7 (the "Voting Classes"), including: (a) all persons or entities identified in the Debtors' Schedules as holding liquidated, noncontingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims) and undisputed Claims in an amount greater than zero dollars, excluding scheduled claims that have been paid in full or superseded by filed proofs of claim; (b) all parties having timely filed proofs of claim, as reflected in the official claims register maintained by BMC Group, Inc. (the "Voting Agent"): (i) in an amount greater than zero dollars and (ii) that have not been disallowed or expunged prior to the Solicitation Date (as defined below); (c) the assignee of a transferred and assigned claim (whether a filed or scheduled claim) whose transfer and assignment has been properly noted on the Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date and whose claims have not been disallowed or expunged prior to the Solicitation Date; and (d) any other known Holders of such Claims as of the Voting Record Date. The Debtors expect to complete

distribution of the Solicitation Packages no later than five (5) business days after entry of the order approving the Disclosure Statement (the "Solicitation Date").

20. Each Solicitation Package shall include copies of: (i) the Approval Order (without exhibits); (ii) the Disclosure Statement (together with the Plan annexed thereto and all other prepared attachments); (iii) any additional opinion of the Court approving the Disclosure Statement; (iv) any letter from the Official Committee of Unsecured Creditors in support of the Plan; (v) the Confirmation Hearing Notice (as described below); (vi) an appropriate form of ballot in substantially the forms attached to the proposed Approval Order as Exhibits "A-1" through "A-6", together with a pre-addressed, postage prepaid return envelope addressed to the Voting Agent; and (vii) such other materials as the Court may direct. In order to reduce the substantial costs to prepare and mail the Solicitation Packages, the Debtors request authority to copy the Solicitation Package onto compact discs (excepting only the form of ballot, which shall be served in paper copy), and to serve such compact discs to the creditors and equity security holders in these cases, in lieu of paper copies of the Solicitation Package; provided, however, that the Debtors and the Voting Agent will accommodate any reasonable request by creditors and equity security holders to receive a paper copy of the Solicitation Package. The Debtors respectfully submit that the Solicitation Package complies with Bankruptcy Rule 3017(d) and should be approved.<sup>3</sup>

**D. Approval of Form Ballots**

21. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot that substantially conforms to Official Form No. 14 only to "creditors and equity security holders entitled to vote on the plan." Fed. R. Bankr. P. 3017(d). The Debtors propose to distribute to

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<sup>3</sup> All Solicitation Package materials (excluding the Ballot) will also be available for review online at: <http://www.bmcgroup.com/cliffs>.



creditors entitled to vote on the Plan one or more Ballots in the forms attached to the proposed Approval Order collectively as Exhibits "A-1" through "A-6". The Ballots are based on Official Form No. 14, but have been modified to address the particular terms of the Plan. The Debtors propose that the appropriate form of Ballot will be distributed to holders of Claims in the classes entitled to vote to accept or reject the Plan, as follows:

|               |   |
|---------------|---|
| EXHIBIT "A-1" | Ballot for Class 1<br>Indenture Trustee – Note<br>Holder Claims |
| EXHIBIT "A-2" | Ballot for Class 3<br>Mechanic's Lien Claims                    |
| EXHIBIT "A-3" | Ballot for Class 4 Other<br>Senior Secured Party<br>Claims      |
| EXHIBIT "A-4" | Ballot for Class 5 General<br>Unsecured Claims                  |
| EXHIBIT "A-5" | Ballot for Class 6<br>Administrative<br>Convenience Claims      |
| EXHIBIT "A-6" | Ballot for Class 7 Club<br>Member Claims                        |

22. Class 2 is unimpaired and, therefore, Holders of unimpaired Claims in Class 2 are conclusively presumed to accept the Plan in accordance with section 1126(f). Holders of Class 8 Interests will neither receive nor retain any property under the Plan on account of such Interests. Accordingly, Holders of Class 8 Interests are deemed to reject the Plan pursuant to section 1126(g). Therefore, the Debtors do not propose any Ballots for Holders of Claims or Interests in these Classes.

23. The Ballot for Class 7 Club Member Claims, in addition to offering such claim holders the opportunity to vote to accept or reject the Plan, also contains an election by which current and former members of the Debtors' clubs can elect whether to become a member of New ClubCo following confirmation of the Plan. Prior to the Voting Deadline, the Debtors and the Plan Sponsor propose, and seek this Court's authority, to communicate with current and former members of the Debtors' clubs to facilitate their understanding and consideration of the New ClubCo Membership Plan with respect to such election.

**E. Voting Deadline**

24. Bankruptcy Rule 3017(c) provides that, "[o]n or before approval of [a] disclosure statement, the Court shall fix a time within which the holders of claims and interests may accept or reject [a] plan." Fed. R. Bankr. P. 3017(c). The Debtors anticipate commencing the Plan solicitation period by mailing Ballots and other approved solicitation materials no later than the Solicitation Date. The Debtors propose that, to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed and delivered to the Voting Agent: (i) by mail in the return envelope provided with each Ballot, (ii) by overnight courier, or (iii) by personal delivery so that, in each case, all Ballots are received by the Voting Agent on or before August 1, 2012 (the "Voting Deadline"). The Debtors propose that no Ballots may be submitted by facsimile or electronic mail, and that any Ballots submitted by facsimile or electronic mail should not be accepted or counted.

**III. The Tabulation Procedures Should Be Approved**

25. Section 1126(c) of the Bankruptcy Code provides:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two thirds in amount and more than one-half in number of the allowed

claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(c). Similarly, section 1126(d) of the Bankruptcy Code provides:

A class of interests has accepted a plan if such plan has been accepted by holders of such interests, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount of the allowed interests of such class held by owners of such interests, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(d). Further, Bankruptcy Rule 3018(a) provides that the “court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.” Fed. R. Bankr. P. 3018(a).

26. The Debtors propose that each Holder of a Claim within a Class of Claims entitled to vote to accept or reject the Plan be entitled to vote the amount of such Claim as set forth in the Schedules (as may be amended from time to time) unless: (a) such Holder has timely filed a proof of claim, in which event such Holder would be entitled to vote the amount of such Claim as set forth in such proof of claim; or (b) the Debtors have satisfied such Claim in accordance with any Order of the Court, in which event such Holder would be entitled to vote only the amount of such Claim that had not been satisfied (if any). The Debtors propose that the foregoing general procedure be subject to the following exceptions and conditions:

- a. With respect to Class 1 Indenture Trustee – Note Holder Claims, the individual Holders of such Claims shall vote for purposes of whether Class 1 votes as a class to accept or reject the Plan. The Debtors intend to file a first amendment to their Schedules (schedules of assets and liabilities) and attach thereto a Schedule D Rider that will detail the individual Note Holder Claims that comprise the Class 1 Secured Claim estimated at \$73,532,000 in the aggregate. For the avoidance of doubt: (i) this provision and the Debtors’ submission of the Schedule D Rider is for Plan voting purposes only, and any Note Holder who disagrees with any amount set forth in the Schedule D Rider need not file a proof of claim to assert the amount of his or her Note Holder Claim, but rather should indicate the alleged amount of his or her Note Holder Claim on any Class 1 Ballot submitted to the Voting Agent (the Debtors may address in the tabulation report submitted to the Bankruptcy Court any disputes regarding the appropriate amount of any Note Holder Claim indicated on any such Class 1 Ballot); and (ii)

Note Holders will be provided separate Class 7 Ballots with respect to their Club Member Claims;

- b. If a Claim is deemed "Allowed" under the Plan or an order of the Court, such Claim is Allowed for voting purposes in the deemed "Allowed" amount set forth in the Plan or the Court's order;
- c. If a Claim for which a proof of claim has been timely filed is wholly contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims in their face amount), unliquidated or disputed (as determined by the Debtors after a reasonable review of the Claim and its supporting documentation), the Debtors propose that such Claim be temporarily Allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00, and the Ballot mailed to the Holder of such Claim shall be marked as voting at \$1.00;
- d. If a Claim is partially liquidated and partially unliquidated, the Debtors propose that the Claim be Allowed for voting purposes only in the liquidated amount;
- e. If a Claim has been estimated or otherwise Allowed for voting purposes by order of the Court pursuant to Bankruptcy Rule 3018(a), such Claim is temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;
- f. If a Claim is listed in the Schedules as contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims), unliquidated or disputed and a proof of claim was not (a) filed by the applicable bar date for the filing of proofs of claim established by the Court or (b) deemed timely filed by an order of the Court prior to the Voting Deadline, then, unless the Debtors have consented in writing, the Debtors propose that such Claim be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);
- g. If the Debtors have filed an objection to a claim before the Voting Deadline, the Debtors propose that such Claim be disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection; and
- h. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased duplicate Claims (whether against the same or multiple Debtors) that are classified under the Plan in the same Class, shall be provided with only one Solicitation Package and the appropriate form of Ballot(s).

27. The Debtors believe that the foregoing proposed tabulation procedures provide for a fair and equitable voting process. If any creditor seeks to challenge the allowance of its Claim for voting purposes in accordance with the above procedures, the Debtors request that the Court

direct such creditor to serve on counsel for the Debtors and file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan no later than 5:00 p.m. (Eastern time) on the seventh (7th) day after the later of: (i) the Solicitation Date, and (ii) the date of service of an objection, if any, to such claim. The Debtors further propose, in accordance with Bankruptcy Rule 3018(a), that as to any creditor filing such a motion, such creditor's Ballot should not be counted unless temporarily allowed by the Court for voting purposes, after notice and a hearing. If and to the extent that the Debtors and such party are unable to resolve the issues raised by any such Rule 3018 motion prior to the Voting Deadline, then at the Confirmation Hearing the Bankruptcy Court will determine whether any provisional Ballot should be counted as a vote on the Plan.

28. The Debtors request that whenever a creditor casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last properly completed Ballot received before the Voting Deadline be deemed to reflect the voter's intent and, thus, to supersede any prior Ballots.

29. The Debtors further propose that, without further order of the Court, the following Ballots not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (a) any Ballot that is properly completed, executed and timely returned to the Voting Agent, but does not indicate an acceptance or rejection of the Plan or that indicates both an acceptance and rejection of the Plan; (b) any Ballot actually received by the Voting Agent after the Voting Deadline, unless the Debtors have granted in writing an extension of the Voting Deadline with respect to such Ballot; (c) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant; (d) any Ballot cast by a

person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan; (e) any Ballot cast for a Claim scheduled as unliquidated, contingent (excepting contingent member initiation deposit claims, holders of such claims being entitled to vote such claims in their face amount) or disputed for which no proof of claim was timely filed; (f) any unsigned or non-originally signed Ballot; (g) any Ballot sent directly to any of the Debtors, their agents (other than the Voting Agent) or the Debtors' financial or legal advisors or to any party rather than to the Voting Agent; (h) any Ballot cast for a Claim that has been disallowed (for voting purposes or otherwise); and (i) any Ballot transmitted to the Voting Agent solely by facsimile or other electronic means.

30. Subject to any contrary order of the Court, (i) the Debtors reserve the right to reject any and all Ballots the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules, and (ii) the Debtors may waive any defects or irregularities as to any particular Ballot at any time, either before or after the Voting Deadline; provided, however, that any such waivers shall be documented in the tabulation report filed by the Voting Agent with the Bankruptcy Court.

31. None of the Debtors, the Voting Agent or any other person or entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor will any of them incur any liability for failure to provide such notification. Rather, the Voting Agent may disregard, with no further notice, defective ballots described above.

**IV. The Confirmation Hearing Notice and Objection Procedures Should Be Approved**

32. Section 1128 provides that "[a]fter notice, the court shall hold a hearing on confirmation of a plan" and that "a party in interest may object to confirmation of a plan." 11 U.S.C. § 1128.

33. Bankruptcy Rule 3017(c) provides: “On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c).

34. The Debtors request that the Court schedule the Confirmation Hearing to commence on August 6, 2012, at a time convenient to the Court, or on such other date as is convenient to the Court.

**A. Notice Procedures**

35. Bankruptcy Rule 2002(b) and (d) requires not less than twenty-eight (28) days’ notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. In accordance with Bankruptcy Rules 2002 and 3017(d), the Debtors propose to provide to all creditors and equity security holders a copy of the notice substantially in the form annexed to the proposed Approval Order as Exhibit C (the “Confirmation Hearing Notice”), setting forth: (a) the date of approval of the Disclosure Statement; (b) the Voting Record Date; (c) the Voting Deadline; (d) the time fixed for filing objections to confirmation of the Plan; and (e) the time, date and place for the Confirmation Hearing.<sup>4</sup>

36. Bankruptcy Rule 2002(1) permits the Court to “order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice.” Fed. R. Bankr. P. 2002(1). In addition to mailing the Confirmation Hearing Notice, the Debtors will publish the Confirmation Hearing Notice electronically on the Debtors’ case website: <http://www.bmcgroup.com/cliffs>. The Debtors believe that publication of the Confirmation Hearing Notice will provide sufficient notice of the approval of the Disclosure Statement, the

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<sup>4</sup> As to the Holders of Claims in the Voting Classes, the Confirmation Hearing Notice shall be transmitted as part of each such Holder’s Solicitation Package.

Voting Record Date, the Voting Deadline, the time fixed for filing objections to confirmation of the Plan, and the time, date and place of the Confirmation Hearing to persons who do not otherwise receive notice by mail as provided for in the Approval Order.

37. The Debtors submit that the foregoing procedures will provide adequate notice of the Confirmation Hearing and, accordingly, request that the Court approve such notice as adequate.

**B. Procedures for the Filing of Objections to Confirmation of the Plan**

38. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Fed. R. Bank. P. 3020(b)(1). The Confirmation Hearing Notice provides, and the Debtors request that the Court direct that, objections to confirmation of the Plan or proposed modifications to the Plan, if any, must be in writing, must state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party, must state with particularity the basis and nature of any objection to the Plan, must be filed with the Clerk of the United States Bankruptcy Court for the District of South Carolina, and must be served upon counsel for the Debtors and in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket Entry No. 121] so as to be actually received on or before August 1, 2012 (the “Plan Objection Deadline”).

39. The Debtors further request leave to file a consolidated reply to any Plan objection.

40. The Debtors respectfully submit that the proposed timing for filing and service of objections and proposed modifications, if any, will afford the Court, the Debtors and other parties in interest sufficient time to consider the objections and proposed modifications prior to the Confirmation Hearing.



**NOTICE**

41. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Motion will be served pursuant to the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket Entry No. 121]. The Debtors submit that, under the circumstances, no other or further notice is required.

**NO PRIOR REQUEST**

42. No prior request for the relief requested herein has been made to this Court or any other court.

**CONCLUSION**

WHEREFORE, based upon the foregoing, the Debtors respectfully request that the Court enter the Approval Order, substantially in the form of Exhibit A attached hereto.

*[signature follows]*

Dated: May 24, 2012

Respectfully submitted,

/s/ Däna Wilkinson

Däna Wilkinson  
District Court I.D. No. 4663  
LAW OFFICE OF DÄNA WILKINSON  
365-C East Blackstock Road  
Spartanburg, SC 29301  
864.574.7944 (Telephone)  
864.574.7531 (Facsimile)  
danawilkinson@danawilkinsonlaw.com

-and-

/s/ J. Michael Levensgood

Gary W. Marsh  
Georgia Bar No. 471290  
J. Michael Levensgood  
Georgia Bar No. 447934  
Bryan E. Bates  
Georgia Bar No. 140856  
MCKENNA LONG & ALDRIDGE LLP  
303 Peachtree Street, Suite 5300  
Atlanta, Georgia 30308  
404-527-4000 (phone)  
404-527-4198 (fax)  
gmarsh@mckennalong.com  
mlevengood@mckennalong.com  
bbates@mckennalong.com

*Attorneys for the Debtors and Debtors in Possession*