

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

IN RE:	)	
	)	CASE NO. 12-1220
The Cliffs Club & Hospitality Group, Inc.,	)	
et al., d/b/a The Cliffs Golf & Country	)	
Club,	)	<b>CHAPTER 11</b>
	)	
Debtors.	)	
_____	)	

**KEOWEE INVESTMENT PROPERTIES, LLC’S RESPONSE  
TO ADEQUACY OF DEBTORS’ DISCLOSURE STATEMENT**

Keowee Investment Properties, LLC (“KIP”) files this Response to Adequacy of Debtors’ Disclosure Statement (the “Response”) and, in support thereof, states as follows:

**Background**

1. The Debtors filed their chapter 11 cases on February 28, 2012.
2. KIP is a creditor and party in interest in these chapter 11 cases.
3. Specifically, KIP is party to a recorded easement agreement (the “Easement” with The Cliffs at Keowee Springs Golf & Country Club, LLC (“Keowee Springs”).
4. KIP filed a Proof of Claim setting forth a description of KIP’s claims against Keowee Springs. The Proof of Claim was filed on May 31, 2012. A true and correct copy of the Proof of Claim is annexed hereto and incorporated herein by reference as Exhibit “A”.

**Disclosure Statement Response**

5. Section 1125 of the Bankruptcy Code requires that a debtor provide a disclosure statement containing “adequate information of a kind and in sufficient detail as far as is reasonably practical in light of the nature of the history of the debtor and the condition of the debtor’s books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . .”

6. The purpose of the disclosure statement requirement is to provide creditors with essential information that would enable them to make an informed judgment as to whether to vote for or against a plan.

7. KIP submits that the Debtors' disclosure statement contains insufficient information with respect to KIP's claim so as to provide KIP a meaningful opportunity to evaluate whether voting for or against the Debtors' plan is appropriate.

8. Specifically, the plan and disclosure statement are silent as to KIP's Easement. KIP is unable to determine whether the plan contains any specific provisions regarding the treatment of KIP's Easement, and, if so, what that treatment may be.

9. The Debtors' schedules and statement (as amended as recently as June 27, 2012) list KIP as a counterparty to an executory contract as set forth on amended Schedule G. Specifically, KIP is listed as being a counterparty to a "agreement" with no other descriptive reference.<sup>1</sup>

10. KIP submits that it is not a counterparty to any executory contract nor is it aware of any executory contract to which it may be a party. As set forth in the Proof of Claim, KIP is a party to a recorded Easement Agreement containing real property rights – and not any executory contract within the meaning of Section 365 of the Bankruptcy Code.

11. To sum up, KIP's issues with the Debtors' plan are two fold: (a) the plan and disclosure statement describe an executory contract to which KIP is allegedly a party and to which KIP has no knowledge (and, therefore, is unable to determine how to vote on the plan with respect to this alleged categorization) and (b) the plan is silent as to KIP's Easement rights, which Easement is the only known source of claim against Keowee Springs.

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<sup>1</sup> Specifically, there is no date or description of the "agreement" that would enable KIP to determine to which specific agreement the debtors may be referring.

12. KIP respectfully requests that the disclosure statement be amended to provide greater description regarding KIP's claim and the treatment of KIP's claim so as to comply with Section 1125 of the Bankruptcy Code.

13. KIP further reserves all its rights and remedies with respect to the confirmability of the Debtors' chapter 11 plan once further provisions have been made regarding the treatment and description of KIP's claims.

WHEREFORE, KIP respectfully requests that the Court deny approval of the Debtors' Disclosure Statement and grant KIP such other and further relief as the Court deems just and proper.

DATED: June 28, 2012  
Greenville, SC

Respectfully Submitted:

/s/ Rory D. Whelehan  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of **KEOWEE INVESTMENT PROPERTIES, LLC'S RESPONSE TO ADEQUACY OF DEBTORS' DISCLOSURE STATEMENT** was filed electronically and was therefore served electronically on those entities that have properly registered for such electronic service and by United States Mail, first class, proper postage affixed to the following parties on June 28, 2012:

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