

**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,**

Debtors.

**The Cliffs at Mountain Park Golf & Country
Club, LLC**

Movant,

v.

HD Supply Waterworks, Ltd.,

Respondent

CHAPTER 11

Case No. 12-01220

Jointly Administered

Contested Matter

**DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM NO. 396 FILED
BY HD SUPPLY WATERWORKS, LTD. AS DUPLICATIVE OF CLAIM NO. 54**

COMES NOW The Cliffs at Mountain Park Golf & Country Club, LLC, one of the jointly administered debtors (the "Debtors"), and files an Objection to the Allowance of Claim No. 396 filed by HD Supply Waterworks, Ltd. as duplicative of Claim No. 54 filed by HD Supply Waterworks, Ltd. (the "Objection"). In support of this Objection, the Debtors show the Court as follows:

¹ 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).

I. Relief Requested

1. By this Objection, the Debtors respectfully request the entry of an order, pursuant to Section 502 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3007, disallowing Claim No. 396 filed by HD Supply Waterworks, Ltd. as a secured claim in Chapter 11 Case No. 12-01225, which is one of the cases being jointly administered in the above-styled case, because it is duplicative of Claim No. 54 filed by HD Supply Waterworks, Ltd. against The Cliffs at Mountain Park Golf & Country Club, LLC.

II. Jurisdiction

2. This Court has jurisdiction over this Objection under 28 U.S.C. § 1334. Venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The statutory basis for the relief requested is 28 U.S.C. § 502.

III. 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. On April 10, 2012, the Court established May 31, 2012 as the deadline for non-governmental-entity creditors wishing to assert pre-petition claims against the Debtors to file

their proofs of claim with BMC Group, the Debtors' claims and noticing agent (the "Claims Bar Date") [Docket Entry No. 278].

7. HD Supply Waterworks, Ltd. filed two proofs of claim that were assigned numbers 54 and 396 by BMC Group, the Debtor's claims agent, both as secured claims in the amount of \$66,071.61.

8. HD Supply Waterworks, Ltd. is entitled to only one secured claim as a mechanic's lien claimant and that is Claim No. 54. Unless the duplicative claim is disallowed, HD Supply Waterworks, Ltd. will receive a larger recovery than that to which it is entitled. The duplicative claim is unenforceable against the Debtors.

9. Accordingly, the Debtors' seek to disallow Claim No. 396 as duplicative of Claim No. 54.

10. The Debtors have reviewed proofs of claim filed in these cases. This Objection is the result of the Debtors' review.

IV. Basis for Relief Requested

11. Under Section 502(b) of the Bankruptcy Code, the duplicative claim should be disallowed and expunged.

12. Only Claim No. 54 should be considered as a secured claim of a mechanic's lien claimant in the amount of \$66,071.61.

V. Reservation of Rights

13. The Debtors reserve the right to supplement this Objection and to subsequently object to the HD Supply Waterworks, Ltd. on any other appropriate ground, whether or not stated herein. In addition, the Debtors reserve the right to object to any and all other claims filed

or scheduled in the Debtors' cases, and any other claims asserted by HD Supply Waterworks, Ltd.

VI. Notice

14. Notice of this Objection has been provided to HD Supply Waterworks, Ltd. and each other party entitled to notice, as listed in the certificate of service filed in connection herewith. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

WHEREFORE, the Debtors respectfully request that this Court:

1. enter the proposed order attached hereto as Exhibit "A";
2. disallow as duplicative and expunge Claim No. 396 filed by HD Supply Waterworks, Ltd.;
3. consider the HD Supply Waterworks, Ltd. Claim No. 54 as a secured claim of a mechanic's lien claimant in the amount of \$66,071.61; and
4. grant the Debtors such other and further relief as is just and proper.

[signatures follow]

Dated: July 13, 2012

Respectfully submitted,

/s/ Dána Wilkinson

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EXHIBIT A

PROPOSED ORDER

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

Case No. 12-01220

**ORDER GRANTING DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM
NO. 396 FILED BY HD SUPPLY WATERWORKS, LTD.
AS DUPLICATIVE OF CLAIM NO. 54**

The relief set forth on the following pages, for a total of 4 pages including this page, is hereby **ORDERED**.

**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,

Debtors.

The Cliffs at Mountain Park Golf & Country Club, LLC

Movant,

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CHAPTER 11

Case No. 12-01220

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ORDER GRANTING DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM NO. 396 FILED BY HD SUPPLY WATERWORKS, LTD. AS DUPLICATIVE OF CLAIM NO. 54

Upon the Objection (Docket Entry # _____) (the "Objection") of The Cliffs at Mountain Park Golf & Country Club, LLC, one of the jointly administered debtors (the "Debtors"), requesting the entry of an order disallowing as duplicative Claim No. 396 filed by HD Supply Waterworks, Ltd., the Court having jurisdiction to consider the Objection and the relief requested

¹ 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).

therein; a hearing having been held on _____, 2012 to consider the Objection; due notice of the Objection and hearing having been given to all parties entitled thereto and all parties who have appeared in the case and requested notice, as listed in the certificate of service attached to Objection and filed with the Court; it appearing that no other or further notice need be provided; no objections having been filed or asserted; the Court having determined that the relief sought in the Objection is in the best interests of the bankruptcy estates, their creditors, and all parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED as follows:

1. The Objection is GRANTED.
2. Claim number 396 filed by HD Supply Waterworks, Ltd. as a secured Mechanic's Lien claim in one of the above-styled cases is disallowed as duplicative of Claim No. 54.
3. Claim number 54 in the amount of \$66,071.61 filed as a secured Mechanic's Lien claim by HD Supply Waterworks, Ltd. is considered as the only claim of HD Supply Waterworks, Ltd. in these Chapter 11 cases.
4. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

AND IT IS SO ORDERED.

PREPARED AND PRESENTED BY:

/s/ Dána Wilkinson
Dána Wilkinson
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