

**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.

Medalist Golf, Inc.,

Respondent

CHAPTER 11

Case No. 12-01220

Jointly Administered

Contested Matter

**DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM NO. 762
FILED BY MEDALIST GOLF, INC.**

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. 762 filed by Medalist Golf, Inc. as a Secured Claim (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 Sections 502 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3007, reducing Claim Number 762 filed by Medalist Golf, Inc. 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, and to the amount of \$434,055.82.

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 in 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. On May 18, 2012, Medalist Golf, Inc. filed a proof of claim against The Cliffs at Mountain Park Golf & Country Club, Inc., one of the Debtors, in the amount of \$450,125.98 as a secured claim (the "Medalist Golf Claim"). The claim was assigned Claim No. 762 by BMC Group, the Debtors' claims and noticing agent. Attached to the Medalist Golf Claim are copies of the Notice and Certificate of Mechanic's Lien filed on September 7, 2011 and of the complaint filed in the Court of Common Pleas for the Thirteenth Judicial District on December 5, 2011 by Medalist Golf, Inc. to foreclose upon its mechanic's lien. The evidence supporting the amount of the claim is a copy of verified statement of account in the amount of \$434,055.82 that is an exhibit to the Notice and Certificate of Mechanic's Lien.

8. The Verified Statement of Account reflects a balance due of \$434,055.82 and the proof of claim contains no detail to support the \$16,070.16 difference between that lesser amount and the greater amount sought in the Medalist Golf Claim.

9. Accordingly, the Debtors' seek to reduce to \$434,055.82 the Medalist Golf Claim.

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

13. The claimant has failed to demonstrate that the claimant is entitled to allowance of a claim greater than \$434,055.82.

V. Reservation of Rights

14. The Debtors reserve the right to supplement this Objection and to subsequently object to the Medalist Golf Claim 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 Medalist Golf, Inc.

VI. Notice

15. Notice of this Objection has been provided to Medalist Golf, Inc. 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. reduce the Medalist Golf Claim as a secured claim to the amount of \$434,055.82; and
3. 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 ALLOWANCE OF CLAIM NO. 762
FILED BY MEDALIST GOLF, INC. AND RECHARACTERIZING SAID SECURED
CLAIM AS A GENERAL UNSECURED CLAIM**

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
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Movant,

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CHAPTER 11

Case No. 12-01220

Jointly Administered

Contested Matter

**ORDER GRANTING DEBTORS' OBJECTION TO THE ALLOWANCE OF SECURED
CLAIM NO. 762 FILED BY MEDALIST GOLF, INC.**

Upon the Objection (Docket Entry # _____) (the "Objection") of The Cliffs at Mountain Park Golf & Country Club, LLC, which is one of the jointly administered debtors (the "Debtors"), requesting the entry of an order reducing the amount of the secured claim filed by Medalist Golf, Inc. as a mechanic's lien claim and identified as Claim No. 762 in the Chapter 11

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).

Case No. 12-01225, the Court having jurisdiction to consider the Objection and the relief requested 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 762 filed by Medalist Golf, Inc. as a secured claim in Chapter 11 Case No. 12-01225 is reduced to the amount of \$434,055.82.
3. 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:

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