

**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**

**The Cliffs Club & Hospitality Group, Inc., et al.,  
d/b/a The Cliffs Golf & Country Club,**

**Movant,**

**v.**

**Contested Matter**

**Enigma Corporation, - Claim Nos. 1047 and  
1076**

**Respondent**

**DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM NOS. 1047 AND 1076  
FILED BY ENIGMA CORPORATION**

COME NOW The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors-in-possession (the "Debtors") and

<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).

hereby object to the allowance of claims filed by Enigma Corporation in the above-styled cases (the "Objection"). In support of this Objection, the Debtors show the Court as follows:

**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 claims filed by Enigma Corporation in the above-styled cases.

**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).

**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 (the "Claims Bar Date") 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, Inc., the Debtors' claims and noticing agent (the "Claims Agent") [Docket Entry No. 278].

7. On May 30, 2012, Enigma Corporation filed an unsecured non-priority claim against the Debtors in the amount of \$188,744.82. The claim was assigned as claim number 1047 by the Claims Agent. On May 30, 2012, Enigma Corporation filed a secured claim against the Debtors in the amount of \$500,000.00. The claim was assigned as claim number 1076 by the Claims Agent (together, claim number 1047 and claim number 1076 are hereinafter referred to as the "Enigma Corporation Claims").

8. The Debtors have the authority to pursue claims litigation with respect to claims filed in these bankruptcy cases. 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**

9. The documents and materials submitted with the Enigma Corporation Claims reflect that none of the Debtors is liable to the claimant with respect to the asserted claims, and that, at best, a third party non-Debtor entity may be liable to the claimant. The books and records of the Debtors do not reflect an obligation owing to the claimant. Accordingly, the claims are unenforceable against the Debtors, and should be disallowed. Unless the claims are disallowed, Enigma Corporation will receive a larger recovery than that to which it is entitled.

#### **V. Reservation of Rights**

10. The Debtors reserve the right to supplement this Objection and to subsequently object to the Enigma Corporation Claims 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 in the Debtors' cases, and any other claims asserted by Enigma Corporation.

#### **VI. Notice**

11. Notice of this Objection has been provided to Enigma Corporation 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 the Enigma Corporation Claims; and
3. grant the Debtors such other and further relief as is just and proper.

*[signature follows]*

This 18th day of July, 2012.

/s/ Däna Wilkinson  
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and

/s/ J. Michael Levengood  
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**EXHIBIT "A"**

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

Case No. 12-01220

**ORDER APPROVING DEBTORS' OBJECTION  
TO THE ALLOWANCE OF CLAIM NOS. 1047 AND 1076 FILED BY ENIGMA  
CORPORATION**

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.,<sup>1</sup> d/b/a The Cliffs Golf & Country Club,**

**Debtors**

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**Respondent**

**ORDER APPROVING DEBTORS' OBJECTION  
TO THE ALLOWANCE OF CLAIM NOS. 1047 AND 1076 FILED BY ENIGMA  
CORPORATION**

Upon the Objection (Docket Entry # \_\_\_\_\_) (the "Objection") of The Cliffs Club & Hospitality Group, Inc. and its affiliated debtors in the above-captioned Chapter 11 cases, as debtors and debtors-in-possession (the "Debtors"), requesting the entry of an order disallowing

<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).

claims filed by Enigma Corporation in the above-styled cases, 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, as listed in the certificate of service attached to the 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 1047 filed by Enigma Corporation in the above-styled cases is disallowed.
3. Claim number 1076 filed by Enigma Corporation in the above-styled cases is disallowed.
4. This 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/ Däna Wilkinson  
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District Court I.D. No. 4663  
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-and-

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