

**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

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

Andrew and Hilary Krueger, - Claim No. 696

Respondent

**DEBTORS' OBJECTION TO THE ALLOWANCE OF CLAIM NO. 696 FILED BY
ANDREW AND HILARY KRUEGER**

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 hereby object to the allowance of a claim filed by Andrew and Hilary Krueger ("Krueger") in the

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).

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 the claim filed by Krueger 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 or about May 16, 2012, Krueger filed an unsecured non-priority claim against the Debtors in the amount of \$2,000,000.00 (the "Krueger Claim"). The claim was assigned as claim number 696 by the Claims Agent.

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 Krueger Claim reflect that none of the Debtors is liable to the claimant with respect to the asserted claim, and that, at best, a third party non-Debtor entity (namely, The Cliffs at High Carolina, LLC) may be liable to the claimant. The Debtors dispute that they are in any way liable to Krueger under the agreement enclosed with the Krueger Claim in support thereof, or otherwise with respect to the Krueger Claim. The Krueger Claim is unenforceable against the Debtors, and should be disallowed. Unless the Krueger Claim is disallowed, Krueger will receive a larger recovery than that to which Krueger is entitled.

V. Reservation of Rights

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

VI. Notice

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

[signature follows]

This 20th day of July, 2012.

/s/ Däna Wilkinson
Däna Wilkinson
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Counsel for the Debtors in Possession

EXHIBIT "A"

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

Case No. 12-01220

**ORDER APPROVING DEBTORS' OBJECTION
TO THE ALLOWANCE OF CLAIM NO. 696 FILED BY ANDREW AND HILARY
KRUEGER**

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

CHAPTER 11

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Respondent

**ORDER APPROVING DEBTORS' OBJECTION
TO THE ALLOWANCE OF CLAIM NO. 696 FILED BY ANDREW AND HILARY
KRUEGER**

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

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the claim filed by Andrew and Hilary Krueger 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 696 filed by Andrew and Hilary Krueger in the above-styled cases is disallowed.
3. 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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