

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

In re:

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

Debtors.

Case No: 12-01220

Chapter 11

**James B. Anthony's Objection to the
Debtors' Plan of Reorganization**

Please take notice that the undersigned, on behalf of James B. Anthony ("Mr. Anthony"), does hereby file this Objection to Debtors' Plan of Reorganization ("Plan") (Doc. No. 479) filed on July 2, 2012 and the amendment filed on July 27, 2012 (Doc. No. 616). The grounds for this Objection are that the Plan provisions, as they affect Mr. Anthony, are so vague and ambiguous that Mr. Anthony cannot reasonably prepare a response thereto or reasonably comply with the requirements set forth in the Plan Sections 10.03(a) and (b).

BACKGROUND

1. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 157 and 1334 and Local Civil Rule 83.IX.01, D.S.C. Consideration of this Objection is a core proceeding pursuant to 28 U.S.C. § 157 (A), (L), and (O).
2. On February 28, 2012 ("Petition Date"), the Debtor filed its Petition for relief under Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code"). Debtor is operating its business as a debtor-in-possession under Section 1107 and 1108 of the Bankruptcy Code. An official committee of unsecured creditors was appointed by the U.S. Trustee's Office on March 5, 2012.
3. The Debtor is in the business of managing numerous golf courses and various related real estate.

4. Mr. Anthony is the founding member and previously served as an officer and director of the debtor.

5. Section VIII.C.a of the Debtor's Disclosure Statement (Doc. No. 480) identifies Mr. Anthony as a potential Releasee by the Debtor and certain third parties contingent upon his compliance with the conditions set forth in the Debtors' Plan. Mr. Anthony may also have certain claims against the Debtor, which he, in turn, is required to release against the Debtor which are impaired as defined as the Debtor's Disclosure Statement Section II.

6. Sections 10.03 (a) and (b) of the Plan set forth the conditions which must be met by Mr. Anthony to receive such releases.

7. Section 10.03 (a) of the Plan sets forth the conditions which must be met by Mr. Anthony to obtain certain releases of claims against Mr. Anthony by the Debtor. Specifically, Subsection 10.03(a)(ii) requires the following: Mr. Anthony must "transfer and convey to the Debtors or to the Plan Sponsor all real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement;" and "(iii) fully cooperate with the transfer of the Acquired Assets, the Sale and the orderly transition of the Debtors' business to Plan Sponsor".

8. Further, the releases provided for in Section 10.03 (a) by the Debtor of any claims it may have against Lucas Anthony, the son of Mr. James B. Anthony, or Timothy Cherry, the former CFO of the Debtor, are also conditioned upon the above requirements.

9. Section 10.03 (b) of the Plan provides for certain releases by third parties of any claims that they may have against Mr. Anthony. Those third parties are identified as “...each Holder of a Claim or Interest who votes in favor of the Plan or is presumed to have voted in favor of the Plan pursuant to Section 1126(f) of the Bankruptcy Code...”. Mr. Anthony’s release by these third parties is also conditioned upon the identical requirements set forth above. Also, the release by such third parties of any claims that they may possess against Lucas Anthony and Timothy Cherry are further conditioned upon Mr. Anthony’s requirements as set forth above.

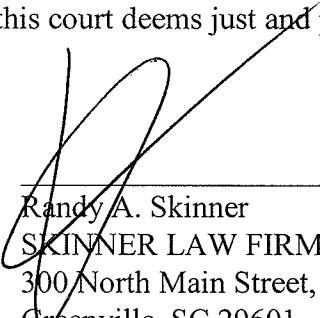
10. Mr. Anthony’s specific concerns with regard to the conditions set forth in subsections (ii) and (iii) are with the identification of the specific “...real property, personal property and other assets used by the Debtors, or necessary to operate the businesses of the Debtors, or which is necessary to satisfy any condition precedent under the Plan or the Asset Purchase Agreement”. Further, the Asset Purchase Agreement attached to the Debtor’s Second Plan Supplement (Doc. No. 615) Article 15.1, defines the property to be transferred as “Related Real Property” and “Related Golf Course Property” “...described in Schedule 15.1-2 attached hereto”. However, a review of the docket reveals that no such Schedule 15.1-2 to the Asset Purchase Agreement has been filed with the court or provided to Mr. Anthony. Therefore, the existing description of the “Related Real Property” and “Related Golf Course Real Property” is so vague and ambiguous that Mr. Anthony cannot reasonably prepare a response thereto or fully cooperate or agree to fully cooperate to fulfill such conditions. Mr. Anthony asks the Court to require that the Debtor identify such property with such specificity that his full compliance and cooperation may be fulfilled.

11. Section 1129(a)(7)(A)(ii) of the Bankruptcy Code requires that each holder of a claim or interest of an impaired class “will receive or retain under the plan on account or such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of this title on such date”.

12. Thus, based upon the vagueness and ambiguity of the description of property required of Mr. Anthony to convey, Mr. Anthony cannot determine whether the value of the releases to be received from the Debtor and the additional third parties is reasonably equivalent in value to the property to be conveyed to the Debtor under Section 10.03(a) and (b) such as to meet the requirements of Section 1129(a)(7)(A)(ii).

Wherefore, Mr. Anthony requests that the Court to enter its Order denying confirmation of the Debtor’s Plan of Reorganization filed on July 2, 2012 (Doc. No. 479) and (Doc. No. 616), as amended, and granting such other relief as this court deems just and proper.

Date: August 1, 2012



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CERTIFICATE OF MAILING

The undersigned certifies that she is the legal assistant to the attorney for James B. Anthony, in the within matter and that the within **Objection to the Debtors' Plan of Reorganization** was served on the parties listed below, by electronic service:

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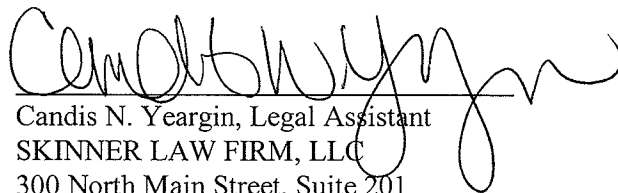
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