

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF COLUMBIA**

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In re:	:	Chapter 11
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GREATER SOUTHEAST COMMUNITY	:	Jointly Administered
HOSPITAL CORP., I, <i>et al.</i> ,	:	Case No. 02-2250
	:	Judge S. Martin Teel, Jr.
Debtors.	:	

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**THE DCHC LIQUIDATING TRUST’S OBJECTION TO RALPH DAVIS’ CLAIM  
PURSUANT TO 11 U.S.C. § 502 AND FED. R. BANKR. P. 3007**

**TO THE HONORABLE S. MARTIN TEEL, JR.  
UNITED STATES BANKRUPTCY JUDGE:**

The DCHC Liquidating Trust (the “Trust”), by and through its undersigned counsel, hereby files its Objection (the “Objection”), pursuant to section 502 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seeking to reclassify and reduce Ralph Davis’ Claim No. 274 (the “Davis Claim,” attached hereto as Exhibit A) from an unsecured priority claim to a “Class 8 — Patient Refund Claim,” as defined under the Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization (the “Plan”) because (1) the Davis Claim does not qualify for “priority” status under Bankruptcy Code section 507(a)(7) for deposits towards purchase lease or rental of property or services for personal or household use that was not delivered or provided and (2) the supporting documentation does not support the claim amount.

1. Mr. Davis was scheduled as a patient refund claim on the database of Bankruptcy Management Corp. — the Debtors’ official claims and noticing agent — as an unsecured claim in the amount of \$100. *See Declaration of Kerby Baden* (the “Baden Decl.,” attached hereto as

Exhibit B) at ¶ 6.<sup>1</sup> On April 29, 2003, Mr. Davis filed the Davis Claim in the amount of \$2,100, as an unsecured priority claim pursuant to Bankruptcy Code section 507(a)(7) for “overpayment for services” rendered by the Debtors. *See Davis Claim*. However, the documentation attached to the Davis Claim does not support the \$2,100 alleged, nor its priority status. To the contrary, the supporting documentation actually indicates that Mr. Davis is not owed any money. Specifically, Mr. Davis attached to the Davis Claim a copy of a bill (invoice) from Michael Reese Hospital, dated July 21, 2002 (the “Invoice”). According to the Invoice, Mr. Davis received medical service on December 16, 1999, was paying off his debt in increments to Michael Reese Hospital, and actually owed the hospital \$246.24 as of the date of the Invoice (July 21, 2002). Mr. Davis also attached as supporting documentation, a letter from a financial recovery service, Malcolm S. Gerald & Associates, Inc., that states: “Mr. Davis, I am returning your check #3892 for \$50.00 for Michael Reese Hospital Account #V00004046512. Michael Reese Hospital advises us your account is paid in full.” Based on Mr. Davis’ supporting documentation, it appears that Mr. Davis was paying off amounts owed to Michael Reese Hospital, and the \$50.00 in overpayments that he made for his medical services has already been returned to him.

2. Mr. Davis did not provide a telephone number on the Davis Claim, nor could counsel to the Trust determine a contact number for Mr. Davis. Therefore, the Trust was unable to contact Mr. Davis to resolve the Davis Claim consensually.

3. However, Mr. Davis’ own supporting documentation disproves his allegation that he is entitled to “priority” status under Bankruptcy Code section 507(a)(7). Bankruptcy Code

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<sup>1</sup> Mr. Baden is a licensed certified public accountant and a Director of Invotex Group (“Invotex,” f/k/a Maryland First Financial Services Corporation). Baden Decl. at ¶ 2. Mr. Baden was retained during the Debtors’ bankruptcy cases as financial advisor to the Official Committee of Unsecured Creditors and Invotex has been retained by the Trust in a similar capacity. *Id.*

section 507(a)(7) permits a claim priority status “arising from the deposit, before the commencement of the case, of money in the connection with the purchase, lease, or rental of property, or the purchase of services, for the personal, family, or household use of such individuals, *that were not delivered or provided.*” 11 U.S.C. § 507(a)(7) (emphasis added). According to the Bill, services (for which Mr. Davis’ payments were made) occurred on December 16, 1999. As stated, the Davis Claim was filed on April 29, 2003. Therefore, the Davis Claim does not qualify for priority status under Bankruptcy Code section 507(a)(7) because the services he was paying for had already been received.

4. Mr. Davis’ supporting documentation also disproves the Davis Claim amount of \$2,100 because it shows that Mr. Davis was paying off amounts owed to Michael Reese Hospital, and the \$50.00 in overpayments that he made for his medical services has already been returned to him. According to Mr. Davis’ own documentation, he is not owed any money from the Debtors. However, Mr. Davis was scheduled as a unsecured nonpriority claim for \$100 on the patient refund database of Bankruptcy Management Corp. The Trust is willing to allow the Davis Claim in this amount. Thus, the Davis Claim should be reclassified and reduced, and allowed as a \$100 unsecured “Class 8 — Patient Refund Claim” as defined under the Plan.



**CERTIFICATE OF SERVICE**

I certify that on February 10, 2009, a copy of the foregoing pleading was sent by First Class Mail to the parties listed below.

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