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ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	CASE NO. 09-37010 (SGJ)
	§	
ERICKSON RETIREMENT	§	CHAPTER 11
COMMUNITIES, LLC, <i>et al.</i> ¹	§	Jointly Administered
	§	
Debtors.		

DEBTORS' FORTY-FIRST OMNIBUS OBJECTION – RLI INSURANCE COMPANY
CLAIMS

The Debtors and Debtors in Possession herein (collectively, the “Debtors”), by their undersigned counsel, hereby object (the “Objection”) to the claims set forth on Exhibit A,

¹ The Debtors in these chapter 11 cases are Erickson Retirement Communities, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus GP, LLC, Concord Campus, LP, Dallas Campus GP, LLC, Dallas Campus, LP, Erickson Construction, LLC, Erickson Group, LLC, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC, Senior Campus Services, LLC, Warminster Campus GP, LLC, Warminster Campus, LP.

annexed hereto, and for the reasons set forth herein, seek entry of an order pursuant to sections 502(a) and (b) and 503 of title 11 of the United States Code (the “Bankruptcy Code”), and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) disallowing, expunging, and/or reducing certain claims, in whole or in part. In support of this Objection, the Debtors rely on the Affidavit of Paul B. Rundell in Support of First Day Motions (the “Rundell Affidavit”), which is incorporated herein by reference, and respectfully state as follows:

BACKGROUND

1. On October 19, 2009 (the “Petition Date”), the Debtors commenced these cases by each filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. The Debtors remain in possession of their assets and continue to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code §§ 1107 and 1108.
3. On November 2, 2009, the Office of the United States Trustee appointed a committee of unsecured creditors in these cases. No trustee or examiner has been appointed.
4. A hearing on confirmation of the Debtors’ Plan of Reorganization (the “Plan”) is scheduled to commence on April 15, 2010.

SCHEDULES AND BAR DATE FOR FILING PROOFS OF CLAIM

5. On October 22, 2009 the Court entered the Order Establishing Bar Date (the “Bar Date Order”). Pursuant to the Bar Date Order, the general bar date to file a proof of claim against the Debtors’ estates for claims which arose prior to the Petition Date is February 28, 2010.

6. On November 25, 2009 the Debtors filed their Schedules of Assets and Liabilities (the “Schedules”) and listed the claims (the “Scheduled Claims”) of its known prepetition creditors.

7. On January 12, 2010 the Debtors filed their amended Schedules and Statements of Financial Affairs.

CLAIMS OBJECTION PROCESS

8. The Debtors’ Schedules and the proofs of claim filed in these cases reveal that a number of claims have been filed against the Debtor’s estate. The Proofs of Claim are reflected in the claims register maintained by the BMC Group (the “Claims Register”).

9. Prior to the commencement of this case, the Debtors maintained, in the ordinary course of business, books and records (the “Books and Records”) that reflect, among other things, the Debtors’ liabilities and the amounts thereof owed to its creditors. The Debtors have conducted a review of the Proofs of Claims, the Books and Records, the Schedules and the Claims Register (the “Reconciliation Process”). This foregoing procedure serves, in part, as the basis for the Objection.

10. For the reasons set forth in more detail below and based on the Reconciliation Process, the Debtors have determined that certain of the proofs of claim filed against the Debtors in these cases (collectively, the “Proofs of Claim”) should either be expunged or adjusted. Therefore, the Debtors object to the allowance or amount of these Claims as set forth below.

JURISDICTION AND VENUE

11. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §1334. Venue is proper before this Court 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).

RELIEF REQUESTED

12. By this Objection, the Debtors object to the Claims set forth on Exhibit A annexed hereto, and, for the reasons set forth below, seek entry of an order pursuant to Bankruptcy Code §§ 502(a) and (b), 503, and Bankruptcy Rule 3007, either disallowing and expunging, adjusting and/or reducing the Claims. This Objection is without prejudice to the Debtors' right to file further and different objections to the Claims.

NO LIABILITY CLAIMS

13. As stated above, as part of the Reconciliation Process, the Debtors have reviewed the Books and Records, the Schedules and all of the Proofs of Claim filed against the Debtors in these chapter 11 cases. Based upon the Reconciliation Process, the Debtors have determined that it is not liable in whole, or in part, for the amounts sought on certain Proofs of Claim and Scheduled Claims set forth in Exhibit A annexed hereto. The basis for this determination includes, but is not necessarily limited to, the fact that these Proofs of Claim were not accompanied by documentation sufficient to refute the following: (i) the Debtors' Books and Records do not reflect the existence of, or the Debtors have no liability for, the obligation asserted on the Claim; and/or (ii) the Debtors' Books and Records indicate an amount owed that is different than the amount reflected on the Claim.

14. Set forth on Exhibit A, under the heading "No Liability Claims" is a list of the Claims for which the Debtors have determined that they are not liable in whole or in part for the asserted Claim (the "No Liability Claims"). Accordingly, the Debtors hereby requests that the Court either disallow and expunge or adjust the No Liability Claims in accordance with Exhibit A. The Debtors, however, reserve the right to subsequently object to such No Liability Claims on any other grounds.

SEPARATE CONTESTED MATTERS

15. Each of the Claims and the objections by the Debtors to each Claim as asserted in this Objection constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court with respect to an objection asserted in this Objection shall be deemed a separate order with respect to each Claim.

RESERVATION OF RIGHTS

16. The Debtors expressly reserve the right to amend, modify or supplement this Objection and to file additional objections to any Proofs of Claim filed in these cases, including, without limitation, objections as to the amounts asserted therein, or any other claims (filed or not), but which are not the subject of this Objection. Should one or more of the grounds of objection stated in this Objection be dismissed, the Debtors reserve the right to object on other stated grounds or on any other grounds that they discover during the pendency of these cases. In addition, the Debtors reserve the right to file counterclaims against the holders of any such claims.

NOTICE

19. Notice of this Motion has been provided to (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Committee; (c) the Debtors' prepetition secured lenders; and (d) any other party requesting notice under Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice is necessary or required.

NO PRIOR REQUEST

17. No previous application for the relief sought herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request that this Court enter an order consistent with the relief sought herein, and grant to the Debtors such other or further relief as the Court deems just and proper.

Date: March 26, 2010
Dallas, Texas

Respectfully submitted,

By: /s/ Vincent P. Slusher
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**In re: Erickson Retirement Communities, LLC
EXHIBIT A - NO LIABILITY CLAIMS**

Creditor Name / Address	Case Number	Claim Number	Total Claim Dollars*	Claim Class**	Reason For Proposed Disallowance
1 RLI INSURANCE COMPANY ATTN: MARTHA WEISSBAUM 505 14TH ST STE 1100 OAKLAND, CA 94612	09-37010	1009	\$20,072,025.10	(S)	ACCORDING TO ITS BOOKS AND RECORDS DEBTOR HAS NO LIABILITY FOR THIS CLAIM
	ERICKSON RETIREMENT COMMUNITIES, LLC		UNLIQUIDATED		
2 RLI INSURANCE COMPANY MARTHA WEISSBAUM 505 14TH ST SUITE 1100 OAKLAND, CA 94612	09-37017	989	\$20,072,025.10	(S)	ACCORDING TO ITS BOOKS AND RECORDS DEBTOR HAS NO LIABILITY FOR THIS CLAIM
	SENIOR CAMPUS SERVICES, LLC		UNLIQUIDATED		
3 RLI INSURANCE COMPANY MARTHA WEISSBAUM 505 14TH ST SUITE 1100 OAKLAND, CA 94612	09-37020	990	\$20,072,025.10	(S)	ACCORDING TO ITS BOOKS AND RECORDS DEBTOR HAS NO LIABILITY FOR THIS CLAIM
	CONCORD CAMPUS, LP		UNLIQUIDATED		
Totals:			\$60,216,075.30	(S)	

*Plus, in certain instances, additional contingencies, unliquidated amounts, interest, penalties and/or fees.

****(A)** - Administrative
(P) - Priority

(S) - Secured
(U) - Unsecured