

**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF DELAWARE**

In re: ) Chapter 11  
)  
HOMELIFE PCE, ) Case No. 01-2412 (JWV)  
) (Jointly Administered)  
Post Confirmation Estate. )  
) **Hearing Date: TBD (case is being assigned to a**  
) **new judge)**  
) **Response Due: October 6, 2003 at 4:00 p.m.**

**FIFTEENTH OMNIBUS OBJECTION TO CLAIMS (SUBSTANTIVE)**

The above-captioned Post Confirmation Estate (the “Estate”), by and through its undersigned counsel of record, files this Fifteenth Omnibus Objection to Claims (Substantive) (the “Fifteenth Omnibus Objection”), and in support of thereof, states the following:

**JURISDICTION**

1. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and (O).

2. The bases for the relief requested are 11 U.S.C. §§ 105(a), 502 and Federal Rule of Bankruptcy Procedure 3007.

**BACKGROUND**

3. On July 16, 2001 (the “Petition Date”), each of the Debtors<sup>1</sup> filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code.

4. On March 5, 2003, this Court entered an Order confirming the Liquidating Debtors’<sup>2</sup> Third Amended Joint Liquidating Plan of Reorganization (the “Plan”).

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<sup>1</sup> The Debtors consisted of the following entities: HomeLife Corporation, HL Holding Corporation, HomeLife de Puerto Rico, Inc., Furniture Holding LLC, and HLC 1 LLC.

5. Pursuant to Article VII, Paragraph B of the Plan, the Plan Administrator<sup>3</sup>, on behalf of the Estate, among other things, is responsible for making and filing objections to Administrative Claims, Secured Claims, Priority Claims, Unsecured Claims, and Equity Interests (collectively, the “Claims”) and ultimately making distributions on account of Allowed Claims.

6. On December 19, 2001, the Court entered an order fixing the bar date for filing proofs of claim (the “Bar Date Order”). Under the Bar Date Order, all entities, other than governmental units, were required to file prepetition claims no later than January 28, 2002 (the “Bar Date”). All governmental units were required to file prepetition claims no later than January 14, 2002 (the “Governmental Bar Date”).

7. An Order Establishing Deadline for Filing Requests for Allowance of Certain Administrative Expense Claims and Approving Form and Manner of Notice Thereof (the “Administrative Bar Date Order”) was entered by the Court on November 30, 2001. Under the terms of the Administrative Bar Date Order, all entities holding claims that constituted Administrative Claims (as defined in the Administrative Bar Date Order) arising on or after the Petition Date through and including November 21, 2001 were required to file a request for allowance of that Administrative Claim on or before January 28, 2002. All claims for unpaid Administrative Expense arising after November 22, 2001 through the Confirmation Date were required to be filed on or before the twentieth day following the Confirmation Date.

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<sup>2</sup> The Liquidating Debtors consist of HomeLife Corporation, Furniture Holding LLC and HLC 1 LLC.

<sup>3</sup> Capitalized terms not defined herein are as defined in the Plan.

8. Pursuant to Section IV, Paragraph D-2 of the Plan, Distributions are to be made to all Holders of Allowed Administrative Claims, Allowed Priority Claims and Allowed Secured Claims on the Effective Date. The Effective Date is September 6, 2003.

9. The Claims objected to in this Fifteenth Omnibus Objection are Claims for which, as set forth below: (a) the Estate has no liability; (b) should be allowed in a classification or in an amount that is less than the amount asserted in the claim as filed; or (c) should be expunged for other reasons. As such, these Claims are Disputed Claims as defined in Section I, paragraph 29 of the Plan.

### **THE OBJECTION AND REQUEST FOR RELIEF**

10. By this Fifteenth Omnibus Objection, the Estate seeks disallowance and expungement, reclassification, and/or reduction and allowance, as appropriate, of the claims set forth in the attached Exhibits for the reasons described:

- (a) The Claims set forth in **Exhibit A**, attached as “Insufficient Documentation” are Claims for which the required supporting documentation was not provided, and for which the Estate seeks disallowance and expungement (the “Insufficient Documentation Claims”).
- (b) The Claims set forth in **Exhibit B**, attached as “Reclassify” are Claims that improperly assert secured or priority status, for which the Estate seeks reclassification (the “Reclassify Claims”);
- (c) The Claim set forth in **Exhibit C**, attached as “Reclassify, Reduce and Allow” is a Claim that improperly asserts priority status and is asserted in an amount in excess of what the Estate believes is owed to the creditor based on the Estate’s books and records, but such claim is otherwise allowable at the status and in the amount indicated on **Exhibit C** (the “Reclassify, Reduce and Allow Claim”); and
- (d) The Claims set forth in **Exhibit D**, attached as “Reduce and Allow” are Claims that are asserted in amounts in excess of what the Estate believes is owed to each such creditor based on the Estate’s books and records, but such claims are otherwise allowable at the amounts indicated on **Exhibit D** (the “Reduce and Allow Claims”);

- (e) The Claims set forth in **Exhibit E**, attached as “No Liability” are Claims for which the Estate has no liability, according to its books and records and for which the Estate seeks disallowance and expungement (the “No Liability Claims”);

#### **THE INSUFFICIENT DOCUMENTATION CLAIMS**

8. The Estate objects to the Insufficient Documentation Claims listed on **Exhibit A** pursuant to § 502(b)(1) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 3001(c) (“Rule 3001(c)”). The Creditors filing said claims failed to file the requisite documentation in support of their claims and thus have failed to comply with Rule 3001(c). Rule 3001(c) requires in pertinent part: “When a claim, or an interest in property of the Estate securing the claim, is based on a writing, the original or a duplicate shall be filed with the proof of claim.” Because sufficient supporting documentation was not supplied, the Estate requests that the Insufficient Documentation Claims listed on **Exhibit A** be disallowed and expunged for all purposes.

#### **THE RECLASSIFY CLAIMS**

9. The Estate objects to the Reclassify Claims listed on **Exhibit B**, pursuant to §§ 502(b)(1), 506(a) and 507 of the Bankruptcy Code, because these claims improperly assert secured or priority status. In evaluating the Reclassify Claims, the Estate has thoroughly reviewed its books and records, the proofs of claim and the supporting documentation provided by each claimant, and believes that the asserted classification of each such claim is not appropriate.

#### **THE RECLASSIFY, REDUCE AND ALLOW CLAIM**

10. The Estate objects to the Reclassify, Reduce and Allow Claim listed on **Exhibit C**, pursuant to §§ 502(b)(1), 506(a) and 507 of the Bankruptcy Code, because this claim improperly asserts priority status, and asserts a claimed amount in excess of the amount stated on

the Estate's books and records. In evaluating the Reclassify, Reduce and Allow Claim, the Estate has thoroughly reviewed its books and records, the proof of claim and the supporting documentation provided by the claimholder. The Estate believes that the asserted classification is not appropriate, and the amount claimed is overstated.

### **THE REDUCE AND ALLOW CLAIMS**

11. The Estate objects to the Reduce and Allow Claims listed on **Exhibit D**, pursuant to § 502(b)(1) of the Bankruptcy Code, because these claims are asserted in amounts in excess of the amounts stated on the Estate's books and records. In evaluating the Reduce and Allow Claims, the Estate has thoroughly reviewed its books and records, the proofs of claim, and the supporting documentation provided by each claimholder. The Estate believes that the asserted amounts of the Reduce and Allow Claims are overstated. Accordingly, the Estate objects to the Reduce and Allow Claims and requests that the Reduce and Allow Claims be reduced to and allowed in the amounts set forth on **Exhibit D**.

### **THE NO LIABILITY CLAIMS**

12. The Estate objects to the No Liability Claims listed on **Exhibit E** pursuant to § 502(b)(1) of the Bankruptcy Code, because these are claims which are not enforceable against the Estate or its property under any agreement or applicable law. Therefore, the Estate requests that the No Liability Claims listed on **Exhibit E** be disallowed and expunged for all purposes.

### **DECLARATION IN SUPPORT**

13. The Declaration of Patrick Regan, the Plan Administrator of the Estate, attesting that the information contained in **Exhibits A** through **E** is true and correct to the best of his knowledge and belief, is attached in further support of this Fifteenth Omnibus Objection to Claims.

## **RESERVATION**

14. The Estate hereby reserves the right to object in the future to any of the claims listed in this Fifteenth Omnibus Objection, or on the attached Exhibits on any ground, and to amend, modify and/or supplement this Fifteenth Omnibus Objection, including, without limitation, to object to amended claims and newly-filed claims. Separate notice and hearing will be scheduled for any such objection.

## **COMPLIANCE WITH LOCAL RULE 3007-1**

15. The Estate, by and through its counsel, affirmatively states that the Fifteenth Omnibus Objection to Claims complies with the requirements of Del. Bankr. LR 3007-1.

## **NOTICE**

16. The Estate will serve copies of this Fifteenth Omnibus Objection (with all exhibits) on: (i) the Plan Oversight Committee, (ii) counsel to the Official Committee of Unsecured Creditors, (iii) counsel to Congress Financial (Central), (iv) counsel to the Sears Entities, and (v) the Office of the United States Trustee. The Estate will serve copies of this Fifteenth Omnibus Objection (without exhibits) on all parties that have requested that they be served with all pleadings filed in these cases pursuant to Federal Rule of Bankruptcy Procedure 2002 (the “2002 List”). Any party that is on the 2002 List may obtain a copy of the Fifteenth Omnibus Objection with all Exhibits by requesting the same from Bankruptcy Management Corporation (“BMC”) at (888) 909-0100 or by going onto the BMC website at <http://www.bmccorp.net>.

17. The Estate’s claims agent, BMC, has served a copy of the Fifteenth Omnibus Objection and customized notice, summarizing claim specific detail exactly as reflected in the Exhibit on which such creditor is listed, upon those creditors that have filed claims that are affected by the Fifteenth Omnibus Objection, in lieu of serving all Exhibits.

18. The Estate submits that notice of this Fifteenth Omnibus Objection is sufficient under Federal Rule of Bankruptcy Procedure 3007 and Del. Bankr. LR 3007-1 and that no further notice is necessary.

**NO PREVIOUS REQUEST**

19. No previous request for the relief set forth herein has been made to this or any other court.

*(Remainder of this page intentionally left blank)*

WHEREFORE, the Estate respectfully requests that the Court enter an order:  
disallowing and expunging the claims so identified for this treatment on **Exhibits A and E**; and  
reclassifying, reclassifying, reducing and allowing, or reducing and allowing those claims so  
identified for this treatment on **Exhibits B, C and D**, as appropriate and as more fully described  
in this Fifteenth Omnibus Objection and/or shown on the attached Exhibits.

Dated: September 5, 2003

Respectfully submitted,

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# EXHIBIT A

# EXHIBIT B

# EXHIBIT C

# EXHIBIT D

# EXHIBIT E