

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
HOMELIFE CORPORATION., et al.,<sup>1</sup> ) Case No. 01-2412 (JWV)  
) (Jointly Administered)  
Debtors. )  
) **Hearing Date: January 9, 2003 at 1:30 p.m.**  
) **Responses Due: December 31, 2002 at 4:00 p.m.**

**DECLARATION OF PATRICK REGAN**  
**IN SUPPORT OF DEBTORS' SEVENTH OMNIBUS OBJECTION**  
**(SUBSTANTIVE) TO CLAIMS**

Patrick Regan hereby declares:

1. I am the Chief Financial Officer of HomeLife Corporation (“HomeLife”), one of the above-captioned debtors and debtors in possession (the “Debtors”). I am authorized to make this Declaration in support of the Debtors’ Seventh Omnibus Objection to Claims (Substantive) (the “Seventh Omnibus Objection”).
2. I am responsible for overseeing the claims review and objection process for the Debtors in these cases. In that capacity, I have reviewed the Seventh Omnibus Objection, and am directly or through other of the Debtors’ personnel and attorneys, familiar with the information contained therein, and in the exhibits annexed thereto.
3. Upon information and belief, the Debtors’ books and records accurately reflect, among other things, their liabilities (including the amounts thereof) owed to their creditors.
4. Under my supervision, considerable resources and time have been expended to ensure a high level of diligence in reviewing and reconciling the proofs of claim filed against the Debtors in these cases. These claims were carefully reviewed and analyzed by appropriate personnel, and in some cases, the Debtors’ professional advisors, resulting in the identification of objectionable Claims<sup>2</sup> which are the subject of the Seventh Omnibus Objection.

**The Reclassify Claims**

5. To the best of my knowledge and belief, after thoroughly reviewing the Debtors’ books and records and the applicable proofs of claim listed on Exhibit A to the Seventh Omnibus Objection, I have determined that the claims against HomeLife listed on Exhibit A improperly assert secured, or priority status pursuant to Section 507 of the Bankruptcy

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

<sup>2</sup> Capitalized terms not defined herein are as defined in the Seventh Omnibus Objection.

Code. The reasons for the proposed modification for each claim is listed on Exhibit A along with the proposed claim class for each.

**The Reclassify, Reduce and Allow Claims**

6. To the best of my knowledge and belief, after thoroughly reviewing the Debtors' books and records and the applicable proof of claim listed on Exhibit B to the Seventh Omnibus Objection, I have determined that the Claim against HomeLife listed on Exhibit B where the "Basis for Objection" is designated as "Reclassify, Reduce and Allow" improperly asserts priority status, and is filed for an amount that differs from the amount reflected on the Debtors' books and records. The reason for the proposed modification is listed on Exhibit B along with the proposed amount and claim class.

**The Reduce and Allow Claims**

7. To the best of my knowledge and belief, after thoroughly reviewing the Debtors' books and records and the applicable proof of claim listed on Exhibit C to the Seventh Omnibus Objection, I have determined that the Claim against HomeLife listed on Exhibit C where the "Basis for Objection" is designated as "Reduce and Allow" asserts an amount that is overstated according to HomeLife's books and records. The reason for the proposed modification is listed on Exhibit C along with the proposed allowable amount.

**The No Liability Claims**

8. To the best of my knowledge and belief, after thoroughly reviewing the Debtors' books and records and the applicable proofs of claim listed on Exhibit D to the Seventh Omnibus Objection, I have determined that the Claims against HomeLife listed on Exhibit D where the "Basis for Objection" is designated as "No Liability" assert Claims for which the Debtors have no liability according to HomeLife's books and records. The reasons for the proposed modification for each claim are listed on Exhibit D.

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