

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
HOMELIFE CORPORATION., et al.,¹) Case No. 01-2412 (JWV)
) (Jointly Administered)
Debtors.)
) **Hearing Date: February 4, 2003 at 3:30 p.m.**
) **Response Due: January 28, 2003 at 4:00 p.m.**

DECLARATION OF PATRICK REGAN
IN SUPPORT OF DEBTORS' NINTH 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’ Ninth Omnibus Objection to Claims (Substantive) (the “Ninth 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 Ninth 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 Claims² which are the subject of the Ninth Omnibus Objection.

THE INSUFFICIENT DOCUMENTATION 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 Ninth Omnibus Objection, I have determined that the claims against HomeLife listed on Exhibit A are not properly supported by the necessary documentation pursuant to Section 502(b)(1) of the Bankruptcy Code. Therefore, the Debtors seek disallowance and expungement of the claims listed on Exhibit A.

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

² Capitalized terms not defined herein are as defined in the Seventh Omnibus Objection.

THE NO LIABILITY CLAIMS

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 B to the Ninth Omnibus Objection, I have determined that the claims against HomeLife listed on Exhibit B are not enforceable against the Debtors or their property, pursuant to Section 502(b)(1) of the Bankruptcy Code. Therefore, the Debtors seek disallowance and expungement of the claims listed on Exhibit B.

THE RECLASSIFY CLAIMS

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 C to the Ninth Omnibus Objection, I have determined that the claims against HomeLife listed on Exhibit C improperly assert priority or secured status pursuant to Sections 502(b)(1), 506(a) and 507 of the Bankruptcy Code. Therefore, the Debtors seek to reclassify the claims listed on Exhibit C.

THE REDUCE AND ALLOW CLAIMS

6. 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 Ninth Omnibus Objection, I have determined that the Claims against HomeLife listed on Exhibit D where the "Basis for Objection" is designated as "Reduce and Allow" asserts amounts that are overstated according to HomeLife's books and records. The reason for the proposed modification is listed on Exhibit D along with the proposed allowable amount.

Dated: January 3, 2003

/s/

Patrick Regan