

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.**
) **Responses Due: January 28, 2003 at 4:00 p.m.**

NINTH OMNIBUS OBJECTION TO CLAIMS (SUBSTANTIVE)

The above-captioned debtors and debtors in possession (the “Debtors”), by and through their undersigned counsel of record, file this Ninth Omnibus Objection to Claims (Substantive) (the “Ninth Omnibus Objection”). In support of this Ninth Omnibus Objection, the Debtors state the following:

JURISDICTION

1. This Court has jurisdiction over the subject matter of the Ninth Omnibus Objection 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 statutory bases for the relief requested are 11 U.S.C. §§ 105(a), 506 and 507.

BACKGROUND

3. On July 16, 2001 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Bankruptcy Code (as amended, the “Bankruptcy Code”). The Debtors’ respective chapter 11 cases (the “Chapter 11 Cases”) have been consolidated for procedural purposes only. No trustee or examiner has been appointed in these cases. On July 27, 2001, the United States Trustee appointed an official committee of unsecured creditors (the “Committee”).
4. 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”).
5. The Debtors have completed the liquidation of substantially all of their assets, other than the remaining causes of action. Therefore, the administration of the Debtors’ estates

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.

is nearing an end and the tasks that remain are largely limited to pursuing and collecting on various causes of action, reconciling claims, and making distributions to holders of legitimate claims. To this end, on December 12, 2002, certain of the Debtors filed their Joint Liquidating Plan (the “Plan”) with an accompanying Disclosure Statement.

THE OBJECTION AND REQUEST FOR RELIEF

6. By this Ninth Omnibus Objection, the Debtors seek disallowance and expungement, reclassification, or reduction and allowance, as appropriate, of the claims set forth in the attached Exhibits for the reasons described, and in such Exhibits:

- (a) The Claims set forth in **Exhibit A** attached as “Insufficient Documentation” are Claims that are not properly supported by the required documentation, and for which the Debtors seek disallowance and expungement (the “Insufficient Documentation Claims”);
- (b) The Claims set forth in **Exhibit B** attached as “No Liability” are Claims for which the Debtors believe that they have no liability and for which the Debtors seek disallowance and expungement (the “No Liability Claims”);
- (c) The Claims set forth in **Exhibit C** attached as “Reclassify” are Claims that improperly assert priority or secured status based on the Debtors’ books and records, and for which the Debtors’ seek reclassification (the “Reclassify Claims”);
- (d) The Claims set forth in **Exhibit D** attached as “Reduce and Allow” are Claims that are asserted in an amount in excess of what the Debtors believe is owed to such claimholder, based upon the Debtors’ books and records, but are allowable at the amount indicated on **Exhibit D** (the “Reduce and Allow Claims”).

THE INSUFFICIENT DOCUMENTATION CLAIMS

7. The Debtors object 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), because these claims are not properly supported by the requisite documentation. Therefore, the Debtors seek disallowance and expungement of all claims set forth on **Exhibit A**.

THE NO LIABILITY CLAIMS

8. The Debtors object to the No Liability Claims listed on **Exhibit B**, pursuant to § 502(b)(1) of the Bankruptcy Code, because these are claims which are not enforceable against the Debtors or their property under any agreement or applicable law. Therefore, the Debtors request that the No Liability Claims listed on **Exhibit B** should be disallowed and expunged for all purposes.

THE RECLASSIFY CLAIMS

9. The Debtors object to the Reclassify Claims listed on **Exhibit C**, pursuant to §§ 502(b)(1), 506(a) and 507 of the Bankruptcy Code, because these claims improperly assert priority or secured status. In evaluating the Reclassify Claims, the Debtors have thoroughly reviewed their books and records, the proofs of claim and the supporting documentation provided by each claimholder, and believe that the asserted classification of each such claim is

not appropriate. Accordingly, the Debtors object to the Reclassify Claims and request that the Reclassify Claims be reclassified as provided on **Exhibit C**.

THE REDUCE AND ALLOW CLAIMS

10. The Debtors object to the Reduce and Allow Claims listed on **Exhibit D**, pursuant to § 502(b)(1) of the Bankruptcy Code, because these claims are asserted for amounts in excess of the amounts stated on the Debtors’ books and records. In evaluating the Reduce and Allow Claims, the Debtors have thoroughly reviewed their books and records, the proofs of claim, and the supporting documentation provided by the claimholders. The Debtors believe that the amounts asserted in the Reduce and Allow Claims are overstated. Accordingly, the Debtors object to the Reduce and Allow Claims and request that these claims be reduced and allowed in the amounts set forth on **Exhibit D**.

RESERVATION

11. The Debtors hereby reserve the right to object in the future to any of the Claims listed in this Ninth Omnibus Objection or on the attached Exhibits on any grounds, and to amend, modify and/or supplement this Ninth 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

12. The Debtors, by and through their counsel, affirmatively state that the Ninth Omnibus Objection complies with the requirements of Del. Bankr. LR 3007-1.

DECLARATION IN SUPPORT

13. The Declaration of Patrick Regan, Chief Financial Officer of HomeLife Corporation, one of the Debtors, attesting that the information contained in Exhibits A through D is true and correct to the best of his knowledge and belief, is attached in further support of this Ninth Omnibus Objection to Claims.

NOTICE

14. The Debtors will serve copies of this Eighth Omnibus Objection on: (i) counsel to the Official Committee of Unsecured Creditors, (ii) counsel to Congress Financial (Central), (iii) counsel to the Sears Entities, (iv) the Office of the United States Trustee, and (v) all parties that have requested that they be served with all pleadings filed in these cases pursuant to Federal Rule of Bankruptcy Procedure 2002.

15. The Debtors’ claims agent, BMC, has served a copy of the Ninth 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 Ninth Omnibus Objection in lieu of serving all Exhibits.

16. The Debtors submit that notice of this Ninth 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

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

WHEREFORE, the Debtors respectfully request that the Court enter an order disallowing and expunging, reclassifying, or reducing and allowing, as appropriate, each of the Claims more fully described in this Ninth Omnibus Objection and/or shown on the attached Exhibits.

Dated: January 6, 2003

Respectfully submitted,

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