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LAING/SEQUOIA PARTNERS LLC and
SOUTH BANNING PROPERTIES LLC

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

JAMES C. GIANULIAS AND CAMEO
HOMES, a California corporation,

Debtor.

Case No. 8:08-bk-13150-RK
[Substantively Consolidated With:
Case No. 8:08-bk-13151-RK]

Chapter 11

**LIMITED OBJECTION OF
LAING/SEQUOIA PARTNERS LLC AND
SOUTH BANNING PROPERTIES LLC
TO DEBTORS FIRST OMNIBUS
OBJECTION TO DUPLICATE AND/OR
SUPERSEDED CLAIMS**

Date: April 27, 2010
Time: 2:30 p.m.
Place: Courtroom 5D
United States Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701

Creditors LAING/SEQUOIA PARTNERS LLC ("L/S Partners") and SOUTH
BANNING PROPERTIES LLC ("South Banning", and together with L/S Partners, collectively the
"Laing Creditors") file this limited objection to the Debtors First Omnibus Objection to Duplicate
and/or Superseded Claims (the "Objection") on the following grounds:

1. In 2005, L/S Partners and 213 Banning LLC ("213 Banning") entered into a
written operating agreement, creating South Banning, and a written contribution agreement. Pursuant
to the terms of the operating agreement, L/S Partners was required to contribute certain monies to

1 South Banning to pay its costs and expenses. Pursuant to the contribution agreement, 213 Banning
2 was required to contribute certain real and other property to South Banning.

3 2. Pursuant to a written Guaranty executed as of July 25, 2005 (the "Guaranty"),
4 debtor and debtor-in-possession Cameo Homes ("Debtor") unconditionally guaranteed to L/S Partners
5 the full and punctual payment and performance of all of 213 Banning's obligations under the
6 operating agreement and the contribution agreement. True and correct copies of these three written
7 agreements are attached to Claim Nos. 4-1 and 4-2, which are attached as Exhibits M and N to the
8 Objection.

9 3. L/S Partners contributed monies in the amount of \$1,309,326.68 as required by
10 the operating agreement; however, 213 Banning defaulted on its obligations under the operating
11 agreement and the contribution agreement by, among other things, failing to contribute the real
12 property to South Banning. 213 Banning also failed to pay the secured debt on the property and the
13 lender, MW Housing Partners III, L.P., foreclosed on the property, acquiring the property at the
14 foreclosure sale.

15 4. South Banning and L/S Partners filed a complaint against 213 Banning, Orange
16 County Superior Court Case No. 30-2008 00110497 (the "Action"), seeking the damages for breach of
17 the operating agreement and the contribution agreement, including, but not limited to, out-of-pocket
18 costs of \$1,309,326.68 and lost profits.

19 5. On September 22, 2008, the Laing Creditors filed a proof of claim in the
20 amount of \$1,309,326.68 plus lost profits against Debtor, Claim No. 4-1 on the Cameo Homes Claim
21 Docket, which is based on Debtor's guaranty of the amounts due to the Laing Creditors by 213 South
22 Banning, LLC. Claim No. 4-1 was filed before the November 11, 2008 claims bar date.

23 6. On January 12, 2009, a Judgment by Default, awarding damages in the amount
24 of \$14,305,707.51, plus post-judgment interest in the amount of \$358,72 per day starting January 1,
25 2009, was entered by the Orange County Superior Court in favor of the Laing Creditors in the Action.

26 7. On October 21, 2009, the Laing Creditors filed an amended proof of claim in
27 the amount of \$14,411,171.19, for the amount of the judgment plus post-judgment interest, which is
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1 shown as Claim No. 4-2 on the Cameo Homes Claim Docket. Again, these amounts were guaranteed
2 by Cameo Homes.

3 8. In the Objection, Debtor reserved its right to object to Claim No. 4-2 on other
4 grounds. The Laing Creditors do not object to Claim No. 4-2 superseding Claim No. 4-1 provided
5 that Debtor does not later object to Claim No. 4-2 on the grounds that it was filed after the claims bar
6 date since the Laing Creditors original proof of claim, Claim No. 4-1, was filed long before the claims
7 bar date.

8 For the foregoing reasons, the Laing Creditors request that if the Court grants the
9 Objection, the Court make a finding that Debtor waived any timeliness objection to Claim No. 4-2.

10
11 DATED: April 12, 2010

COX, CASTLE & NICHOLSON LLP

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13 By: 

Susan S. Davis
Attorneys for Creditors LAING/SEQUOIA
PARTNERS LLC and SOUTH BANNING
PROPERTIES LLC
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NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I.
Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 2049 Century Park East, 28th Floor, Los Angeles, California 90067-3284.

The foregoing document described **LIMITED OBJECTION OF LAING/SEQUOIA PARTNERS LLC AND SOUTH BANNING PROPERTIES LLC TO DEBTORS FIRST OMNIBUS OBJECTION TO DUPLICATE AND/OR SUPERSEDED CLAIMS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 12, 2010**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

SEE ATTACHED ELECTRONIC NOTICE LIST

☒ Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):
On **April 12, 2010**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

Chambers Copy Via Federal Express

Honorable Robert Kwan
United States Bankruptcy Court,
411 West 4th Street, Suite 5165
Santa Ana, CA 92701

☒ Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on _____, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

April 12, 2010
Date

Fay Brown
Type Name

Fay Brown
Signature

Electronic Mail Notice List

The following is the list of parties who are currently on the list to receive e-mail notices for this case.

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