

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA

IN RE: * CHAPTER 11
*
OCA, INC., *ET AL.* * CASE NO. 06-10179 (B)
*
DEBTORS * (JOINTLY ADMINISTERED)

OBJECTION OF OCA, INC. TO CLAIMS OF BARTHOLOMEW F. PALMISANO, SR.

NOW INTO COURT, through undersigned Special Counsel, comes the Debtor, OCA, Inc. (“OCA”), who pursuant to sections 105 and 502 of chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), objects to the claims of Bartholomew F. Palmisano, Sr. (“Palmisano”) as follows:

JURISDICTION AND VENUE

1.

This Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Objection is a core proceeding pursuant to 28 U.S.C. § 157(b).

2.

The statutory predicates for the relief requested herein are sections 105 and 502 of the Bankruptcy Code and Rule 3007 of the Bankruptcy Rules.

STANDING OF SPECIAL COUNSEL

3.

The Court issued its Order Approving Plan Support Agreement Pursuant to 11 U.S.C. section 105 on May 11, 2006 (P-480).

4.

On May 15, 2006, OCA proposed Special Counsel be appointed in accordance with Section II of Exhibit A of the Plan Support Agreement. Subsequently, OCA requested that Leon J. Reymond, Jr. and Philip K. Jones, Jr. be appointed as Special Counsel.

5.

By Order Granting Motion for Authority to Engage Special Counsel to the Debtor (the “Special Counsel Order”) dated May 31, 2006 (P-568), the Court appointed Leon J. Reymond, Jr. and Philip K. Jones, Jr. as Special Counsel.

6.

The Objection is within the purview of the authority of the Special Counsel as granted to them by the Special Counsel Order.

PALMISANO’S CLAIMS AGAINST OCA

7.

On June 1, 2006, Palmisano filed a proof of claim in the amount of \$1,234,751.50 (“Claim 238”), which purportedly relates to amounts due to Palmisano under an Employment Agreement dated November 21, 1994 between OCA and Palmisano. By order dated August 17, 2006 (Docket Item No. 1508), this Court temporarily allowed Claim 238 in the amount of three hundred thousand dollars (\$300,000.00) for the purpose of allowing Palmisano to vote Claim 238 in connection with voting on confirmation of the plan of reorganization proposed by OCA.

8.

Also on June 1, 2006, Palmisano filed a proof of claim in the amount of \$3,195,534.44 (“Claim 239”), which purportedly relates to amounts owed to Palmisano by the Debtors pursuant to two promissory notes identified in the proof of claim.

OCA'S CLAIMS AGAINST PALMISANO

9.

On September 1, 2006, OCA through Special Counsel filed the adversary proceeding entitled *OCA, Inc. v. Bartholomew F. Palmisano, Sr.*, Adv. No. 06-01290. This adversary proceeding seeks liquidated damages against Palmisano in the minimum amount of \$12,476,202.

10.

Also on September 1, 2006, OCA through Special Counsel filed the adversary proceeding entitled *OCA, Inc. v. OCA International, LLC, Gimili Enterprises, LLC, and Bartholomew F. Palmisano, Sr.*, Adv. No. 06-01289. This adversary proceeding seeks rescission of the OCA transaction with OCA International, LLC and declaratory relief.

OCA'S OBJECTION TO PALMISANO'S CLAIMS

11.

OCA objects to Claim 238 and Claim 239 on the grounds that OCA possesses liquidated claims against Palmisano as set forth in the adversary proceeding referenced above that offset (and greatly exceed) Palmisano's Claim 238 and Claim 239.

WHEREFORE, OCA respectfully requests that this Court enter an order disallowing and expunging Claim 238 and Claim 239 filed by Palmisano, and grant OCA such other and further relief as this Court deems just and proper.

Date: September 1, 2006.

Respectfully submitted,

/s/ Philip K. Jones, Jr.

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SPECIAL COUNSEL TO OCA, INC., ET AL.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing pleading has been served (1) electronically upon PACER system participants and (2) by United States mail, properly addressed and postage prepaid, to those on the attached service list on the 1st day of September, 2006.

/s/ Philip K. Jones, Jr.