

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

In re: ) Chapter 11  
 )  
TWG CAPITAL, INC., ) Case No. 12-11019-BHL-11  
 )  
Debtor. )

**OBJECTION TO CLAIM NO. 5 FILED BY  
U.S. SMALL BUSINESS ADMINISTRATION, AS RECEIVER FOR CARDINAL  
GROWTH, L.P. AND NOTICE OF RESPONSE DEADLINE**

TWG Capital, Inc., the debtor and debtor-in-possession (the "Debtor") in the above-captioned Chapter 11 case (the "Chapter 11 Case"), pursuant to 11 U.S.C. § 502 and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), hereby objects (this "Objection") to claim number 5, as amended by Docket No. 118 (the "Claim") filed by the U.S. Small Business Administration, as Receiver for Cardinal Growth, L.P. (the "Receiver"). The Debtor requests that the Court enter an order disallowing in full and expunging the Claim. In support of this Objection, the Debtor states as follows:

**Jurisdiction**

1. This Court has jurisdiction over this Objection pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. §§ 1408 and 1409.
2. The statutory bases for the relief requested herein are 11 U.S.C. § 502 and Rule 3007 of the Bankruptcy Rules.

**Background**

3. On September 14, 2012 (the "Petition Date"), the Debtor filed with the United States Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (the

"Court"), its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. as amended (the "Bankruptcy Code") commencing the Chapter 11 Case.

4. The Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Chapter 11 Case.

5. On November 6, 2012, the Court entered an order approving The BMC Group, Inc. ("BMC") as the Debtor's claims and noticing agent in the Chapter 11 Case [Doc. No. 129]. Pursuant to that order, BMC was authorized and directed to, among other things, maintain the official claims register ("Claims Register") for all filed proofs of claim in the Chapter 11 Case. A copy of that Claims Register and all filed proofs of claim in the Chapter 11 Case can be viewed at <http://bmcgroup.com/restructuring/Claims.aspx?ClientID=311>.

### **Request for Relief**

6. By this Objection, the Debtor seeks entry of an order disallowing and expunging the Claim in full.

7. The Claim asserts a secured claim in the amount of \$52,475.84. The Claim has been satisfied in full pursuant to a settlement, which, in relevant part, resolved certain issues related to the transfer of servicing functions of assets held by the Debtor's wholly owned subsidiary, Insurance Receivables 7, LLC and resolved and satisfied disputed claims related to the Insurance Commission Receivables Facility Agreement dated July 12, 2007, and various servicing agreements (the "Settlement").<sup>1</sup> The Court entered its order approving the Settlement on February 12, 2013 (the "Settlement Order") [Docket No. 217].

---

<sup>1</sup> Additional information on the Settlement and the relevant background facts are set forth in the *Emergency Motion for Approval of Settlement of Claims Pursuant to Rule 9019* filed by the Debtor on February 5, 2013 [Docket No. 200].

8. Pursuant to the terms of the Settlement and the Settlement Order, the Debtor has paid to the Receiver the full amount of the Claim, using (i) a portion of the proceeds of the sale of substantially all of the Debtor's assets to Carmel Funding, LLC that were held in escrow as adequate protection of the Receiver's interests in the Debtor's cash and cash equivalents, and (ii) funds received by the Debtor under the Settlement. The Debtor has fully satisfied the Claim and discharged the Receiver's lien on the Debtor's assets, and the Debtor has been "fully and finally released from all liability relating to the [Claim]." *Order*, ¶ 6. Accordingly, the Debtor objects to the Claim and requests that the Claim be disallowed and expunged in its entirety.

**Notice of Response Deadline**

10. If the Receiver wishes to contest the relief requested in this Objection, the Receiver must file a response with the Court no later than May 20, 2013 ("Response Deadline"). Responses must be filed with the Clerk of the United States Bankruptcy Court, Southern District of Indiana, Indianapolis Division, 116 U.S. Courthouse, 46 E. Ohio St., Indianapolis, IN 46204 and served on the Debtor's Counsel, Faegre Baker Daniels LLP, 600 E. 96<sup>th</sup> Street, Suite 600, Indianapolis, IN 46240 (Attn: Kayla Britton). **IF NO RESPONSE IS FILED BY THE RESPONSE DEADLINE THE COURT MAY SUSTAIN THE OBJECTION TO THE CLAIM WITHOUT FURTHER NOTICE OR HEARING.**

WHEREFORE, the Debtor respectfully requests that the Court enter an Order disallowing in full and expunging the Claim and granting the Debtor all other just and appropriate relief.

Respectfully submitted,

FAEGRE BAKER DANIELS LLP

By: /s/ Kayla D. Britton

*Counsel for the Debtor and Debtor-in-Possession*

Jay Jaffe (#5037-98)  
Wendy W. Ponader (#14633-49)  
Kayla D. Britton (#29177-06)  
600 E. 96th Street, Suite 600  
Indianapolis, IN 46240  
Telephone: (317) 569-9600  
Facsimile: (317) 569-4800  
jay.jaffe@faegrebd.com  
wendy.ponader@faegrebd.com  
kayla.britton@faegrebd.com

### **CERTIFICATE OF SERVICE**

I hereby certify that on April 18, 2013, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

Kay Dee Baird on behalf of Creditor LA/Shadeland Station, Inc.  
[kbaird@kdlegal.com](mailto:kbaird@kdlegal.com), [pdidandeh@kdlegal.com](mailto:pdidandeh@kdlegal.com)

Kayla D. Britton on behalf of Debtor TWG Capital, Inc.  
[kayla.britton@faegrebd.com](mailto:kayla.britton@faegrebd.com), [sharon.korn@faegrebd.com](mailto:sharon.korn@faegrebd.com); [sarah.herendeen@faegrebd.com](mailto:sarah.herendeen@faegrebd.com)

Jason J. DeJonker on behalf of Creditor Continental Casualty Company  
[jdejonker@seyfarth.com](mailto:jdejonker@seyfarth.com)

Robert S. Gebhard on behalf of Creditor Imagine International Reinsurance Limited  
[Robert.Gebhard@Sedgwicklaw.com](mailto:Robert.Gebhard@Sedgwicklaw.com), [quintella.griffin@sedgwicklaw.com](mailto:quintella.griffin@sedgwicklaw.com)

Christine K. Jacobson on behalf of Creditor International Real Estate Holding Company, LLC  
[cjacobson@katzkorin.com](mailto:cjacobson@katzkorin.com), [dyoung@katzkorin.com](mailto:dyoung@katzkorin.com); [sdowden@katzkorin.com](mailto:sdowden@katzkorin.com)

Jay Jaffe on behalf of Debtor TWG Capital, Inc.  
[jay.jaffe@faegrebd.com](mailto:jay.jaffe@faegrebd.com), [sarah.herendeen@faegrebd.com](mailto:sarah.herendeen@faegrebd.com)

James A. Knauer on behalf of Creditor The Huntington National Bank  
[jak@kgrlaw.com](mailto:jak@kgrlaw.com), [tjf@kgrlaw.com](mailto:tjf@kgrlaw.com)

Beth Kramer on behalf of U.S. Trustee U.S. Trustee  
[beth.kramer@usdoj.gov](mailto:beth.kramer@usdoj.gov)

Michael K. McCrory on behalf of Creditor Fifth Third Bank, N.A.  
[mmccrory@btlaw.com](mailto:mmccrory@btlaw.com), [bankruptcyindy@btlaw.com](mailto:bankruptcyindy@btlaw.com)

Henry Mestetsky on behalf of Creditor International Real Estate Holding Company, LLC  
[hmestetsky@katzkorin.com](mailto:hmestetsky@katzkorin.com), [dyoung@katzkorin.com](mailto:dyoung@katzkorin.com); [sdowden@katzkorin.com](mailto:sdowden@katzkorin.com)

C Daniel Motsinger on behalf of Creditor LA/Shadeland Station, Inc.  
[cmotsinger@kdlegal.com](mailto:cmotsinger@kdlegal.com),  
[cmotsinger@kdlegal.com;crbpgpleadings@kdlegal.com;rhobdy@kdlegal.com](mailto:cmotsinger@kdlegal.com;crbpgpleadings@kdlegal.com;rhobdy@kdlegal.com)

Peter S. Partee on behalf of Creditor Carmel Funding, LLC  
[ppartee@hunton.com](mailto:ppartee@hunton.com)

Wendy W Ponader on behalf of Debtor TWG Capital, Inc.  
[wendy.ponader@faegrebd.com](mailto:wendy.ponader@faegrebd.com), [sarah.herendeen@faegrebd.com](mailto:sarah.herendeen@faegrebd.com)  
Carey D. Schreiber on behalf of Creditor LTC Global, Inc.  
[cschreiber@winston.com](mailto:cschreiber@winston.com), [chardman@winston.com](mailto:chardman@winston.com)

Jonathan David Sundheimer on behalf of Creditor Fifth Third Bank, N.A.  
[jsundheimer@btlaw.com](mailto:jsundheimer@btlaw.com), [mstrange@btlaw.com](mailto:mstrange@btlaw.com)

U.S. Trustee  
[ustregion10.in.ecf@usdoj.gov](mailto:ustregion10.in.ecf@usdoj.gov)

I further certify that on April 18, 2013, a copy of the foregoing pleading will be mailed by first-class U.S. Mail, postage prepaid and properly addressed, to the following:

U.S. Small Business Administration, as  
Receiver for Cardinal Growth, L.P.  
c/o Thomas A. Smith  
Senak Keegan Gleason Smith & Michaud, Ltd.  
621 S. Plymouth Court, Suite 100  
Chicago, IL 60661

US Small Business Administration  
409 3<sup>rd</sup> Street SW  
Washington, DC 20416

/s/ Kayla D. Britton