

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
)	
CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
)	
Reorganized Debtor.)	
)	Response Deadline: January 5, 2012 4:00 p.m.,
)	C.D.T.
)	Hearing Date: January 12, 2012 10:00 a.m.,
)	C.D.T.

**NOTICE OF THE REORGANIZED DEBTOR'S OBJECTION TO PROOF OF CLAIM
NO. 502 FILED BY GEORGE WRIGHT AND RELATED HEARING**

PLEASE TAKE NOTICE that on **January 12, 2012** at 10:00 a.m. prevailing Central Time or as soon thereafter as counsel may be heard, we shall appear before the Honorable Pamela S. Hollis in Courtroom 644 in the United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, or before any other judge who may be sitting in her place and stead, and present the attached **Reorganized Debtor's Objection to Proof of Claim No. 502 Filed by George Wright** (the "Objection") at which time and place you may appear if you so desire.

Specifically, the Objection seeks to modify your claim in the manner listed below:

Creditor Name/Address	Claim Nbr	Claim Total	Basis for Objection	Relief Requested	Objection Page Reference
GEORGE E. WRIGHT 10825 E BOSTON ST APACHE JCT, AZ 85120	502	\$500.00	Equity interest claim	Disallow as a claim and reclassify as an equity interest	Pgs. 3-5

Your claim may be eliminated. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not want the Court to change your claim, then you or your lawyer should file a written response to the Objection in accordance with the response procedures set forth below. **If you do not object to the relief requested, an order will be presented to the Court and the relief requested may be granted.**

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor's federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Reorganized Debtor's corporate headquarters and the service address for the Reorganized Debtor is: 32 Broadway, Suite 1104, New York, NY 10004.

Every response to this Objection must contain, at a minimum, the following information:

- a. a caption setting forth the name of the Court, the name of the Reorganized Debtor, the case number and the title of the objection to which the response is directed;
- b. the specific factual basis and supporting legal argument upon which you will rely in opposing this Objection;
- d. any supporting documentation, to the extent it was not included with the proof of claim previously filed with the clerk or claims agent, upon which you will rely to support the basis for and amounts asserted in the proof of claim; and
- e. the name, address, telephone number and fax number (if available) of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Reorganized Debtor should communicate with respect to the claim or the objection and who possesses authority to reconcile, settle, or otherwise resolve the objection to the disputed claim on behalf of the claimant.

PLEASE TAKE FURTHER NOTICE that any response to this Objection must be filed with the Court so that it is received by **January 5, 2012 at 4:00 p.m.** prevailing Central Time and served by such time on: (a) counsel to the Reorganized Debtor; (b) the Reorganized Debtor's designee; (c) the official committee of unsecured creditors' designee; and (d) counsel to the official committee of unsecured creditors' designee.

IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM OR INTEREST, YOU SHOULD CONTACT THE CLAIMS AGENT AT THE ADDRESS OR TELEPHONE NUMBER SET FORTH BELOW.

<i>By Regular U.S. Mail:</i> BMC Group Inc. Attn: Corus Claims Processing PO Box 3020 Chanhassen, MN 55317-3020 Phone: (888) 909-0100	<i>By Messenger or Overnight Courier:</i> BMC Group, Inc. Attn: Corus Claims Processing 18750 Lake Drive East Chanhassen, MN 55317 Phone: (888) 909-0100
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Dated: December 13, 2011

Respectfully Submitted,

/s/ Jeffrey W. Gettleman

James H.M. Sprayregen, P.C. (IL Bar No. 6190206)

David R. Seligman, P.C. (IL Bar No. 6238064)

Jeffrey W. Gettleman (IL Bar No. 0944904)

KIRKLAND & ELLIS LLP

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Counsel to the Reorganized Debtor

**UNITED STATES BANKRUPTCY COURT
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In re:)	
)	Chapter 11
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CORUS BANKSHARES, INC. ¹)	Case No. 10-26881 (PSH)
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Reorganized Debtor.)	
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**REORGANIZED DEBTOR’S OBJECTION TO PROOF OF CLAIM NO. 502 FILED BY
GEORGE WRIGHT**

The above-captioned reorganized debtor (“Corus” or the “Reorganized Debtor”),² files this objection (the “Objection”) to proof of claim no. 502 filed by George Wright (the “Claimant”) against the Debtor on August 31, 2011 (the “Claim”) and requests the entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), granting the relief requested herein. In support of this Objection, the Reorganized Debtor relies on the *Declaration of John M. Decker in Support of the Reorganized Debtor’s Objection to Proof of Claim No. 502 Filed by George Wright* filed contemporaneously herewith (the “Decker Declaration”). In further support of this Objection, the Reorganized Debtor respectfully states as follows:

Jurisdiction

1. This Court has jurisdiction to consider this Objection pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Corus Bankshares, Inc. (3592). The location of the Reorganized Debtor’s corporate headquarters and the service address for the Reorganized Debtor is: 32 Broadway, Suite 1104, New York, NY 10004.

² The Reorganized Debtor emerged from bankruptcy on October 27, 2011. For purposes of this Objection, the Reorganized Debtor is referred to as the “Debtor” prior to its emergence.

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 502 and 503 of chapter 11 of the United States Code (the “Bankruptcy Code”), Rules 3001, 3007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Illinois (the “Local Bankruptcy Rules”).

Background

4. On June 15, 2010 (the “Petition Date”), the Debtor filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. By order dated July 9, 2010 (the “Bar Date Order”) [Docket No. 70], this Court established August 13, 2010 (the “Bar Date”) as the deadline for each person or entity asserting a claim against the Debtor to file a written proof of claim against the Debtor.

5. On September 26, 2011, the Debtor filed the *Debtor’s Third Amended Plan of Reorganization under Chapter 11 of the Bankruptcy Code (with Technical Modifications)* (the “Plan”) [Docket No. 674] with this Court. On September 27, 2011, the Court entered the *Order Confirming the Debtor’s Third Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 689], confirming the Plan. On October 27, 2011 the Plan became effective.

Relief Requested

6. By this Objection, the Reorganized Debtor objects to the Claim filed against the Reorganized Debtor based only on ownership of equity interests in the Reorganized Debtor and, for the reasons set forth more fully below, seeks entry of the Proposed Order, pursuant to section 502 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014 and Local Bankruptcy Rule

3007-1: (a) disallowing the Claim in its entirety; (b) authorizing the Reorganized Debtor's claims, notice and balloting agent to expunge the Claim from the Reorganized Debtor's claims register; and (c) reclassifying the Claim as an equity interest.

Objection to Claim

7. By this Objection, the Reorganized Debtor (a) objects to the Claim and (b) requests entry of an order pursuant to sections 502 and 503 of the Bankruptcy Code and Bankruptcy Rules 3001, 3007, and 9014, substantially in the form of the Proposed Order attached hereto as Exhibit A, disallowing and expunging the Claim from the claims register and reclassifying the Claim as an equity interest.

8. Section 502(b) of the Bankruptcy Code provides in pertinent part:

If such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that—

(1) such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured...

(9) proof of such claim is not timely filed...

11 U.S.C. § 502(b)(1), (9).

9. A filed proof of claim is deemed allowed unless a party in interest objects thereto. See 11 U.S.C. § 502(a); see also id. § 1111(a) ("A proof of claim . . . is deemed filed under section 501 of this title for any claim . . . that appears in the schedules . . . except a claim . . . that is scheduled as disputed, contingent, or unliquidated."). Where the claimant alleges sufficient facts to support its claim, its claim is afforded prima facie validity. Carlson v. United States (In re Carlson), 126 F.3d 915, 921–22 (7th Cir. 1997). A party wishing to dispute such a claim must

produce evidence in sufficient force to negate the claim's prima facie validity. Id. In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. Id. Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of the evidence. Id.

10. Under the Bankruptcy Code, those who have "claims" against the debtor are defined as "creditors," 11 U.S.C. § 101(10), while those who hold equity securities are defined as "equity security holders," id. § 101(17). While creditors are entitled to file proofs of claim to preserve their rights to payment on account of such claims, equity security holders may file only proofs of interest, not proofs of claim, to preserve their rights, if any, to a distribution from a debtor based solely on their ownership of equity interests. 11 U.S.C. 501(a) ("A creditor . . . may file a proof of claim. An equity security holder may file a proof of interest."); see also Fed. Commc'ns Comm'n v. Airadigm Commc'ns, Inc. (In re Airadigm Commc'ns, Inc.), 616 F.3d 642, 659 (7th Cir. 2010) ("[C]laims and interests are separate animals in bankruptcy law. . . . There is simply no way that a claim could be 'allowed' as a claim if it were, in fact, an equity interest."); Margaret B. McGimsey Trust v. USA Capital Diversified Trust Deed Fund, LLC (In re USA Commercial Mortg. Co.), 377 B.R. 608, 615–16 (B.A.P. 9th Cir. 2007) ("It is axiomatic that an allowed proof of claim requires something more than mere equity ownership."); In re Insilco Techs., Inc., 480 F.3d 212, 217–18 (3d Cir. 2007) ("In the Bankruptcy Code, the distinction between creditors (who hold 'claims' against the estate) and equity investors (who hold 'interests' in the estate) is important, for holders of claims receive much more favorable treatment than holders of interests."). As such, while the equity security holders in this chapter 11 case were entitled to file proofs of claim to the extent they held "claims" against the Debtor

distinct from rights arising solely from the ownership of equity interests, the equity security holders were entitled to file only proofs of interest to assert their rights arising solely from their ownership of equity interests in the Debtor, since such interests give rise to no claim at all.³ See, e.g., In re USA Commercial Mortg. Co., 377 B.R. at 615.

11. Following a thorough review of the filed proofs of claim, the Reorganized Debtor determined that the Claim was asserted solely on account of an equity interest in the Debtor.⁴ Accordingly, pursuant to section 502(b)(1), the Reorganized Debtor objects to the Claim on the basis that it is asserted solely on account of an equity interest in the Debtor and seeks entry of the Proposed Order: (a) disallowing the Claim in its entirety; (b) expunging the Claim from the claims register; and (c) reclassifying the Claim as an equity interest.

Responses to Objection

12. As set forth in detail in the Personalized Notice of this Objection sent to the Claimant, to contest this Objection the Claimant must file and serve a written response to this Objection (a “Response”) so that it is received no later than 4:00 p.m. prevailing Central Time on January 5, 2012 (the “Response Deadline”).

13. The Response to this Objection must contain, at a minimum, the following

³ Furthermore, as set forth in the Bar Date Order approved by this Court, equity security holders were notified that they were not required to file proofs of claim based exclusively on ownership interests in the Debtor’s stock. The Bar Date Order provides, in relevant part, as follows:

A Proof of Claim need not be filed for any Entity holding or wishing to assert Claims against the Debtor of the types set forth in clauses (a) through (f) below:

(f) Claims made by any holder of equity securities of the Debtor solely with respect to such holder's ownership interest in or possession of such equity securities . . .

Bar Date Order at ¶ 5(f).

⁴ *See* Decker Declaration, ¶ 5. In addition, the Reorganized Debtor notes that the Claim was filed after passage of the Bar Date, and that the Claimant did not obtain an order extending or otherwise granting relief from the Bar Date.

information:

- a. a caption setting forth the name of the Court, the name of the Reorganized Debtor, the case number and the title of the Objection to which the Response is directed;
- b. a description of the basis for the amount of the claim;
- c. the specific factual basis and supporting legal argument upon which the Claimant will rely in opposing this Objection;
- d. any supporting documentation, to the extent it was not included with the proof of claim previously filed with the clerk or claims agent, upon which the Claimant will rely to support the basis for and amounts asserted in the proof of claim; and
- e. the name, address, telephone number and fax number of the person(s) (which may be the Claimant or the Claimant's legal representative) with whom counsel for the Reorganized Debtor should communicate with respect to the claim or the Objection and who possesses authority to reconcile, settle, or otherwise resolve the objection to the disputed claim on behalf of the Claimant.

14. If the Claimant fails to file and serve a timely Response by the Response Deadline, the Reorganized Debtor shall present the Proposed Order to the Court granting the relief requested herein without further notice or a hearing.

Replies to Responses

15. The Reorganized Debtor may, at its option, file and serve a reply to the Response no later than 4:00 p.m. prevailing Central Time on January 8, 2012 or, to the extent the hearing on this Objection, or any portion thereof, is adjourned, by no later than 4:00 p.m. prevailing Central Time four (4) days prior to the day of the adjourned hearing.

Reservation of Rights

16. The Reorganized Debtor hereby reserves the right to object in the future to the Claim on any ground, and to amend, modify and/or supplement this Objection, including,

without limitation, to object to amended or newly-filed claims. Separate notice and hearing will be provided and scheduled, respectively, for any such objection.

Notice

17. The Reorganized Debtor has provided notice of this Objection to: (a) the Office of the U.S. Trustee for the Northern District of Illinois; (b) the Debtor's Designee; (c) the Creditors' Designee; (d) counsel to the Creditors' Designee; (e) those parties who have requested notice pursuant to Bankruptcy Rule 2002; and (f) to the Claimant. In light of the nature of the relief requested, the Reorganized Debtor respectfully submits that no further notice is necessary.

No Prior Request

18. No prior request for the relief sought in this Objection has been made to this or any other court.

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WHEREFORE, for the reasons set forth herein, the Reorganized Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto, (a) disallowing the Claim in its entirety; (b) authorizing the Reorganized Debtor's claims, notice and balloting agent to expunge the Claim from the Reorganized Debtor's claims register; and (c) reclassifying the Claim as an equity interest, and granting such other and further relief as the Court deems just and proper.

Dated: December 13, 2011

KIRKLAND & ELLIS LLP

/s/ Jeffrey W. Gettleman

James H.M. Sprayregen, P.C. (IL Bar No. 6190206)

David R. Seligman, P.C. (IL Bar No. 6238064)

Jeffrey W. Gettleman (IL Bar No. 0944904)

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Counsel to the Reorganized Debtor