

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: December 21, 2009 at 10:30 a.m. (ET)**Objection Deadline: December 14, 2009 at 4:00 p.m. (ET)**

**DEBTORS' THIRD OMNIBUS (SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

The debtors and debtors in possession in the above-captioned cases (the “**Debtors**”) hereby file this omnibus objection (the “**Objection**”) to certain claims (the “**Disputed Claims**”) filed against the Debtors attached as Exhibits A through G to the proposed form of order (the “**Proposed Order**”) attached hereto as Exhibit II, pursuant to § 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 3003 and 3007 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 District of Delaware (the “**Local Rules**”), and respectfully request entry of an order in substantially the same form as the Proposed Order filed concurrently herewith. The Disputed Claims set forth on the attached exhibits consist of claims to be reclassified, claims to be

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma Customer Services, Inc., affiliates of the Debtors, commenced a proceeding before the Superior Court of Justice, Commercial List, for the Judicial District of Ontario, for a plan of compromise or arrangement under the Companies’ Creditors Arrangement Act.



modified, claims that have been satisfied by the Debtors, claims where no liability exists, claims to be modified and reclassified, claims to be liquidated and allowed, and claims to be liquidated and reclassified. In support of this Objection, the Debtors rely on the *Declaration of Kay Hong in Support of the Debtors' Third Omnibus (Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1*, attached hereto as Exhibit I. In further support of this Objection, the Debtors, by and through their undersigned counsel, respectfully represent:

JURISDICTION

1. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. The statutory and legal predicates for the relief sought herein are § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007 and Local Rule 3007-1.

BACKGROUND

3. On the June 17, 2009 (the "**Petition Date**"), Eddie Bauer Holdings, Inc. and each of its Debtor Affiliates filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "**Chapter 11 Cases**"). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

4. On June 25, 2009, the Office of the United States Trustee appointed an official committee of unsecured creditors (the "**Committee**") in the Debtors' Chapter 11 Cases.

5. Simultaneously with the commencement of these Chapter 11 Cases, the Debtors' two Canadian affiliates – Eddie Bauer of Canada, Inc. and Eddie Bauer Customer

Services, Inc. (the “**Canadian Debtor Affiliates**”) – sought recognition of the Debtors’ Chapter 11 Cases in a Canadian Court as “foreign proceedings” pursuant to Section 18.6 of the Companies’ Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). In addition to staying proceedings against the Canadian Debtor Affiliates in Canada, such recognition by the Canadian Court will allow certain orders of this Court to be in full force and effect in the same manner and in all respects as if they had been made by the Canadian Court. Due to the integrated management of the Canadian Debtor Affiliates with the Debtors’ U.S. operations, as well as the role that the Canadian Debtor Affiliates play in the Debtors’ overall prepetition debt structure, these Chapter 11 Cases will function as the main proceedings with respect to the Canadian Debtor Affiliates.

6. The Debtors and the Canadian Debtor Affiliates are general merchandise and specialty retailers that offer men’s and women’s outerwear, apparel, accessories and gear for an active outdoor lifestyle through catalogs, e-commerce sites and over 370 retail and outlet stores. The Debtors have 556 full-time, part-time, and temporary employees in their corporate headquarters, and 7,144 full-time, part-time, and temporary retail and distribution employees. The Canadian Affiliates have over 950 full-time, part-time, and temporary employees working in management retail and customer service.

7. By order entered on June 30, 2009 (the “**Sale Procedures Order**”) this Court approved the sale procedures for a sale of all or a portion of the Debtors’ assets. [Docket No. 222]. In accordance with the Sale Procedures Order, a hearing to approve the Debtors’ proposed sale of their assets was held on July 22, 2009. At the conclusion of that hearing, the Court entered an order approving the sale of substantially all of the Debtors’ assets (the “**Sale**

Order") to Everest Holdings LLC (the "**Buyer**") [Docket No. 508], and the sale closed on August 3, 2009.

BAR DATES AND PROOFS OF CLAIM

8. On July 20, 2009, this Court entered an order appointing Kurtzman Carson Consultants LLC ("**KCC**") as claims, noticing and balloting agent in these chapter 11 cases [D.I. 470]. KCC is authorized to maintain (i) all proofs of claim filed against the Debtors and (ii) an official claims register by docketing all proofs of claim in a claims database containing, inter alia, information regarding the name and address of each claimant, the date the proof of claim was received by KCC, the claim number assigned to the proof of claim, and the asserted amount and classification of the claim.

9. On July 20, 2009, this Court entered an order (the "**General Bar Date Order**") establishing September 21, 2009 at 4:00 p.m. (ET) (the "**General Bar Date**") as the final date and time for filing proofs of claim against the Debtors' estates arising prior to the Petition Date (the "**Claims**"), and approving the form and manner of notice of the General Bar Date [D.I. 470]. Pursuant to the General Bar Date Order, governmental entities were required to file proofs of claim on or before December 14, 2009 at 4:00 p.m. (ET).

10. Pursuant to the Bar Date Orders, actual notice of the Bar Dates was sent to all parties entitled to notice under Local Rule 2002, all known creditors and all known holders of the Debtors' equity securities as reflected in the Debtors' books and records, as well as United States state escheat or unclaimed property offices. In addition, notice of the Bar Dates was published in the national edition of the *USA Today*. An affidavit of publication confirming such actual and publication notice of the Bar Dates have been filed with this Court [D.I. 565].

11. To date, approximately 1300 proofs of claim have been filed in these chapter 11 cases.

RELIEF REQUESTED

A. Reclassified Claims

12. The claimants asserting the claims identified in Exhibit A to the Proposed Order (the “**Reclassified Claims**”) asserted that all or a portion of their claims are secured or entitled to priority status. After reconciling the Reclassified Claims against their books and records, the Debtors have determined that the priority level of the Reclassified Claims should be adjusted. For many of the Reclassified Claims, no basis for secured status or priority exists under sections 506 or 507 of the Bankruptcy Code. Consequently, the Debtors believe that the Reclassified Claims should be reclassified as indicated in the “Reclassified Amount” column in Exhibit A. Failure to reclassify the Reclassified Claims would award the claimants undue priority. Accordingly, the Debtors request entry of an order reclassifying the Reclassified Claims as indicated in Exhibit A.

B. Modified Amount and Allowed Claims

13. The Debtors have reconciled the claims identified in Exhibit B to the Proposed Order (the “**Modified and Allowed Claims**”) against their books and records. The claimants asserting the Modified and Allowed Claims asserted an amount that was higher than the amount of liability reflected in the Debtors’ books and records. Consequently, the Debtors believe the amount of the Modified and Allowed Claims identified, or otherwise substantiated by the claimants’ supporting documentation, in Exhibit B should be modified by reducing or fixing the amount to the dollar values listed under the column titled “Modified Claim Amount” in Exhibit B. The Debtors believe Exhibit B contains the appropriate amounts of liability for the

Modified Amount Claims. Failure to modify the Modified Amount Claims as set forth herein will result in the applicable claimant receiving an unwarranted recovery against the Debtors' estates to the detriment of other creditors in these cases. Accordingly, the Debtors hereby object to the Modified Amount Claims and request entry of an order allowing the reduced value of the Modified and Allowed Claims as set forth in Exhibit B.

C. Satisfied Claims

14. The Debtors have reviewed their books and records, which the Debtors believe to be correct, and have determined that the claims listed in Exhibit C to the Proposed Order (the "**Satisfied Claims**") have been satisfied by the Debtors post-petition in accordance with the Bankruptcy Code, applicable rules or an order of this Court. Failure to disallow and expunge the Satisfied Claims would result in the applicable claimants receiving an unwarranted double recovery. Therefore, the Debtors hereby object to the Satisfied Claims and request entry of an order disallowing in full and expunging each of the Satisfied Claims.

D. No Liability Claims

15. After reviewing each of the Disputed Claims and supporting materials as well as the Debtors' books and records, which the Debtors believe to be accurate, the Debtors have determined that they are not liable with respect to the claims identified in Exhibit D to the Proposed Order (the "**No Liability Claims**"). Moreover, the Debtors cannot justify these claims as valid. Consequently, the Debtors believe the No Liability Claims identified in Exhibit D should be disallowed and expunged in their entirety. Failure to disallow the No Liability Claims will result in the applicable claimants receiving an unwarranted recovery against the Debtors' estates, to the detriment of creditors in these cases. Accordingly, the Debtors hereby object to

the No Liability Claims and request entry of an order disallowing and expunging in full each of the No Liability Claims identified in Exhibit D.

E. Modified Amount and Reclassified Claims

16. The Debtors have reconciled the claims identified in Exhibit E to the Proposed Order (the “**Modified Amount Reclassified Claims**”) against their books and records. The claimants asserting the Modified Amount Reclassified Claims asserted an amount that was either higher or lower than the amount of liability reflected in the Debtors’ books and records.

17. Additionally, the claimants asserting the Modified Amount Reclassified Claims asserted that all or a portion of their claims were secured or entitled to priority status. After reconciling the Modified Amount Reclassified Claims against their books and records, the Debtors have determined that the priority level of the Modified Amount Reclassified Claims should be adjusted. For many of the Modified Amount Reclassified Claims, no basis for secured status or priority exists under sections 506 or 507 of the Bankruptcy Code. Consequently, the Debtors believe the Modified Amount Reclassified Claims identified under the column titled “Objectionable Claims” in Exhibit E should be reclassified and their amounts should be modified by either reducing or fixing them to the dollar values listed under the column titled “Modified Amount” in Exhibit E. The Debtors believe Exhibit E contains the appropriate amounts of liability and priority levels for each of the Modified Amount Reclassified Claims. Accordingly, the Debtors hereby object to the Modified Amount Reclassified Claims and request entry of an order reclassifying and reducing or fixing the value of the Modified Amount Reclassified Claims as set forth in Exhibit E.

F. Liquidated and Allowed Claims

18. The Debtors object to the Disputed Claims set forth on Exhibit F to the extent such claims were filed in an unliquidated amount (the “Claims to be Liquidated”). Although the Court’s official proof of claim form instructs creditors to indicate the dollar amount of their claims, a number of creditors declined to do so, and instead either failed to state any indication of amount, or asserted that the claim amount was “unknown,” “contingent,” “estimated,” “to be determined,” or otherwise unliquidated. Upon review of the Debtors’ books and records, the Debtors have determined that the Claims to be Liquidated should be allowed in the amounts set forth on Exhibit F. In reaching this determination, the Debtors have thoroughly reviewed the Claim to be Liquidated, together with any supporting documentation. Accordingly, the Debtors object to the Claims to be Liquidated, and request entry of an order allowing the Claims to be Liquidated in the amounts shown on Exhibit F.

G. Liquidated and Reclassified Claims

19. The Debtors object to the Disputed Claims set forth on Exhibit G to the Proposed Order to the extent such claims were filed in an unliquidated amount (the “Claims to be Liquidated and Reclassified”). Although the Court’s official proof of claim form instructs creditors to indicate the dollar amount of their claims, a number of creditors declined to do so, and instead either failed to state any indication of amount, or asserted that the claim amount was “unknown,” “contingent,” “estimated,” “to be determined,” or otherwise unliquidated. Accordingly, the Debtors have determined that the Claims to be Liquidated should be allowed in the amount set forth on Exhibit G.

20. Additionally, the claimants asserting the Claims to be Liquidated and Reclassified asserted that all or a portion of their claims were secured or entitled to priority.

After reconciling the Claims to be Liquidated and Reclassified Claims against their books and records, the Debtors have determined that the priority level of the Claims to be Liquidated and Reclassified should be adjusted. For many of the Claims to be Liquidated and Reclassified, no basis for secured status or priority exists under sections 506 or 507 of the Bankruptcy Code. Consequently, the Debtors believe that the Claims to be Liquidated and Reclassified should be reclassified as indicated in the "Reclassified Amount" column in Exhibit G. Failure to reclassify the Claims to be Liquidated and Reclassified would award the claimants undue priority. Accordingly, the Debtors request entry of an order liquidating and reclassifying the Claims to be Liquidated and Reclassified as indicated in Exhibit G.

APPLICABLE AUTHORITY

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

the court, after notice and a hearing, shall determine the amount of [a] 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 . . . 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.

11 U.S. C. § 502(b)(1).

22. The Disputed Claims noted above are unenforceable against the Debtors because they are misclassified as priority or secured claims, for the wrong amount, previously satisfied by the Debtors, not valid based on the Debtor's books and records, or improperly listed without a specific dollar amount. Therefore, pursuant to §§ 502(b)(1) and 502(b)(9) of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1, the Court should disallow and expunge, modify and allow, reclassify, modify and reclassify, liquidate and allow or liquidate and reclassify the Disputed Claims as specified on Exhibit A through G .

RESPONSES TO THE OBJECTION

23. Filing and Service of Responses: To contest the Objection, a claimant must file and serve a written response to the Objection (a “**Response**”) so that it is actually received by the Clerk of the Bankruptcy Court no later than 4:00 p.m. (ET) on December 14, 2009. Claimants should locate their names and claims in this Objection, and read the Proposed Order and the exhibits attached to this Objection carefully. A Response must address each ground upon which the Debtors object to a particular claim. A hearing to consider the Debtors’ Objection shall be held on December 21, 2009 at 10:30 a.m. (ET), before the Honorable Mary F. Walrath, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom No. 4, Wilmington, Delaware 19801 (the “**Hearing**”).

24. Every Response shall be filed and served upon the following entities at the following addresses: (i) Office of the Clerk of the United States Bankruptcy Court and (ii) Young Conaway Stargatt & Taylor, LLP, Attn: Kara Hammond Coyle, Esq., The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899.

25. Content of Responses: Every Response to the Objection must contain, at a minimum, the following:

- (a) a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- (b) a concise statement setting forth the reasons why a particular claim should not be reclassified, reduced, or disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection at the Hearing;

- (c) all documentation or other evidence of the claim in question, to the extent not already included with the claimant's proof of claim, upon which the claimant will rely in opposing the Objection at the Hearing;
- (d) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
- (e) the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom the Debtors should serve any reply to the Response.

26. Service Address: If a Response contains an address for the claimant different from that stated on the claim, the address in the Response shall constitute the service address for future service of papers upon the claimant with respect to the Objection unless or until counsel for the Debtors receive written notice from the claimant or the claimant's counsel of a changed service address.

27. Timely Response Required; Hearing; Replies: If a Response is properly and timely filed and served in accordance with the above procedures, the Debtors will endeavor to reach a consensual resolution with the claimant. If no consensual resolution is reached, the Court will conduct a hearing with respect to the Objection and the Response on December 21, 2009 at 10:30 a.m. (ET), or such other date and time as parties filing responses may be notified. Only those Responses made in writing and timely filed and received will be considered by the Court at any such hearing. The Debtors reserve the right to adjourn the hearing with respect to a specific objection set forth herein and any Response thereto.

28. If a claimant whose claim is subject to the Objection, and who is served with the Objection, fails to file and serve a timely Response in compliance with the foregoing

procedures, the Debtors will present to the Court an appropriate order disallowing and expunging the Disputed Claim without further notice to the claimant.

29. The Debtors may, at their option, file and serve a reply to a claimant's Response no later than three days prior to any hearing on the Objection. This Objection shall constitute a request to the Court for leave to file such reply.

RESERVATION OF RIGHTS

30. The Debtors expressly reserve the right to amend, modify or supplement this Objection and to file additional objections to any proofs of claim filed in these chapter 11 cases. Should one or more of the grounds for this Objection be dismissed or overruled, the Debtors reserve the right to object to any Disputed Claims listed on Exhibits A to G on any other ground.

STATEMENT OF COMPLIANCE WITH LOCAL BANKRUPTCY RULE 3007-1

31. The undersigned representative of Young Conaway Stargatt & Taylor, LLP certifies that she has reviewed the requirements of Local Rule 3007-1 and that the Objection substantially complies with that Local Rule. To the extent that the Objection does not comply in all respects with the requirements of Local Rule 3007-1, Young Conaway Stargatt & Taylor, LLP believes such deviations are not material and respectfully requests that any such requirement be waived.

NOTICE

32. The Debtors have provided notice of this Objection to (i) the United States Trustee for the District of Delaware; (ii) counsel to the Committee; (iii) Counsel to the Debtors' postpetition Lenders; (iv) all parties entitled to receive notice under Del. Bankr. LR 2002-1(b); and (v) each of the claimants identified on Exhibits A to G to the Proposed Order.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order substantially in the form attached hereto: (a) granting the relief requested herein; and (b) granting to the Debtors such other and further relief as the Court may deem just and proper.

Dated: November 20, 2009
Wilmington, Delaware

Respectfully submitted,

/s/ Kara Hammond Coyle
Michael R. Nestor (No. 3526)
Kara Hammond Coyle (No. 4410)
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

David S. Heller
Josef S. Athanas
LATHAM & WATKINS LLP
Sears Tower, Suite 5800
233 South Wacker Drive
Chicago, Illinois 60606
Telephone: (312) 876-7700
Facsimile: (312) 993-9767

-and-

Heather L. Fowler
LATHAM & WATKINS LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Telephone: (213) 485-1234
Facsimile: (213) 891-8763

COUNSEL FOR DEBTORS AND DEBTORS-IN-
POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: December 21, 2009 at 10:30 a.m. (ET)

Objection Deadline: December 14, 2009 at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE;
(II) COUNSEL TO THE COMMITTEE; (III) COUNSEL TO THE DEBTORS'
POSTPETITION LENDERS; (IV) ALL PARTIES ENTITLED TO RECEIVE NOTICE
UNDER DEL. BANKR. LR 2002-1(b); AND (V) EACH OF THE CLAIMANTS TO THE
PROPOSED ORDER

PLEASE TAKE NOTICE THAT the debtors and debtors in possession in the above-captioned case (the "**Debtors**") have filed the attached **Debtors' Third Omnibus (Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1** (the "**Objection**").

PLEASE TAKE FURTHER NOTICE THAT responses to the Objection, if any, must be filed on or before December 14, 2009 at 4:00 p.m. (ET) (the "**Objection Deadline**") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801; and served upon the undersigned counsel to the Debtors so that the response is received on or before the Objection Deadline.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma Customer Services, Inc., affiliates of the Debtors, commenced a proceeding before the Superior Court of Justice, Commercial List, for the Judicial District of Ontario, for a plan of compromise or arrangement under the Companies' Creditors Arrangement Act.

PLEASE TAKE FURTHER NOTICE that responses to the Objection MUST, at a minimum, contain the following:

- a. a caption setting forth the name of the Bankruptcy Court, the above-referenced case number and the title of the Objection to which the Response is directed; the name of the claimant and description of the basis for the amount of the claim;
- b. a concise statement setting forth the reasons why a particular claim should not be reclassified, reduced, or disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection at the Hearing;
- c. all documentation or other evidence of the claim in question, to the extent not already included with the claimant's proof of claim, upon which the claimant will rely in opposing the Objection at the Hearing;
- d. the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant; and
- e. the name, address, telephone number, and fax number of the person(s) (which may be the claimant or a legal representative thereof) to whom the Debtors should serve any reply to the Response.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON DECEMBER 21, 2009 AT 10:30 A.M. (ET) BEFORE THE HONORABLE MARY F. WALRATH IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5th FLOOR, COURTROOM NO. 4, WILMINGTON, DE 19801.

PLEASE TAKE FURTHER NOTICE THAT, IF YOU ARE A CLAIMANT AND FAIL TO TIMELY FILE AND SERVE A RESPONSE IN ACCORDANCE WITH THE ABOVE REQUIREMENTS, YOU WILL BE DEEMED TO HAVE CONCURRED WITH AND CONSENTED TO THE OBJECTION AND THE RELIEF REQUESTED THEREIN, AND THE DEBTORS WILL PRESENT TO THE COURT WITHOUT FURTHER NOTICE TO YOU, AN APPROPRIATE ORDER SUSTAINING THE OBJECTION.

Dated: November 20, 2009
Wilmington, Delaware

Respectfully submitted,

/s/ Kara Hammond Coyle

Michael R. Nestor (No. 3526)

Kara Hammond Coyle (No. 4410)

YOUNG CONAWAY STARGATT & TAYLOR, LLP

1000 West Street, 17th Floor

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

-and-

David S. Heller

Josef S. Athanas

LATHAM & WATKINS LLP

Sears Tower, Suite 5800

233 South Wacker Drive

Chicago, Illinois 60606

Telephone: (312) 876-7700

Facsimile: (312) 993-9767

-and-

Heather L. Fowler

LATHAM & WATKINS LLP

355 South Grand Avenue

Los Angeles, California 90071-1560

Telephone: (213) 485-1234

Facsimile: (213) 891-8763

COUNSEL FOR DEBTORS AND DEBTORS-IN-
POSSESSION

EXHIBIT I

Declaration of Kay Hong

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Hearing Date: December 21, 2009 at 10:30 a.m. (ET)

Objection Deadline: December 14, 2009 at 4:00 p.m. (ET)

**DECLARATION OF KAY HONG IN SUPPORT OF
DEBTOR'S THIRD OMNIBUS (SUBSTANTIVE) OBJECTION TO
CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

I, Kay Hong, pursuant to 28 U.S.C. § 1746, declare:

1. I am a senior director for Alvarez and Marsal North America, LLC, the court-approved restructuring advisors for the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”). In this capacity, I am one of the persons responsible for overseeing the claims reconciliation and objection process in the Debtors’ chapter 11 cases. I have read the Debtors’ Third (Substantive) Objection to Claims Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the “**Objection**”), and am directly, or by and through my personnel or agents, familiar with the information contained therein, the proposed form of order (the “**Proposed Order**”) and the exhibits attached thereto.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma Customer Services, Inc., affiliates of the Debtors, commenced a proceeding before the Superior Court of Justice, Commercial List, for the Judicial District of Ontario, for a plan of compromise or arrangement under the Companies’ Creditors Arrangement Act.

2. Considerable resources and time have been expended in reviewing and reconciling the proofs of claim filed or pending against the Debtors in these cases. The claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate personnel, including the Debtors' claims agent Kurtzman Carson Consultants LLC ("KCC"). These efforts resulted in the identification of the "Reclassified Claims," "Modified and Allowed Claims," "Satisfied Claims," "No Liability Claims," "Modified Amount Reclassified Claims," "Liquidated and Allowed Claims," and "Liquidated and Reclassified Claims," as defined in the Objection and identified respectively in Exhibits A through G to the Proposed Order.

3. The information contained in Exhibits A through G to the Proposed Order is true and correct to the best of my knowledge.

4. The Debtors have reviewed the proofs of claim filed in these Chapter 11 Cases, together with any supporting documentation attached thereto, and have determined that the Disputed Claims listed on Exhibit A to the Proposed Order represent claims that have been improperly classified as secured or entitled to priority status.

5. The Debtors have reviewed the proofs of claim filed in these Chapter 11 Cases, together with any supporting documentation attached thereto, and have determined that the Disputed Claims listed on Exhibit B to the Proposed Order represent higher amounts than the amount of liability reflected in the Debtors' books and records.

6. The Debtors have reviewed the proofs of claim filed in these Chapter 11 Cases, together with any supporting documentation attached thereto, and have determined that the Disputed Claims listed on Exhibit C to the Proposed Order have been satisfied by the Debtors post-petition in accordance with the Bankruptcy Code, applicable rules or an order of this Court.

7. The Debtors have reviewed the proofs of claim in these Chapter 11 Cases and have determined that the Disputed Claims listed on Exhibit D are not valid claims.

Accordingly, the Debtors seek to expunge and disallow in full the No Liability Claims.

8. The Debtors have reviewed the proofs of claim in these Chapter 11 Cases and have determined that the Disputed Claims listed on Exhibit E represent amounts that are either higher or lower than the amounts reflected in the Debtors' books and records.

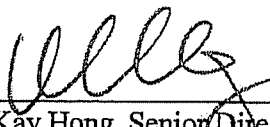
Additionally, the Disputed Claims listed on Exhibit E represent claims that have been improperly classified as secured or entitled to priority status. Accordingly, the Debtors seek to modify the amount and classification of the Disputed Claims listed on Exhibit E.

9. The Debtors have reviewed the proofs of claim in these Chapter 11 Cases and have determined that the Disputed Claims listed on Exhibit F represent claims filed in an unliquidated amount. The Debtors seek to liquidate and allow the **insert defined term** amounts shown on Exhibit F.

10. The Debtors have reviewed the proofs of claim in these Chapter 11 Cases and have determined that the Disputed Claims listed on Exhibit G represent claims filed in an unliquidated amount and improperly classified as secured or entitled to priority. The Debtors seek to liquidate and reclassify the Disputed Claims listed on Exhibit G.

11. I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information and belief.

Dated: November 20, 2009



Kay Hong, Senior Director
Alvarez and Marsal North America, LLC

EXHIBIT II
Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

EBHI HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 09-12099 (MFW)

Jointly Administered

Ref. Docket No. _____

**ORDER SUSTAINING DEBTORS' THIRD OMNIBUS (SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO § 502(b) OF THE BANKRUPTCY
CODE, BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

Upon the Debtors' Third Omnibus (Substantive) Objection to Claims Pursuant to § 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the "**Objection**"),² and it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and the Court having considered the Objection, the claims listed on Exhibits A, B, C, D, E, F, and G attached hereto, and any responses thereto; and upon the record herein; and after due deliberation thereon and good and sufficient cause appearing therefore; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Objection is GRANTED.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: EBHI Holdings, Inc., a Delaware corporation (2352); Amargosa, Inc., a Delaware corporation (9737); Gobi Fulfillment Services, Inc., a Delaware corporation (0882); Arabian Diversified Sales, LLC, a Delaware limited liability company (1567); Gibson Services, LLC, an Ohio limited liability company (disregarded); Karalcum International Development, LLC, a Delaware limited liability company (1571); Simpson Information Technology, LLC, a Delaware limited liability company (disregarded); Sandy Financial Services Acceptance Corporation, a Delaware corporation (7532); and Sonoran Acceptance Corporation, a Delaware corporation (7253). The mailing address for EBHI Holdings, Inc. is 10401 N.E. 8th Street, Suite 500, Bellevue, WA 98004. On or about the Petition Date, Tenere of Canada, Inc. and Yuma Customer Services, Inc., affiliates of the Debtors, commenced a proceeding before the Superior Court of Justice, Commercial List, for the Judicial District of Ontario, for a plan of compromise or arrangement under the Companies' Creditors Arrangement Act.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

2. The Disputed Claims listed on Exhibit A in the column labeled “Reclassified Claims” are reclassified to represent the classification indicated on Exhibit A.
3. The Disputed Claims listed on Exhibit B in the column labeled “Modified and Allowed Claims” are expunged in part and reduced in part to the amounts listed on Exhibit B.
4. The Disputed Claims listed on Exhibit C have been satisfied by the Debtors post-petition in accordance with the Bankruptcy Code, applicable rules or an order of this Court, therefore, the Disputed Claims listed on Exhibit C are expunged in their entirety.
5. The Disputed Claims listed on Exhibit D are expunged in their entirety.
6. The Disputed Claims listed on Exhibit E are hereby reduced and reclassified to the amounts and classification reflected on Exhibit E.
7. The Disputed Claims listed on Exhibit F are liquidated and allowed in the amounts represented on Exhibit F.
8. The Disputed Claims listed on Exhibit G are liquidated and reclassified to the amounts represented on Exhibit G.
9. This Court shall retain jurisdiction over the Debtors and the claimants whose Disputed Claims are subject to the Objection with respect to any matters related to or arising from the Objection or the implementation of this Order.
10. The Debtors reserve the right to amend, modify, or supplement the Objection, and to file additional objections to claims filed in these Chapter 11 Cases.

11. This Court shall retain jurisdiction over all affected parties with respect to any matters, claims or rights arising from or related to the implementation and interpretation of this Order.

Dated: Wilmington, Delaware
November ____, 2009

Mary F. Walrath
United States Bankruptcy Judge

EXHIBIT A

Exhibit A
Claims to be Reclassified

Name of Claimant	Claim Number	Claim Amount	Claim Priority Status	Modified Priority Status	Debtor	Reason for Modification
Banks, Delora	608	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Bradley, Janie	687	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Burns, Florence	640	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Buzzelli, Serafino	945	\$4,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
CAROL HAWKINS INC	364	\$1,650.00	Priority	General Unsecured	09-12099	Claimant provided services that do not warrant Priority status
Carson, Carolyn	714	\$10,000.00	Priority	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Chambers, Clyde	729	\$10,000.00	Secured	General Unsecured	09-12108	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Clinkscales, Lois	1024	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Cronin, Arlene	706	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Eaves, Lula	618	\$4,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Echols, Lenwood	647	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Fleming, Mary	670	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Frizzell, Lillie	652	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Griffin, Bertha	683	\$10,000.00	Secured	General Unsecured	09-12108	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Hanke, Earl	287	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Harper, Journice	1172	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Hollingsworth, Patricia	1208	\$10,000.00	Priority	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Hough, Lillian	1062	\$360.00	Priority	General Unsecured	09-12099	Claimant is not an employee and did not provide services that warrant Priority status
Houston, Shirley Mae	545	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Jennings, Mary	279	\$8,000.00	Secured	General Unsecured	09-12108	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Johnson, Evelyn	708	\$8,000.00	Secured	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Johnston, Brandy	1194	\$2,497.01	Secured	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Kopacz, Agnes M	738	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
May, Alberta	717	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
McCormick, Dorothy	823	\$10,000.00	Secured	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
McCoy, Verdell	755	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Mckenna, Dolores	701	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Medcalf, Leola	1182	\$8,000.00	Priority	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Miller, Betty	522	\$10,000.00	Secured	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Mims, Lorene	724	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Morgan, Katherine	617	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Parker, Eloise	926	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Perry, Anne	695	\$10,000.00	Secured	General Unsecured	09-12108	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Rycraw, Bernice	616	\$8,000.00	Priority	General Unsecured	09-12108	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Sicilia, Joyce	534	\$10,000.00	Secured	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Smith, Frances	606	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Sweat, Evelyn	760	\$10,000.00	Priority	General Unsecured	09-12100	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Thomas, Florene	726	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Wallace, Maggie Hill	1181	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Whalum, Mary	707	\$4,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Wheaton, Blanche	593	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
White, Christine	1025	\$8,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status
Williams, Lucille	517	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status

Exhibit A
Claims to be Reclassified

Name of Claimant	Claim Number	Claim Amount	Claim Priority Status	Modified Priority Status	Debtor	Reason for Modification
Williams, Ray	669	\$10,000.00	Priority	General Unsecured	09-12099	Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status

Notes:

- [1] Claim was objected to on a non-substantive basis for late filing, if non-substantive objection is upheld then objection on this exhibit is moot
- [2] Claim was objected to on a non-substantive basis for lack of supporting documentation, if non-substantive objection is upheld then objection on this exhibit is moot

EXHIBIT B

Exhibit B
Claims to be Modified

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Debtor	Reason for Modification
Upshaw, Vivian	949	\$300,000.00	\$10,000.00	09-12099	Claimant asserts a general unsecured claim for \$300,000 for insurance and pension benefits. After reconciling the claim against the Debtors' books and records, claimant has a valid life insurance claim for \$10,000. Claimant has no valid claim for pension benefits as entitled pension participants are receiving uninterrupted benefits/payments under the plan. Thus, the claim should be modified and allowed as a general unsecured claim in the amount of \$10,000.

EXHIBIT C

Exhibit C
Claims Satisfied Through Cure Process

Name of Claimant	Claim Number	Date Filed	Claim Amount	Debtor	Reason for Disallowance
Chase Merchant Services LLC	605	8/25/2009	UNLIQUIDATED	09-12100	Contract assumed/assigned to Buyer, vendor scheduled with \$0 cure, no objection filed (docket #[299] Cure Amount, [856] Notice, [927] Order)
Chase Paymentech LLC	594	8/25/2009	UNLIQUIDATED	09-12099	Contract assumed/assigned to Buyer, vendor scheduled with \$0 cure, no objection filed (docket # [299]Cure Amount, [856] Notice, [927] Order)
Constellation NewEnergy Inc	1111	9/21/2009	\$48,302.26	09-12100	Contract assumed/assigned to Buyer, vendor scheduled with \$0 cure, no objection filed (docket #[299] Cure Amount, [557] Notice, [616] Order)
Justin Ivy Design	162	7/20/2009	\$720.00	09-12100	Contract assumed/assigned to Buyer, vendor scheduled with \$700.00 cure, no objection filed (docket #[434] Cure Amount, [557] Notice, [616] Order). Vendor was paid by check on 9/1/09.
Utopia The Agency Inc	94	7/9/2009	\$38,127.30	09-12100	Contract assumed/assigned to Buyer, vendor scheduled with \$38,115.30 cure, no objection filed (docket #[434] Cure Amount, [557] Notice, [616] Order). Vendor was paid by check on 9/1/09.

EXHIBIT D

Exhibit D
Claims to be Expunged Based on Debtors' Books and Records

Name of Claimant	Claim Number	Claim Amount	Debtor	Reason for Disallowance
Bazzi, Olga	322	UNLIQUIDATED	09-12100	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Beckham, Willie	445	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Blanco, Ventura	294	\$6,238.46	09-12100	Individuals retained by Buyer have not had their benefits impacted and therefore do not have a valid claim against the estate. Debtors are in possession of a letter verifying employment w/ Buyer.
Byrnes, Ellen	349	UNLIQUIDATED	09-12100	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)
Constellation NewEnergy Inc	1114	\$48,302.26	09-12099	No basis in records of EBHI Holdings, Inc. (contracts were with Amargosa, Inc., EBHI Holdings, Inc. not a guarantor). Duplicate claim filed against Amargosa, Inc.
Dale, Vivian	700	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)
Darmofal, James	520	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)
Dietzenbach, Gene	1243	\$500.00	09-12099	No amount owed pursuant to the Debtors' books and records (2)
Edwards, Viola	486	\$63,943.44	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Expotech Inc.	368	\$80,000.00	09-12099	No amount owed pursuant to the Debtors' books and records (2)
Gilligan, Francis	630	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)
Guy, Elizabeth	1197	UNLIQUIDATED	09-12108	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (1) (2)
Holifield, Earline	1159	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (1)
Husman, Jason	51	\$4,622.36	09-12099	Claimant does not have a claim against the estate
Ireland, Vera	1154	\$1,968.96	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Jarmon, Lelia	1153	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Kruse, Alta	656	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Letourneau, Irene	544	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Lilburn, Kelly	595	UNLIQUIDATED	09-12099	No amount owed pursuant to the Debtors' books and records (2)
Lyons, Patricia	537	BLANK	09-12100	No amount owed pursuant to the Debtors' books and records (2)
Mccollum, Dorothy	771	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Miller, Marcia	1152	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Ooms, Simon	352	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Pencak, Stanley	676	UNLIQUIDATED	09-12108	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)
Perkins, Maxine	1205	\$132,477.12	09-12108	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (1)
Raghunath, Rajendra	702	\$5,000.00	09-12099	No amount owed pursuant to the Debtors' books and records (2)
Ryndak, Therese	645	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. (2)

Exhibit D
Claims to be Expunged Based on Debtors' Books and Records

Name of Claimant	Claim Number	Claim Amount	Debtor	Reason for Disallowance
Shlmada, Gary	526	\$7,148.57	09-12100	Individuals retained by Buyer have not had their benefits impacted and therefore do not have a valid claim against the estate. Debtors are in possession of a letter verifying employment w/ Buyer.
Shipman, Pearl	607	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Strickland, Maggie	664	UNLIQUIDATED	09-12108	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Thames, Pearl	1207	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. [1] [2]
Thompson, Dorothy	776	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. [2]
Tietz, Irene	543	UNLIQUIDATED	09-12099	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Towns, Ellen	646	UNLIQUIDATED	09-12108	Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. [2]

Notes:

[1] Claim was objected to on a non-substantive basis for late filing, if non-substantive objection is upheld then objection on this exhibit is moot

[2] Claim was objected to on a non-substantive basis for lack of supporting documentation, if non-substantive objection is upheld then objection on this exhibit is moot

EXHIBIT E

Exhibit E
Claims to be Modified and Reclassified

Name of Claimant	Claim Number	Claim Priority Status	Claim Amount	Modified Priority Status	Modified Claim Amount	Debtor	Reason for Modification
Ausserer, Melinda	163	Priority	\$3,250.00	General Unsecured	\$1,137.50	09-12099	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
BackTrack Inc	90	Priority	\$3,067.35	General Unsecured	\$2,242.00	09-12100	Claimant received partial payment on vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
BETTINA CASERTA KAPOOR INC	730	Priority	\$4,701.12	General Unsecured	\$470.11	09-12099	Claimant received partial payment on vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Erickson, Phil	740	Priority	\$1,039.88	General Unsecured	\$311.96	09-12100	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Freya, Brier	721	Priority	\$34,514.00	General Unsecured	\$954.66	09-12099	Claimant asserts a claim for deferred compensation and recovery for loss on stock in the amount of \$80,731.10 in total. The portion of the claim related to deferred compensation is deemed priority in the amount of \$34,514.10. Of this amount, only interest earned in the amount of \$954.66 was earned within 180 days of filing and should be classified as a priority claim. The remaining \$33,559.44 should be a general unsecured claim. The portion of the claim related to loss on stock is \$46,217 and should not be considered a claim but rather an equity interest.
		General Unsecured	\$46,217.00	General Unsecured	\$33,559.44		
Jones, Eva	615	Priority	\$41,121.60	General Unsecured	\$10,000.00	09-12099	Claim has been reconciled to books and records. Claimant has life insurance in the amount of \$10,000. Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants. Pension and Welfare / Benefits earned greater than 180 days prior to the petition date warrant general unsecured status.
Kelley, Robin	285	Priority	\$3,850.00	General Unsecured	\$1,737.50	09-12099	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Kriley, Toni	772	Priority	\$500.00	General Unsecured	\$150.00	09-12099	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Lauren Shields Inc	198	Priority	\$9,848.22	General Unsecured	\$2,856.68	09-12099	Claimant received partial payment on vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Shepherd, Maura T	160	Priority	\$8,550.37	General Unsecured	\$2,565.11	09-12099	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Wilder, Kimberly	147	Priority	\$7,681.01	General Unsecured	\$2,688.35	09-12100	Claimant was not an employee of Debtors. Claimant received partial payment for vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status
Workgroup Limited	107	Priority	\$23,946.91	General Unsecured	\$7,184.07	09-12099	Claimant received partial payment on vouched invoices on 8/31. Remaining amount outstanding is for pre-petition services that do not warrant Priority status

EXHIBIT F

Exhibit F
Claims to be Liquidated and Allowed

Name of Claimant	Claim Number	Claim Amount	Modified Claim Amount	Debtor	Reason for Modification
Frantz, Lorraine	293	UNLIQUIDATED	\$4,000.00	09-12099	Claim has been reconciled to books and records. Claimant has life insurance in the amount of \$4,000. Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Turner, Decy	1226	UNLIQUIDATED	\$8,000.00	09-12100	Claim has been reconciled to books and records. Claimant has life insurance in the amount of \$8,000 [1]
Verrett, Wynell	519	UNLIQUIDATED	\$10,000.00	09-12108	Claim has been reconciled to books and records. Claimant has life insurance in the amount of \$10,000. Entitled pension participants are receiving uninterrupted benefits / payments under the plan. Debtors are in receipt of proof of payment for October benefits to entitled participants.
Walton, Almedia	447	UNLIQUIDATED	\$4,000.00	09-12099	Claim has been reconciled to books and records. Claimant has life insurance in the amount of \$4,000 [2]

Notes:

[1] Claim was objected to on a non-substantive basis for late filing, if non-substantive objection is upheld then objection on this exhibit is moot

[2] Claim was objected to on a non-substantive basis for lack of supporting documentation, if non-substantive objection is upheld then objection on this exhibit is moot

EXHIBIT G

Exhibit G
Claims to be Liquidated and Reclassified

Name of Claimant	Claim Number	Claim Priority Status	Claim Amount	Modified Priority Status	Modified Claim Amount	Debtor	Reason for Modification
Jordan, Patricia	493	Priority	UNLIQUIDATED	General Unsecured	\$8,000.00	09-12099	Claim has been reconciled to books and records. Claimant has a General Unsecured claim for life insurance in the amount of \$8,000.