

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

IN RE:

PALM BEACH FINANCE PARTNERS, L.P.,
PALM BEACH FINANCE II, L.P.,

CASE NO. 09-36379-PGH
CASE NO. 09-36396-PGH
(Jointly Administered)

Debtors.

**LIQUIDATING TRUSTEE'S NINTH OMNIBUS
OBJECTION (LIMITED PARTNER SCHEDULED EQUITY
INTERESTS IN CASE NO. 09-36379-PGH (PBFP))**

IMPORTANT NOTICE TO INTEREST HOLDERS:

THIS IS AN OBJECTION TO YOUR SCHEDULED EQUITY INTEREST

This objection seeks to modify the percentage of your previously scheduled equity interest. Please read this objection carefully to identify which equity interests are objected to and what disposition of your equity interest(s) are recommended.

If you disagree with the objection or the recommended treatment, you must file a written response WITHIN 30 DAYS from the date of service of this objection, explaining why your scheduled equity interest should be calculated using a different amount, and you must serve a copy to the undersigned attorney OR YOUR EQUITY INTEREST MAY BE RESOLVED IN ACCORDANCE WITH THE RECOMMENDATION IN THIS OBJECTION.

The written response must contain the case name, case number, and must be filed with the Clerk of the United States Bankruptcy Court.

Pursuant to Federal Rule of Bankruptcy Procedure 3007, Local Rule 3007-1, and this Court's Order Granting Motion to Authorize Liquidating Trustee to Use "Cash-in/Cash-out" Method to Calculate Limited Partner Claims and Interests [ECF No. 2678] ("*Cash-in/Cash-out Order*"), Barry E. Mukamal, in his capacity as liquidating trustee ("*Liquidating Trustee*") for the Palm Beach Finance Partners Liquidating Trust and Palm Beach Finance II Liquidating Trust (collectively, the

“*Liquidating Trusts*”), by and through undersigned counsel, objects to the scheduled equity interest(s) of the limited partners in Palm Beach Finance Partners, L.P. (“*PBFP*”) set forth below,¹ on the following basis:

BASIS FOR OBJECTION

On July 30, 2015, the Court entered the Cash-in/Cash-out Order, pursuant to which the Court ordered that limited partner claims and equity interests shall be calculated using the cash-in/cash-out method. Under this method, as detailed in the Cash-in/Cash-out Order, the amount of each limited partner claim and/or interest shall be the amount of cash the limited partner transferred to a Debtor minus the amount of cash such limited partner received from that Debtor as of the Petition Date, whether such monies were received as a return of principal, profits, dividends or interest.

Each of the below-listed limited partners were included on the list of equity security holders filed at the outset of the Debtors’ chapter 11 cases.² *See* ECF No. 49. However, such limited partner’s scheduled equity interest was not calculated, in accordance with the Cash-in/Cash-out Order, using the cash-in/cash-out method. Accordingly, the Liquidating Trustee objects to such limited partner’s scheduled equity interest in Case No. 09-36379-BKC-PGH (PBFP) and requests that such limited partner’s equity interest be calculated (following the final resolution of all limited partners claims and equity interests) using the amount reflected in the column titled “Net Loss on a Cash-in/Cash-out Basis” as the numerator (which reflects the amount of such limited partner’s claim calculated using the cash-in/cash-out method based on the Debtor’s books and records) and the total of all allowed equity interests as the denominator.

¹ Pursuant to Article 3 of the confirmed plan of liquidation, allowed claims filed by the Debtors’ limited partners are classified and treated in class 1A and 1B. *See* ECF No. 246. In addition, all holders of an equity interest in the Debtors, as of the date the Debtors filed for bankruptcy, are classified in class 3A and 3B. *Id.*

² None of the limited partners addressed by this Objection filed a proof of claim against the Debtors.

Finally, in certain instances, the name on the list of equity security holders differs slightly from the underlying documents in the Debtors' books and records evidencing the investment. Accordingly, the Liquidating Trustee requests that the list of equity security holders be modified, as necessary, to reflect the limited partner listed in the column entitled "Name of Claimant" below (which corresponds to the holder of the claim/equity interest according to the Debtors' books and records) as the actual holder of the equity interest.

| Name of Equity Holder | Net Loss on a Cash-in/Cash-Out Basis |
|---|--|
| Janet C. Bonebrake Living Trust dated 08/17/06 ³ | \$150,000.00 <i>See Schedule 1.</i> |
| Armadillo Partners, LLC ⁴ | \$500,000.00 <i>See Schedule 1.</i> |
| Janette Bancroft | \$68,000.00 <i>See Schedule 1.</i> |
| Frank C. Carruth III ⁵ | \$1,750,000.00 <i>See Schedule 1.</i> |

RESERVATION OF RIGHTS

Nothing herein should be construed as the Liquidating Trustee waiving any of his rights as to issues relating to the priority of distributions (such as 11 U.S.C. §510); to the contrary, the Liquidating Trustee reserves all of such rights. The Liquidating Trustee's claims review process and legal analysis is ongoing, and the Trustee anticipates filing court papers in the future on these and any other appropriate grounds. Further, nothing herein is intended to be or should be considered a limit to the damages that the Liquidating Trustee - or any other party - can claim or recover against third parties.

³ Janet C. Bonebrake and the Janet C. Bonebrake Living Trust dated 08/17/06 were collectively listed on the schedule of equity holders as Janet Bonebrake. *See* ECF No. 49. On or about August 14, 2006, Janet C. Bonebrake assigned her interest in PBFP to the Janet C. Bonebrake Living Trust dated 08/17/06.

⁴ Armadillo Partners, LLC was listed on the schedule of equity holders as Armadillo Fund. *See id.*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 18, 2015, a true copy of the foregoing was served via the Court's Notice of Electronic Filing upon the Registered Users set forth on the attached **Exhibit A** and via U.S. Mail on the Claimants listed above at the addresses set forth on the attached **Exhibit B**.

s/ Jessica L. Wasserstrom
Peter D. Russin, Esquire
Florida Bar No. 765902
prussin@melandrussin.com
Jessica L. Wasserstrom, Esquire
Florida Bar No. 985820
jwasserstrom@melandrussin.com
MELAND RUSSIN & BUDWICK, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Telephone: (305) 358-6363
Telecopy: (305) 358-1221

Attorneys for Liquidating Trustee

Schedule I

| LP Name | Total LP "In" Activity | Total LP "Out" Activity | Net LP Loss (Gain) | Proposed Numerator for Equity Holder % |
|--|------------------------|-------------------------|--------------------|--|
| Janet C. Bonebrake Living Trust dated 08/17/06 | 150,000.00 | - | 150,000.00 | 150,000.00 |
| Armadillo Partners, LLC | 500,000.00 | - | 500,000.00 | 500,000.00 |
| Bancroft, Janette | 203,000.00 | (135,000.00) | 68,000.00 | 68,000.00 |
| Carruth, Frank, III | 1,750,000.00 | - | 1,750,000.00 | 1,750,000.00 |

Mailing Information for Case 09-36379-PGH

Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- **Melissa Alagna** mma@segallgordich.com, jxp@segallgordich.com
- **Vincent F Alexander** vfa@kttl.com, lf@kttl.com
- **Keith T Appleby** kappleby@bankerlopez.com, lbecker@bankerlopez.com
- **Paul A Avron** pavron@bergersingerman.com, efile@bergersingerman.com; efile@ecf.inforuptcy.com
- **Scott L. Baena** sbaena@bilzin.com, eservice@bilzin.com; lflores@bilzin.com
- **Marc P Barmat** ndixon@furrcohen.com, mbarmat@furrcohen.com; atty_furrcohen@bluestylus.com
- **Rachel K Beige** rachel.beige@csklegal.com, joseph.valdivia@csklegal.com
- **Sean M. Berkowitz** sean.berkowitz@lw.com, chefiling@lw.com; roger.schwartz@lw.com; russell.mangas@lw.com; robert.malionek@lw.com; megan.fitzpatrick@lw.com; barbara.pipchok@lw.com; alicia.davis@lw.com
- **Steven M Berman** sberman@slk-law.com, bgoodall@slk-law.com
- **Mark D. Bloom** bloomm@gtlaw.com, MiaLitDock@gtlaw.com; miaecfbky@gtlaw.com
- **Ira Bodenstein** ibodenstein@shawgussis.com
- **Noel R Boeke** noel.boeke@hklaw.com, wendysue.henry@hklaw.com
- **Michael S Budwick** mbudwick@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Michael S Budwick** mbudwick@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Dennis M. Campbell** dcampbell@campbelllawfirm.net, gschmied@campbelllawfirm.net
- **Rilyn A Carnahan** rilyn.carnahan@gmlaw.com, efileu1092@gmlaw.com; efileu1089@gmlaw.com; melissa.bird@gmlaw.com; efileu1435@gmlaw.com; efileu1094@gmlaw.com; efileu1093@gmlaw.com; gregory.stol
- **Francis L. Carter** flc@flcarterpa.com
- **Francis L. Carter** flc@katzbarron.com
- **Francis L. Carter** flc@katzbarron.com
- **Lisa M. Castellano** lcastellano@bplegal.com, kmurphy@bplegal.com; aglatkowski@bplegal.com
- **Helen Davis Chaitman** hchaitman@beckerny.com, jgorchkova@beckerny.com; lblanco@beckerny.com; cdavis@beckerny.com
- **Helen Davis Chaitman** hchaitman@beckerny.com, jgorchkova@beckerny.com; lblanco@beckerny.com; cdavis@beckerny.com
- **Franck D Chantayan** franck@chantayan.com
- **Daniel DeSouza** ddesouza@desouzalaw.com
- **John R. Dodd** doddj@gtlaw.com, miaecfbky@gtlaw.com; mialitdock@gtlaw.com
- **John D Eaton** jeaton@shawde-eaton.com, sramirez@shawde-eaton.com
- **Darren D. Farfante** darren.farfante@bipc.com, Denise.Strand@bipc.com
- **Heidi A. Feinman** Heidi.A.Feinman@usdoj.gov
- **Jonathan S. Feldman** jfeldman@pbyalaw.com, magon@pbyalaw.com
- **G Steven Fender** efileu1113@gmlaw.com, efileu1094@gmlaw.com; efileu1092@gmlaw.com; efileu1435@gmlaw.com; efileu1093@gmlaw.com; melissa.bird@gmlaw.com; gregory.stol
- **David S Foster** chefiling@lw.com
- **Robert G Fracasso Jr** rfracasso@shutts.com, fsantelices@shutts.com
- **Robert C Furr** bnasralla@furrcohen.com, atty_furrcohen@bluestylus.com
- **Solomon B Genet** sgenet@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Solomon B Genet** sgenet@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **John H Genovese** jgenovese@gjb-law.com, hburke@gjb-law.com; gjbecf@gjb-law.com
- **Daniel L. Gold** dan.gold@wilsonelser.com, miurel.martinez@wilsonelser.com; Jackie.Benitez@wilsonelser.com; Thomas.Manisero@wilsonelser.com
- **Michael I Goldberg** michael.goldberg@akerman.com, charlene.cerda@akerman.com
- **Lawrence Gordich** LAG@segallgordich.com, jxp@segallgordich.com; mma@segallgordich.com
- **Scott M. Grossman** grossmansm@gtlaw.com, scottla@gtlaw.com; MiaLitDock@gtlaw.com; FTLitDock@GTLaw.com; miaecfbky@gtlaw.com
- **Zachary N James** zjames@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Kenneth M Jones** kjones@moodyjones.com
- **Michael A Kaufman** michael@mkaufmanpa.com, diamondmk@aol.com; kaufmanesq@gmail.com; dgimbel@mkaufmanpa.com; kwatson@mkaufmanpa.com
- **Michael A Kaufman** michael@mkaufmanpa.com, diamondmk@aol.com; kaufmanesq@gmail.com; dgimbel@mkaufmanpa.com; kwatson@mkaufmanpa.com
- **Stephen J Kolski Jr** stevekolski@catlin-saxon.com
- **Harris J. Koroglu** hkoroglu@shutts.com, fsantelices@shutts.com
- **James A Lodoen** jlodoen@lindquist.com, ghildahl@lindquist.com
- **Corali Lopez-Castro** clc@kttl.com, rcp@kttl.com
- **David S Mandel** dmandel@mandel-law.com, susan@mandel-law.com
- **Joshua A Marcus** jmarcus@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Joshua A Marcus** jmarcus@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Aleida Martinez Molina** amartinez@wsh-law.com, jfuentes@wsh-law.com
- **Paul J McMahon** pjmc@pjmlawmiami.com
- **Brian M Mckell** brian.mckell@wilsonelser.com, lourdes.riestra@wilsonelser.com
- **Yvonne F Mizusawa** yvonne.f.mizusawa@frb.gov
- **James C. Moon** jmoon@melandrussin.com, ltannenbaum@melandrussin.com; mrbnfs@yahoo.com
- **Barry E Mukamal** bemtrustee@kapilamukamal.com, FL64@ecfbis.com
- **Barry E Mukamal** bankruptcy@marcumllp.com, FL64@ecfbis.com
- **Barry E. Mukamal** bemtrustee@kapilamukamal.com
- **David J Myers** myers@fsblegal.com
- **Office of the US Trustee** USTPRegion21.MM.ECF@usdoj.gov
- **Leslie S. Osborne** rappaport@kennethrappaportlawoffice.com
- **John E Page** jpage@sfl-pa.com, scusack@sfl-pa.com; lrosetto@sfl-pa.com; dwoodall@sfl-pa.com
- **Kristopher E Pearson** kpearson@stearnsweaver.com, mmasvidal@stearnsweaver.com; bank@stearnsweaver.com; ross@stearnsweaver.com; dillworthcdp@ecf.epiqsystems.com; larrazola@stearnsweaver.com; cgravcr@st
- **Jennifer H Pinder** Jennifer.pinder@myfloridalegal.com, crowell@foley.com
- **Chad P Pugatch** cpugatch.ecf@rprslaw.com
- **Cristopher S Rapp** csrapp@jones-foster.com, eservice@tobinreyes.com; dboentgen@tobinreyes.com; hvaldes@tobinreyes.com; rar@tobinreyes.com; mhorton@tobinreyes.com
- **Cristopher S Rapp** csrapp@tobinreyes.com, eservice@tobinreyes.com; dboentgen@tobinreyes.com; hvaldes@tobinreyes.com; rar@tobinreyes.com; mhorton@tobinreyes.com

EXHIBIT A

- **Patricia A Redmond** predmond@stearnsweaver.com, jmartinez@stearnsweaver.com; bank@stearnsweaver.com; ross@stearnsweaver.com; cgraver@stearnsweaver.com; sdaddese@akingump.com
- **Patricia A Redmond** predmond@stearnsweaver.com, jmartinez@stearnsweaver.com; bank@stearnsweaver.com; ross@stearnsweaver.com; cgraver@stearnsweaver.com; sdaddese@akingump.com
- **Jason S Rigoli** jrigoli@furrcohen.com, ndixon@furrcohen.com; atty_furrcohen@bluestylus.com
- **Kenneth B Robinson** krobinson.ecf@rprslaw.com
- **Joseph Rodowicz** bankruptcy@rodowiczlaw.com, rodowiczlaw@gmail.com
- **Robin J. Rubens** rjr@lklsg.com, csf@lklsg.com
- **Peter D. Russin** prussin@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com; ltannenbaum@ecf.inforuptcy.com
- **Luis Salazar** salazar@salazarjackson.com, jackson@salazarjackson.com; dagley@salazarjackson.com; cloyd@salazarjackson.com; aguilar@salazarjackson.com; davila@salazarjackson.com; leesin@salazarjackson.com; pacetti@salazarjackson.com
- **Franklin H Sato** fsato@wickersmith.com, alazaro@wickersmith.com
- **Bradley M Saxton** bsaxton@whww.com, scolgan@whww.com; rweinman@whww.com; arox@whww.com
- **Michael L Schuster** mschuster@gjb-law.com, gjbecf@gjb-law.com; mchang@gjb-law.com; scomer@gjb-law.com
- **Patrick S. Scott** patrick.scott@gray-robinson.com
- **Michael D. Seese** mseese@seeselaw.com, sseward@seeselaw.com
- **Steven E Seward** steven.seward@gmail.com
- **Bradley S Shraiberg** bshraiberg@sfl-pa.com, dwoodall@sfl-pa.com; lrosettoparr@sfl-pa.com; scusack@sfl-pa.com; blee@sfl-pa.com; bshraibergecfmail@gmail.com; ematteo@sfl-pa.com
- **Paul Steven Singerman** singerman@bergersingerman.com, mdiaz@bergersingerman.com; efile@bergersingerman.com; efile@ecf.inforuptcy.com
- **Jeffrey I. Snyder** jsnyder@bilzin.com, eservice@bilzin.com; lflores@bilzin.com
- **James S Telepman** jst@fcohenlaw.com
- **Charles W Throckmorton** cwt@kttl.com, lf@kttl.com; ycc@kttl.com
- **Charles W Throckmorton** cwt@kttl.com, lf@kttl.com; ycc@kttl.com
- **Trustee Services Inc 2** court@trusteeservices.biz, sandirose.magder@gmail.com
- **Skipper J Vine** jonathan.vine@csklegal.com, Stefanie.copelow@csklegal.com; iraida.avila@csklegal.com; denise.allwine@csklegal.com
- **Skipper J Vine** jonathan.vine@csklegal.com, Stefanie.copelow@csklegal.com; iraida.avila@csklegal.com; denise.allwine@csklegal.com
- **Jessica L Wasserstrom** jwasserstrom@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- **Jessica L Wasserstrom** jwasserstrom@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- **Morris D. Weiss** morrisw@hts-law.com, sherris@hts-law.com; annmariej@hts-law.com
- **George L. Zinkler** gzinkler.ecf@rprslaw.com

| Name of Equity Holder |
|--|
| Janet C. Bonebrake Living Trust dated 08/17/06 13956 San Pablo Ave., Apt. 336 San Pablo, CA 94806-5304 |
| Armadillo Partners, LLC Attn: Armadillo Fund 40 Random Farms Cir Chappaqua, NY 10514 |
| Janette Bancroft 9052 SW 103 Ave Ocala, FL 34481 |
| Frank C. Carruth III c/o Linda Carruth Strugar 240 Summa St West Palm Beach, FL 33405-4718 |