

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
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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 SEVENTH OMNIBUS
OBJECTION (LIMITED PARTNER SCHEDULED EQUITY
INTERESTS IN CASE NO. 09-36379-PGH (PBFP))**

IMPORTANT NOTICE TO CREDITORS/INTEREST HOLDERS:

THIS IS AN OBJECTION TO YOUR SCHEDULED EQUITY INTEREST

This objection seeks to modify the percentage of your previously scheduled equity interest. *It does not object to any proof of claim filed by you or on your behalf.* 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 filed claims against PBFP in an amount that either (i) agrees with the Liquidating Trustee’s calculation using the cash-in/cash-out method, or (ii) is less than the Liquidating Trustee’s calculation using the cash-in/cash-out method. Accordingly, the Liquidating Trustee has no objection to their filed claims, and such claims will remain allowed general unsecured claims against PBFP in the filed amounts listed below (for each limited partner, the “*Allowed LP Claim Amount*”).

However, such limited partner’s scheduled equity interest (*see* ECF No. 49) was not calculated, in accordance with the Cash-in/Cash-out Order, using the cash-in/cash-out amount 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 partner claims and equity interests)

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.*

using the Allowed LP Claim Amount as the numerator and the total of all allowed equity interests as the denominator.

Finally, in certain instances, the name on the proof of claim form and/or 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 claims register and 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 claim and equity interest, respectively.

POC No.	Name of Claimant	Amount of Filed Claim
4-1	Strategic Stable Return Fund II, LP ²	\$ 1,100,000.00 <i>See Schedule 1.</i>
5-1	Strategic Stable Return Fund (I.D.) L.P. ²	\$4,400,000.00 <i>See Schedule 1.</i>
7-1	LAB Investments Fund, LP	\$7,340,090.00 <i>See Schedule 1.</i>
9-1	Bakaysa, Steven P.	\$500,000.00 <i>See Schedule 1.</i>
47-1	Lionheart, L.P., as assignee for Ozcar Multi-Strategies, LLC Class C#133 (K&K Capital Management, Inc.) ³	\$7,000,000.00 <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

² Strategic Stable Return Fund II, LP (Claim 4-1) and Strategic Stable Return Fund (I.D.) L.P. (Claim 5-1) were collectively listed on the schedule of equity holders as SSR Capital Management LLC. *See* ECF No. 49.

³ Ozcar Multi-Strategies, LLC Class C#133 (Claim 47-1) was listed on the schedule of equity holders as K&K Capital Management, Inc. *See id.* Ozcar Multi-Strategies, LLC Class C#133 was the nominee for K&K Capital Management,

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.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on November 17, 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

Inc. Moreover, Ozcar Multi-Strategies, LLC Class C#133 assigned its entire position (claim and interest) to Lionheart, L.P. on October 1, 2010. *See* Claim 47-1.

Schedule 1

LP Name	Filed POC #	Filed POC/Allowed Claim Amount	Total LP "In" Activity	Total LP "Out" Activity	Net LP Loss (Gain)	Proposed Numerator for Equity Holder %
Strategic Stable Return Fund II, LP	POC-4	1,100,000.00	1,850,000.00	(750,000.00)	1,100,000.00	1,100,000.00
Strategic Stable Return Fund (I.D.) L.P.	POC-5	4,400,000.00	8,000,000.00	(3,600,000.00)	4,400,000.00	4,400,000.00
LAB Investments Fund, LP	POC-7	7,500,000.00	7,500,000.00	(159,910.00)	7,340,090.00	7,340,090.00
Bakaysa, Steven P.	POC-9	500,000.00	500,000.00	-	500,000.00	500,000.00
Lionheart, L.P., as assignee for Ozear Multi-Strategies, LLC Class C#133 (K&K Capital Management, Inc.)	POC-47	7,000,000.00	9,500,000.00	(2,500,000.00)	7,000,000.00	7,000,000.00

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@bergersinger.com, efile@bergersinger.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@hkklaw.com, wendysue.henry@hkklaw.com
- **Michael S Budwick** mbudwick@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- **Michael S Budwick** mbudwick@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@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@frcarterpa.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** , jgorchkova@beckerny.com; blanco@beckerny.com; cdavis@beckerny.com
- **Helen Davis Chaitman** hchaitman@beckerny.com, jgorchkova@beckerny.com; blanco@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@pbylaw.com, magon@pbylaw.com
- **G Steven Fender** efileu1113@gmlaw.com, efileu1094@gmlaw.com; efileu1092@gmlaw.com; efileu1435@gmlaw.com; efileu1093@gmlaw.com; melissa.bird@gmlaw.com; gregory.stolberg@gmlaw.com
- **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; mrbnefs@yahoo.com
- **Solomon B Genet** sgenet@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@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; FTLLitDock@GTLaw.com; miaecfbky@gtlaw.com
- **Zachary N James** zjames@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@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
- **Coral 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; mrbnefs@yahoo.com
- **Joshua A Marcus** jmarcus@melandrussin.com, ltannenbaum@melandrussin.com; mrbnefs@yahoo.com
- **Aleida Martinez Molina** amartinez@wsh-law.com, jfuentes@wsh-law.com
- **Paul J McMahan** pjmc@pjmllawmiami.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; mrbnefs@yahoo.com
- **Barry E Mukamal** bemtrustec@kapilamukamal.com, FL64@ecfcbis.com
- **Barry E Mukamal** bankruptcy@marcumllp.com, FL64@ecfcbis.com
- **Barry E. Mukamal** bemtrustee@kapilamukamal.com
- **David J Myers** myers@fsblegal.com
- **Office of the US Trustee** USTPRRegion21.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, mnasvidal@stearnsweaver.com; bank@stearnsweaver.com; rross@stearnsweaver.com; dillworthcdp@ecf.epiqsystems.com; larrazola@stearnsweaver.com; cgraver@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;rross@stearnsweaver.com;cgraver@stearnsweaver.com;sdaddese@akingump.com
- **Patricia A Redmond** predmond@stearnsweaver.com, jmartinez@stearnsweaver.com;bank@stearnsweaver.com;rross@stearnsweaver.com;cgraver@stearnsweaver.com;sdaddese@akingump.com
- **Jason S Rigoli** jrigoli@furrcohen.com, ndixon@furrcohen.com;atty_furrcohen@bluestylus.com
- **Kenneth B Robinson** krobison.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;lee-sin@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@kttlaw.com, lf@kttlaw.com;ycc@kttlaw.com
- **Charles W Throckmorton** cwt@kttlaw.com, lf@kttlaw.com;ycc@kttlaw.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 Claimant
Strategic Stable Return Fund II, LP c/o R. James George, Jr., Esq. 114 W. 7th St, Ste 1100 Austin, TX 78701-3015
Strategic Stable Return Fund (I.D.) L.P. c/o R. James George, Jr., Esq. 114 W. 7th St, Ste 1100 Austin, TX 78701-3015
LAB Investments Fund, LP Matt Evans 1875 S Grant, Ste 600 San Mateo, CA 94402
Bakaysa, Steven P. 2251 Wigwam Parkway #1026 Henderson, NV 89074-6238 and via email mysteve99@yahoo.com
Lionheart, L.P., as assignee for Ozcar Multi-Strategies, LLC Class C#133 (K&K Capital Management, Inc.) 3545 Lake St #201 Wilmette, IL 60091 Lionheart, LP by and through Robert A. Mandel, GP 8383 Wilshire Blvd., # 400 Beverly Hills, CA 90211 Lionheart, L.P. Craig H. Averch, Esq. Shiva Delrahim, Esq. White & Case LLP 633 West Fifth Street, Suite 1900 Los Angeles, CA 90071-2007 Lionheart LP by and through David A, Kite, Agent 160 N Wacker Dr, 4th Fl Chicago, IL 60606-1566