

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

In Re:)	Case No: 11-12254-WRS-11
)	
SMALL LOANS, INC., et al.)	Chapter 11
)	
Debtors.)	Jointly Administered

**CHAPTER 11 TRUSTEE'S
SECOND OMNIBUS OBJECTION TO CLAIMS**

PURSUANT TO LBR 3007-1, THE COURT MAY TAKE THIS OMNIBUS OBJECTION UNDER ADVISEMENT AND MAY RULE, WITHOUT FURTHER NOTICE OR HEARING, UNLESS THE CLAIMANT FILES WITH THE COURT, WITH SERVICE UPON THE OBJECTING PARTY, A RESPONSE WITHIN 25 DAYS OF THE DATE OF SERVICE OF THIS OMNIBUS OBJECTION.

S. Gregory Hays, the Chapter 11 Trustee (the "Trustee") appointed in the above captioned cases, hereby submits the Chapter 11 Trustee's Second Omnibus Objection to Claims (the "Omnibus Objection") pursuant to Sections 105(a) and 502 of the Bankruptcy Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure, regarding the allowance of certain proofs of claim filed against the Debtors. In support of this objection, the Trustee respectfully states as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

2. The statutory bases for the relief requested herein are Sections 105(a) and 502 of the Bankruptcy Code.

Background

3. On December 16, 2011 (the "Petition Date"), Small Loans, Inc., The Money Tree, Inc., The Money Tree of Louisiana, Inc., The Money Tree of Florida Inc., and The Money Tree of Georgia Inc. (collectively, the "Debtors") filed voluntary chapter 11 bankruptcy cases in this Court.¹

Appointment of Trustee

4. On April 30, 2012, the Court ordered the appointment of the Trustee pursuant to Section 1104(a) of the Bankruptcy Code.

Operation of Debtors' Businesses by Trustee

5. The Debtors were in the business of making consumer loans. Their most valuable asset, other than causes of action, was a loan portfolio which consisted of debts owed to the Debtors for money loaned by the Debtors to their customers. On the Petition Date, the total receivables owed to the Debtors had a value of \$17.5 Million. That amount had declined to \$13.5 Million as of the end of July 2012.

6. The Trustee has sold substantially all of the Debtors' assets during the course of these cases. The total closed sales of assets by the Trustee are equal to approximately \$7.347 Million.

7. The Trustee intends to distribute the money generated by the sales to the Debtors' creditors pursuant to the joint plan of liquidation that the Trustee has filed in conjunction with the Omnibus Official Committee of Unsecured Creditors. The amount distributed to each of the Debtors' unsecured creditors will be determined by first calculating the aggregate amount of the claims owed by the Debtors; then each unsecured creditor will be paid a percentage of the total

¹ The Money Tree, Inc. filed Case No. 11-12255-WRS-11; The Money Tree of Louisiana, Inc. filed Case No. 11-12256-WRS-11; The Money Tree of Florida Inc. filed Case No. 11-12257-WRS-11; and The Money Tree of Georgia Inc. filed Case No. 11-12258-WRS-11. These cases and the chapter 11 case filed by Small Loans, Inc. are being jointly administered by this Court pursuant to the Order for Joint Administration entered by the Court on January 4, 2012.

debt owed to each creditor holding an allowed claim from the money available to the Trustee for distribution.

Claims of Creditors Scheduled by the Debtors

8. The Debtors filed schedules in their bankruptcy cases listing each of their unsecured creditors and the amounts that the Debtors' records indicate are owed to these creditors. Creditors whose claims were scheduled by the Debtors are generally not required to file proofs of claim in order to receive a distribution from the Trustee. The exception to this general rule is if the creditor believes the amount of its claim as scheduled by the Debtors is wrong or if the creditor's claim is scheduled as "disputed, contingent, or unliquidated." In either of those instances, the creditor must file a proof of claim against the debtor company that is obligated to pay the debt; if no proof of claim is filed, the debt will either not be paid at all, or it will be paid in the amount scheduled by the Debtors.

Proofs of Claim Filed by Creditors Against the Debtors

9. Thousands of proofs of claim were filed against the Debtors by unsecured creditors prior to the May 15, 2012 claims bar date established by the Court.

10. Because the Debtors consist of several different companies, many unsecured creditors filed their claims in the correct amount but against the wrong debtor company or against the right debtor company but in the wrong bankruptcy case. Other proofs of claim were filed against the right debtor company and in the right bankruptcy case, but the amount of the claim was wrong or simply not owed at all according to the Debtors' records.

Trustee's First Omnibus Objection to Claims

11. Pursuant to the Chapter 11 Trustee's First Omnibus Objection to Claim [ECF Docket No. 656] (the "First Omnibus Objection"), the Trustee objected to the kinds of claims

described above to make sure that the claims were filed against the correct debtor company and in the correct bankruptcy case and to make sure that no distributions were paid for claims not actually owed by the Debtors. Such improper distributions would reduce the amount available to pay the claims of legitimate unsecured creditors of the Debtors.

12. The Court entered an Order Granting Chapter 11 Trustee's First Omnibus Objection to Claim [ECF Docket No. 790] on March 1, 2013 (the "First Omnibus Objection Order"). Pursuant to the First Omnibus Objection Order, the Court sustained the Trustee objections with regard to almost all of the claims described in the First Omnibus Objection. The few remaining unresolved claims were passed to April 23, 2013, at which time the Court will consider the Trustee's objections to those claims.

Additional Claims Not Resolved by First Omnibus Objection

13. A small number of additional claims have been filed against the Debtors by unsecured creditors and these claims were not resolved by the First Omnibus Objection. The reason is that certain of these claims were filed on or around the same date that the First Omnibus Objection was filed and were therefore not included in the First Omnibus Objection; certain other claims were improperly filed by unsecured creditors in response to the First Omnibus Objection; and certain other claims have simply continued to filter in over the course of this case. The Trustee now objects to these additional claims for the same reasons set out in the First Omnibus Objection. The specific claims that the Trustee is objecting to are identified in the Second Objection Schedules described below.

Summary of Request for Relief

14. The Trustee, pursuant to Sections 105(a) and 502 of the Bankruptcy Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure, objects to the proofs of claim identified in Exhibits "A" through "C" below (collectively, the "Second Objection Schedules"):

Exhibit "A" – Claims Filed in Small Loans, Inc., Case No. 11-12254

Exhibit "B" – Claims Filed in The Money Tree, Inc., Case No. 11-12255

Exhibit "C" – Claims Filed in The Money Tree of Georgia Inc., Case No. 11-12258

15. The Second Objection Schedules list the creditors whose claims are being objected to by the Trustee. They describe the following regarding each claim:

- A. the date on which the creditor's claim was filed;
- B. the claim number;
- C. the debtor company against whom the claim was filed;
- D. the asserted claim amount;
- E. the classification under which the claim was filed (general unsecured, priority unsecured, secured, and/or administrative);
- F. the debtor company against whom the Trustee contends the claim should be filed against;
- G. the proposed allowed amount of the claim;
- H. the basis for the Trustee's objection to the claim;
- I. the Trustee's proposed treatment of the claim.

16. The Trustee's bases for objecting to the proofs of claim listed in the Second Objection Schedules are as follows:

- F. Claim Filed that is a Duplicate of Another Claim (Objection Code "F"). This objection relates to proofs of claim that the Trustee, based upon a review of the Debtors' books and records as well as a review of the claims registers in the

Debtors' bankruptcy cases, believes duplicate another claim because they are identical or substantially identical to another proof of claim filed against the Debtors by the same creditor or an assignee of the same creditor. The Trustee objects to these claims because they are duplicative and the creditor should not obtain multiple recoveries against the Debtors' estates on a single claim. The Trustee requests that these claims be disallowed and expunged such that only one proof of claim reflecting the amount claimed remains.

G. Claim Filed Regarding General Litigation, Tort Claims, and/or Lawsuits (Objection Code "G"). This objection relates to proofs of claim that are currently or may become subject to litigation. Based upon a review of the Debtors' book and records, the Trustee objects to these claims for one or more of the following reasons: (1) the holders of such claims have not included information in their proofs of claim sufficient to make a *prima facie* case that the Debtors owe the amounts claimed and have failed to state a claim upon which relief can be granted; (2) the Debtors have valid defenses to payment of the amounts claimed, including, but not limited to, defenses of setoff and recoupment; (3) the Debtor have valid defenses, affirmative defenses, and counterclaims as set forth in pleadings filed or to be filed by the Debtors in such litigation; or (4) to the extent a holder of a claim seeks to bring claims on behalf of a class of similarly situated claimants, the claim fails to meet the requirements of Rule 23 of the Federal Rules of Civil Procedure or Rule 7023 of the Federal Rules of Bankruptcy Procedure or any other requirement necessary to assert a class action proof of claim. The Trustee requests that these claims be disallowed and expunged. Further, to the

extent that holders of claims subject to this objection respond hereto and a hearing becomes necessary with respect to their claims, the Trustee reserves his rights pursuant to the Bankruptcy Code and the Bankruptcy Rules to argue that litigation should proceed in a non-bankruptcy forum rather than in a hearing before this Court, and vice versa.

H. Claim Filed After the Claims Bar Date (Objection Code "H"). This objection relates to proofs of claim that the Trustee, based upon a review of the Debtors' bankruptcy schedules and the claims registers in the Debtors' bankruptcy cases, believes (1) were not scheduled by the Debtors in their bankruptcy schedules AND (2) were filed after the May 15, 2012 claims bar date. The Trustee requests that these claims be disallowed and expunged. This objection specifically does not apply to Trade Creditor Claims filed on or before October 30, 2012.

J. Claim Not Scheduled (Objection Code "J"). This objection relates to proofs of claim that the Trustee, based upon a review of the Debtors' bankruptcy schedules and the claims registers in the Debtors' bankruptcy cases, believes were not scheduled by the Debtors in their bankruptcy schedules and are not owed by the Debtors. The Trustee requests that these claims be disallowed and expunged. This objection specifically does not apply to Trade Creditor Claims.

K. Claim Filed by Individual Creditor that is Covered Under Claims Filed by Indenture Trustee (Objection Code "K"). This objection relates to proofs of claims filed by individual creditors of the Debtors that the Trustee, based upon a review of the Debtors' bankruptcy schedules and the claims registers in the Debtors' bankruptcy cases, believes are included in the proofs of claim filed by

the Indenture Trustee and are therefore duplicative. The Trustee objects to these claims because they are duplicative and the individual creditors should not obtain multiple recoveries against the Debtors' estates by receiving a distribution from both their individual claim and the claims filed by the Indenture Trustee when the two claims are based upon the same exact debt. The Trustee requests that these claims be disallowed and expunged such that only the claims by the Indenture Trustee remain.

Individualized Notice to Creditors

17. Contemporaneously with this Omnibus Objection, the Trustee is serving on each creditor listed in the Second Objection Schedules an individualized notice regarding only that particular creditor's proof of the claim and the Trustee's objection to it (the "Individualized Notice"). The Trustee is serving creditors with the Individualized Notice in lieu of serving creditors with a copy of the Omnibus Objection and its attachment. Each Individualized Notice will contain the same information described above from the Second Objection Schedules and will be in a form substantially similar to the example Individualized Notice attached hereto as **Exhibit "D."**

18. After receiving the Individualized Notice, the creditor will have thirty (30) days to file a response with the Court. If no response is filed within this time period, the Trustee requests that his objection to the claim filed by that particular creditor be sustained and that the claim be treated in the manner described on the Second Objection Schedules.

Notice Regarding this Objection

19. Notice of this objection has been given to (a) the Bankruptcy Administrator, Teresa R. Jacobs, (b) counsel for the Omnibus Official Committee of Unsecured Creditors, and

(c) the Limited Service List described in the Order Limiting Notice, Establishing Additional Notice Procedures and Approving Alternative Form of Notice Via Website [ECF Docket No. 91]. The Trustee is not serving affected creditors with a copy of this Omnibus Objection but is instead serving creditors with the Individualized Notice described above. The Trustee submits that, in light of the relief requested, no other or further notice need to be given.

No Prior Request

20. No prior request for the relief demanded herein has been made to this or any other court.

WHEREFORE, the Trustee, S. Gregory Hays, respectfully requests that the Court enter an order sustaining the Trustee's objections to the proofs of claim listed in the Second Objection Schedules, and grant such further relief as is just and proper.

Respectfully submitted,

/s/ Bradley R. Hightower

Daniel D. Sparks

Bradley R. Hightower

Attorneys for S. Gregory Hays, Chapter 11 Trustee

OF COUNSEL:

CHRISTIAN & SMALL LLP

505 North 20th Street, Suite 1800

Birmingham, Alabama 35203

Phone: (205) 795-6588

Fax: (205) 328-7234

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing pleading upon the following via the ECF system or by placing a copy of same in the United States mail, postage prepaid, addressed as follows on this the 17th day of April, 2013:

Teresa R. Jacobs
U.S. Bankruptcy Administrator
Frank M. Johnson, Jr. Federal Building
One Church Street, Suite 103
Montgomery, Alabama 36104

John D. Elrod
R. Kyle Woods
Greenberg Traurig, LLP
The Forum – Suite 400
3290 Northside Parkway, NW
Atlanta, Georgia 30327

Limited Service List

/s/ Bradley R. Hightower

OF COUNSEL

EXHIBIT A

CHAPTER 11 TRUSTEE'S SECOND OMNIBUS OBJECTION TO CLAIMS - EXHIBIT A - SMALL LOANS, INC. - CASE NO. 11-12254-WRS-11

Creditor Name	Date Filed	Claim Number	Asserted Debtor Entity	Asserted Claim Amount	Asserted Unsecured Claim Amount	Asserted Priority Claim Amount	Asserted Secured Claim Amount	Asserted Admin Claim Amount	Proposed Allowed Debtor Entity	Proposed Allowed Amount	Basis for Objection	Proposed Treatment of Claim
FTC of Onaga f/b/o Jonathan Presha	12/20/12	407	Small Loans, Inc.	\$3,212.88	\$3,212.88	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	F - Duplicate of another claim	Disallowed and expunged
FTC of Onaga f/b/o Jonathan Presha	12/20/12	408	Small Loans, Inc.	\$2,502.27	\$2,502.27	\$0.00	\$0.00	\$0.00	The Money Tree of Georgia	0.00	H - Claim not scheduled or filed after bar date	Disallowed and expunged
FTC of Onaga f/b/o Sandra Presha	12/20/12	409	Small Loans, Inc.	\$2,502.27	\$2,502.27	\$0.00	\$0.00	\$0.00	The Money Tree of Georgia	0.00	F - Duplicate of another claim	Disallowed and expunged
J. Dianne Faulkner or Jason A. Faulkner	12/6/12	34-2	Small Loans, Inc.	\$147,327.27	\$147,327.27	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	H - Claim not scheduled or filed after bar date	Disallowed and expunged
Charlie Phillips c/o Ralph Goldberg	2/7/13	411	Small Loans, Inc.	\$350.00	\$350.00	\$0.00	\$0.00	\$0.00	Not Scheduled	0.00	G - Claims currently or may become subject to litigation H - Claim not scheduled or filed after bar date J - Claim not scheduled or filed after bar date	Disallowed and expunged Disallowed and expunged Disallowed and expunged
Eugene Roark or Mary Roark	12/17/12	405	Small Loans, Inc.	\$16,489.90	\$16,489.90	\$0.00	\$0.00	\$0.00	The Money Tree of Georgia	0.00	F - Duplicate of another claim	Disallowed and expunged
Mary Roark or Eugene Roark	12/17/12	406	Small Loans, Inc.	\$15,907.58	\$15,907.58	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	F - Duplicate of another claim	Disallowed and expunged
Donald C. Seay or Charlotte Seay	2/6/13	410	Small Loans, Inc.	\$143,374.94	\$143,374.94	\$0.00	\$0.00	\$0.00	The Money Tree of Georgia	0.00	H - Claim not scheduled or filed after bar date	Disallowed and expunged

EXHIBIT B

CHAPTER 11 TRUSTEE'S SECOND OMNIBUS OBJECTION TO CLAIMS - EXHIBIT B - THE MONEY TREE INC. - CASE NO. 11-12255-WRS-11

Creditor Name	Date Filed	Claim Number	Asserted Debtor Entity	Asserted Claim Amount	Asserted Unsecured Claim Amount	Asserted Priority Claim Amount	Asserted Secured Claim Amount	Asserted Admin Claim Amount	Proposed Allowed Debtor Entity	Proposed Allowed Amount	Basis for Objection	Proposed Treatment of Claim
The Metter Advertiser	11/12/12	632	The Money Tree Inc.	\$702.00	\$702.00	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	F - Duplicate of another claim	Disallowed and expunged
Paul Austinson or Tonya Austinson	12/12/12	636	The Money Tree Inc.	\$1,538.76	\$1,538.76	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	\$1,538.76	K - Duplicate of another claim	Claim allowed as scheduled as part of Claim No. 266 or Claim No. 463 filed by U.S. Bank, Indenture Trustee, in The Money Tree Inc., Case No. 11-12255
Charles T. Cole c/o George W. Thomas	2/8/13	640	The Money Tree Inc.	\$102,582.91	\$102,582.91	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	\$102,582.91	K - Duplicate of another claim	Claim allowed as scheduled as part of Claim No. 266 or Claim No. 463 filed by U.S. Bank, Indenture Trustee, in The Money Tree Inc., Case No. 11-12255
James A. Rahn or Kelly R. Hyman	12/17/12	637	The Money Tree Inc.	\$34,496.88	\$34,496.88	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	\$34,496.88	K - Duplicate of another claim	Claim allowed as scheduled as part of Claim No. 266 or Claim No. 463 filed by U.S. Bank, Indenture Trustee, in The Money Tree Inc., Case No. 11-12255
Alicia Hill Smith or Annalee Hill Smith	3/27/13	641	The Money Tree Inc.	\$21,388.94	\$21,388.94	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	H - Claim not scheduled or filed after bar date	Disallowed and expunged
Paul V. Webb or Martha Webb	1/30/13	639	The Money Tree Inc.	\$3,564.33	\$3,564.33	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	\$3,564.33	K - Duplicate of another claim	Claim allowed as scheduled as part of Claim No. 266 or Claim No. 463 filed by U.S. Bank, Indenture Trustee, in The Money Tree Inc., Case No. 11-12255

EXHIBIT C

CHAPTER 11 TRUSTEE'S SECOND OMNIBUS OBJECTION TO CLAIMS - EXHIBIT C - THE MONEY TREE OF GEORGIA INC. - CASE NO. 11-12258-WRS-11

Creditor Name	Date Filed	Claim Number	Asserted Debtor Entity	Asserted Claim Amount	Asserted Unsecured Claim Amount	Asserted Priority Claim Amount	Asserted Secured Claim Amount	Asserted Admin Claim Amount	Proposed Allowed Debtor Entity	Proposed Allowed Amount	Basis for Objection	Proposed Treatment of Claim
Shirley G. Paige or Bennie Paige	12/27/12	492	The Money Tree of Georgia	\$9,216.75	\$9,216.75	\$0.00	\$0.00	\$0.00	The Money Tree Inc.	0.00	F - Duplicate of another claim	Disallowed and expunged

EXHIBIT D

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF ALABAMA, SOUTHERN DIVISION**

In Re:)	Case No: 11-12254-WRS-11
)	
SMALL LOANS, INC., et al.)	Chapter 11
)	
Debtors.)	Jointly Administered

**NOTICE OF CHAPTER 11 TRUSTEE'S SECOND OMNIBUS
OBJECTION TO PROOF OF CLAIM**

You have filed one or more proofs of claim ("Claim") in the chapter 11 bankruptcy cases filed by the Debtors.¹

S. Gregory Hays, the chapter 11 trustee (the "Trustee") appointed in the Debtors' cases, has filed an Objection to your Claim pursuant to the Chapter 11 Trustee's Second Omnibus Objection to Claims.

Your Claim may be affected as a result of the Objection. The reason for the Trustee's Objection is described in the chart immediately below under the column labeled "Basis for Objection" and the proposed treatment for your Claim is described under the column labeled "Proposed Treatment of Claim."

Creditor Name	Date Filed	Claim Number	Asserted Debtor Entity	Asserted Claim Amount	Proposed Allowed Debtor Entity	Proposed Allowed Amount	Basis of Objection	Proposed Treatment of Claim
[-Insert Creditor Name-]		[-]	[-Insert Company Name-]	Blank	[-Insert Company Name-]	Blank	[-] [-Insert Objection-]	[-Insert Treatment-]

The deadline for you to respond to the Objection is May 13, 2013, WHICH IS 30 DAYS AFTER SERVICE OF THIS NOTICE. Responses must be mailed to Clerk of Court, United States Bankruptcy Court, Middle District of Alabama, One Church Street, Montgomery, AL 36104 and marked "Small Loans, Inc., Case No. 11-12254." If you do not respond timely in the manner described herein, your Claim may be disallowed or expunged without any further notice to you.

¹ The Debtors are Small Loans, Inc., which filed Case No. 11-12254-WRS-11, The Money Tree, Inc., which filed Case No. 11-12255-WRS-11; The Money Tree of Louisiana, Inc., which filed Case No. 11-12256-WRS-11; The Money Tree of Florida Inc., which filed Case No. 11-12257-WRS-11; and The Money Tree of Georgia Inc., which filed Case No. 11-12258-WRS-11.

Please note that where the ONLY basis for the Objection is that your Claim was filed in the wrong case or against the wrong Debtor, the Trustee is simply asking for your Claim to be reclassified so that it is in the right case and against the right Debtor and you are NOT required to respond.

Nothing in this Notice or the accompanying Objection constitutes a waiver of any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-transfer actions, or any other bankruptcy claims against you. The Trustee reserves the right to assert additional objections to your Claim.

If you wish to view the Bankruptcy Schedules filed by the Debtors, the Chapter 11 Trustee's Second Omnibus Objection to Claims or any other publicly filed documents in these chapter 11 cases, you can do so on the Trustee's website, which is located at <http://haysconsulting.net/the-money-tree-inc>. Questions regarding the amount of a Claim or the filing of a Claim should be directed to Brad Hightower at (205) 795-6588 or brh@csattorneys.com. YOU SHOULD NOT CONTACT THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF YOUR CLAIM.

Dated: _____

Respectfully submitted,

/s/ Bradley R. Hightower

Daniel D. Sparks
Bradley R. Hightower
CHRISTIAN & SMALL LLP
505 North 20th Street, Suite 1800
Birmingham, Alabama 35203