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Attorneys for Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
MOTORS LIQUIDATION COMPANY, *et al.*,	:	**09-50026 (REG)**
f/k/a General Motors Corp., *et al.*	:	
Debtors.	:	**(Jointly Administered)**

DEBTORS' REPLY TO RESPONSE OF NOREEN K. GLASPIE OPPOSING
OMNIBUS OBJECTION TO INCORRECTLY CLASSIFIED CLAIMS
(Omnibus Objection No. 191)

TO THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors and debtors in possession (collectively, the "**Debtors**"),[1] file this reply (the "**Reply**") to the Response (defined below) interposed to the 191st Omnibus Objection to Incorrectly Classified Claims (the "**191st Omnibus Objection**"), and respectfully represent:

[1] The Debtors are MLC (f/k/a General Motors Corporation) ("**MLC**"), MLCS, LLC (f/k/a Saturn, LLC), MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation), MLC of Harlem, Inc. (f/k/a Chevrolet-Saturn of Harlem, Inc.), Remediation and Liability Management Company, Inc., and Environmental Corporate Remediation Company, Inc.

Preliminary Statement

1. On January 27, 2011, the Debtors filed the 191st Omnibus Objection (ECF No. 8897), which was scheduled to be heard on March 1, 2011 at 9:45 a.m. Prior to that hearing, the Debtors received two responses (collectively, the "**Responses**," and the parties filing Responses, the "**Responding Parties**") to the 191st Omnibus Objection. As the Debtors worked to resolve these Responses consensually, the hearing was adjourned and claimants were informed that unresolved Responses would be set for hearing at a later date. Under the *Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 1015(c) and 9007 Establishing Notice and Case Management Procedures*, as amended (ECF No. 8360), replies are to be filed no later than three business days prior to the hearing on the objection. Accordingly, the Debtors did not file a reply, but continued to speak with the Responding Parties in an attempt to consensually resolve the issues raised in their Responses.

2. Although the Debtors are continuing to work toward a consensual resolution with one of the Responding Parties, the other was not receptive to the Debtors' explanation of the basis for the relief requested in the 191st Omnibus Objection. A hearing to address Ms. Glaspie's Response has been scheduled for April 26, 2011 at 9:45 a.m. (Eastern Time).

3. With respect to the Response of Noreen K. Glaspie, the Debtors reiterate their position that the claim asserted by Ms. Glaspie, as reflected in proof of claim number 16805 (the "**Glaspie Claim**"), is not entitled to its alleged secured status and should be reclassified as a general unsecured claim.

The Glaspie Claim Should Be Reclassified as an Unsecured Claim

4. Section 506(a) of the Bankruptcy Code defines a "secured claim," in relevant part, as an "allowed claim of a creditor secured by a lien on property in which the estate

has an interest, or that is subject to setoff under section 553 . . . to the extent of the value of such creditor's interest in the estate's interest in such property." 11 U.S.C. § 506(a).

5. On October 14, 2009, the claimant asserted in a proof of claim, a copy of which is annexed hereto as **Exhibit "A,"** a secured claim against MLC in the amount of $128,000. The Glaspie Claim is allegedly secured by real estate and motor vehicles valued at $116,000 and $12,000, respectively. Attached to the proof of claim are two pages of an insurance report identifying the claimant as the insured under an owner's policy in the amount of $116,000 and Quicken Loans, Inc. as the insured under a mortgage policy in the amount of $114,999. The insurance report further identifies the "Ordering Firm" as "Garrow-Loftis Realtors, GMAC Real Estate." Also attached to the proof of claim is a handwritten note reading: "I'm sorry but they took the information on my 2 cars, a Chevy Prizm and a Buick, 1 Nissan truck. When they took my house it was worth $165,900.00."

6. The Debtors sought to reclassify the Glaspie Claim as a general unsecured claim pursuant to the 191st Omnibus Objection to Claims because the Glaspie Claim is not secured by property of the Debtors' estates. Prior to the hearing on the 191st Omnibus Objection, the Debtors adjourned the objection with respect to the Glaspie Claim. During a subsequent conversation with the Debtors' counsel, the claimant alleged that she had been injured as a General Motors employee, was placed on sick leave, and was unable to make payments on her mortgage after certain payments from General Motors were not received. In that conversation, the claimant further asserted that her house was ultimately foreclosed against despite her sale of the three cars referenced in the proof of claim to make mortgage payments.

7. Although the Glaspie Claim alleges summarily that the claim is secured, it fails to establish the claimant's entitlement to secured status. An objection refuting at least one

of a claim's essential allegations, such as entitlement to secured status, shifts the burden to demonstrate the validity of the claim onto the claimant. *See In re Oneida, Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009), *aff'd*, No. 09 Civ. 2229, 2010 WL 234827 (S.D.N.Y. Jan. 22, 2010); *In re Adelphia Commc'ns Corp.*, Ch. 11 Case No. 02-41729, 2007 Bankr. LEXIS 660, at *15 (Bankr. S.D.N.Y. Feb. 20, 2007). The claimant, however, provided no support for her mistaken position that the Glaspie Claim is secured by liens on property in which the Debtors have an interest. Indeed, it is apparent from the supporting documents and discussion with the claimant that no such lien exists. Accordingly, the Court should grant the order reclassifying the Glaspie Claim as a general unsecured claim in its entirety, subject to the Debtors' continuing right to object to the Glaspie Claim on any other grounds.

Conclusion

WHEREFORE, for the reasons set forth above, the Debtors respectfully request that the Court reclassify the Glaspie Claim as requested in the 191st Omnibus Objection and grant such other and further relief as is just.

Dated: New York, New York
March 22, 2011

/s/ Joseph H. Smolinsky

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Attorneys for Debtors
and Debtors in Possession

02203314

APS0630939411

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

PROOF OF CLAIM

Name of Debtor (Check Only One)	Case No
☒ Motors Liquidation Company (f/k/a General Motors Corporation)	09-50026 (REG)
☐ MLCS, LLC (f/k/a Saturn, LLC)	09-50027 (REG)
☐ MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)	09-50028 (REG)
☐ MLC of Harlem, Inc (f/k/a Chevrolet-Saturn of Harlem, Inc)	09-13558 (REG)

Your Claim is Scheduled As Follows.

FILED - 16805
MOTORS LIQUIDATION COMPANY
F/K/A GENERAL MOTORS CORP
SDNY # 09-50026 (REG)

NOTE *This form should not be used to make a claim for an administrative expense arising after the commencement of the case but may be used for purposes of asserting a claim under 11 U S C § 503(b)(9) (see Item # 5) All other requests for payment of an administrative expense should be filed pursuant to 11 U S C § 503*

Name of Creditor (the person or other entity to whom the debtor owes money or property) NOREEN GLASPIE

Name and address where notices should be sent

NOREEN GLASPIE
196 PARKWAY DR
DAVISON MI 48423-9131

Telephone number (810) 9555624
Email Address None

☐ Check this box to indicate that this claim amends a previously filed claim

Court Claim Number _____
(*If known*)

Filed on _____

Name and address where payment should be sent (if different from above)

Please Call me, I have no one to help me on this, or advice to make sure I'm doing this right Thank you

Telephone number

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim Attach copy of statement giving particulars

☐ Check this box if you are the debtor or trustee in this case

THE GARDEN CITY GROUP, INC.
OCT 27 2009

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown (This scheduled amount of your claim may be an amendment to a previously scheduled amount) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor you do not need to file this proof of claim form EXCEPT AS FOLLOWS If the amount shown is listed as DISPUTED UNLIQUIDATED or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim If you have already filed a proof of claim in accordance with the attached instructions you need not file again

1 Amount of Claim as of Date Case Filed, June 1, 2009 $_____

If all or part of your claim is secured, complete item 4 below however if all of your claim is unsecured, do not complete item 4 If all or part of your claim is entitled to priority, complete item 5 If all or part of your claim is asserted pursuant to 11 U S C § 503(b)(9), complete item 5

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim Attach itemized statement of interest or charges

2 Basis for Claim _____
(See instruction #2 on reverse side)

3 Last four digits of any number by which creditor identifies debtor _____

3a Debtor may have scheduled account as _____
(See instruction #3a on reverse side)

4 Secured Claim (See instruction #4 on reverse side)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information

Nature of property or right of setoff ☒ Real Estate ☒ Motor Vehicle ☐ Equipment ☐ Other
Describe

Value of Property $ 116,000.00 **Annual Interest Rate** 5.5%

Amount of arrearage and other charges as of time case filed included in secured claim, if any $_____

~~**Basis for perfection**~~ 8/2 000.00 2 cars 1 truck

Amount of Secured Claim $ 128,000.00 **Amount Unsecured** $_____

5 Amount of Claim Entitled to Priority under 11 U S C § 507(a) If any portion of your claim falls in one of the following categories, check the box and state the amount

Specify the priority of the claim

☐ Domestic support obligations under 11 U S C § 507(a)(1)(A) or (a)(1)(B)

☐ Wages salaries, or commissions (up to $10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier – 11 U S C § 507(a)(4)

☐ Contributions to an employee benefit plan – 11 U S C § 507(a)(5)

☐ Up to $2,425* of deposits toward purchase lease or rental of property or services for personal, family, or household use – 11 U S C § 507(a)(7)

☐ Taxes or penalties owed to governmental units – 11 U S C § 507(a)(8)

☐ Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U S C § 503(b)(9) (§ 507(a)(2))

☐ Other – Specify applicable paragraph of 11 U S C § 507(a)(__)

Amount entitled to priority

not sure

**Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment*

6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim

7 Documents Attach redacted copies of any documents that support the claim, such as promissory notes purchase orders, invoices, itemized statements or running accounts contracts, judgments mortgages, and security agreements You may also attach a summary Attach redacted copies of documents providing evidence of perfection of a security interest You may also attach a summary (*See instruction 7 and definition of redacted on reverse side*)

DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING

If the documents are not available, please explain in an attachment

Date 10-14-09

Signature The person filing this claim must sign it Sign and print name and title if any of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above Attach copy of power of attorney, if any

Noreen K. Glaspie

FOR COURT USE ONLY

Penalty for presenting fraudulent claim Fine of up to $500 000 or imprisonment for up to 5 years, or both 18 U S C §§ 152 and 3571

Modified B10 (GCG) (12/08)

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law In certain circumstances such as bankruptcy cases not filed voluntarily by the debtor there may be exceptions to these general rules The attorneys for the Debtors and their court-appointed claims agent, The Garden City Group, Inc are not authorized and are not providing you with any legal advice

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS **IF BY MAIL** THE GARDEN CITY GROUP, INC , ATTN MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING PO BOX 9386, DUBLIN, OH 43017-4286 **IF BY HAND OR OVERNIGHT COURIER** THE GARDEN CITY GROUP, INC ATTN MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING 5151 BLAZER PARKWAY SUITE A, DUBLIN, OH 43017 PROOFS OF CLAIM MAY ALSO BE HAND DELIVERED TO THE UNITED STATES BANKRUPTCY COURT, SDNY ONE BOWLING GREEN, ROOM 534, NEW YORK, NEW YORK 10004 **ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED**

THE GENERAL AND GOVERNMENTAL BAR DATE IS NOVEMBER 30, 2009 AT 5 00 P M (PREVAILING EASTERN TIME)

Court, Name of Debtor, and Case Number
These chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York on June 1 2009 You should select the debtor against which you are asserting your claim
A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

Creditor's Name and Address
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case Please provide us with a valid email address A separate space is provided for the payment address if it differs from the notice address The creditor has a continuing obligation to keep the court informed of its current address See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

1 **Amount of Claim as of Date Case Filed**
State the total amount owed to the creditor on the date of the bankruptcy filing Follow the instructions concerning whether to complete items 4 and 5 Check the box if interest or other charges are included in the claim

2 **Basis for Claim**
State the type of debt or how it was incurred Examples include goods sold, money loaned services performed, personal injury/wrongful death, car loan mortgage note and credit card If the claim is based on the delivery of health care goods or services limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim

3 **Last Four Digits of Any Number by Which Creditor Identifies Debtor**
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor if any

3a **Debtor May Have Scheduled Account As**
Use this space to report a change in the creditor s name a transferred claim or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor

4 **Secured Claim**
Check the appropriate box and provide the requested information if the claim is fully or partially secured Skip this section if the claim is entirely unsecured (See DEFINITIONS below) State the type and the value of property that secures the claim attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing

5 **Amount of Claim Entitled to Priority Under 11 U S C § 507(a)**
If any portion of your claim falls in one or more of the listed categories check the appropriate box(es) and state the amount entitled to priority (See DEFINITIONS, below) A claim may be partly priority and partly non-priority For example, in some of the categories, the law limits the amount entitled to priority

For claims pursuant to 11 U S C § 503(b)(9), indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before June 1, 2009, the date of commencement of these cases (See DEFINITIONS, below) Attach documentation supporting such claim

6 **Credits**
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt

7 **Documents**
Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt You may also attach a summary You must also attach copies of documents that evidence perfection of any security interest You may also attach a summary FRBP 3001(c) and (d) If the claim is based on the delivery of health care goods or services see instruction 2 Do not send original documents, as attachments may be destroyed after scanning

Date and Signature
The person filing this proof of claim must sign and date it FRBP 9011 If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature Print the name and title, if any of the creditor or other person authorized to file this claim State the filer s address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices Attach a complete copy of any power of attorney Criminal penalties apply for making a false statement on a proof of claim

DEFINITIONS

Debtor
A debtor is the person corporation or other entity that has filed a bankruptcy case
The Debtors in these Chapter 11 cases are

Motors Liquidation Company (f/k/a General Motors Corporation)	09-50026 (REG)
MLCS LLC (f/k/a Saturn, LLC)	09-50027 (REG)
MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)	09-50028 (REG)
MLC of Harlem Inc (f/k/a Chevrolet-Saturn of Harlem Inc)	09-13558 (REG)

Creditor
A creditor is the person corporation or other entity owed a debt by the debtor on the date of the bankruptcy filing

Claim
A claim is the creditor s right to receive payment on a debt that was owed by the Debtor on the date of the bankruptcy filing See 11 U S C § 101(5) A claim may be secured or unsecured

Proof of Claim
A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing The creditor must file the form with The Garden City Group Inc as described in the instructions above and in the Bar Date Notice

Secured Claim Under 11 U S C § 506(a)
A secured claim is one backed by a lien on property of the debtor The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors The amount of the secured claim cannot exceed the value of the property Any amount owed to the creditor in excess of the value of the property is an unsecured claim Examples of liens on property include a mortgage on real estate or a security interest in a car A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding In some states, a court judgment is a lien A claim also may be secured if the creditor owes the debtor money (has a right to setoff)

Section 503(b)(9) Claim
A Section 503(b)(9) claim is a claim for the value of any goods received by the debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the debtor in the ordinary course of such debtor s business

Unsecured Claim
An unsecured claim is one that does not meet the requirements of a secured claim A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien

Claim Entitled to Priority Under 11 U S C § 507(a)
Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims

Redacted
A document has been redacted when the person filing it has masked edited out, or otherwise deleted certain information A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth

INFORMATION

Evidence of Perfection
Evidence of perfection may include a mortgage lien certificate of title financing statement or other document showing that the lien has been filed or recorded

Acknowledgment of Filing of Claim
To receive acknowledgment of your filing from The Garden City Group, Inc , please provide a self-addressed stamped envelope and a copy of this proof of claim when you submit the original claim to The Garden City Group Inc

Offers to Purchase a Claim
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims One or more of these entities may contact the creditor and offer to purchase the claim Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor These entities do not represent the bankruptcy court or the debtor The creditor has no obligation to sell its claim However, if the creditor decides to sell its claim any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U S C § 101 et seq), and any applicable orders of the bankruptcy court

Additional Information
If you have any questions with respect to this claim form please contact Alix Partners at 1 (800) 414-9607 or by e-mail at claims@motorsliquidation com

Lawyers Title Insurance Corporation

A LANDAMERICA COMPANY
G-8445 S. Saginaw St. • Grand Blanc MI 48439-2061
Ph. (810)695-3400 • FAX (810)695-3599

File No. 135030 LTC-2303-09-01-01

Date: June 6, 2003

TYPE OF POLICY:

Sale Type: New Mortgage

Policy Amount:	$ 116,000.00	Policy Amount:	$ 114,999 00
Policy Number:		Policy Number.	
Exceptions Premium:	$ WITH 646 00	Exceptions. Premium:	$ WITHOUT 257 00
Balance:	$ 646 00	Balance	$ 257.00

Charges		Total Payments		Total Due
$ 903.00	—	$ 00	=	$ 903.00

Please send remittance to Lawyers Title Insurance Corporation at the above address

PROPERTY INFORMATION:

Customer Reference	Noreen K. Glaspie
Property Address:	4469 W Coldwater
Situated In.	Mt Morris
City/Township/Village:	Township
Brief Legal	
Tax Roll Number:	14-21-501-006

ORDERING FIRM:

Garrow-Loftis Realtors, GMAC Real Estate
Attn Karen Mason
G-6122 W Pierson Rd.
Flushing, MI 48433
810-732-1110

LENDER:

QUICKEN LOANS, INC.
Attn Gloria
Your Reference # 7271759918
20555 Victor Parkway
Livonia, MI 48152
248-608-7060

I'm sorry But they
took the Information
on my 2 Cars, a Chevy
Prizer and a Buick,
1 Nisson truck
when they took my
house it was worth.
$165,900.00

COM :TMENT FOR TITLE INSURA :E

Lawyers Title Insurance Corporation

COMMITMENT NO. 135030 LTC

Revised on June 6, 2003 at 11.14:18 AM
EFFECTIVE DATE May 2, 2003 at 8 00 AM

FORM OF POLICY TO BE ISSUED:
A.L T.A. OWNERS POLICY Amount $ 116,000 00

A L.T.A. MORTGAGE POLICY Amount $ 114,999.00
(without exceptions)

PARTY TO BE INSURED: Noreen K. Glaspie
(Owner's Policy)

PARTY TO BE INSURED: QUICKEN LOANS, INC , its successors and/or assigns, as their interest may appear
(Mortgage Policy)

DESCRIPTION OF REAL ESTATE

Situated in Township of Mt. Morris, County of Genesee, State of Michigan·

Lot 6 of CRAIG-SIDE, according to the recorded plat thereof, as recorded in Plat Liber 18, page 58, Genesee County Records.

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES
AND REQUIREMENTS FOR ISSUANCE OF POLICY

1 OWNER. Darlene K Ashley, survivor of herself and her deceased husband, Gary L. Ashley

Lawyers Title Insurance Corporation
G-8445 S. Saginaw Street
Grand Blanc MI 48439
(810) 695-3400

pdn

Authorized Officer or Agent

This commitment is invalid unless the Insuring Provisions and Schedules A & B are attached
Form No 91-88 (SCH. A) 035-1-088-001/5
Schedule A-Page 1

SEE ATTACHED SCHEDULE B FOR CONTINUATION