

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	Chapter 11
TRIAD GUARANTY INC., ¹)	
)	Case No. 13-11452 (MFW)
Debtor.)	
)	Objections Due: August 14, 2013 at 4:00 p.m. EDT
)	Hearing Date: August 21, 2013 at 3:00 p.m. EDT

**DEBTOR’S MOTION FOR ENTRY OF AN ORDER PURSUANT TO
SECTIONS 501, 502, AND 1111(a) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 2002 AND 3003(c)(3), AND LOCAL RULE 2002-1(e)
ESTABLISHING BAR DATES FOR FILING PROOFS OF CLAIM AND
APPROVING THE FORM AND MANNER OF NOTICE THEREOF**

Debtor Triad Guaranty Inc. (the “Debtor”), by and through its undersigned counsel, files this motion (this “Motion”), pursuant to sections 501, 502, and 1111(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), Rules 2002 and 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2002-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) for the entry of an order: (i) establishing October 31, 2013 at 5:00 p.m. (prevailing Eastern time) (the “General Bar Date”) as the deadline by which all entities must file proofs of claim (each a “Proof of Claim”) in the chapter 11 case of the Debtor (the “Case”) for claims arising prior to June 3,

¹ The last four digits of the Debtor’s federal taxpayer identification number are 8519. The location of the Debtor’s headquarters and the Debtor’s service address is 1900 Crestwood Blvd., Birmingham, AL 35210.

2013; (ii) establishing December 2, 2013 at 5:00 p.m. (prevailing Eastern time) as the date by which all governmental units must file Proofs of Claim in the Case (the “Government Bar Date”); (iii) establishing the date by which Proofs of Claim relating to the Debtor’s rejection of executory contracts or unexpired leases must be filed in the Case (the “Rejection Bar Date” and together with the General Bar Date and the Government Bar Date, the “Bar Dates”); and (iv) approving the form and manner of the notice of the Bar Dates and finding that the proposed notice of the Bar Dates to creditors in the form and manner set forth herein is fair, reasonable, and adequate. In support of this Motion, the Debtor respectfully represents as follows:

BACKGROUND

1. On June 3, 2013 (the “Petition Date”), the Debtor filed a petition with this Court under chapter 11 of the Bankruptcy Code.
2. The Debtor is operating as a debtor-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.
3. No request for the appointment of a trustee or examiner has been made in the Case, and no committee has been appointed.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this Motion 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). The predicates for the relief requested herein are sections 501 and 502 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c)(3).

RELIEF REQUESTED

5. As part of the process of developing a plan and to assist in the proper administration of its estate, the Debtor must obtain complete and accurate information about the nature, validity, and amount of all claims² that will be asserted in the Case. Consequently, the Debtor requests that the Court (a) establish the Bar Dates and related procedures proposed herein, and (b) approve the form and manner of notice thereof.

A. Establishment of the Bar Dates

6. The General Bar Date. Bankruptcy Rule 3003(c)(3) requires that the Court fix a time within which proofs of claim must be filed. The Debtor will, through Donlin Recano & Company, Inc. ("DRC"), the Court-approved claims and noticing agent in these cases, serve notice substantially in the form annexed hereto as Exhibit A (the "Bar Dates Notice") and a proof of claim form³ upon all known entities holding potential prepetition claims against the Debtor within five (5) business days after the date that an order is entered approving this Motion and establishing the Bar Dates (the "Bar Date Order"). The Debtor requests that the Court establish October 31, 2013 at 5:00 p.m. (prevailing Eastern time) as the General Bar Date. The General Bar Date would be the date by which all entities holding prepetition claims must file proofs of claim. The General Bar Date would

² The term "claim," as used herein, has the meaning given to it at Bankruptcy Code section 101(5).

³ A complete description of the procedures by which this service will be accomplished is set forth infra.

apply to all entities⁴ other than governmental units⁵ holding claims (whether secured, unsecured priority or unsecured nonpriority) against the Debtor that arose prior to Petition Date.

7. Pursuant to Local Rule 1009-2, if the Debtor amends its schedules of assets and liabilities, list of equity holders, and statement of financial affairs (collectively, the “Schedules”), the General Bar Date for those creditors affected by the amendment shall be the later of (i) the General Bar Date or (ii) 5:00 p.m. (prevailing Eastern Time) on the date that is twenty-one (21) days from the date of the notice to the affected creditor that the Schedules have been amended.

8. The Government Bar Date. Section 502(b)(9) of the Bankruptcy Code provides, in relevant part, that “[a] claim of a governmental unit shall be timely filed if it is filed before 180 days after the date of the order for relief or such later time as the [Bankruptcy Rules] may provide.” In accordance with Bankruptcy Code section 502(b)(9), the Debtor requests that December 2, 2013 at 5:00 p.m. (prevailing Eastern time), a date that is one hundred eighty-two (182) days after the Petition Date, be established as the Government Bar Date in this case. The Government Bar Date would apply to all governmental units holding claims against the Debtor (whether secured, unsecured priority, or unsecured nonpriority) that arose prior to the Petition Date, including governmental units with claims against the

⁴ As used herein, the term “entity” has the meaning given to it at Bankruptcy Code section 101(15).

⁵ As used herein, the term “governmental unit” has the meaning given to it at section Bankruptcy Code 101(27).

Debtor for unpaid taxes, whether such claims arise from prepetition tax years or periods or prepetition transactions to which any Debtor was a party.

9. The Rejection Bar Date. Certain entities may assert claims (each a "Rejection Damages Claim") in connection with the Debtor's rejection of executory contracts and/or unexpired leases under Bankruptcy Code section 365. The Debtor proposes that any person or entity that asserts a Rejection Damages Claim be required to file a Proof of Claim on or before the later of (i) the General Bar Date or (ii) 5:00 p.m. (prevailing Eastern Time) on the date that is thirty (30) days after entry of an order approving the rejection of an executory contract or unexpired lease pursuant to which the entity asserting the Rejection Damages Claim is a party, or (iii) such other date as the Court may fix.

B. Entities that Must File Proofs of Claim by the General Bar Date or the Government Bar Date

10. The Debtor proposes that, subject to the provisions proposed in this Motion for holders of claims subject to the Rejection Bar Date, all entities holding claims against the Debtor that arose prior to the Petition Date, including, without limitation, the following entities, must file Proofs of Claim on or before the General Bar Date or, with respect to claims of governmental units, on or before the Government Bar Date:

- a. any entity whose prepetition claim against the Debtor is not listed in the Debtor's Schedules or whose prepetition claim is listed in the Schedules, but is listed as disputed, contingent, or unliquidated and that desires to participate in this Case or share in any distribution in this Case; and

- b. any entity that believes that its prepetition claim is improperly classified in the Schedules or is listed in an incorrect amount;

provided, however, that, the following entities whose claims otherwise would be subject to the General Bar Date or Government Bar Date need not file proofs of claim:

- a. any entity that has already properly filed a Proof of Claim against the Debtor with either DRC or the Clerk of the Court for the United States Bankruptcy Court for the District of Delaware;
- b. any entity (i) whose claim is listed in the Schedules or any amendments thereto, and (ii) whose claim is not described therein as “disputed,” “contingent,” or “unliquidated,” and (iii) who does not dispute the amount or classification of its claim as set forth in the Schedules;
- c. professionals retained by the Debtor or any official committee that may be appointed pursuant to orders of this Court who assert administrative claims for payment of fees and expenses subject to the Court’s approval pursuant to Bankruptcy Code sections 330, 331(a), and 503(b);
- d. any entity that asserts an administrative expense claim against the Debtor pursuant to Bankruptcy Code section 503(b);
- e. current officers and directors of the Debtor who assert claims for indemnification and/or contribution arising as a result of such officers’ or directors’ prepetition or postpetition services to the Debtor;
- f. any person or entity whose claim against the Debtor has been allowed by an order of the Court entered on or before the applicable Bar Date;
- g. any person or entity whose claim has been paid by the Debtor; and
- h. any holder of an equity interest or membership interest in the Debtor need not file a proof of interest with respect to the ownership of such equity interest or membership interest at this time; provided, however, that any holder of an equity interest or membership interest who wishes to assert a claim against the Debtor, including a claim relating to such interest or the purchase or sale of such interest, must file a

Proof of Claim asserting such claim on or prior to the applicable Bar Date pursuant to procedures set forth herein.

C. Effect of Failure to File Proofs of Claim.

11. The Debtor proposes that, pursuant to Bankruptcy Rule 3003(c)(2), any entity that is required to file a Proof of Claim in the Case under the Bankruptcy Code, the Bankruptcy Rules, or the Bar Date Order with respect to a claim against the Debtor, but fails to do so by the applicable Bar Date, should not be treated as a creditor with respect to such claim, including, without limitation, not treated as a creditor for the purposes of voting on and distribution under any chapter 11 plan proposed and/or confirmed in this case.

D. Procedures for Providing Notice of Bar Dates and Filing Proofs of Claim

12. The Debtor proposes to serve all known entities holding potential prepetition claims with: (a) the Bar Dates Notice substantially in the form attached hereto as Exhibit A and incorporated herein by reference and (b) a proof of claim form substantially in the form of Official Form No. 10 (the "Proof of Claim Form").⁶ The Bar Dates Notice together with the Proof of Claim Form are collectively referred to hereinafter as the "Bar Dates Notice Package."

13. The proposed Bar Dates Notice states, among other things, that proofs of claim must be filed with DRC on or before the applicable Bar Date. No later than five (5) business days after the date that the Court enters the Bar Date Order, the

⁶ The Proof of Claim Form may be modified in certain limited respects to accommodate the claims process in this case.

Debtor intends to cause to be mailed, through DRC, the Bar Dates Notice Package by first-class United States mail, postage prepaid, to all known potential claimants and their counsel (if known), all parties that have requested notice in this case, the U.S. Trustee, and all taxing authorities for the jurisdictions in which the Debtor does business.

14. For any claim to be validly and properly filed, a signed original of a completed Proof of Claim Form, together with any accompanying documentation required by Bankruptcy Rules 3001(c) and 3001(d),⁷ must be delivered to DRC at the address identified on the Bar Date Notice so as to be received no later than 5:00 p.m. (prevailing Eastern Time) on the applicable Bar Date. The Debtor proposes that claimants be permitted to submit proofs of claim in person or by courier service, hand delivery, or mail. Proofs of claim submitted by facsimile, telecopy, email, or other electronic submissions will not be accepted. Proofs of claim will be deemed filed when actually received by DRC. If a claimant wishes to receive acknowledgement of DRC's receipt of a Proof of Claim, the claimant also must submit to DRC by the applicable Bar Date and concurrently with submitting its

⁷ Bankruptcy Rule 3001(c) requires as follows: "When a claim, or an interest in property of the debtor securing the claim, is based on a writing, the original or a duplicate shall be filed with the Proof of Claim. If the writing has been lost or destroyed, a statement of the circumstances of the loss or destruction shall be filed with the claim."

Bankruptcy Rule 3001(d) requires that "[i]f a security interest in property of the debtor is claimed, the Proof of Claim shall be accompanied by evidence that the security interest has been perfected." The Debtor proposes that, upon its advance express written consent, a claimant's Proof of Claim may be filed without the documents required by Bankruptcy Rules 3001(c) and 3001(d); provided, however, that any claimant that receives such a written consent will be required to transmit these documents in support of its claim to DRC, the Debtor, or other parties in interest within ten (10) days after the date of a written request for such documents.

original Proof of Claim (a) a copy of the original Proof of Claim and (b) a self-addressed, stamped return envelope.

15. The Debtor also intends to provide notice of the bar dates by publication to help ensure that all potential claimants receive adequate notice of the Bar Dates. Specifically, the Debtor propose to publish the Bar Date Notice, modified for publication, in the national edition of the Wall Street Journal on one (1) occasion at least sixty (60) days before the General Bar Date in accordance with Bankruptcy Rule 2002.

16. Establishing October 31, 2013 at 5:00 p.m. (prevailing Eastern time) as the General Bar Date in this Case will provide potential claimants with an adequate amount of time after the mailing of the Bar Dates Notice within which to review the Schedules, compare the information contained therein with their own books and records and, if necessary, prepare and file proofs of claim. The Debtor submits that the notice of the Bar Dates in the form and manner proposed by the Debtor herein is fair and reasonable and will provide good, sufficient, and due notice to all creditors of their rights and obligations in connection with claims they may assert against the Debtor's estate.

WHEREFORE, the Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto: (i) establishing the General Bar Date for all claims other than claims asserted by governmental units and Rejection Damages Claims, (ii) establishing the Government Bar Date for all prepetition claims asserted by governmental units; (iii) establishing the Rejection Bar Date as

the bar date for Rejection Damages Claims; (iv) approving the form and manner of service of the Bar Dates Notice Package pursuant to Bankruptcy Rule 2002(a)(7) and Local Rule 2002-1(e); and (v) granting the Debtor such other and further relief as the Court may deem proper.

Dated: July 31, 2013

**WOMBLE CARLYLE SANDRIDGE
& RICE, LLP**

/s/ Thomas M. Horan

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