

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:)	
)	
AMERICAN PAD & PAPER)	
COMPANY)	CHAPTER 7
)	
DEBTORS.)	CASE NOS. 00-00066 (PJW)
)	THROUGH 00-00068 (PJW)
)	
)	CASE NOS. 00-00070 (PJW)
)	THROUGH 00-00072 (PJW)
)	
)	Substantively Consolidated

Re: Docket No. 2174

**REVISED ORDER GRANTING THE SECOND OMNIBUS OBJECTION TO CHAPTER
11 ADMINISTRATIVE EXPENSE CLAIMS (SUBSTANTIVE)**

1. The Chapter 7 Trustee filed the Second Omnibus Objection to Chapter 11 Administrative Expense Claims (Substantive) (the "Motion").¹

2. The Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§157 and 1334; this Motion is a core proceeding under 28 U.S.C. §157(b)(2).

3. Proper notice of the Motion has been provided by the Trustee. Each holder of a Disputed Claim set forth on Exhibits A through D attached hereto was properly and timely served with a copy of the Objection, the Proposed Order and accompanying Exhibits and the Notice of the response deadline thereto, and no further notice of the Objection or of the entry of this Revised Order need be provided.

¹Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

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4. The Motion is GRANTED. Any objection not made to the Motion is waived. Any objection made to the Motion is overruled with prejudice.

5. The relief requested in the Motion is in the best interests of the Estates and its creditors.

6. The Incorrect Classification Claims identified on the attached Exhibit A are hereby reclassified to the classification stated in the column titled "Modified Classification Status."

7. The No Liability Claims identified on the attached Exhibit B are disallowed and expunged in their entirety.

8. The Disputed Claims Amounts identified on the attached Exhibit C are hereby reduced to the amount stated in the column titled "Modified Claim Amount."

9. The PricewaterhouseCoopers LLP claim at DCA 40 and listed on Exhibit C is deemed allowed and satisfied in full.

10. The Insufficient Documentation Claims identified on the attached Exhibit D are disallowed and expunged in their entirety.

11. The hearing on the objections to the proofs of claim of Ultimate Software (DCA 32) and the Tennessee Department of Revenue (POC 1270) is hereby adjourned until the Court's hearing date of January 3, 2007 at 2:30 p.m. The Trustee's rights to raise other objections to the Remaining Claims on any and all grounds permitted by law and or equity are preserved.


12. Each of the Disputed Claims and the objections by the Trustee as asserted in the Motion and as set forth on Exhibits A through D attached hereto constitutes a separate contested matter as contemplated by Fed. R. Bankr. P. 9014. This Revised Order shall be deemed a separate Order with respect to each Disputed Claim. Any stay of this Revised Order pending appeal by any of the claimants whose claims are subject to this Revised Order shall only apply to the

contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Revised Order with respect to the other contested matters covered hereby.

13. The Claims Agent in this case is directed to take all appropriate steps to revise the Claims Agent Register in this case to reflect the terms this Revised Order.

14. This Court shall retain jurisdiction with respect to any matter related to or arising from the implementation or interpretation of this Revised Order.

Dated: Dec 13, 2007



The Honorable Peter J. Walsh
United States Bankruptcy Court Judge

EXHIBIT A

Exhibit A (Revised): Claims to be Reclassified
In re American Pad and Paper Company. Case No. 00-00066 (PJW)

Name of Claimant	Claim or Docket Number	Claim Amount	Claim Classification Status	Modified Classification Status	Reason for Modification
Antrasian, Robert B. Cooley Shrair PC Attn: Alan S. Dambrov Springfield, MA 01103	*POC 565	\$494,301.00	Chapter 11 Administrative Priority	Unsecured Non- priority	Claim based upon a pre-petition agreement dated 11-7-86 regarding an employment agreement and retirement benefits. Not entitled to administrative claim priority.
CNA Commercial Insurance c/o D & B Bankruptcy Services PO Box 5126 Timonium, MD 21094	POC 1148	\$18,948.00	Chapter 11 Administrative Priority	Unsecured Non- Priority	Claim is based upon amounts due under pre-petition Workers Compensation Insurance Policy, and as such, claim is properly classified as a pre-petition general unsecured non-priority claim.

Morristown Utilities PO Box 667 Morristown, TN 37815	POC 137	\$58,296.82	Priority	Ch 11 Administrative Priority: \$13,614.05 Unsecured Non- Priority: \$44,682.77	Debtor scheduled pre-petition portion of claim as unsecured non- priority in the amount of \$44,682.77. Only post-petition amounts of \$13,614.05 entitled to administrative priority.
Neenah Paper, Inc. attn: Tracy Brown-Allen 3460 Preston Ridge Rd. Ste. 600 Alpharetta, GA 30005	*DCA 13	\$235,980.87	Unsecured Non- Priority: \$153,267.16 Chapter 11 Administrative Priority: \$82,713.71	Unsecured Non- Priority: \$202,120.92 Chapter 11 Administrative Priority: \$33,859.95	Chapter 11 Administrative Priority portion of claim based upon reclamation claim pursuant to 11 U.S.C. § 546(c) (1994). Claimant has not provided support for each element of a reclamation claim, and information provided is not supported by information in the Trustee's possession.
Nichem Corp. c/o Thomas & Einerson, Ltd. Attn: George A. Thomas 1213 Joliet St., Suite F West Chicago, IL 60185	DCA 39	\$4,240.00	Chapter 7 Administrative Priority	Unsecured non- priority	Claim based upon Section 502(h) claim for settlement of preference adversary matter. Not entitled to chapter 11 or 7 priority.
Ohio Bureau of Workers Comp Law Section Bankruptcy Unit 30 W. Spring St. PO Box 15567 Columbus OH 43215-0567	POC 1260	\$4,626.64	Chapter 11 Administrative Priority	Chapter 11 Administrative Priority: \$1,783.53 Unsecured Non- Priority: \$2,843.16	Portion of assessments incurred for periods prior to the petition date not entitled to chapter 11 administrative priority.

<p>Pulp and Paper Co. of America LLC PO Box 281924 Atlanta, GA 30384-1924</p>	<p>POC 1156</p>	<p>\$141,675.97</p>	<p>Chapter 11 Administrative Priority</p>	<p>Unsecured Non- Priority</p>	<p>Claim requests administrative priority or replacement lien status for goods ordered and delivered pre- petition. Not entitled to chapter 11 administrative priority status.</p>
<p>Ricoh Corporation c/o Recovery Dept. DE Lang Landen Financial Svcs 1055 Westlakes Dr. Berwyn, PA 19312</p>	<p>POC 1095</p>	<p>\$8,965.25</p>	<p>Chapter 11 Administrative Priority: \$8,559.14 Unsecured Non- Priority: \$406.14</p>	<p>Chapter 11 Administrative Priority: \$4,279.57 Unsecured Non- Priority: \$4,685.71</p>	<p>Contract rejected pursuant to Order at DN 729, 8/17/00. Amounts after date of rejection not entitled to chapter 11 administrative priority, thus claim amount needs to be reclassified.</p>
<p>Sterling Packaging Company c/o Michael Kaminski Esq. Mcguirewoods, LLP 625 Liberty Ave, 23rd Fl Pittsburgh, PA 15222</p>	<p>POC 1242</p>	<p>\$93,429.63</p>	<p>Chapter 11 Administrative Priority</p>	<p>Unsecured Non- Priority</p>	<p>Claimant was critical trade vendor pursuant to Order at DN 69, authorizing the Debtors to pay pre- petition amounts owing to creditor up to \$186,265.00. Attachments to POC 1242 show that the Debtors paid up to approximately such amount, thus the amount claimed is only entitled to unsecured non- priority status as a pre-petition debt.</p>
<p>Transport International Pool, Inc. c/o Matthew F. Kye, Esq. Pitney Hardin Kipp & Szuch, LLP 711 3rd Ave. 20th Floor New York, NY 10017</p>	<p>*Docket No. 1216</p>	<p>\$11,771.33</p>	<p>Chapter 11 Administrative Priority</p>	<p>Unsecured Non- Priority: \$7,614.39 Ch. 11 Administrative Priority: \$4,156.94</p>	<p>Vehicle Lease dated 2/16/96 rejected effective December 7, 2000 pursuant to Order at DN 1050. Amounts due after rejection not entitled to chapter 11 administrative priority.</p>

<p>Ultimate Software Group Becker & Poflakoff, P.A. Attn: Ivan J. Reich, Esq. PO Box 9057 Fort Lauderdale, FL 33310-9057</p>	<p>DCA 32</p>	<p>\$29,400.00</p>	<p>Chapter 11 Administrative Priority</p>	<p>Continued to the Court's January 3, 2008 at 2:30 p.m. hearing date.</p>	
<p>* POC means the proof of claim filed on the PD Register. DCA means the claims filed on the DCA Register. Docket No. means a claim filed on the Docket for these Ch. 7 cases.</p>					

EXHIBIT B

**Exhibit B: No Liability Claims
In re American Pad and Paper Company, Case No. 00-00066 (P.JW)**

Name of Claimant	Claim or Docket Number	Claim Amount	Reason for Disallowance
Cipriani & Werner, P.C. 1100 Two Chatham Center Pittsburgh, PA 15219	*DCA 12	\$1,693.00	Claim by law firm defending Debtors in Personal Injury actions at the direction of the Debtors' insurer. Claimant never retained by the Debtors, in addition the agreement to lift the automatic stay prohibits the Estate from paying funds to defend personal injury actions.
Employment Development Dept. State of CA Special Procedures Sections PO Box 826880 Mic 92E Sacramento, CA 94280-0001	*POC 1259	\$2,613.99	Claim for unemployment taxes for period 1/1/01 to 3/1/01 and interest to 1/31/02. Estates have no liability for claim as all operating units sold as of 11/6/00. Monthly Operating Report filed at DN 1482 shows that there were no unpaid unemployment taxes owing to any State taxing authority as of 12-1-01.
Halron Oil Co. Inc. PO Box 2188 Green Bay, WI 54306-2188	DCA 4	\$240.35	Estate has no liability for this claim because claim is for goods delivered to a Creative Card Division location after 5/9/00, the date of sale of the Creative Card Division (DN 421).
IBM Corporation Attn. John Mazzilli 271 Viger East Montreal, QB H2X-3R7	POC 1271	\$4,537.06	Invoices attached to POC 1271 show claim pursuant to a service agreement for the time period 10/1/01 to 1/1/02, after all assets of the Debtors sold as going concerns. In addition some of the time periods on the invoices are for post-conversion periods.

<p>IBM Credit Corporation Bankruptcy Coordinator 1605 LBJ Freeway, 4th Floor Dallas TX 75234</p>	<p>POC 68</p>	<p>\$904,272.36</p>	<p>The Chapter 7 Estate is not liable because the claim is for amounts due under Master Agreement No. 577-B060, which was assumed and assigned pursuant to Order at DN 924, and dated 10-27-2000. Pursuant to said Order, Claimant is barred from seeking any cure amounts due under the contract from the Debtors.</p>
<p>John Henry Foster Co., Inc. PO Box 5820 St. Louis, MO 63134-0820</p>	<p>DCA 14</p>	<p>\$886.95</p>	<p>Estate has no liability for this claim because claim is for goods ordered, sold and delivered 11/02, after the dates all assets of the Debtors sold and after date cases converted to Chapter 7.</p>
<p>Smith, Cindy D. 518 N. Hickory Windsor, IL 61957</p>	<p>DCA 49</p>	<p>\$26,270.60</p>	<p>Chapter 7 Estate not liable for portion of claim seeking reimbursement of medical bills in the amount of \$645.00 or for claim for hardship and stress in the amount of \$20,000.00. Additionally Chapter 7 Estate not liable for severance benefits in the amount of \$5,625.60 because payment of severance benefits was not approved by the bankruptcy court.</p>
<p>State of Florida Department of Revenue Bankruptcy Section PO Box 6668 Tallahassee, FL 32314-6668</p>	<p>POC 301</p>	<p>\$1,446.00</p>	<p>The Chapter 7 Estate has no liability for this claim as the asserted basis of the claim is "Sales and Use" taxes for the period 1/00. Pursuant to the Monthly Operating Report for the period December 1, 2001 to January 3, 2002, the Debtor did not have any outstanding sales tax due for the post-petition period to the date of conversion to chapter 7.</p>
<p>Tyson Wisconsin Attn. Customer Service PO Box 64019 St. Paul, MN 55164</p>	<p>DCA 5</p>	<p>\$329.61</p>	<p>Claim is for delivery services dated 6/8/04 after the dates all assets of the Debtors sold and after date cases converted to Chapter 7.</p>

<p>Wisconsin Dept of Revenue Attn: James Polkowski Bankruptcy Specialist 2135 Rimrock Rd. Madison, WI 53713</p>	<p>DCA 24/</p>	<p>\$12,893.39</p>	<p>The Chapter 7 Estate has no liability for DCA claim 24 for the following reasons: Claimant asserts basis of claim is for estimated "Sales" taxes, plus penalties and interest for the periods 1/30/2000 and 12/31/2000. All estate assets sold as going concerns prior to Nov. 1, 2000. In addition, the Monthly Operating Report for the period December 1, 2001 to January 3, 2002, shows that the Debtor did not have any outstanding sales tax due for the post-petition period until the date of conversion to chapter 7.</p>
<p>* POC means the proof of claim filed on the PD Register. DCA means the claims filed on the DCA Register.</p>			

EXHIBIT C

**Exhibit C (Revised): Claims to be Reduced
In re American Pad and Paper Company, Case No. 00-00066 (PJW)**

Name of Claimant	Claim or Docket Number	Claim Amount	Modified Claim Amount	Reason for Modification
Neenah Paper, Inc. attn: Tracy Brown-Allen 3460 Preston Ridge Rd. Ste. 600 Alpharetta, GA 30005	*DCA 13/	\$235,980.87	Unsecured Non-Priority: \$202,120.92 Chapter 11 Administrative Expense: \$7,587.17	Chapter 11 Administrative Priority portion of claim based upon reclamation claim pursuant to 11 U.S.C. § 546(c) (1994). Amount of reclamation claim component should be reduced because Claimant has not provided support for each element of a reclamation claim, and information provided is not supported by information in the Trustee's possession.
Office Specialists Inc. Chemett Associates One Commerce Pk. Square., Ste. 101 23210 Chargrin Blvd. Beachwood, OH 44022	*POC 723	\$319,661.00	\$249,234.00 Unsecured Non-Priority	Portion of claim seeking rejection damages and filed as administrative claim in the amount of \$70,427.00 was resolved per the stipulation and order at docket no. 1215. Thus claim needs to be reduced to \$249,234.00 unsecured non-priority.
Ohio Bureau of Workers Comp Law Section Bankruptcy Unit 30 W. Spring St. PO Box 15567 Columbus OH 43215-0567	POC 1260	\$4,626.64	\$2,843.16 Unsecured Non-Priority	Claim for unemployment taxes for periods 1/01 and 7/01. Estates have no liability for claim as all operating units sold as of 11/6/00. Monthly Operating Report filed at DN 1482 shows that there were no unpaid unemployment taxes owing to any State taxing authority as of 12-1-01, thus, claim for post-petition amounts must be expurged and claim reduced to pre-petition claim amount.

<p>PricewaterhouseCoopers LLP Brian Armstrong 300 Madison Ave. New York, NY 10017 and Henry Jaffe Pepper Hamilton LLP 1313 N. Market Street Suite 5100 Wilmington, DE 19801</p>	<p>DCA 40</p>	<p>\$1,349,734.97</p>	<p>Chapter 11 Administrative Expense: \$1,349,734.97 - claim has been satisfied in full and is not entitled to any further distribution - see "Reason For Modification" column</p>	<p>Claim seeks approval on a final basis for fees and expenses already paid to claimant during the Chapter 11 portion of these cases. The Claim does not seek payment of additional amounts. Thus, the PricewaterhouseCoopers LLP claim at DCA 40 is deemed allowed and satisfied in full.</p>
<p>State of Tennessee Dept. Revenue/Tax Enforcement Division Attn: Wilber E. Hooks Fourth Fl. Andrew Jackson Bldg. Nashville TN 37242</p>	<p>POC 1270</p>	<p>\$66,589.65</p>	<p>Continued to the Court's January 3, 2008 at 2:30 p.m. hearing date.</p>	

* POC means the proof of claim filed on the PD Register. DCA means the claims filed on the DCA Register.

EXHIBIT D

**Exhibit D: Insufficient Documentation
In re American Pad and Paper Company. Case No. 00-00066 (PJW)**

Name of Claimant	Claim or Docket Number	Claim Amount	Reason for Disallowance
CNA Commercial Insurance c/o D & B Bankruptcy Services PO Box 5126 Timonium, MD 21094	*POC 1148	\$18,948.00	Claimant only attached a one page attachment with the notation, "Retrospective Plan Evaluation Due 05-01-01" which is wholly insufficient to allege a basis for the claim and does not provide the Trustee with information sufficient to determine validity of claim.
Sterling Packaging Company c/o Michael Kaminski Esq. McGuirewoods, LLP 625 Liberty Ave. 23rd Fl Pittsburgh, PA 15222	POC 1242	\$93,429.63	Attachment to POC 1242 does not include copies of invoices or an invoice summary statement in support of the claim. Only attachment is a statement of the basis for the alleged claim. In addition, Critical Trade Vendor Order at DN 69 lists the pre-petition amount owing to claimant as \$186,265.00, thus, the documentation attached to Proof of Claim 1242 is inconsistent with the Debtors' records.
Tiffany Pindrock 417 Center Gas Rd. New Salem, PA 15468 c/o Davis & Davis PO Box 1163 Uniontown, PA 15401 * POC means the proof of claim filed on the PD Register.	POC 531	Unliquidated	Attachments to proof of claim do not provide sufficient information to support the basis or alleged priority of the claim.