

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

In re:

AVENTINE RENEWABLE ENERGY
HOLDINGS, INC., a Delaware Corporation, *et al.*,

Debtors.¹

Chapter 11

Case No. 09-11214 (KG)

(Jointly Administered)

Hearing Date: May 20, 2010 at 3:00 p.m. (ET)

Obj. Deadline: May 13, 2010 at 4:00 p.m. (ET)

**DEBTORS' SEVENTH OMNIBUS (SUBSTANTIVE) OBJECTION TO CLAIMS
PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

The above-captioned reorganized debtors (the "Debtors") hereby object (the "Objection") to each of the claims (the "Disputed Claims") listed on Exhibit A to the proposed form of order (the "Proposed Order") attached hereto as Exhibit II, pursuant to section 502(b) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 3003 and 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and request the entry of an order disallowing in full each of the Disputed Claims as indicated in further detail below. In support of this Objection, the Debtors rely on the Declaration of William J. Brennan in Support of the Debtors' Seventh Omnibus (Substantive) Objection to Claims Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1, attached hereto as Exhibit I. In further support, the Debtors respectfully represent as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Aventine Renewable Energy Holdings, Inc. (9368), Aventine Renewable Energy, LLC (0195), Aventine Renewable Energy, Inc. (8352), Aventine Renewable Energy – Aurora West, LLC (9285), Aventine Renewable Energy – Mt Vernon, LLC (8144), Aventine Power, LLC (9343), and Nebraska Energy, L.L.C. (1872). The corporate headquarters address for all of the Debtors is 120 North Parkway Drive, Pekin, Illinois 61554.

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are section 502(b) of the Bankruptcy Code and Bankruptcy Rules 3003 and 3007.

BACKGROUND

Introduction

2. On April 7, 2009 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. The Debtors' cases are being jointly administered for procedural purposes pursuant to Bankruptcy Rule 1015(b).

4. On April 23, 2009, the United States Trustee for the District of Delaware appointed an Official Committee of Unsecured Creditors (the "Committee"). No request has been made for the appointment of a trustee or examiner.

Bar Date and Proofs of Claim

5. On April 9, 2009, this Court entered an order appointing The Garden City Group, Inc. ("Garden City") as noticing and balloting agent in these chapter 11 cases [Docket No. 29]. Garden city is authorized to maintain (i) all proofs of claim filed against the Debtors and (ii) an official claims register by docketing all proofs of claim in a claims database containing, inter alia, information regarding the name and address of each claimant, the date the proof of claim was received by Garden City, the claim number assigned to the proof of claim, and the asserted amount and classification of the claim.

6. On June 30, 2009, this Court entered an order (the "Bar Date Order") establishing September 8, 2009 at 4:00 p.m. (ET) (the "Bar Date") as the final date and time for

filing proofs of claim against the Debtors' estates on account of claims arising, or deemed to have arisen pursuant to section 501(d) of the Bankruptcy Code, prior to the Petition Date (the "Claims"), and approving the form and manner of notice of the Bar Date [Docket No. 239].² Pursuant to the Bar Date Order, actual notice of the Bar Date was sent to all known entities holding potential prepetition claims. In addition, notice of the Bar Date was published in the national edition of the New York Times on July 8, 2009. Affidavits of service and publication confirming such actual and publication notice of the Bar Date have been filed with this Court [Docket Nos. 342 and 597].

7. To date, in excess of 500 proofs of claim have been filed in these chapter 11 cases.

The Debtor's Plan of Reorganization

8. On January 13, 2010, the Debtors filed their *First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code Dated as of January 13, 2010* [Docket No. 678] (as amended and modified, the "Plan")³ and related disclosure Statement (as amended and modified, the "Disclosure Statement"). Also on January 13, 2010, the Court entered an order [Docket No. 684] (the "Disclosure Statement Order") approving the adequacy of the Disclosure Statement and authorizing the Debtors' proposed procedures with respect to (i) the solicitation of votes to accept or reject the Plan (the "Solicitation Procedures"), (ii) filing objections to the confirmation of the Plan, and (iii) the Debtors' noticing of proposed cure amounts for executory contracts and unexpired leases to be potentially assumed pursuant to the

² The Bar Date Order and Confirmation Order (as defined below) established a separate bar date for claims arising from the rejection of an executory contract or unexpired lease. Generally, such bar date was the later of (i) the Bar Date or (ii) thirty (30) days after entry of an order approving the rejection of an executory contract or unexpired lease pursuant to which the entity asserting such claim is a party.

³ The Debtors' Plan Supplement was initially filed on February 5, 2010 [Docket No. 743] and amendments to the Plan Supplement were subsequently filed on February 19, 22 and 24, 2010 [Docket Nos. 800, 802 & 812, respectively].

Plan and the manner of submitting objections in connection therewith (the “Cure Procedures”).

Thereafter, the Debtors commenced the solicitation of the Plan pursuant to the Solicitation Procedures and noticed their potential assumption of executory contracts and unexpired leases pursuant to the Cure Procedures.

9. On February 24, 2010, the Court held a hearing to consider confirmation of the Plan. Having found that the Plan satisfied the requirements of section 1129 of the Bankruptcy Code, the Court entered an order confirming the Plan [Docket No. 814] (the “Confirmation Order”). The Effective Date of the Plan occurred on March 15, 2010.

RELIEF REQUESTED

10. By this Objection, the Debtors seek entry of an order, pursuant to section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1, disallowing in full the Disputed Claims listed on Exhibit A to the Proposed Order for the reasons set forth below and on the Exhibit annexed to the Proposed Order. This Objection complies in all respects with Local Rule 3007-1.

I. No Liability Claims

11. After reconciling each of the proofs of claim and supporting materials against their books and records, the Debtors have determined that they are not liable in whole or in part with respect to the claims identified on Exhibit A of the Proposed Order (the “No Liability Claims”). Consequently, the Debtors believe the No Liability Claims identified on Exhibit A to the Proposed Order should be disallowed in their entirety. The Debtors believe they are not liable for the No Liability Claims because the Debtors’ books and records, which the Debtors believe to be accurate, do not reflect that any prepetition amounts are due and owing on account of the No Liability Claims. Failure to disallow the No Liability Claims will result in the applicable claimants receiving an unwarranted recovery against the Debtors’ estates, to the

detriment of other creditors in this case. Accordingly, the Debtors hereby object to the No Liability Claims and request entry of an order disallowing in full each of the No Liability Claims identified on Exhibit A of the Proposed Order.

RESERVATION OF RIGHTS

12. The Debtors expressly reserve the right to amend, modify or supplement this Objection, and to file additional objections to any claims filed in these chapter 11 cases including, without limitation, non-substantive objections to proofs of claim, or any other claims (filed or not) against the Debtors.

NOTICE

13. The Debtors have provided notice of this Objection to (i) the Office of the United States Trustee; (ii) the holders of the Disputed Claims listed on Exhibit A to the Proposed Order; and (iii) those parties who have requested notice pursuant to Bankruptcy Rule 2002, in accordance with Local Rule 2002-1(b).

NO PREVIOUS REQUEST

14. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as Exhibit II, sustaining this Objection in all respects and granting such other and further relief as the Court deems just and proper.

Dated: Wilmington, Delaware
April 20, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Ryan M. Bartley

James L. Patton, Jr. (No. 2202)

Joel A. Waite (No. 2925)

Matthew B. Lunn (No. 4119)

Ryan M. Bartley (No. 4985)

The Brandywine Building

1000 West Street, 17th Floor

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

Counsel to the Debtors

EXHIBIT I

Declaration of William J. Brennan

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

In re:

AVENTINE RENEWABLE ENERGY
HOLDINGS, INC., a Delaware Corporation, *et al.*,

Debtors.¹

Chapter 11

Case No. 09-11214 (KG)

(Jointly Administered)

**DECLARATION OF WILLIAM J. BRENNAN IN SUPPORT OF DEBTORS'
SEVENTH OMNIBUS (SUBSTANTIVE) OBJECTION TO CLAIMS
PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

I, William J. Brennan, pursuant to 28 U.S.C. § 1746, declare:

1. I am Chief Accounting and Compliance Officer for Aventine Renewable Energy Holdings, Inc., one of the above-captioned debtors and debtors in possession (the "Debtors"). In this capacity, I am one of the persons responsible for overseeing the claims reconciliation and objection process in the Debtors' chapter 11 cases. I have read the Debtors' Seventh Omnibus (Substantive) Objection to Claims Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1 (the "Objection"), and am directly, or by and through my personnel or agents, familiar with the information contained therein, the proposed form of order (the "Proposed Order") and the exhibits attached thereto.

2. Considerable resources and time have been expended in reviewing and reconciling the proofs of claim filed or pending against the Debtors in these cases. The claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Aventine Renewable Energy Holdings, Inc. (9368), Aventine Renewable Energy, LLC (0195), Aventine Renewable Energy, Inc. (8352), Aventine Renewable Energy – Aurora West, LLC (9285), Aventine Renewable Energy – Mt Vernon, LLC (8144), Aventine Power, LLC (9343), and Nebraska Energy, L.L.C. (1872). The corporate headquarters address for all of the Debtors is 120 North Parkway Drive, Pekin, Illinois 61554.

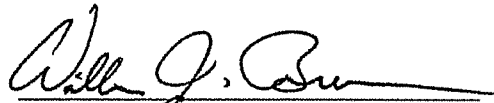
personnel, including the Debtors' claims agent The Garden City Group, Inc. ("Garden City"). These efforts resulted in the identification of the "No Liability Claims," as defined in the Objection and identified in Exhibit A to the Proposed Order.

3. The information contained in Exhibit A to the Proposed Order is true and correct to the best of my knowledge.

4. The Debtors have reviewed their books and records and determined that they have no liability on account of the claims identified in Exhibit A to the Proposed Order. Accordingly, to prevent the claimants from receiving an unwarranted recovery, the Debtors seek to disallow in full the No Liability Claims.

5. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on April 20, 2010



William J. Brennan
Chief Accounting and Compliance Officer
Aventine Renewable Energy Holdings, Inc.

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

In re:

AVENTINE RENEWABLE ENERGY
HOLDINGS, INC., a Delaware Corporation, *et al.*,

Debtors.¹

Chapter 11

Case No. 09-11214 (KG)

(Jointly Administered)

Hearing Date: May 20, 2010 at 3:00 p.m. (ET)

Obj. Deadline: May 13, 2010 at 4:00 p.m. (ET)

**NOTICE OF DEBTORS' SEVENTH OMNIBUS (SUBSTANTIVE) OBJECTION TO
CLAIMS PURSUANT TO SECTION 502(B) OF THE BANKRUPTCY CODE,
BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

PLEASE TAKE NOTICE that Aventine Renewable Energy Holdings, Inc. and certain of its affiliates, the reorganized debtors in the above-captioned cases (collectively, the "Debtors"), have filed the **Debtors' Seventh Omnibus (Substantive) Objection to Claims Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3003 and 3007, and Local Rule 3007-1** (the "Objection") with the United States Bankruptcy Court for the District of Delaware.

PLEASE TAKE FURTHER NOTICE that a hearing on the Objection (the "Hearing") will be held before the Honorable Kevin Gross, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, 6th Floor, Wilmington, Delaware 19801, on **May 20, 2010 at 3:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE that to contest an objection to a claim or the relief requested in the Objection, responses ("Responses") to the Objection, if any, must be made in writing, filed with the Bankruptcy Court and served upon the undersigned counsel to the Reorganized Debtors so as to be **RECEIVED NO LATER THAN 4:00 P.M. (ET) ON MAY 13, 2010 (the "Response Deadline")**.

PLEASE TAKE FURTHER NOTICE that every Response to the Objection must contain at a minimum the following:

- (a) a caption setting forth the name of the Court, the case number and the title of the Objection to which the Response is directed;
- (b) the name of the Claimant and description of the basis for the amount of the Claim, if applicable;

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Aventine Renewable Energy Holdings, Inc. (9368), Aventine Renewable Energy, LLC (0195), Aventine Renewable Energy, Inc. (8352), Aventine Renewable Energy – Aurora West, LLC (9285), Aventine Renewable Energy – Mt Vernon, LLC (8144), Aventine Power, LLC (9343), and Nebraska Energy, L.L.C. (1872). The corporate headquarters address for all of the Debtors is 120 North Parkway Drive, Pekin, Illinois 61554.

(c) a concise statement setting forth the reasons why the Claim should not be disallowed or modified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the responding party will rely in opposing the Objection;

(d) all documentation or other evidence of the Claim or assessed value, to the extent not included with the Proof of Claim previously filed with the Bankruptcy Court, upon which the responding party will rely in opposing the Objection at the Hearing;

(e) the address(es) to which the Reorganized Debtors must return any reply to the Response, if different from that presented in the Claim; and

(f) the name, address and telephone number of the person (which may be the Claimant or his/her/its legal representative) possessing ultimate authority to reconcile, settle or otherwise resolve the Claim or response to the Objection on behalf of the responding party.

PLEASE TAKE FURTHER NOTICE that Questions about the Objection should be directed to the Debtors' counsel:

Young Conaway Stargatt & Taylor, LLP
The Brandywine Bldg., 17th Fl.
1000 N. West Street
Wilmington, DE 19801
Attn: Matthew B. Lunn and Ryan M. Bartley

CLAIMANTS SHOULD NOT CONTACT THE CLERK OF THE COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

PLEASE TAKE FURTHER NOTICE that if a Claimant fails to timely file and serve a Response in accordance with the above requirements, such Claimant will be deemed to have concurred with the and consented to the Objection and the relief requested therein, and the Reorganized Debtors will present to the Court without further notice to the Claimant, an appropriate order sustaining the Objection and disallowing, expunging, reducing, reclassifying or reconciling such Disputed Claim.

Dated: Wilmington, Delaware
April 20, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Ryan M. Bartley

Joel A. Waite (No. 2925)
Matthew B. Lunn (No. 4119)
Ryan M. Bartley (No. 4985)
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
Counsel to the Debtors

EXHIBIT II

Proposed Order

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

In re:

AVENTINE RENEWABLE ENERGY
HOLDINGS, INC., a Delaware Corporation, *et al.*,

Post-Confirmation Debtors.¹

Chapter 11

Case No. 09-11214 (KG)

(Jointly Administered)

Docket Ref. No. _____

**ORDER SUSTAINING DEBTORS' SEVENTH OMNIBUS (SUBSTANTIVE)
OBJECTION TO CLAIMS PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY
CODE, BANKRUPTCY RULES 3003 AND 3007, AND LOCAL RULE 3007-1**

Upon consideration of the seventh omnibus (substantive) objection (the “Objection”)² of the above-captioned debtors and debtors in possession (the “Debtors”), by which the Debtors respectfully request the entry of an order pursuant to section 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 3003 and 3007, of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) disallowing in full the Disputed Claims identified in Exhibit A hereto; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and due and adequate notice of the Objection having been given under the circumstances; and sufficient cause appearing thereof; it is hereby

ORDERED that the Objection is sustained; and it is further

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Aventine Renewable Energy Holdings, Inc. (9368), Aventine Renewable Energy, LLC (0195), Aventine Renewable Energy, Inc. (8352), Aventine Renewable Energy – Aurora West, LLC (9285), Aventine Renewable Energy – Mt Vernon, LLC (8144), Aventine Power, LLC (9343), and Nebraska Energy, L.L.C. (1872). The corporate headquarters address for all of the Debtors is 120 North Parkway Drive, Pekin, Illinois 61554.

² All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Objection.

ORDERED that, pursuant to Bankruptcy Code section 502(b) and Bankruptcy Rules 3003 and 3007, the Disputed Claims identified on the attached Exhibit A are hereby disallowed in their entirety; and it is further

ORDERED that the Debtors reserve the right to amend, modify or supplement this Objection, and to file additional objections to claims filed in these chapter 11 cases; and it is further

ORDERED that the Debtors reserve the right to object to any of the Disputed Claims on any grounds in future omnibus objections to claims; and it is further

ORDERED that this Court shall retain jurisdiction over all affected parties with respect to any matters, claims, or rights arising from or related to the implementation and interpretation of this Order.

Dated: Wilmington, Delaware
May ____, 2010

KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Exhibit A

No Liability Claims

----- Objectionable Claims -----

| Name/Address of Claimant | Claim | Date Filed | Total Amount Claimed | Comments |
|---|-------|------------|--|--|
| American Stock Transfer & Trust Co. 59 Maiden Lane New York, NY 10038-4502 | 488 | 3/17/2010 | \$0.00 - (S) \$0.00 - (A) \$0.00 - (P) \$4,000.00 - (U) \$4,000.00 - (T) | Claim is for February and March 2010 monthly fees. Both were paid in the ordinary course of business. Invoice 1480920100129 was paid on February 9, 2010 by check #70003229. Invoice 1480920100301 was paid on March 16, 2010 by check #70003611. The Debtors have no liability with respect to this claim. |
| Marsh USA, Inc. Attn: Craig Padover 121 River Street, 11th Floor Hoboken, NJ 07030 | 489 | 3/16/2010 | \$0.00 - (S) \$0.00 - (A) \$39,031.00 - (P) \$0.00 - (U) \$39,031.00 - (T) | The obligations underlying this claim were satisfied by assumption of the Debtors' contracts with Marsh USA, Inc. Additionally, the amounts included in this claim are duplicative of claim numbered 430. Finally, the obligations underlying this claim arise from services and thus are not goods entitled to priority under 11 U.S.C. 503(b)(9). The Debtors believe this claim should be disallowed. |
| Promise Transport 298 E First Street El Paso, IL 61738 | 496 | 3/26/2010 | \$0.00 - (S) \$0.00 - (A) \$8,540.99 - (P) \$0.00 - (U) \$8,540.99 - (T) | The obligations underlying this claim are shipping services provided to the Debtors prior to the Petition Date. The amounts included in this claim were already included in creditor's timely filed proof of claim numbered 180. The creditor is only entitled to one distribution on account of its claim, and the Debtors intend to allow and pay timely filed claim numbered 180. Additionally, the obligations underlying this claim arise from services and are not wages entitled to priority under 11 U.S.C. 507(a)(4). |