

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,

Debtors.

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Chapter 11

Case No. 18-33836

(Jointly Administered)

**NOTICE OF FILING OF LIQUIDATING TRUSTEE'S SUPPLEMENTAL
AFFIDAVIT IN SUPPORT OF OBJECTION TO IRS'S CLAIM NO. 160**

(Relates to Docket No. 923)

Tensie Axton, Trustee (the "Liquidating Trustee") of the Liquidating Trust of Neighbors Legacy Holdings, Inc. and certain of its affiliates and subsidiaries, filed her *Objection to the Internal Revenue Services' Claims 160 and 840* [Docket No. 923] (the "Objection").¹

On July 17, 2019, the Court held a hearing on the Liquidating Trustee's Objection. The Court sustained the Objection to Claim No. 840, which the Court found was filed untimely. The Court required the Liquidating Trustee to file a supplemental affidavit as to the IRS's Claim No. 160 by July 31, 2019.

The Liquidating Trustee therefore gives notice that she is filing her supplemental affidavit, attached to this Notice as **Exhibit A** and respectfully requests that the Court enter the proposed order attached to this Notice as **Exhibit B**.

¹ All terms not specifically defined in this Notice shall be defined by the Objection.



Dated: Houston, Texas
August 16, 2019.

PORTER HEDGES LLP

By: /s/ John F. Higgins
John F. Higgins
State Bar No. 09597500
Eric M. English
State Bar No. 24062714
Genevieve M. Graham
State Bar No. 24085340
1000 Main Street, 36th Floor
Houston, Texas 77002
Telephone: (713) 226-6000
Fax: (713) 226-6248

**COUNSEL FOR TENSIE AXTON,
LIQUIDATING TRUSTEE OF THE
NLH LIQUIDATING TRUST**

CERTIFICATE OF SERVICE

This will certify that on August 16, 2019, a true and correct copy of the foregoing Notice was forwarded via United States mail, postage prepaid, and through the Court's CM/ECF filing system.

Internal Revenue Service
Centralized Insolvency Operations
PO Box 7346
Philadelphia PA 19101-7346

Internal Revenue Service
Centralized Insolvency Operations
2970 Market Street
Philadelphia PA 19104

Internal Revenue Service
c/o Clarice Randolph
1919 Smith Street
M/S 5022HOU
Houston, TX 77002

Internal Revenue Service
c/o William Thomas
1919 Smith Street
M/S 5022HOU
Houston, TX 77002

U.S. Attorney's Office
Centralized Insolvency Operations
PO Box 7346
Philadelphia PA, 19101-7346

U.S. Attorney's Office
Southern District of Texas
1000 Louisiana, Suite 2300
Houston, TX 77002

/s/ John F. Higgins
John F. Higgins

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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**AFFIDAVIT OF TENSIE AXTON IN SUPPORT OF
OBJECTION TO THE INTERNAL REVENUE SERVICE'S CLAIM NO. 160**

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared TENSIE AXTON, known to me to be the person whose name is subscribed below, and who being duly sworn, stated the following:

1. My name is Tensie Axton and I am the Liquidating Trustee in the above-styled case. I am a CPA with more than 25 (twenty-five) years of experience in finance and accounting, including extensive experience in the healthcare industry. Prior to serving as the Liquidating Trustee, beginning in December 2016, I was the Debtors' Chief Financial Officer. Before starting as the Debtors' Chief Financial Officer, I was the Chief Operating Officer of a healthcare company where I developed and managed a multispecialty medical practice group.

2. I am familiar with the Debtors' financing arrangements, business affairs and books and records that reflect, among other things, the Debtors' liabilities and the amounts owed to their creditors as of the Petition Date. I have reviewed the Internal Revenue Service's Claims 160 and 840 (the "Claims") along with the Objection (the "Objection") thereto filed at Docket No. 923.

3. I have reviewed the Debtors' books and records and the Claims and, in my review, I have determined that the Debtors are not liable for the Claims.

4. Claim No. 160, filed by the Internal Revenue Service against EDMG, LLC ("EDMG"), asserts a priority claim of \$40,906.65 for excise taxes. EDMG is a disregarded entity for federal tax purposes and is therefore not liable for excise taxes. Additionally, EDMG does not sell products or services subject to excise tax.

5. Claim No. 840, filed by the Internal Revenue Service against Neighbors Practice Management, LLC ("NPM") is for payroll taxes between the period of December

31, 2012, through March 31, 2015. NPM, however, did not have any employees until June 2015 and therefore does not owe payroll taxes for the time period asserted in Claim No. 160.


6. As a result, the Trustee is not able to ascertain the basis for a priority claim and the Internal Revenue Service has failed to articulate one, either in its Claims or in any informal response to the Objection.

7. Failure to disallow the Claims could result in the claimant being paid when it is not entitled to payment. As such, I believe that the disallowance of the Claims is appropriate.

8. Accordingly, I request that the Claims be disallowed.

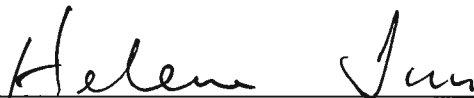
9. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information, and belief.

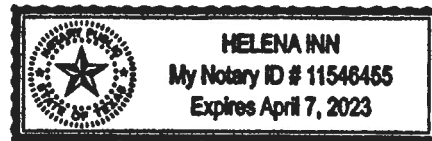
Dated: 8/16, 2019


Tensie Axton, C.P.A

SUBSCRIBED TO AND SWORN TO before the undersigned authority on this 16th day of August, 2019.

Notary Public in and for the State of Texas





UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

NEIGHBORS LEGACY HOLDINGS, INC.,
et al.,

Debtors.

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Chapter 11

Case No. 18-33836

(Jointly Administered)

**ORDER SUSTAINING LIQUIDATING TRUSTEE'S OBJECTION TO THE
INTERNAL REVENUE SERVICE'S CLAIMS 160 AND 840**

(Relates to Docket No. 923)

Upon consideration of the *Liquidating Trustee's Objection to the Internal Revenue Services' Claim Nos. 160 and 840* (the "Objection"), the Court concludes that the Claimant failed to sufficiently demonstrate that the Debtors are obligated on the Claim. It is therefore

ORDERED that Claims 160 and 840, filed by the Internal Revenue Service, are **DISALLOWED** in their entirety.

SIGNED:

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE