

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: : Chapter 11
: :
WELDED CONSTRUCTION, L.P., *et al.*, : Case No. 18-12378 (LSS)
: :
Debtors. ¹ : (Jointly Administered)
: :
: Hearing Date: 8/17/2022 at 11:00 a.m. (ET)
: Response Deadline: 7/15/2022 at 4:00 p.m. (ET)

**POST-EFFECTIVE DATE DEBTORS' SEVENTEENTH (17TH) OMNIBUS
(SUBSTANTIVE) OBJECTION TO CLAIMS PURSUANT TO SECTION 503 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1**

**PARTIES RECEIVING THIS OBJECTION SHOULD LOCATE
THEIR NAMES AND THEIR DISPUTED CLAIMS
IDENTIFIED ON EXHIBITS A, B, & C TO THE PROPOSED ORDER**

The above-captioned debtors and debtors in possession (together, the “Debtors” and, following the Effective Date, the “Post-Effective Date Debtors”), through Cullen D. Speckhart, solely in her capacity as Plan Administrator, hereby submit this objection (this “Objection”), pursuant to section 502 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rule 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”), to each of the claims filed against the Debtors and their estates that are listed on Exhibits A, B, & C (collectively, the “Disputed Claims”) to the proposed form of order attached hereto as Exhibit 2 (the “Proposed Order”), and request the entry of the Proposed Order disallowing the Disputed Claims, as indicated in further detail below and on Exhibits A, B, & C to the Proposed Order.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is c/o P.O. Box 470, Perrysburg, OH 43552-0470.



In support of this Objection, the Post-Effective Date Debtors rely on the declaration of Frank A. Pometti (the “Pometti Declaration”), which is attached hereto as **Exhibit 1**. In further support of this Objection, the Post-Effective Date Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Pursuant to Local Rule 9013-1(f), the Post-Effective Date Debtors consent to the entry of a final order by the Court in connection with this Objection to the extent it is later determined the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The predicates for the relief requested herein are section 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rule 3007-1.

BACKGROUND

3. On October 22, 2018 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of these Chapter 11 Cases, is set forth in detail in the *Declaration of Frank Pometti in Support of Debtors’ Chapter 11 Petitions and First Day Motions*. D.I. 4.

4. On October 23, 2018, the Court entered an order [D.I. 39] appointing Kurtzman Carson Consultants LLC (“KCC”) as claims and noticing agent in these chapter 11 cases. Among other things, KCC is authorized to (1) receive, maintain, and record and otherwise

administer the proofs of claim filed in these chapter 11 cases, and (2) maintain official claims registers for the Post-Effective Date Debtors.

5. On December 17, 2018, the Debtors filed their schedules of assets and liabilities and statements of financial affairs, and on July 3, 2019, filed amended schedules E-F for Debtor Welded Construction, L.P. (collectively, and as they may be further modified, amended, or supplemented from time to time, the “Schedules”). See D.I. 333, 334, 335, 336, 817.

A. The Plan

6. On May 8, 2020, the Debtors filed the *Amended Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan LLC* (the “Plan”) [D.I. 1363] and the *Amended Disclosure Statement for the Amended Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC*. D.I. 1364.

7. On June 25, 2020, the Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming the Amended Chapter 11 Plan of Welded Construction, L.P. and Welded Construction Michigan, LLC* (the “Confirmation Order”) pursuant to section 1129 of the Bankruptcy Code, which approved the documents included in the Plan Supplement (as defined in the Confirmation Order) necessary to implement the Plan. D.I. 1505.

8. The Effective Date of the Plan occurred on July 31, 2020 [D.I. 1555].

9. Pursuant to paragraph 19 of the Confirmation Order, as of the Effective Date, Cullen D. Speckhart was appointed as Plan Administrator under the terms of the Plan Administrator Agreement (the “PAA”). The Confirmation Order approved the PAA and authorized the Debtors to perform thereunder. Confirmation Order ¶¶ 18-19.

B. The Claims Resolution Process

10. On January 10, 2019, the Court entered an order (the “Bar Date Order”)² [D.I. 403] establishing (i) **February 28, 2019, at 5:00 p.m.** (Eastern Time) (the “General Bar Date”) as the general bar date for filing proofs of claim that arose prior to the Petition Date, including requests for allowance and payment of claims under section 503(b)(9) of the Bankruptcy Code, and (ii) **April 22, 2019, at 5:00 p.m.** (Eastern Time) as the deadline for filing proofs of claim by governmental units (the “Governmental Bar Date”). Notice of the foregoing deadlines was mailed to all parties known to the Debtors as having potential claims against the Debtors’ estates and was published in the national edition of *USA Today*.

11. On March 11, 2019, the Court entered an order [D.I. 554] establishing **April 30, 2019, at 5:00 p.m.** (Eastern Time) as the deadline for filing requests for the allowance of administrative expenses that arose during the period from the Petition Date through and including March 31, 2019 (the “Administrative Bar Date” and collectively with the General Bar Date, the Governmental Bar Date, the Amended Schedules Bar Date, and the Rejection Bar Date, the “Bar Dates”). Notice of the Administrative Bar Date was mailed to the Debtors’ known creditors.

12. The Plan provides that the Post-Effective Date Debtors “shall have the authority (a) to file, withdraw or litigate to judgment objections to Claims; (b) to settle, compromise or

² The Bar Date Order also provides that if the Debtors amend or supplement the Schedules subsequent to the date of service of the Bar Date Notice (as defined in the Bar Date Order), then the Debtors shall give notice of any such amendment or supplement to the holders of claims affected thereby, and such holders shall be afforded 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 from the date on which such notice is given, to file proofs of claim in respect of their claims (the “Amended Schedules Bar Date”). Additionally, pursuant to the Bar Date Order, except as otherwise provided by another order of the Court, any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease must file a proof of claim based on such rejection 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-five (35) days following the entry of the order approving the rejection of the executory contract or unexpired lease pursuant to which the entity asserting the Rejection Damages Claim is a party (the “Rejection Bar Date”).

Allow any Claim or Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; (c) to amend the Schedules in accordance with the Bankruptcy Code; and (d) to administer and adjust the claims register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court.” Plan § 8.1.

13. Under the Plan and PAA, the Plan Administrator is empowered to, among other things, “object to Claims as provided in this Plan, and prosecute such objections [as well as] compromise and settle any issue or dispute regarding the amount, validity, priority, treatment or allowance of any Claim.” Plan § 5.5.3(iv), (v); PAA § 1(b)(vi), (viii).

14. According to KCC, over 800 claims have been filed in these cases. All proofs of claims filed in these cases are recorded on the official claims register maintained by KCC.

15. To date, a total of sixteen (16) omnibus objections to claims have been filed in these chapter 11 cases.

RELIEF REQUESTED

16. By this Objection, the Post-Effective Date Debtors request the Court enter the Proposed Order disallowing and expunging the Disputed Claims, as indicated in further detail below and on **Exhibits A, B, & C** to the Proposed Order.

17. In accordance with Local Rule 3007-1(e)(i)(E), the Post-Effective Date Debtors believe that this Objection complies in all material respects with Local Rule 3007-1.

OBJECTIONS TO DISPUTED CLAIMS

I. No Liability Claim

18. After reconciling it against the Post-Effective Date Debtors’ books and records, the Post-Effective Date Debtors have determined that the Debtors and their estates are not liable with respect to the Disputed Claim identified on **Exhibit A** to the Proposed Order (collectively,

the “No Liability Claim”) for the reasons set forth on Exhibit A to the Proposed Order. Upon review of the No Liability Claim, the Post-Effective Date Debtors simply cannot justify this claim as valid. Thus, the Post-Effective Date Debtors believe that the No Liability Claim should be disallowed and expunged. Any failure to disallow the No Liability Claim could result in the applicable claimant receiving an unwarranted recovery against the Post-Effective Date Debtors’ estates, to the detriment of creditors in these chapter 11 cases.

19. Accordingly, the Post-Effective Date Debtors object to the No Liability Claim, and request entry of the Proposed Order disallowing and expunging the No Liability Claim.

II. Modified Amount Claim

20. The Disputed Claim listed on Exhibit B to the Proposed Order (collectively, the “Modified Amount Claim”) asserts an amount in excess of Claimant’s retained unsecured claim due to a settlement entered into between the Post-Effective Date Debtors and the Claimant to resolve an adversary proceeding before this Court. After reviewing the Modified Amount Claim and reconciling it against the Parties’ settlement, the Post-Effective Date Debtors believe that the Modified Amount Claim should be modified to the dollar values indicated in the column titled “*MODIFIED CLAIM AMOUNT*” on Exhibit B to the Proposed Order for the reasons set forth thereon.

21. Accordingly, the Post-Effective Date Debtors object to the Modified Amount Claim, and request entry of the Proposed Order modifying the Modified Amount Claim as indicated on Exhibit B to the Proposed Order.

III. Modified Amount, Reclassified Claim

22. The Disputed Claim listed on Exhibit C to the Proposed Order (the “Modified Amount, Reclassified Claim”) asserts that the claim is entitled to administrative expense status under the Bankruptcy Code. After reviewing the Modified Amount, Reclassified Claim, the Post-Effective Date Debtors have determined that it should be adjusted as indicated on Exhibit C to the Proposed Order. Specifically, the Modified Amount, Reclassified Claim is not entitled, under the Bankruptcy Code or otherwise, to the administrative expense status set forth in the Claim and the administrative portion of the Claim should be reclassified as a general unsecured claim. As a result, the Post-Effective Date Debtors believe that the Modified Amount, Reclassified Claim should be reclassified to the priority level indicated in the column titled “*MODIFIED CLAIM CLASS*” on Exhibit C to the Proposed Order. Any failure to reclassify the Modified Amount, Reclassified Claim, as indicated on Exhibit C to the Proposed Order, would award the claimant undue administrative expense status, to the detriment of other creditors in these chapter 11 cases.

23. Additionally, the portion of the Modified Amount, Reclassified Claim that asserts an administrative Claim should be reclassified as a general unsecured claim in the same amount, and as a result, Claimant’s total unsecured claim includes the administrative expense portion. Thus, after reviewing the Modified Amount, Reclassified Claim and reconciling it against the Post-Effective Date Debtors’ books and records, the Post-Effective Date Debtors believe that the Modified Amount, Reclassified Claim should be modified to the dollar value indicated in the column titled “*MODIFIED CLAIM AMOUNT*” on Exhibit C to the Proposed Order. Any failure to modify the Modified Amount, Reclassified Claim as indicated on Exhibit C to the

Proposed Order will result in the claimant receiving an unwarranted recovery against the Post-Effective Date Debtors' estates, to the detriment of other creditors in these chapter 11 cases.

24. Accordingly, the Post-Effective Date Debtors object to the Modified Amount, Reclassified Claim, and request entry of the Proposed Order modifying and reclassifying the Modified Amount, Reclassified Claim as indicated on Exhibit C to the Proposed Order.

RESPONSES TO THIS OBJECTION

25. Any responses to this Objection must be filed on or before **July 15, 2022 at 4:00 p.m. (ET)**, in accordance with the procedures set forth in the notice of this Objection.

RESERVATION OF RIGHTS

26. The Post-Effective Date Debtors reserve the right to adjourn the hearing on any Disputed Claim, and if the Post-Effective Date Debtors do so, they will state the same in the agenda for the hearing on that Disputed Claim, which agenda will be served on the claimant.

27. The Post-Effective Date Debtors and their estates reserve any and all rights to amend, supplement or otherwise modify this Objection, the Proposed Order, or Exhibits A, B, & C thereto, and to file additional objections to any and all claims filed in these chapter 11 cases, including without limitation, any and all of the Disputed Claims. The Post-Effective Date Debtors and their estates also reserve any and all rights, claims, and defenses with respect to any and all of the Disputed Claims, and nothing included in or omitted from this Objection, the Proposed Order, or Exhibits A, B, & C thereto is intended or shall be deemed to impair, prejudice, waive or otherwise affect any rights, claims, or defenses of the Post-Effective Date Debtors and their estates with respect to the Disputed Claims.

NOTICE

28. Notice of this Objection has been provided to the following parties or their counsel of record, if known: (i) the Office of the United States Trustee for the District of Delaware; (ii) all parties who, as of the filing of this Objection, have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002; and (iii) claimants whose Disputed Claims are subject to this Objection. In light of the nature of the relief requested herein, the Post-Effective Date Debtors submit no other or further notice is necessary.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Post-Effective Date Debtors respectfully request that the Court (a) enter the Proposed Order, substantially in the form attached to this Objection as **Exhibit 2**, and (b) grant such other and further relief as may be just and equitable.

Dated: July 1, 2022
Wilmington, Delaware

BLANK ROME LLP

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Counsel to the Post-Effective Date Debtors

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

In re:

WELDED CONSTRUCTION, L.P., *et al.*,

Debtors.¹

:
: Chapter 11
:

: Case No. 18-12378 (LSS)
:

: (Jointly Administered)
:

: **Hearing Date: 8/17/2022 at 11:00 a.m. (ET)**
:

: **Response Deadline: 7/15/2022 at 4:00 p.m. (ET)**

**NOTICE OF POST-EFFECTIVE DATE DEBTORS' SEVENTEENTH (17TH) OMNIBUS
(SUBSTANTIVE) OBJECTION TO CLAIMS PURSUANT TO SECTION 503 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1**

<p>PARTIES RECEIVING THIS NOTICE SHOULD LOCATE THEIR NAMES AND THEIR DISPUTED CLAIMS IDENTIFIED ON <u>EXHIBITS A, B, & C</u> TO THE PROPOSED ORDER</p>

TO: (I) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) ALL PARTIES WHO, AS OF THE FILING OF THE OBJECTION, HAVE FILED A NOTICE OF APPEARANCE AND REQUEST FOR SERVICE OF PAPERS PURSUANT TO BANKRUPTCY RULE 2002; AND (III) CLAIMANTS WHOSE DISPUTED CLAIMS ARE SUBJECT TO THE OBJECTION

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (together, the “Debtors” and, following the Effective Date, the “Post-Effective Date Debtors”), through Cullen D. Speckhart, solely in her capacity as Plan Administrator, filed the *Post-Effective Date Debtors’ Seventeenth (17th) Omnibus (Substantive) Objection to Claims Pursuant to Section 503 of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1* (the “Objection”).²

PLEASE TAKE FURTHER NOTICE that any responses (each, a “Response”) to the relief requested in the Objection must be filed on or before **July 15, 2022 at 4:00 p.m. (ET)** (the “Response Deadline”) with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, any party submitting a Response (each, a “Respondent”) must serve a copy of its Response upon the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is c/o P.O. Box 470, Perrysburg, OH 43552-0470.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

undersigned counsel to the Post-Effective Date Debtors so as to be received on or before the Response Deadline.

PLEASE TAKE FURTHER NOTICE that any Response must contain, at a minimum, the following:

- a. a caption setting forth the name of the Court, the above-referenced case number and the title of the Objection to which the Response is directed;
- b. the name of the Respondent and a description of the basis for the amount and classification asserted in the Disputed Claim, if applicable;
- c. a concise statement setting forth the reasons why the particular Disputed Claim should not be disallowed, reclassified or otherwise modified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the Respondent will rely in opposing the Objection at any hearing thereon;
- d. all documentation or other evidence of the particular Disputed Claim or asserted amount and classification thereof, to the extent not already included with the proof of claim previously filed, upon which the Respondent will rely in opposing the Objection at any hearing thereon; and
- e. the name, address, telephone number and email address of the person(s) (who may be the Respondent or a legal representative thereof) (i) possessing ultimate authority to reconcile, settle or otherwise resolve the Disputed Claim on behalf of the Respondent and (ii) to whom the Post-Effective Date Debtors should serve any reply to the Response.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION (THE “HEARING”) WILL BE HELD ON AUGUST 17, 2022 AT 11:00 A.M. (ET) BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM NO. 2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU ARE A CLAIMANT AND FAIL TO TIMELY FILE AND SERVE A RESPONSE IN ACCORDANCE WITH THE ABOVE REQUIREMENTS, YOU WILL BE DEEMED TO HAVE CONCURRED WITH AND CONSENTED TO THE OBJECTION AND THE RELIEF REQUESTED THEREIN, AND THE POST-EFFECTIVE DATE DEBTORS WILL PRESENT TO THE COURT, WITHOUT FURTHER NOTICE TO YOU, THE PROPOSED ORDER SUSTAINING THE OBJECTION.

PLEASE TAKE FURTHER NOTICE THAT QUESTIONS CONCERNING THE OBJECTION SHOULD BE DIRECTED TO THE UNDERSIGNED COUNSEL FOR THE POST-EFFECTIVE DATE DEBTORS. CLAIMANTS SHOULD NOT CONTACT THE

CLERK OF THE COURT TO DISCUSS THE MERITS OF THEIR DISPUTED CLAIMS OR THE OBJECTION.

Dated: July 1, 2022
Wilmington, Delaware

BLANK ROME LLP

/s/ Jose F. Bibiloni

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Counsel to the Post-Effective Date Debtors

EXHIBIT 1

POMETTI DECLARATION

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

In re:	:	Chapter 11
WELDED CONSTRUCTION, L.P., <i>et al.</i> ,	:	Case No. 18-12378 (LSS)
Debtors. ¹	:	(Jointly Administered)

**DECLARATION OF FRANK A. POMETTI IN SUPPORT OF POST-EFFECTIVE
DATE DEBTORS' SEVENTEENTH (17TH) OMNIBUS (SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO SECTION 502 OF THE BANKRUPTCY
CODE, BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1**

I, Frank A. Pometti, pursuant to 28 U.S.C. § 1746, declare:

1. I am a Managing Director at AlixPartners LLP, the financial advisor to the Plan Administrator and Post-Effective Date Debtors. I was formerly the Debtors' Chief Restructuring Officer during their chapter 11 cases.

2. I am one of the persons responsible for overseeing the claims reconciliation and objection process in these chapter 11 cases. I have read the *Post-Effective Date Debtors' Seventeenth (17th) Omnibus (Substantive) Objection to Claims Pursuant to Section 502 of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1* (the "Objection"),² and am directly, or by and through other personnel or representatives of the Post-Effective Date Debtors, reasonably familiar with the information contained therein, the Proposed Order, and the exhibit attached thereto. I am authorized to execute this declaration on behalf of the Post-Effective Date Debtors.

3. Considerable resources and time have been expended in reviewing and

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reconciling the proofs of claim filed or pending against the Post-Effective Date Debtors and their estates in these chapter 11 cases. The Disputed Claims were carefully reviewed and analyzed in good faith utilizing due diligence by the appropriate personnel and representatives of the Post-Effective Date Debtors. These efforts resulted in the identification of the Disputed Claims.

4. The Post-Effective Date Debtors have determined that the Post-Effective Date Debtors and their estates are not liable on account of the No Liability Claim due to a settlement entered into between the Post-Effective Date Debtors and the Claimant to resolve an adversary proceeding in these cases. Accordingly, to prevent the claimant from potentially receiving an unwarranted recovery, to the detriment of creditors in these chapter 11 cases, the Post-Effective Date Debtors seek to disallow and expunge the No Liability Claim identified on **Exhibit A** to the Proposed Order.

5. The Post-Effective Date Debtors have reviewed their books and records and determined that the Modified Amount Claim should be modified as provided for on **Exhibit B** to the Proposed Order due to a settlement entered into between the Post-Effective Date Debtors and the Claimant to resolve an adversary proceeding in these cases. Thus, the Post-Effective Date Debtors seek to modify the amount of the Modified Amount Claims as provided for on **Exhibit B** to the Proposed Order.

6. The Post-Effective Date Debtors have reviewed their books and records and determined that the Modified Amount, Reclassified Claim should be modified and reclassified as provided for on **Exhibit C** to the Proposed Order to prevent the claimant from potentially receiving unwarranted recoveries and undue administrative expense status, to the detriment of other creditors in these chapter 11 cases. Thus, the Post-Effective Date Debtors seek to both

modify the amount of and reclassify the Modified Amount, Reclassified Claim as provided for on **Exhibit C** to the Proposed Order.

7. The information contained in **Exhibits A, B, & C** to the Proposed Order is true and correct to the best of my knowledge, information and belief.

8. I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information and belief.

Executed on July 1, 2022

/s/ Frank A. Pometti

Frank A. Pometti

Managing Director, AlixPartners LLP

EXHIBIT 2

PROPOSED ORDER

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

In re:	:	Chapter 11
WELDED CONSTRUCTION, L.P., <i>et al.</i> ,	:	Case No. 18-12378 (LSS)
Debtors. ¹	:	(Jointly Administered)
	:	Re: D.I. ____

**ORDER SUSTAINING POST-EFFECTIVE DATE DEBTORS'
SEVENTEENTH (17TH) OMNIBUS (SUBSTANTIVE)
OBJECTION TO CLAIMS PURSUANT TO SECTION 503 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULE 3007 AND LOCAL RULE 3007-1**

Upon consideration of the *Post-Effective Date Debtors' Seventeenth (17th) Omnibus (Substantive) Objection to Claims Pursuant to Section 503 of the Bankruptcy Code, Bankruptcy Rule 3007 and Local Rule 3007-1* (the "Objection")²; and it appearing that this Court has jurisdiction to consider the Objection pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and it appearing that venue of these chapter 11 cases and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Objection is in the best interests of the Post-Effective Date Debtors, their estates, their creditors and other parties in interest; and it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon and good and

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² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Objection.

sufficient cause appearing therefor; it is hereby **ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Objection is SUSTAINED, as set forth herein.
2. The No Liability Claim identified on Exhibit A to the Order is hereby disallowed and expunged.
3. The Modified Amount Claim identified on Exhibit B to the Order is hereby modified to the amount indicated in the column titled “*MODIFIED CLAIM AMOUNT*” on Exhibit B to the Order.
4. The Modified Amount, Reclassified Claim identified on Exhibit C to the Order is hereby modified to the amount and reclassified to the priority level indicated in the columns titled “*MODIFIED CLAIM CLASS*” and “*MODIFIED CLAIM AMOUNT*” on Exhibit C to the Order.
5. The Post-Effective Date Debtors’ objection to each Disputed Claim addressed in the Objection constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order shall be deemed a separate Order with respect to each claim. Any stay of this Order pending appeal by any of the claimants subject to this 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 Order with respect to the other contested matters covered hereby.
6. Any and all rights of the Post-Effective Date Debtors and their estates to amend, supplement, or otherwise modify the Objection and to file additional objections to any and all claims filed in these chapter 11 cases, including, without limitation, any and all of the Disputed Claims shall be reserved. Any and all rights, claims and defenses of the Post-Effective Date Debtors and their estates with respect to any and all of the Disputed Claims

shall be reserved, and nothing included in or omitted from the Objection is intended or shall be deemed to impair, prejudice, waive or otherwise affect any rights, claims, or defenses of the Debtors and their estates with respect to the Disputed Claims.

7. KCC is authorized and directed to expunge the No Liability Claim from the official claims register in these chapter 11 cases.

8. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

EXHIBIT A**No Liability Claim**

No.	Name	Date Claim Filed	Claim Number	Asserted Claim Amount	Asserted Claim Class	Reason for Disallowance
1	Off Duty Services, Inc.	2/27/2019	579	\$332,220.24	Administrative Secured Priority General Unsecured	Claim fully satisfied pursuant to settlement agreement entered into between the Post-Effective Date Debtors and Claimant resolving Adv. Pro. No. 20-50941.

EXHIBIT B
Modified Amount Claim

No.	Name	Date Claim Filed	Claim Number	Asserted Claim Amount	Asserted Claim Class	Modified Claim Amount	Modified Claim Class	Reason
1	U.S. Bagging, LLC	12/6/2018	98	\$0.00 \$0.00 \$0.00 \$306,345.00	Administrative Secured Priority General Unsecured	\$0.00 \$0.00 \$0.00 \$218,345.00	Administrative Secured Priority General Unsecured	Claim partially satisfied pursuant to settlement agreement entered into between the Post-Effective Date Debtors and Claimant resolving Adv. Pro. No. 20-50953.

EXHIBIT C**Modified Amount, Reclassified Claim**

No.	Name	Date Claim Filed	Claim Number	Asserted Claim Amount	Asserted Claim Class	Modified Claim Amount	Modified Claim Class	Reason
1	The Travelers Indemnity Company and its Property Casualty Insurance Affiliates	2/28/2019	843	\$109,166.00 \$0.00 \$0.00 \$493,461.00	Administrative Secured Priority General Unsecured	\$0.00 \$0.00 \$0.00 \$602,627.00	Administrative Secured Priority General Unsecured	Claimant's \$109,166.00 administrative expense claim should be reclassified as a general unsecured claim because the administrative claim is on account of an audit conducted in the postpetition period. However, the policy period the audit covered related in large part to the prepetition period (5/1/18 through 5/1/19). Had Claimant correctly priced its property casualty policy in the first instance, the entire 2018-19 premium balance would have been due and owing in the ordinary course, prepetition. At the time of the audit, Debtor was winding down and thus the administrative claim does not relate to any additional use of property by Debtor during the bankruptcy case. Accordingly, Debtor should not be liable for an administrative expense claim arising from Claimant's own pricing error or missed assumptions, and Claimant's administrative expense claim should therefore be reclassified as a general unsecured claim.