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October 5, 2020

*By ECF and E-Mail*

Honorable Michael E. Wiles  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green  
New York, New York 10004-1408

Re: *In re Westinghouse Electric Company LLC, et al.* (the “Debtors”),  
Case No. 17-10751 (Bankr. S.D.N.Y.)

Dear Judge Wiles:

On behalf of W Wind Down Co LLC (“**Wind Down Co**”), I write in response to the September 23, 2020 letter from Mr. Russ V. Debnam [ECF No. 4585] regarding taxes withheld from the Distribution made on account of Mr. Debnam’s Allowed Class 3A General Unsecured Claim.

Pursuant to the *Order Regarding the Claim of Russ V. Debnam* entered on July 7, 2020 [ECF No. 4575], the Court determined that the maximum allowable amount of Mr. Debnam’s claim (Proof of Claim No. 3644) was \$200,000. Following entry of that order, Wind Down Co, at the direction of the Plan Oversight Board, made the determination to allow the Claim in the full amount of \$200,000.00 (the “**Gross Settlement Amount**”). In the email attached as **Exhibit A**, Wind Down Co contacted Mr. Debnam to inform him that his Claim was being allowed in the maximum allowable amount, and noted that the Gross Settlement Amount would be subject to certain withholding taxes as required under the Plan. Mr. Debnam acknowledged receipt of Wind Down Co’s email and provided information about where to mail the check.

Pursuant to Section 7.14 of the Plan, “any party issuing any instrument or making any Distribution described in the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions pursuant to the Plan and all related agreements shall be subject to any such withholding or reporting requirements.” Following the Effective Date, Wind Down Co retained the Distribution Agent to calculate necessary withholdings on all Distributions to ensure Wind Down Co’s compliance with its obligations under the Plan.



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Honorable Michael E. Wiles

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Because Mr. Debnam's Claim arises from his employment with the Debtors, applicable law requires Wind Down Co to withhold both payroll and employee taxes. Wind Down Co has similarly withheld both payroll and employee taxes from every Allowed Claim held by employees or former employees of the Debtors, and calculated Mr. Debnam's Distribution in the same manner as all other employee claims. Accordingly, the Distribution Agent performed the below calculation to determine the net amounts payable to Mr. Debnam, after taking into account applicable withholdings.

Gross Settlement Amount	\$200,000.00
Employer Payroll Taxes	\$11,411.93
W-2 Wages	\$188,588.07
Employee Taxes	\$65,962.47
Net check	\$122,625.60

Therefore, the Distribution amount Mr. Debnam received on account of his Claim reflects the maximum allowable amount as set forth by this Court, less the amount that Wind Down Co is required to withhold from Distributions made pursuant to the Plan. All amounts withheld from Mr. Debnam's Distribution have been paid to applicable taxing authorities, and no such amounts are retained by Wind Down Co.

For the reasons set forth above, Wind Down Co respectfully submits that it has complied with its obligations under the Plan and the Court's Order regarding Mr. Debnam's Claim.

We are available at the Court's convenience to discuss this matter further should the Court have any questions.

Respectfully submitted,

/s/ Kyle J. Kimpler

Kyle J. Kimpler

cc:

Russ V. Debnam

**Exhibit A**

**James, Shamara R**

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**From:** James, Shamara R  
**Sent:** Thursday, July 23, 2020 12:44 PM  
**To:** RUSS DEBNAM  
**Cc:** Kimpler, Kyle; Donnelly, Neal; Brown, Susan; Kanazireva, Emilia  
**Subject:** WEC/Debnam Claim Allowance  
**Attachments:** WEC - Second Amended Plan [Dkt No 2986].pdf; WEC - Order re Debnam Claim [Dkt No 4575].pdf

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Mr. Debnam,

We are writing in connection with the hearing held on June 16, 2020 regarding your claim, Claim 3644, and the Court's subsequent order [ECF No.4575] providing that "pursuant to Sections 8.3 and 8.7 of the Plan, the maximum allowable amount of the Claim is \$200,000." The Order also provides that "Mr. Debnam is barred from asserting any amount greater than \$200,000."

We are pleased to report that the Plan Oversight Board, which is responsible for allowing all claims in the Westinghouse bankruptcy, has determined to Allow your Claim in the maximum allowable amount of \$200,000. The Distribution Agent will therefore send you a check on account of your Allowed Class 3A General Unsecured Claim, subject to the withholding of applicable taxes required pursuant to Section 7.14 of the Plan. Please advise us immediately of the address that such check should be sent. Further, please note that your failure to timely cash a distribution check may result in forfeiture of such distribution pursuant to Section 7.4 of the Plan.

Thank you and please let us know if you have any questions.

Best,  
Shamara

**Shamara R James** | Associate  
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