

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
	:	
WESTINGHOUSE ELECTRIC	:	Case No. 17-10751 (MEW)
COMPANY LLC, et al.,	:	
	:	
Debtors.	:	Confirmed Cases

ORDER DIRECTING PAYMENT

In response to an objection by W Wind Down Co LLC (“Wind Down Co”), the entity responsible for administering the Debtors’ obligations under their plan of reorganization, to the proof of claim no. 3644 filed by Russ V. Debnam, the Court issued an order, dated July 7, 2020, determining that the maximum allowable amount of the claim would be \$200,000, based on the maximum amount of wages that Mr. Debnam could have earned had his employment not been terminated. Wind Down Co determined to pay the full \$200,000 amount to satisfy the claim, which Mr. Debnam agreed to accept. As the payment arises out of the claimant’s employment with the Debtors, federal and state law subject the payment to certain employment tax withholdings. Wind Down Co made a net distribution to Mr. Debnam of \$122,62560, deducting both the employee (\$65,962.47) and employer (\$11,411.93) portion of employment taxes. Mr. Debnam filed an objection to the withholding of the \$11,411.93 employer portion of the taxes, arguing that the employer portion was not his obligation but an obligation of his employer. The Court treated Mr. Debnam’s objection as a motion to compel payment and a hearing was held on December 2, 2020 (the “Hearing”). For the reasons stated on the record of the Hearing, the Court held that although it was correct for Wind Down Co to withhold the debtor’s portion of



withholding taxes, the \$11,411.93 employer portion of the taxes was not a legal obligation of Mr. Debnam and should not have been taken out of his recovery.

Based upon the foregoing, it is hereby

ORDERED, that Wind Down Co pay Mr. Debnam the \$11,411.93 it erroneously withheld.

Dated: New York, New York
December 7, 2020

/s/ Michael E. Wiles
UNITED STATES BANKRUPTCY JUDGE