

Case 23-10024-JTD

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

FILED

2023 OCT 11 AM 9:16

In re: Tricida, Inc.,
Debtor

CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

Chapter 11
Case No. 23-10024 (JTD)
Related Docket Nos. 594, 603 and 604

**ANSWER TO LIQUIDATING TRUSTEE'S REPLY TO FDAID LLC'S RESPONSE TO LIQUIDATING
TRUSTEE'S OBJECTION TO PRIORITY CLAIM**

FDAID LLC, through its sole representative DeVaugh Edwards, respectfully submits this rebuttal to the Liquidating Trustee's reply, dated October 3, 2023, and states as follows:

I. FDAID LLC Qualifies for Priority under Section 507(a)(4)(B)

1. The Liquidating Trustee objects to Claim 60 by arguing that FDAID LLC is not entitled to priority because the claim is not based on "sales commissions." The Trustee further states that the Consulting Agreement does not involve sales of products or services for Tricida, Inc. Claim 60, filed by FDAID, describes fees for consulting services as its basis. These consulting services provided to Tricida Inc. are undoubtedly "services" in every reasonable and logical interpretation of the term. Mr. Hazeltine has been made aware of these services through shared emails between Tricida personnel and Mr. DeVaugh Edwards, along with invoices documenting the nature and extent of the work completed by FDAID.
2. However, the Black's Law Dictionary defines "commission" as "a fee or percentage allowed to a sales representative or an agent for services rendered." In this case, FDAID LLC acted as an "agent" for Tricida, Inc., providing essential services related to regulatory compliance. By virtue of the broad definition of "commission," the compensation in question should fall under the priority claim category.

II. The Legal Structure of FDAID LLC Should Not Preclude Priority

3. The Liquidating Trustee contends that FDAID LLC is a corporate entity, not an individual, and thus cannot claim priority under Section 507(a)(4)(A) of the Bankruptcy Code. However, this argument overlooks the fundamental essence of a single-member LLC as a 'disregarded entity' for tax purposes. Therefore, it functions similarly to a sole proprietorship, which qualifies under priority claims.



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4. The Trustee also refers to Florida law, stating that FDAID's limited liability status protects Mr. Edwards from personal liability for debts of FDAID. While this is accurate, it is irrelevant to the discussion of the priority claim, as the focus should be on the nature of the claim and not the structure of the entity making the claim.

III. Plain Language and Legislative Intent Support FDAID LLC's Claim

5. The Liquidating Trustee asserts that the "plain language of the statute" restricts priority to sales commissions. However, the term "commissions" is broader, especially as defined in legal dictionaries. Moreover, the legislative intent is to give priority to entities and individuals who have earned their income in a manner that closely resembles commissions, which is the case here.

Questioning the Grounds of Mr. Hazeltine's Objection

The objection raised by Mr. Hazeltine over a priority claim for a comparatively modest amount of \$3,000 appears to be both unnecessary and burdensome, particularly considering the hardship it imposes on Mr. Edwards, who operates as a sole proprietor through FDAID. In this regard, Mr. Hazeltine's objection appears to be not only groundless but also mean-hearted, wasting both the Court's time and resources and causing undue stress to Mr. Edwards.

Request for Admonishment

Given the lack of merit in the objection and the unnecessary hardship it imposes, FDAID respectfully requests that the Court admonish Mr. Hazeltine for the needless complication he has introduced into these proceedings.

CONCLUSION

In light of the aforementioned points, FDAID LLC respectfully requests that the Court reject the Liquidating Trustee's objection and uphold the priority status of Claim 60 as per the Bankruptcy Code Section 507(a)(4).

CERTIFICATE OF SERVICE

I, DeVaughn Edwards, do hereby certify that on this day, a copy of the foregoing Answer to Liquidating Trustee's Reply to FDAID LLC's Response to Liquidating Trustee's Objection to Priority Claim was forwarded to:

1. Clerk of Court
Delaware Bankruptcy Court
824 Market St., 3rd Floor
Wilmington, DE 19801
2. William A. Hazeltine, Esq.

▪ Case 23-10024-JTD

Sullivan Hazeltine Allinson LLC
919 North Market Street, Suite 420
Wilmington, Delaware 19801

Dated: October 4, 2023

DeVaughn Edwards
5514 Garden Arbor Drive
Lutz, FL 33558
Phone Number: 732-895-7831
Email Address: devaughn@gmail.com

To: Honorable John T. Dorsey, United States Bankruptcy Court for the District of Delaware

From: DeVaughn Edwards, Claimant

Date: September 27, 2023

Re: Case No. 23-10024-JTD; In re Tricida, Inc. (23-10024), Debtor

Claim Number: #60

Subject: Advance Questions for Zoom Hearing Regarding Priority Claim Under 11 U.S.C. § 507(b)(4)

Honorable John T. Dorsey,

As the Claimant in the above-referenced case, I respectfully submit the following questions to be considered in advance of the upcoming Zoom hearing. These questions aim to challenge the objections made by Mr. William A. Hazeltine against my priority claim under Section 507(b)(4) of the Bankruptcy Code.

1. Is Mr. Hazeltine aware that Black's Law Dictionary defines "commission" as "a fee or percentage allowed to a sales representative or an agent for services rendered," and does he agree that an "agent" for a sole proprietorship is the proprietor themselves?

2. Does Mr. Hazeltine recognize that Section 507(b)(4)(B) uses the phrase "in the sale of goods or services," and if so, does he acknowledge that this includes services beyond just sales-based roles, as supported by Black's Law Dictionary?

3. Can Mr. Hazeltine explain why he has chosen to interpret the term "sales commissions" so narrowly, when the legal definition allows for a broader interpretation inclusive of agents providing services?

4. How does Mr. Hazeltine reconcile his narrow interpretation of "commission" with the broader interpretation provided by established legal dictionaries, and why should the court favor his interpretation?

5. Can Mr. Hazeltine provide case law or precedents that specifically limit the term "commission" solely to a fee or percentage earned from sales, excluding all other forms of service?

6. Does Mr. Hazeltine acknowledge that FDAID is a sole proprietorship, and as such, its single member should be considered an agent under the definition of "commission"?

7. Given that I was the sole agent of FDAID, can Mr. Hazeltine explain why I should not be afforded priority under Section 507(b)(4)(B)?

8. Can Mr. Hazeltine cite any legislative history or court decisions that clearly indicate the term "commission" in Section 507(b)(4)(B) was intended to be limited strictly to sales-based compensation?

9. Is Mr. Hazeltine aware that the purpose of priority claims in bankruptcy is to protect those who are most vulnerable, and does he believe that excluding sole proprietors like myself from this protection is in line with that purpose?

10. Given all the above, is Mr. Hazeltine willing to reassess his position on my priority claim, acknowledging that broader legal definitions and the spirit of the Bankruptcy Code could support my claim as a priority?

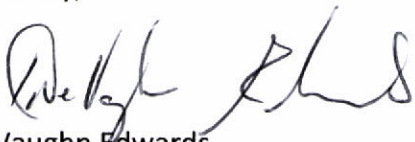
Thank you for considering these questions. I look forward to discussing them in more detail during the Zoom hearing.

Certificate of Service

I hereby certify that on September 27, 2023, a true and correct copy of the above document was served upon the following parties through electronic service and/or first-class mail:

William A. Hazeltine, Esq.
Sullivan Hazeltine Allinson LLC
919 North Market Street, Suite 420
Wilmington, Delaware 19801

Sincerely,



DeVaughn Edwards
5514 Garden Arbor Drive
Lutz, FL 33558
Telephone: 732-895-7831
Email: devaughn@gmail.com

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