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**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:) Chapter 11
)
GARRETT MOTION INC.,) Case No. 20-12212 (MEW)
et al.,) (Jointly Administered)
)
Debtors.) Related to Doc. No. 1464
_____)

**OBJECTION BY THE STATE OF NEW JERSEY, DIVISION OF TAXATION
TO REORGANIZED DEBTORS' NOTICE OF SATISFIED CLAIMS**

The State of New Jersey, Division of Taxation ("Taxation") hereby objects to the Reorganized Debtors' Notice of Satisfied Claims (Doc. No. 1464) (the "Notice"), and in support hereof, represents and states as follows:

PRELIMINARY STATEMENT

1. Taxation has no objection to the Notice to the extent that it seeks to expunge Claim No. 1044, as such claim was amended and superseded by Claim No. 2475.



2. However, Taxation requests that the Court overrule the Notice as to Taxation's Claim No. 2475 because the claim has not been satisfied. Instead, this Court should direct the Reorganized Debtors to pay Taxation's proof of claim pursuant to the confirmed Plan.

BACKGROUND

3. On September 20, 2020, Garrett Motion Inc. and certain of its affiliated companies (the "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

4. On January 28, 2021, Taxation filed a proof of claim, asserting a priority tax claim against one of the affiliated Debtors, BRH LLC, in the amount of \$20,480,571.12. See Claim No. 1044.

5. On April 14, 2021, Taxation filed Claim No. 2475, asserting a priority tax claim against BRH LLC in the amount of \$20,100,000.00. Claim No. 2475 amended and superseded Claim No. 1044.

6. On April 26, 2021, the Debtors' Amended Joint Chapter 11 Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") was confirmed. See Doc. No. 1161. The Effective Date of the Plan was April 30, 2021. See Doc. No. 1189.

7. On July 21, 2022, the Reorganized Debtors filed a Notice of Satisfied Claims. See Doc. No. 1464. The Notice advised

Taxation that the Reorganized Debtors have determined that "the U.S. Satisfied Claims [including Taxation's Claim Nos. 1044 and 2475] have been fully and finally satisfied," and the Reorganized Debtors "intend to direct their claims and noticing agent to expunge the Satisfied Claims from the official claims register." Id. at 1, 2.

ARGUMENT

8. With respect to Taxation's Claim No. 1044, the Notice states that the claim is duplicative of Claim No. 2475. Since Claim No. 1044 was amended and superseded by Claim No. 2475, Taxation has no objection to the expungement of Claim No. 1044, leaving Claim No. 2475 as the surviving claim.

9. With respect to Taxation's Claim No. 2475, the Notice states that Taxation's claim has been determined to be "fully and finally satisfied" because "Claim [No. 2475 will be] treated as [a] Priority Tax Claim in accordance with Section 3.4 of the Amended Joint Plan of Reorganization [Docket No. 1161]." Id., Exh. A.

10. Section 3.4 of the Plan provides for the treatment of allowed priority tax claims.¹ However, the fact that a confirmed

¹ Section 3.4 of the Plan provides, in relevant part:

Except to the extent that the applicable Holder of an Allowed Priority Tax Claim has been paid by the Debtors before the Effective Date, or such Holder agrees to less favorable treatment, each Holder

plan provides for treatment of a claim does not equate to "satisfaction" of the referenced claims. Payment is required.

11. According to Black's Law Dictionary, "satisfaction" is defined as "[t]he discharge of an obligation by paying a party what is due to him ... or what is awarded to him, by the judgment of a court or otherwise. Thus, a judgment is satisfied by the payment of the amount due to the party who has recovered such judgment, or by his levying the amount." Black's Law Dictionary 1342 (6th ed. rev. 1990).

12. A homeowner that budgets for all monthly expenses has not "satisfied" the utility bill until it is paid. Debtors' professionals likely would not consider their fee awards under Section 330 to be "satisfied" until the payment is in their firms' coffers.

13. Similarly, in this case, the Plan provides for the payment of allowed priority tax claims, but Taxation has not yet

of an Allowed Priority Tax Claim shall receive, on account of such Allowed Priority Tax Claim, at the option of the Debtors or, after the Effective Date, the Reorganized Debtors, (i) payment in full in Cash made on (a) or as soon as reasonably practicable after the Effective Date or (b) the date such payment is due in the ordinary course of business, (ii) regular installment payments in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, or (iii) such other amounts and in such other manner as may be determined by the Bankruptcy Court to provide the Holder of such Allowed Priority Tax Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.

See Doc. No. 1161 (Plan, Section 3.4).

received that payment.² The idea that a claim is provided for under a plan means that it has been "satisfied" is not the common understanding of the word "satisfied." In re Miami Metals I, Inc., 634 B.R. 249, 261 (Bankr. S.D.N.Y. 2021) ("[A] written agreement that is complete, clear and unambiguous on its face must be enforced according to the plain meaning of its terms. A plain meaning analysis requires the term be associated with a meaning in a contract consistent with its common usage.") (internal citations omitted).

14. Until the Reorganized Debtors pay Claim No. 2475 in full, the claim should not be deemed "fully and finally satisfied" or expunged from the claims register in this case.

15. Accordingly, Taxation objects to the Notice of Satisfied Claims as it relates to Claim No. 2475.

² In fact, Taxation has not been informed which of the various payment options provided for in the Plan the Reorganized Debtors have selected for payment of Taxation's allowed priority tax claim.

For the foregoing reasons, the State of New Jersey, Division of Taxation requests the Court: (1) overrule the Notice as to Taxation's Claim No. 2475; (2) direct the Reorganized Debtors to pay Taxation's Claim No. 2475; and (3) grant Taxation such other and further relief as the Court deems fair and equitable.

Respectfully submitted,

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