

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE-WILMINGTON

In Re:

HRI HOLDING CORP.,

Debtor.

Case No. 19-12415-MFW

Chapter 11

Honorable Mary F. Walrath

**STATE OF MICHIGAN DEPARTMENT OF TREASURY'S REPONSE IN  
OPPOSITION TO SECOND OMNIBUS OBJECTION (SUBSTANTIVE) OF  
PLAN ADMINISTRATOR TO CERTAIN PROOFS OF CLAIM**

NOW COMES Michigan Department of Treasury (hereinafter Treasury) and in response to Second Omnibus Objection (Substantive) of Plan Administrator to Certain Proofs of Claim as it relates to the Michigan Department of Treasury's Proof of Claim (Claim No. 17) states as follows:

1. On March 24, 2020, Treasury filed Proof of Claim 435 in related matter *In re Red Steer, Inc.*, Case No. 19-12418-MFW. Claim 435 listed \$223.52 in priority unsecured debt in the form of interest owed on Michigan Sales Tax owed for the tax periods of January 2017 and December 2017. The claim also listed \$1,822.66 in general unsecured debt in the form of penalty owed on Michigan Sales Tax owed for the tax periods of January 2017 and December 2017.

2. On July 27, 2022, Treasury amended Proof of Claim 435. The amended claim lists \$219.48 in priority unsecured debt in the form of interest owed on Michigan Sales Tax owed for the tax periods of January 2017 and December 2017. The claim also lists \$682.40 in general unsecured debt in the form of penalty owed on Michigan

3. Interest and penalties are owed on the above reference tax debt because



191241522072700000000002

although Debtor Red Steer ultimately paid the sales taxes owing, the sales taxes were paid late. If sales taxes are paid late interest is owed on the late payments. As Sworn Summary filed with Amended Proof of Claim 435 establishes, \$219.48 of the debt owed is interest on tax debt. (See Ex. 1, Amended Proof of Claim 435.)

4. Pursuant to 11 U.S.C. § 507(a)(8)(G), interest owed on a tax debt is a penalty entitled to priority treatment.

5. The Plan Administrator has sought in its Second Omnibus (Substantive) Objection to Certain Proofs of Claim that Treasury's priority debt should be reclassified to general unsecured debt rather than priority unsecured debt. No legal reason has been provided for this change in treatment of Treasury's priority unsecured debt other than to state that Treasury's claim should be reclassified because the Plan Administrator "vehemently contends" that it should be and sufficient proof of the debt does not exist. (R. 915, pps 4-5). However, both the original Proof of Claim and Amended Proof of Claim 435 contain sworn statements detailing the type of debt owed. No information has been produced to demonstrate that Treasury's Sworn Summaries are incorrect or that Debtor Red Steer timely filed is Sales Tax debt for the periods at issue.

WHEREFORE, for all the foregoing reasons, Michigan Department of Treasury respectfully requests that the Plan Administrator's objection and request to reclassify Treasury's priority unsecured debt be denied.

*/s/ Jeanmarie Miller*  
Jeanmarie Miller (P44446)  
Assistant Attorney General  
3030 W. Grand Blvd., Suite 10-200  
Detroit, MI 48202  
(313) 456-0140  
Email: Millerj51@michigan.gov

Dated: July 27, 2022

**Fill in this information to identify the case:**

Debtor 1 RED STEER, INC

Debtor 2 \_\_\_\_\_  
(Spouse, if filing)

United States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware  
(State)

Case number 19-12418-MFW (Lead Case No. 19-12415)

Official Form 410

**Proof of Claim**

12/15

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

**Part 1: Identify the Claim**

1. Who is the current creditor? Michigan Department of Treasury  
Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor \_\_\_\_\_

2. Has this claim been acquired from someone else?  No  
 Yes. From whom? \_\_\_\_\_

|  |  |  |
|--|--|--|
| 3. Where should notices and payments to the creditor be sent?<br><br>Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) | <b>Where should notices to the creditor be sent?</b> | <b>Where should payments to the creditor be sent? (if different)</b> <u>PAYABLE TO: State of MI-CD</u> |
|  | <u>Michigan Department of Treasury</u>               | <u>Michigan Department of Treasury/Revenue/AG</u>  |
| Name   | Name   | Name   |
| <u>3030 W. Grand Blvd-Cadillac Place, Suite 10-200</u>   | <u>P.O. Box 30456</u>                                |  |
| Number Street  | Number Street  |  |
| <u>Detroit MI 48202</u>  | <u>Lansing MI 48909-7955</u>                         |  |
| City State ZIP Code  | City State ZIP Code                                  |  |
| Contact phone <u>(313) 456-0140</u>  | Contact phone <u>(517) 241-5002</u>                  |  |
| Contact email <u>millerj51@michigan.gov</u>  | Contact email _____                                  |  |
| Uniform claim identifier for electronic payments in chapter 13 (if you use one):<br>_____                                |  |  |

4. Does this claim amend one already filed?  No  
 Yes. Claim number on court claims registry (if known) 679 Filed on 07/20/2022  
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?  No  
 Yes. Who made the earlier filing? \_\_\_\_\_

**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No 2214  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_\_

7. How much is the claim? \$ 901.88. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.  
Tax

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature of property:**  
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amounts should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) 6.39%  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_

The Michigan Department of Treasury has not identified a right of setoff or counterclaim. However, all rights of setoff are preserved and will be asserted to the extent lawful.

**12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$2,775\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$12,475\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)(    ) that applies.

**Amount entitled to priority**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\$ 219.48

\$ \_\_\_\_\_

\$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/16 and every 3 years after that for cases begun on or after the date of adjustment.

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 07/27/2022  
MM / DD / YYYY

/S/ Jeanmarie Miller

Signature

**Print the name of the person who is completing and signing this claim:**

Name Jeanmarie Miller  
First name Middle name Last name

Title Assistant Attorney General

Company State of Michigan Attorney General  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 3030 W. Grand Blvd, Cadillac Place, Suite 10-200  
Number Street

Detroit MI 48202  
City State ZIP Code

Contact phone (313) 456-0140 Email millerj51@michigan.gov

|   |          |  |   |
|---|----------|--|---|
| Michigan Department of Treasury<br>4265 (11-04)<br><b>Sworn Summary</b><br>Issued under federal code, Title XI<br><b>Type of Claim: Priority</b><br>Amended 1 | 64317449 | <b>Case Number:</b><br>19-12418 MFW<br><b>Taxpayer Identification:</b><br>2214 | Page 1 of 1<br>21852296<br><b>Attorney General:</b><br>ATTORNEY DETROIT |
|---|----------|--|---|

|   |                                       |
|---|---------------------------------------|
| <b>RED STEER, INC.</b><br>JOINTLY ADMIN: HRI HOLDING CORP<br>8700 STATE LINE ROAD<br>LEAWOOD, KS. 66206 | <b>Other Identification:</b><br>F2214 |
|---|---------------------------------------|

| Assessment Number | Debt Code | Assessment Date | Account ID | Tax Period    | *If Est | Tax Deficiency | Penalty       | Interest        |
|-------------------|-----------|-----------------|------------|---------------|---------|----------------|---------------|-----------------|
| VA1ST8U           | MST       | 10/19/18        | F2214      | DECEMBER 2017 |         | \$0.00         | \$0.00        | \$219.48        |
|                   |           |                 |            |               |         | <b>\$0.00</b>  | <b>\$0.00</b> | <b>\$219.48</b> |

|  |                    |   |
|--|--------------------|---|
| <b>Debt Codes:</b><br>MST - MICHIGAN SALES TAX | <b>TOTAL CLAIM</b> | <div style="border: 1px solid black; padding: 2px; display: inline-block;">                     \$219.48                 </div> |
|--|--------------------|---|

\* An asterisk in this column indicates that tax liability is estimated based on the best information available since actual returns have not been filed. This claim will be adjusted when actual returns are filed.

KAVITA KALE \_\_\_\_\_ being duly sworn, deposes and says (s)he is authorized to act for the Department of Treasury and, to the best of her/his knowledge and belief, the defendant is indebted to the State of Michigan in this amount.

Signature: */s/ Kavita Kale* Date: 07/18/2022

