IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: Chapter 11

Case No. 19-12415 (MFW) HRI HOLDING CORP., et al., 1 (Jointly Administered)

> Hearing Date: August 6, 2024 at 10:30 am (ET) Debtors. Objection Deadline: July 22, 2024 at 4:00 pm (ET)

OBJECTION OF PLAN ADMINISTRATOR TO PROOF OF CLAIM FILED BY KILLALA, LLC

Anthony M. Saccullo, in his capacity as the Plan Administrator of HRI Holding Corp. and its affiliated debtors in the above-captioned chapter 11 bankruptcy proceeding (the "Plan Administrator"), through his undersigned counsel pursuant to section 502 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 3007 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 3007-1 and 9006-1(d) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") file this objection (the "Objection") and seeks entry of an order, substantially in the form attached hereto, disallowing the claim identified herein for the reasons stated herein and respectfully states as follows:

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Houlihan's Texas Holdings, Inc. (5485). On November 17, 2021, the Court entered a final decree closing certain of the original affiliated Debtors' Chapter 11 Cases [D.I. 883]. The Debtors' mailing address is HRI Holdings Corp., c/o Saccullo Business Consulting, LLC, 27 Crimson King Drive, Bear, Delaware 19701.

Jurisdiction

- 1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.
 - 2. Venue is proper under 28 U.S.C. §§ 1408 and 1409.
- 3. The legal bases for the relief requested in this Objection are section 502 of the United States Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rules 3007-1 and 9006-1(d).

Background

- 4. On November 5, 2020, the Court confirmed the Debtors' Plan pursuant to its Findings of Fact, Conclusions of Law and Order (I) Confirming Joint Chapter 11 Plan of HRI Holding Corp. and its Debtor Affiliates and (II) Approving the Disclosure Statement on a Final Basis [D.I. 735] (the "Confirmation Order").
- 5. On November 13, 2020 (the "<u>Effective Date</u>"), the plan of reorganization (the "<u>Plan</u>") was substantially consummated.
- 6. Pursuant to Article IV, Section F and Article VII, Section B of the Plan, the Plan Administrator was vested with standing and authority to object to claims.

The Claims Reconciliation Process

7. On December 12, 2019, the Debtors filed their schedules of assets and liabilities and executory contracts and unexpired leases and statements of financial affairs [D.I.s 187-268],

as required by section 521 of the Bankruptcy Code, and filed amended schedules on January 20, 2020 [D.I.s 368-406]

8. On February 26, 2020, the Court entered the Order Establishing Bar Dates for Filing Claims and Approving Form and Manner of Notice Thereof [D.I. 498] (the "Bar Date Order") which, among other things, established April 1, 2020, as the deadline for all creditors of the Debtors holding or wishing to assert a "claim" (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors that arose before the Petition Date (each a "Claim") including any claim arising under section 503(b)(9) of the Bankruptcy Code, to file proof of such Claim in writing (the "Consumer Bar Date"). Per the Bar Date Order, April 1, 2020, also was the Administrative Bar Date. Notice of the Bar Date Order was provided in accordance with the procedures outlined therein. On March 8, 2024, the Plan Administrator revised the schedules [D.I. 1013], which sought, inter alia, to adjust the scheduled claim (Schedule No. 3210609) (the "Original Scheduled Claim") of Killala, LLC (the "Claim Holder") from the original schedule amount of \$14,583.33 (the "Original Scheduled Amount") to a corrected schedule amount of \$6,319.44 (the "Corrected Scheduled Amount") based on payment information contained in the Debtors' books and records. The Claim Holder then filed a proof of claim dated May 3, 2024 in the amount of \$14,583.33 (the "Disputed Claim"), asserting the exact equivalent of the Original Scheduled Amount. A true and correct copy of the Disputed Claim is attached hereto as Exhibit <u>A</u>.

Objection

9. The Debtors are not liable to the Claim Holder for the entire Disputed Claim and are only liable for the Corrected Scheduled Amount, not only because the deadline to object to the Amended Schedules had passed on April 1, 2024, well prior to the Claim Holder filing the

Disputed Claim, but also because the Claim Holder already has received \$8,263.89 as part of the cure payments made by Landry's in connection with the assumption of the location that is the subject of the Disputed Claim via check number 2253887, which according to the Debtors' books and records was issued on January 10, 2020.

Additional Basis for Relief

- 10. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that (a) it has a "right to payment" for the asserted liabilities and (b) the claim is otherwise allowable. 11 U.S.C. §§ 101(5) and 101(10).
- 11. When asserting a claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. See In re Allegheny Int'l, Inc., 954 F.2d 167, 173 (3d Cir. 1992); In re Int'l Match Corp., 69 F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where the claimant alleges sufficient facts to support its claim, its claim is afforded prima facie validity. In re Allegheny Int'l, Inc., 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim's prima facie validity. Id. In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. Id. at 173-74. Once the objection party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of evidence. Id. The burden of persuasion is always on the claimant. Id.
- 12. For the reasons set forth herein, the Court should disallow the Disputed Claim, as requested herein. If the Disputed Claim is not formally disallowed, the potential exists for the applicable claimant to receive recovery to which it is not entitled, to the detriment of the Debtors'

other stakeholders. Thus, the relief requested herein is necessary to prevent any inappropriate distribution of estate funds and to facilitate the administration of the claims allowance process.

Response to Objection

13. If a claimant fails to file and serve a timely Response by the Response Deadline, the Plan Administrator may present to the Court an appropriate order disallowing, expunging, and/or reassigning the claim, without further notice to the claimant or a hearing.

Replies to Responses

14. Consistent with local Rule 9006-1(d), the Plan Administrator may file and serve a reply no later than 4:00 p.m. (prevailing Eastern Time) one day prior to the deadline for filing the agenda on any hearing to consider the Objection.

Reservation of Rights

15. The Plan Administrator expressly reserves the right to amend, modify, or supplement this Objection and to file additional substantive (to the extent allowable by the Court) or non-substantive objections to the Disputed Claim objected to herein, filed or not, which may be asserted against the Debtors. Should one or more of the grounds of objection stated in this Objection be overruled, the Plan Administrator reserves its right to object on any other applicable grounds. In addition, the Plan Administrator reserves the right to seek to reduce any Claims for any reason, including to the extent such Claim has been paid. The Plan Administrator reserves his right to raise further objections, including objections under section 502(d) of the Bankruptcy Code. To the maximum extent allowable by the Court, nothing in this Objection or the relief requested herein shall limit the Plan Administrator's right to bring future and/or additional objections to any of the Disputed Claims on any basis.

Conclusion

16. In sum, the Plan Administrator has determined that the Disputed Claim must be disallowed, *inter alia*, because it was not timely filed.

WHEREFORE, the Plan Administrator respectfully requests that the Court enter an order substantially in the form attached hereto as <u>Exhibit B</u>, granting the relief requested herein and such other and further relief as is just and equitable.

Dated: July 8, 2024 Wilmington, DE GELLERT SEITZ BUSENKELL & BROWN, LLC

/s/ Amy D. Brown

Ronald S. Gellert (DE 4259) Amy D. Brown (DE 4077) 1201 N. Orange St., Suite 300 Wilmington, Delaware 19801 Telephone: (302) 425-5800 Facsimile: (302) 425-5814

rgellert@gsbblaw.com abrown@gsbblaw.com

Counsel for the Plan Administrator

EXHIBIT A

Case 19-12415-MFW Doc 1031-1 Filed 07/08/24 Page 2 of 4

Claim #683 Date Filed: 5/13/2024

United States Bankruptcy Court for the District of Delaware					
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)					
□ HRI Holding Corp. (Case No. 19-12415) □ Houlihan's Restaurants, Inc. (Case No. 19-12416) □ HDJG Corp. (Case No. 19-12417) □ Red Steer, Inc. (Case No. 19-12418) □ Sam Wilson's/Kansas, Inc. (Case No. 19-12419) □ Darryl's of St. Louis County, Inc. (Case No. 19-12420) □ Darryl's of Overland Park, Inc. (Case No. 19-12421) □ Houlihan's of Ohio, Inc. (Case No. 19-12422) □ HRI O'Fallon, Inc. (Case No. 19-12423) □ Algonquin Houlihan's Restaurant, L.L.C. (Case No. 19-12424) □ Houlihan's Texas Holdings, Inc. (Case No. 19-12425) □ Houlihan's Restaurants of Texas, Inc. (Case No. 19-12426) □ Geneva Houlihan's Restaurant, L.L.C. (Case No. 19-12427)	□ JGIL Mill OP LLC (Case No. 19-12429) □ JGIL Millburn, LLC (Case No. 19-12430) □ JGIL Millburn, LLC (Case No. 19-12431) □ JGIL, LLC (Case No. 19-12432) □ JGIL, LLC (Case No. 19-12433) □ JGIL Holding Corp. (Case No. 19-12433) □ JGIL Omaha, LLC (Case No. 19-12434) □ HOP NJ NY, LLC (Case No. 19-12435) □ HOP Farmingdale LLC (Case No. 19-12437) □ HOP Cherry Hill LLC (Case No. 19-12437) □ HOP Paramus LLC (Case No. 19-12438) □ HOP Lawrenceville LLC (Case No. 19-12439) □ HOP Brick LLC (Case No. 19-12440) □ HOP Secaucus LLC (Case No. 19-12441)	HOP Bayonne LLC (Case No. 19-12443) HOP Fairfield LLC (Case No. 19-12444) HOP Ramsey LLC (Case No. 19-12445) HOP Bridgewater LLC (Case No. 19-12446) HOP Parsippany LLC (Case No. 19-12447) HOP Westbury LLC (Case No. 19-12448) HOP Weehawken LLC (Case No. 19-12449) HOP New Brunswick LLC (Case No. 19-12450) HOP Holmdel LLC (Case No. 19-12451) HOP Woodbridge LLC (Case No. 19-12452) Houlihan's of Chesterfield, Inc. (Case No. 19-12453)			
☐ Houlihan's Restaurants of Texas, Inc. (Case No. 19-12426)	☐ HOP Brick LLC (Case No. 19-12440)				

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or 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.

1. Who is the currer creditor?	Name of the current creditor (the person or entity to be paid for this cl	aim)			
	Other names the creditor used with the debtor				
Has this claim be acquired from someone else?	PNO Yes. From whom?	la LLC			
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? EUGCNE GILOSPIE	Where should payments to the creditor be sent? (if different)			
Federal Rule of Bankruptcy Proced (FRBP) 2002(g)	ure Namer Street N J 0706/City State ZIP Code	Number Street City State ZIP Cod			
RECEIVED	Country Contact phone Eugene Gillespi @	Country Contact phone			
MAY 1 3 2024	Contact email 2013819-3454 EFG 651 @ Yahoo r CoM Uniform claim identifier for electronic payments in chapter 13 (if you o	Contact emailuse one):			
AMAN CARSON CONSULTAN 4. Does this claim amend one alread filed?	[7] No	Filed on MM / DD / YYYY			
5. Do you know if anyone else has a proof of claim f					

Official Form 410

Proof of Claim



Case 19-12415-MFW Doc 1031-1 Filed 07/09/24 The Property of the Case 19-12415-MFW Doc 1031-1 Filed 07/09/24 The Case 19-12415-

Do you have any number		2 -No				
6. Do you have any number you use to identify the debtor?						
	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
7. How much is the claim?		\$ 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).				
	is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.				
claim	•	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.				
		Rent Broke lease agreement				
		agreement				
Is all	or part of the claim	1 No				
secur	ed?	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 amount should match the amount in line 7				
*	RECEIVED	Amount necessary to cure any default as of the date of the petition: \$				
	MAY 1 3 2024	Annual Interest Rate (when case was filed)%				
KURTZMAN CARSON CONSULTANTS		Fixed				
		Variable ————————————————————————————————————				
10. Is this claim based on a No 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 No				
		Yes, Identify the property:				

Official Form 410

Proof of Claim



12. Is all or part of the claim entitled to priority under	□ No		
11 U.S.C. § 507(a)?	Yes. Check all that apply:	Amount entitled to priority	
A claim may be partly priority and partly	Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$	
nonpriority. For example, in some categories, the law limits the amount entitled to priority.	Up to \$3,025* 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 \$13,650*) 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.	\$	
	* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begu	n on or after the date of adjustment.	
13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?	No Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$14_583.33		
Part 3: Sign Below			
The person completing Check the appropriate box:			
this proof of claim must sign and date it.	I am the creditor.		
FRBP 9011(b).	I am the creditor's attorney or authorized agent.		
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.		
A person who files a	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calc the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.		
fraudulent claim could be fined up to \$500,000,	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.		
imprisoned for up to 5 years, or both.	I declare under penalty of perjury that the foregoing is true and correct.		
18 U.S.C. §§ 152, 157, and 3571.	Executed on date 5 3 202 4		
	Lyn Julyin Signature		
	Print the name of the person who is completing and signing this claim: Name Eugene Eugene Silves pi		
		name	
	Company Company Compa	ıf.	
RECEIVED .	Address 204 Miller Are		
MAY 1 3 2024	Number Street City State ZIP C	ode Country	
	Contact phone 201-819-3454 Email		

KURTZWAN CARSON CONSULTANTS

Proof of Claim

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
HRI HOLDING CORP., et al., 1	Case No. 19-12415 (MFW) (Jointly Administered)
Debtors.	

ORDER GRANTING OBJECTION OF PLAN ADMINISTRATOR TO PROOF OF CLAIM FILED BY KILLALA, LLC

WHEREAS the Court having reviewed the *Objection of Plan Administrator to Proof of Claim filed by Killala, LLC* and any and all responses thereto it is hereby ORDERED that claim number 683 is hereby disallowed.

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Houlihan's Texas Holdings, Inc. (5485). On November 17, 2021, the Court entered a final decree closing certain of the original affiliated Debtors' Chapter 11 Cases [D.I. 883]. The Debtors' mailing address is HRI Holdings Corp., c/o Saccullo Business Consulting, LLC, 27 Crimson King Drive, Bear, Delaware 19701.

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

Debtors.	Hearing Date: August 6, 2024 at 10:30 am (ET) Objection Deadline: July 22, 2024 at 4:00 pm (ET)
HRI HOLDING CORP., et al., 1	Case No. 19-12415 (MFW) (Jointly Administered)
In re:	Chapter 11

NOTICE OF OBJECTION OF PLAN ADMINISTRATOR TO PROOF OF CLAIM FILED BY KILLALA, LLC

TO: The United States Trustee for the District of Delaware, affected claimant, and all parties who have previously requested notice pursuant to Bankruptcy Rule 2002.

The Plan Administrator (the "<u>Plan Administrator</u>") in the above-captioned proceedings of HRI Holding Corp., *et al.*, by and through their undersigned counsel, has filed the attached **Objection Of Plan Administrator To Proof Of Claim Filed By Killala, LLC** (the "<u>Objection</u>").

Responses, if any, to the relief requested in the Objection are to be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware, 19801 on or before **July 22, 2024, at 4:00 p.m. (ET)**. At the same time, you must serve a copy of any response upon the following parties so as to be received no later than 4:00 p.m. on **July 22, 2024, at 4:00 p.m. (ET)**.

- 1. <u>Counsel for the Plan Administrator</u>, Gellert Seitz Busenkell & Brown, LLC, 1201 N. Orange Street, Suite 300 Wilmington, Delaware 19801 (Attn: Amy D. Brown, Esq.)
- 2. The Office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801
- 3. <u>The Office of the United States Trustee</u>, J. Caleb Boggs Federal Building, 844 N. King Street, Room 2207, Lockbox 35, Wilmington, Delaware 19801 (Attn: Jane M. Leamy)

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Houlihan's Texas Holdings, Inc. (5485). On November 17, 2021, the Court entered a final decree closing certain of the original affiliated Debtors' Chapter 11 Cases [D.I. 883]. The Debtors' mailing address is HRI Holdings Corp., c/o Saccullo Business Consulting, LLC, 27 Crimson King Drive, Bear, Delaware 19701.

In addition, if you have timely filed a written response and wish to oppose the Objection, you or your attorney must attend the hearing on the Objection scheduled to be held on **August 6 2024 at 10:30 am (ET)** in the courtroom of the Honorable Mary F. Walrath, Judge of the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 8, 2024 Wilmington, DE GELLERT SEITZ BUSENKELL & BROWN, LLC

/s/ Amy D. Brown

Ronald S. Gellert (DE 4259) Amy D. Brown (DE 4077) 1201 N. Orange St., Suite 300 Wilmington, Delaware 19801 Telephone: (302) 425-5800 Facsimile: (302) 425-5814

rgellert@gsbblaw.com abrown@gsbblaw.com

Counsel for the Plan Administrator