IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

IN RE:

NU RIDE INC., ET AL.,1

Reorganized Debtors.

CHAPTER 11

CASE NO. 23-10831 (MFW)

(Jointly Administered)

JOHNSON CONTROLS FIRE PROTECTION LP'S RESPONSE TO OBJECTION TO FOURTH (NON-SUBSTANTIVE) OMNIBUS OBJECTION TO CLAIMS

Johnson Controls Fire Protection LP ("**JCFP**"), files this response to the *Post-Effective Date Debtors' and Claims Ombudsman's Joint Fourth (Non-Substantive) Omnibus Objection to Claims* (the "**Objection**"). [Doc. No. 1297.] In support of its Objection, JCFP states as follows:

Background

- 1. JCFP filed proof of claim number 16 in Delaware Bankruptcy Court case number 23-10831 on August 9, 2023 (the "**JCFP Claim**"). Attached to its proof of claim were invoices reflecting that Lordstown Motors Corp. owed it \$54,066.50.
 - 2. On August 27, 2024, the Debtors and the Claims Ombudsman filed the Objection.
- 3. The JCFP Claim is listed on Schedule 2 to Exhibit A. The reason provided for the proposed disallowance of the JCFP Claim was "Debtors' records indicate liability assumed and satisfied by Foxconn." [Doc. No. 1297-1 at 11.]

¹ The Reorganized Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Reorganized Debtors' service address is: Nu Ride Inc. c/o William Gallagher, CEO, M 3 Partners, 1700 Broadway, 19th Floor, New York, NY 10019.



- 4. In his declaration in support of the motion, the Claims Ombudsman stated that he and his professionals determined that the Debtors are not liable for the JCFP Claim because "We have reviewed and made reasonable efforts to research and reconcile the No Liability Claims with the Debtors' books and records, and believe that such documentation does not provide prima facie evidence of the validity and amount of these claims." Affidavit of Alan D. Halperin, ¶ 5.
- 5. Neither the Objection nor the Halperin Declaration provide any evidence that the invoices attached to the JCFP Claim were paid or that Foxconn assumed responsibility for payment of those invoices.
- 6. To date, JCFP's records indicate that the invoices attached to the JCFP Claim have not been paid. Affidavit of Sumit Tomar, ¶ 6

Legal Standard

7. A timely filed proof of claim is "deemed allowed, unless a party in interest . . . objects." 11 U.S.C. §§ 501(a), 502(a). "A proof of claim executed and filed in accordance with these rules shall constitute prima facie evidence of the validity and amount of the claim." Fed. R. Bankr. P. 3001(f). An objecting party-in-interest may rebut the prima facie validity of a proof of claim by submitting "sufficient evidence to negate the prima facie validity of the filed claim." *Payne v. Lampe (In re Lampe)*, 665 F.3d 506, 514 (3d Cir. 2011).

Response to Objection

8. The Court should overrule the Objection because the Debtors and the Claims Ombudsman have not satisfied their burden of proof.

- 9. In accordance with the Federal Rule of Bankruptcy Procedure 3001, JCFP timely filed a proof of claim and attached documentation reflecting its right to payment from Lordstown Motors Corp.
- 10. The Debtors and the Claims Ombudsman, on the other hand, have failed to submit sufficient evidence to rebut the prima facie validity of the JCFP Claim. They have not provided check or wire transfer numbers showing that the JCFP Claim was paid. Nor have they produced an agreement with Foxconn, indicating that Foxconn promised to pay the JCFP Claim.
- 11. Instead, the Debtors and the Claims Ombudsman simply made a general reference to the Debtors "books and records" and "believe that such documentation does not provide prima facie evidence of the validity and amount of" the claims they objected to. As the Objection pertains to the JCFP Claim, they simply stated that "Debtors' records indicate liability assumed and satisfied by Foxconn" without providing any evidence that Foxconn paid JCFP or assumed any of the Debtors' obligations to JCFP.
- 12. The Objection and Halperin Affidavit misstate the legal standard. The standard is not whether the Debtors' books and records provide *prima facie* evidence of the validity of the JCFP Claim. Rather, the standard requires the Debtors and the Claims Ombudsman to produce evidence rebutting the *prima facie* validity of the JCFP Claim.
- 13. Not only do JCFP's records reflect that the invoices attached to the JCFP Claim remain unpaid, but none of the notices of potential assumption and assignment of executory contracts and leases and cure amounts include contracts with JCFP. [See Doc. Nos. 280, 482, 492, 618.] Nor were any of JCFP's contracts included in the Court's Order (I) Authorizing the

Assumption of Certain Executory Contracts, (II) Fixing Cure Costs in Connection Thereto, and (III) Granting Related Relief. [Doc. No. 1054.]

Conclusion

- 14. In sum, the Debtors and the Claims Ombudsman have failed to carry their burden to rebut the prima facie validity of the JCFP Claim.
- 15. If the Debtors and Claims Ombudsman have details of any payments made by Foxconn to JCFP or Foxconn's assumption of the Debtor's obligations to JCFP, JCFP will review any such details in an effort to resolve the Objection.

WHEREFORE, Johnson Controls Fire Protection LP requests that the Court overrule the Objection and enter an order allowing Johnson Controls Fire Protection LP's proof of claim.

Respectfully submitted this 12th day of September 2024.

/s/ Daniel C. Kerrick
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IN RE:

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CHAPTER 11

CASE NO. 23-10831 (MFW)

(Jointly Administered)

DECLARATION OF SUMIT TOMAR IN SUPPORT OF RESPONSE TO OBJECTION TO JOHNSON CONTROLS FIRE PROTECTION LP'S PROOF OF CLAIM NO. 16

Sumit Tomar, pursuant to 28 U.S.C. § 1746, hereby declares as follows:

- 1. I am over 18 years of age, of sound mind, and otherwise competent to make this Declaration. The statements set forth in this Declaration are based on my personal knowledge.
- 2. I make this Declaration in response to the Debtors' and Claims Ombudsman Alan Halperin's *Post-Effective Date Debtors' and Claims Ombudsman's Joint Fourth (Non-Substantive) Omnibus Objection to Claims* (the "**Objection**"). [Doc. No. 1297.]
- 3. I am a Bankruptcy Specialist at Johnson Controls, Inc. Johnson Controls Fire Protection LP ("JCFP") is a unit of Johnson Controls, Inc.
- 4. Part of my duties is to work with JCFP's account managers to monitor outstanding accounts receivable and review records of payments received. In preparing this Declaration, I have reviewed JCFP's records, Lordstown Motors Corp.'s account history, and invoices issued to Lordstown Motors Corp. I am familiar with the processes JCFP uses to create

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and maintain records of unpaid invoices, accounts receivable, and payments. JCFP's regular practice is to keep records of accounts receivable and goods and services provided to customers. Such records are made at or near the time of service by people with knowledge of goods and services provided. Those records are kept in the ordinary course of JCFP's business.

- 5. In the Objection, the Debtors and the Claims Ombudsman object to Johnson Controls Fire Protection LP's proof of claim, filed as claim number 16 (the "JCFP Claim"), because the "Debtors' records indicate liability assumed and satisfied by Foxconn."
- 6. I have reviewed JCFP's records, and I located no payments for the invoices attached to the JCFP Claim. Further, our office is not aware of any notice regarding the assumption of JCFP's contracts with Lordstown Motors Corp. by Foxconn or any other entity.
- 7. As of the date of this Declaration, the invoices attached to the JCFP Claim remain unpaid.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on September 11, 2024.

By:	Sumit	Tomar	
	Sumit Tomar		

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CERTIFICATE OF SERVICE

I, Daniel C. Kerrick, Esq., hereby certify that on September 12, 2024, I caused the attached Johnson Controls Fire Protection LP's Response to Objection to Fourth (Non-Substantive) Omnibus Objection to Claims to be served upon all parties via CM/ECF.

HOGANMCDANIEL

/s/ Daniel C. Kerrick
Daniel C. Kerrick, Esq. (DE Bar I.D. 5027)