

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

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

Jointly Administered

Resp. Deadline: January 8, 2025 at 4:00 p.m. (ET)

Hearing Date: January 15, 2025 at 10:00 a.m. (ET)

**RESPONSE IN OPPOSITION TO DISTRIBUTION TRUSTEE'S
FIFTH OMNIBUS (SUBSTANTIVE) OBJECTION TO
CERTAIN CONTINGENT AND UNLIQUIDATED CLAIMS**

The City of Philadelphia, (the “City”), through its counsel, Megan N. Harper, Divisional Deputy City Solicitor, hereby responds in opposition to Distribution Trustee’s Fifth Omnibus (Substantive) Objection to Certain Contingent and Unliquidated Claims [Docket No. 1476] (the “Fifth Omnibus Objection”) and in support thereof, states as follows:

Background

1. On November 24, 2023, the City filed Claim No. 1212 (the “Claim”), which amended the City’s timely filed Claim No. 156. A true and correct copy of the Claim is attached hereto as Exhibit A.

2. The Claim includes unliquidated quarterly Wage Tax liability incurred by Proterra Operating Company Inc. (“Proterra”) for the quarters ending March 31, 2023 and June 30, 2023.²

3. On November 26, 2024, the Distribution Trustee filed the Fifth Omnibus Objection asserting that the Claim lacks sufficient information to determine its value.

¹ The Reorganized Debtor in this Chapter 11 Case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor’s service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

² The Claim also includes an unliquidated claim for 2021 Business Income and Receipts Tax, which has since been resolved.



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Argument

4. The City is authorized to collect Wage Tax in accordance with Philadelphia Code § 19-1500. Wage Tax is a tax on salaries, wages, commissions, and other compensation. Phila. Code § 19-1502. Employers are required to withhold the Wage Tax from all employees who are either a resident of Philadelphia or a non-resident of Philadelphia who performs services for an employer in Philadelphia. Phila. Code §§ 19-1502 and 19-1504. The Department of Revenue's Income Tax Regulations determine the tax rate for Wage Tax. In 2023, the rate was 3.79% for residents and 3.44% for non-residents.

5. The Claim includes information that provides sufficient indicia of its *prima facie* validity including identification of Proterra's account number, the type of tax, and a spreadsheet of the tax periods at issue (the amount of tax due will not be known until the missing returns are filed) which satisfies the City's initial obligation to proceed. The burden shifts to the Distribution Trustee to produce sufficient evidence to negate the *prima facie* validity of the Claim. *In re Lampe*, 665 F.3d 506, 514 (3d Cir. 2011).

6. The City's records show Proterra had tax reporting obligations for the tax periods noted in the Claim. The Distribution Trustee has not rebutted this fact nor produced any evidence to suggest that Proterra complied with its reporting/payment obligations.

7. Under these circumstances, it would be inappropriate to disallow the Claim. The Distribution Trustee has not overcome its *prima facie* validity.

8. Once the missing Wage Tax returns are filed, the City will amend its claim to include the amount owed. Any Wage Tax owed will be entitled to priority status pursuant to § 507(a)(8)(A).

WHEREFORE, the City respectfully requests that this Court: (i) deny the Fifth Omnibus Objection as to the Claim; (ii) allow the Claim in full; and (iii) grant such other and further relief as is just and proper.

Respectfully submitted,

THE CITY OF PHILADELPHIA

Dated: December 30, 2024

By: /s/ Megan N. Harper
MEGAN N. HARPER
Divisional Deputy City Solicitor
DE Attorney ID 4103
Attorney for the City of Philadelphia
City of Philadelphia Law Department
Tax Litigation & Collections Unit
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Philadelphia, PA 19102-1595
215-686-0503 (phone)
Email: Megan.Harper@phila.gov

Fill in this information to identify the case:

Debtor Proterra Operating Company, Inc.

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

Case number 23-11121

Official Form 410
Proof of Claim

04/22

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 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. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>City of Philadelphia / School District of Philadelphia</u> 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?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? See summary page	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Contact phone <u>215-686-0503</u> Contact email <u>megan.harper@phila.gov</u>	Contact phone _____ Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Claim number on court claims registry (if known) <u>156</u> Filed on <u>9/22/2023</u> MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 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?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: <u>6794</u>	
7.	How much is the claim? \$ <u>Unliquidated</u>	Does this amount include interest or other charges? <input type="checkbox"/> No <input type="checkbox"/> 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. <u>Municipal Claim</u>		
9.	Is all or part of the claim secured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <div style="margin-left: 40px;"> Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> 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.) </div> <div style="margin-left: 40px; margin-top: 20px;"> 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.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Amount necessary to cure any default as of the date of the petition: \$ _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable </div>		
10.	Is this claim based on a lease? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____		
11.	Is this claim subject to a right of setoff? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____		



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

☐ No☒ Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

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

\$ _____

☐ Up to \$3,350* 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 \$15,150*) 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).

\$ Unliquidated

☐ 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 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to administrative priority 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.

\$ _____

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 acknowledgement 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 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 11/24/2023

MM / DD / YYYY

/s/Megan N. Harper

Signature

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

Name Megan N. Harper

First name

Middle name

Last name

Title Senior AttorneyCompany City of Philadelphia Law Department - Tax and Revenue Unit

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____

Email _____



Case 23-11120-BLS Doc 1491-1 Filed 12/30/24 Page 4 of 5
KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (888) 251-3076 | International (310) 751-2617

Debtor: 23-11121 - Proterra Operating Company, Inc. District: District of Delaware		
Creditor: City of Philadelphia / School District of Philadelphia Megan N. Harper City of Philadelphia Law Dept - Tax Unit 1401 JFK Blvd, 5th Floor Philadelphia, PA, 19102 Phone: 215-686-0503 Phone 2: Fax: Email: megan.harper@phila.gov	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party:	
	Other Names Used with Debtor:	
Amends Claim: Yes - 156, 9/22/2023 Acquired Claim: No		
Basis of Claim: Municipal Claim	Last 4 Digits: Yes - 6794	Uniform Claim Identifier:
Total Amount of Claim: Unliquidated	Includes Interest or Charges: None	
Has Priority Claim: Yes	Priority Under: 11 U.S.C. §507(a)(8): Unliquidated	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Megan N. Harper on 24-Nov-2023 12:23:18 p.m. Eastern Time Title: Senior Attorney Company: City of Philadelphia Law Department - Tax and Revenue Unit		

Debtor: PROTERRA OPERATING
COMPANY INC

Nonfiler Schedule

Bankruptcy: 23-11121
Filing date: 07-Aug-2023

Unliquidated Claim

Business Income and Receipts Tax - Account #00001811396

Filing Period

31-Dec-2021

Unliquidated Claim

Wage Tax - Account #00001893516

Filing Period

31-Mar-2023

30-Jun-2023

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Jointly Administered

CERTIFICATE OF SERVICE

I, Megan N. Harper, hereby certify that on December 30, 2024, I caused a copy of the Response in Opposition to Distribution Trustee's Fifth Omnibus (Substantive) Objection to Certain Contingent and Unliquidated Claims to be served electronically with the Court and served on the parties below via electronic mail.

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THE CITY OF PHILADELPHIA

Dated: December 30, 2024

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