

Hearing Date: September 30, 2021, at 10:00 a.m. (prevailing Eastern Time)  
Response Deadline: September 23, 2021, at 4:00 p.m. (prevailing Eastern Time)

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*Counsel to the Reorganized Debtors*

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

In re:	)	
	)	Chapter 11
WINDSTREAM FINANCE, CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-22397 (RDD)
	)	
Reorganized Debtors.	)	(Formerly Jointly Administered
	)	under Lead Case: Windstream
	)	Holdings, Inc., Case No. 19-22312)

**NOTICE OF REORGANIZED DEBTORS' TWENTIETH  
OMNIBUS OBJECTION TO THE NO LIABILITY CLAIMS,  
SUBSTANTIVELY DUPLICATE CLAIMS, AND CLAIMS TO BE MODIFIED**

**PLEASE TAKE NOTICE** that a hearing on the *Reorganized Debtors' Twentieth Omnibus Objection to the No Liability Claims, Substantively Duplicate Claims, and Claims to be Modified* (the "Objection") will be held before the Honorable Robert D. Drain, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, at the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601, on **Thursday, September 30, 2021, at 10:00 a.m., prevailing**

<sup>1</sup> The last four digits of the Reorganized Debtor Windstream Finance, Corp.'s tax identification number are 5713. Due to the large number of Reorganized Debtors in these chapter 11 cases, for which joint administration was granted, a complete list of the reorganized debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Reorganized Debtors' claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Reorganized Debtors' service address for purposes of these chapter 11 cases is 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

**Eastern Time** (the “Hearing”).

**PLEASE TAKE FURTHER NOTICE** that any responses to the relief requested in the Objection must (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the *Order (I) Approving (A) Omnibus Claims Objection Procedures, (B) Omnibus Substantive Claims Objections and Form of Notice, and (C) Satisfaction Procedures and Form of Notice and (II) Waiving Bankruptcy Rule 3007(e)(6)* (the “Objection Procedures Order”) [Docket No. 1141], (c) be filed electronically with the Court on the docket of *In re Windstream Finance, Corp.*, Case No. 19-22397 (RDD) by registered users of the Court’s electronic filing system and in accordance with the General Order M-399 (which is available on the Court’s website at <http://www.nysb.uscourts.gov>), (d) be sent to the Court’s chambers, and (e) be served so that the following parties actually receive such response on or before **Thursday, September 23, 2021, at 4:00 p.m., prevailing Eastern Time** (the “Response Deadline”): (i) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn.: Stephen E. Hessler, P.C., Trudy Smith, and Chris Ceresa; (ii) Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn.: Ross M. Kwasteniet, P.C., Brad Weiland, and John R. Luze; and (iii) Brann & Isaacson LLP, P.O. Box 3070, Lewiston, Maine 04243, Attn.: Martin Eisenstein and Nathaniel Bessey.

**PLEASE TAKE FURTHER NOTICE** that the Reorganized Debtors are authorized to submit to the Court an order substantially in the form annexed as Exhibit A to the Objection (the “Order”) if (a) a response to the Objection is not filed and served timely on or before the Response Deadline or (b) all responses to the Objection are resolved before the Hearing. The Court may enter the Order with no further notice or opportunity to be heard under such circumstances.

**PLEASE TAKE FURTHER NOTICE** that the Hearing may be continued or adjourned thereafter from time to time in accordance with the *Final Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 392].

**PLEASE TAKE FURTHER NOTICE** that a copy of the Objection may be obtained free of charge on Kurtzman Carson Consultants LLC's website at <http://www.kccllc.net/windstream>. You may also obtain copies of any pleadings on the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth thereon.

*[Remainder of page intentionally left blank]*

Dated: August 31, 2021  
New York, New York

*/s/ Stephen E. Hessler, P.C.*

Stephen E. Hessler, P.C.

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- and -

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-and-

*Solely as to the Tax Claims (as defined in the Objection)*

Martin Eisenstein (admission *pro hac vice* pending)

Nathaniel Bessey (admission *pro hac vice* pending)

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*Counsel to the Reorganized Debtors*

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

In re:	)	Chapter 11
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WINDSTREAM FINANCE, CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-22397 (RDD)
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Reorganized Debtors.	)	(Formerly Jointly Administered
	)	under Lead Case: Windstream
	)	Holdings, Inc., Case No. 19-22312)

**REORGANIZED DEBTORS' TWENTIETH  
OMNIBUS OBJECTION TO THE NO LIABILITY CLAIMS,  
SUBSTANTIVELY DUPLICATE CLAIMS, AND CLAIMS TO BE MODIFIED**

**YOU SHOULD LOCATE YOUR NAME AND YOUR CLAIM(S) ON THE SCHEDULES ATTACHED TO EXHIBIT A HERETO. PLEASE TAKE NOTICE THAT THE OBJECTION SEEKS TO DISALLOW, EXPUNGE, OR OTHERWISE AFFECT YOUR CLAIM(S). THEREFORE, PLEASE READ THIS OBJECTION AND ATTACHMENTS THERETO VERY CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.**

Windstream Finance, Corp. and its affiliates (before the effective date of their chapter 11 plan,<sup>2</sup> collectively, the “Debtors” and after the effective date of their chapter 11 plan, collectively,

<sup>1</sup> The last four digits of the Reorganized Debtor Windstream Finance, Corp.’s tax identification number are 5713. Due to the large number of Reorganized Debtors in these chapter 11 cases, for which joint administration was granted, a complete list of the reorganized debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Reorganized Debtors’ claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Reorganized Debtors’ service address for purposes of these chapter 11 cases is 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

<sup>2</sup> The Debtors emerged from chapter 11 on September 21, 2020, as set forth in the *Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates* [Docket No. 2527].

the “Reorganized Debtors”) respectfully state as follows in support of this objection.<sup>3</sup>

### **Relief Requested**

1. The Reorganized Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), (a) disallowing and expunging the claims identified on (i) Schedule 1 to the Order (collectively, the “No Liability Claims”) because each purported liability cannot be reconciled with the Debtors’ books and records for the reasons stated in this objection and on Schedule 1 and (ii) Schedule 2 to the Order (the “Substantively Duplicate Claims”) because they are duplicative of another proof of claim filed for the same liability and (b) modifying the claims identified on Schedules 3 and 4 to the Order (collectively, the “Claims to be Modified”) because the asserted amount and/or priority related to each claim is not reflected in the supporting documentation, the Debtors’ books and records, or supported under the Bankruptcy Code. In support of this objection, the Reorganized Debtors submit the declarations of Shannon Wagner, the Director-Tax Accounting for the Reorganized Debtors, as to the Tax Claims (as defined herein), attached hereto as **Exhibit B** (the “Wagner Declaration”), and Holden Bixler, a Managing Director at Alvarez & Marsal North America, LLC, attached hereto as **Exhibit C** (the “Bixler Declaration”) as to the claims subject to this objection other than the Tax Claims.

2. With respect to the Pennsylvania Claims (as defined herein), the Reorganized Debtors seek entry of an order providing that the amount(s) (a) due on account of the remaining claims thereof shall be \$1,863,226.27, which is net of the Debtors’ prepayments and overpayments

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<sup>3</sup> Capitalized terms used but not defined in this objection shall have the meanings given to such terms in the *Order (I) Approving (A) Omnibus Claims Objection Procedures, (B) Omnibus Substantive Claims Objections and Form of Notice, and (C) Satisfaction Procedures and Form of Notice and (II) Waiving Bankruptcy Rule 3007(e)(6) (the “Objection Procedures Order”)* [Docket No. 1141].

to the Department (as defined herein)<sup>4</sup> and (b) of the Post-Petition Credits (as defined in the Wagner Declaration), listed in Exhibit 2 to the Wagner Declaration, total \$15,669,669.72.

### **Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Southern District of New York (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Reorganized Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are section 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and the Objection Procedures Order.

### **The Claims Reconciliation Process**

6. On May 10, 2019, the Debtors filed their respective schedules of assets and liabilities and statements of financial affairs [Docket Nos. 505-06] pursuant to Bankruptcy Rule 1007 and the *Order Granting a Second Extension of Time to File Schedules and Statements of Financial Affairs* [Docket No. 387]. On January 21, 2020, the Debtors filed amendments to certain schedules, as set forth in the *Notice of Filing Amended Schedule G and Supplemental*

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<sup>4</sup> The Reorganized Debtors have credits arising from certain Pennsylvania No Liability Claims (*i.e.*, Claim Nos. 1413, 1417, 1422, 1434, 7335, 7529, and 8018), and the Reorganized Debtors have applied such credits to reduce amounts owed on account of certain Pennsylvania Claims to be Modified (*i.e.*, Claim Nos. 1428, 7535, and 8739).

*Deadline to Submit Proofs of Claim* [Docket No. 1436] and *Notice of Filing Amended Schedule F and Supplemental Deadline to Submit Proofs of Claim* [Docket No. 1435].

7. On May 13, 2019, the Court entered the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, (II) Approving Procedures for Submitting Proofs of Claim, and (III) Approving Notice Thereof* (the “Bar Date Order”) [Docket No. 518] establishing certain dates and deadlines for filing proofs of claim in these chapter 11 cases with Kurtzman Carson Consultants LLC.

8. Approximately 8,800 proofs of claim have been filed against the Debtors, totaling approximately \$16.6 billion in the aggregate as of the date hereof. On October 10, 2019, the Court granted the Debtors authority to file omnibus objections to claims in accordance with the procedures set forth in the Objection Procedures Order.

9. The Debtors filed their first omnibus claims objection on November 18, 2019. On July 27, 2021, the Reorganized Debtors filed the *Reorganized Debtors’ Nineteenth Omnibus Objection to the No Liability Claims and Claims to be Modified* [Docket No. 162]. The Court entered orders (as may have been modified) granting all previous omnibus claims objections as of the date hereof other than the aforementioned omnibus claims objection, which is pending at the time of this filing. By this objection, the Reorganized Debtors now seek approval to disallow and expunge or modify certain claims for the reasons set forth below.

### **Objection**

10. Section 502(a) of the Bankruptcy Code provides that a filed proof of claim is deemed allowed unless a party in interest objects to it. 11 U.S.C. § 502(a). Section 502(b)(1) provides that, upon objection, claims shall not be allowed to the extent unenforceable at applicable law. *See* 11 U.S.C. § 502(b)(1). Further, the Plan provides that, after the Effective Date, each Debtor or Reorganized Debtor shall “retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date.” Plan, at Art. VII.A.



11. Bankruptcy Rule 3007 contains the grounds upon which “objections to more than one claim may be joined in an omnibus objection.” Fed. R. Bankr. P. 3007(d). The Objection Procedures Order expands Bankruptcy Rule 3007(d) and permits the Reorganized Debtors to file omnibus objections to claims on additional grounds. In addition, the Objection Procedures Order permits the Reorganized Debtors to include an objection to a request for payment of an administrative claim in an omnibus claims objection. Accordingly, the Reorganized Debtors file this objection to the claims listed on Schedules 1, 2, 3, and 4 to the Order on the bases set forth below, in the Wagner Declaration, and in the Bixler Declaration to ease the administrative burden on this Court and the Reorganized Debtors during the claims reconciliation process.

**A. No Liability Claims.**

12. The Reorganized Debtors object to the sixteen (16) No Liability Claims listed on Schedule 1 to the Order—twelve (12) of which (the claims identified on rows 3 and 6-16 of Schedule 1) (collectively, the “Pennsylvania No Liability Claims”) were filed by the Pennsylvania Department of Revenue or a bureau or division thereof (the “Department”).<sup>5</sup> After reviewing the No Liability Claims, the Reorganized Debtors and their advisors have determined that such claims seek to recover amounts for which the Debtors are not liable. Section 502(b)(1) of the Bankruptcy Code provides, in relevant part, that a claim may not be allowed to the extent that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law.” 11 U.S.C. § 502(b)(1).

13. The Reorganized Debtors and their advisors have reviewed the Debtors’ books, records, and other relevant information to determine that each of the No Liability Claims is

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<sup>5</sup> The following twelve (12) claims constitute the Pennsylvania No Liability Claims: Claim Nos. 1413, 1417, 1419, 1422-23, 1426, 1434, 1685, 7335, 7529, 8018, and 8633. See Schedule 1 to the Order attached hereto.

inconsistent with the Debtors' books and records. The specific basis for the objection to each No Liability Claim is stated on Schedule 1 to the Order in the "Reason" entry and is further described herein, in the Wagner Declaration solely as to the Pennsylvania No Liability Claims, or in the Bixler Declaration. Disallowance of these No Liability Claims will enable the claims register to reflect more accurately the claims asserted against the Debtors. Therefore, the Reorganized Debtors request that the No Liability Claims be disallowed and authority to expunge the No Liability Claims from the claims register.

### **Pennsylvania No Liability Claims**

14. The Pennsylvania No Liability Claims consist of the claims against certain Debtor entities for certain Gross Receipts Taxes and Income/Franchise Taxes. Each Pennsylvania No Liability Claim was filed before the bar date for claims of governmental units, except for Claim No. 8633 (regarding the claim against Windstream Holdings, Inc. for corporate income taxes for the 2018 calendar year), which was filed in October 2020, more than a year after the applicable bar date.<sup>6</sup>

15. On August 19, 2021, the Debtors and the Department agreed to resolve and settle (the "Sales Tax/Withholding Tax Settlement Agreement") the Department's claims for sales tax, withholding tax, and interest and penalty thereon.

16. As part of the Sales Tax/Withholding Tax Settlement Agreement, the Department agreed to withdraw all claims that sought only sales tax or withholding tax and did not include claims for gross receipts taxes and/or income/franchise taxes. The Sales Tax/Withholding Tax

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<sup>6</sup> For the avoidance of doubt, Claim No. 8633 remains subject to a pending objection on grounds it was late-filed. See *Reorganized Debtors' Thirteenth Omnibus Objection to Insufficient Documentation Claims, a Late-Filed Claim, No Liability Claims, Substantively Duplicate Claims, and Claims to be Modified* [Docket No. 33], at Schedule 2 to the proposed order attached thereto.

Settlement Agreement provides that, to the extent the Department's claims included gross receipts taxes and/or income/franchise taxes in addition to the sales taxes and/or withholding taxes, the Department agreed to reduce such claims by the amount of the sales taxes, withholding taxes, and interest and penalty thereon, leaving only amounts owed on account of gross receipt taxes and/or income/franchise taxes.

17. Representatives of the Reorganized Debtors and the Department have engaged in good-faith negotiations to attempt to resolve the gross receipts and income/franchise tax claims, but have not reached final agreement. In that regard, the Reorganized Debtors and the Department have agreed in principle to the amounts set forth on Exhibit 1 to the Wagner Declaration in (a) Column I thereof as to pre-payments by Windstream PA and (b) Column J thereof as to overpayments by certain Debtors. *See* Wagner Declaration. What remains in disagreement are the amount of tax liability and interest thereon, as set forth in Columns G and H of Exhibit 1 to the Wagner Declaration as well as the amounts of overpayments by Windstream D&E Systems LLC, as set forth in Column K thereof and discussed in the Wagner Declaration. The Pennsylvania Claims identified on Schedule 1 to the Order are those claims for which the Reorganized Debtors determined that no liability exists, including claims for which the amount of any liability is equal to or exceeded by the amounts of pre-payments or overpayments made by the Debtors, as illustrated in Exhibit 1 to the Wagner Declaration, and for which the Reorganized Debtors contend no additional payment is due to the Department.

**B. Substantively Duplicate Claims.**

18. The Reorganized Debtors object to the two (2) Substantively Duplicate Claims listed in the column labeled "Claims to be Disallowed" on Schedule 2 to the Order because the Reorganized Debtors have determined that more than one proof of claim was filed for the same underlying liability, and such claimants are not entitled to multiple recoveries. As further

described in the Bixler Declaration, the Reorganized Debtors determined that each “Remaining Claim” should survive in lieu of the corresponding Substantively Duplicate Claim in the column titled “Claims to be Disallowed” on Schedule 2 to the Order after reviewing the Debtors’ books and records and the documents attached to the proofs of claim. Specifically, the holder of each Substantively Duplicate Claim filed a subsequent proof of claim to change the Debtor entity against which the claim was asserted while the underlying obligation remained the same. Each Substantively Duplicate Claim was identified because there is no substantive difference between the original and subsequently-filed proofs of claim. Therefore, the Substantively Duplicate Claim should be disallowed and expunged in its entirety to prevent a double recovery.

19. Furthermore, the Remaining Claims listed on Schedule 2 to the Order will remain on the claims register unless the relevant claimant withdraws or the Court disallows such claim. The Reorganized Debtors’ right to object to the Remaining Claims in the future on any grounds permitted under applicable law is preserved in the Objection Procedures Order.

**C. Claims to be Modified.**

20. As provided in more detail on Schedules 3 and 4 to the Order, the Reorganized Debtors object to twelve (12) Claims to be Modified because the Reorganized Debtors have determined that each claim failed to provide sufficient documentation to support the asserted amount to such claims, showed a record of indebtedness not reflected in the Debtors’ books and records, and/or asserted an amount or priority that is not supported under the Bankruptcy Code. The Department filed the eleven (11) claims identified on Schedule 3 to the Order (the “Pennsylvania Claims to be Modified” and, together with the Pennsylvania No Liability Claims,

the “Pennsylvania Claims”).<sup>7</sup> The City of Lincoln, Nebraska (the “City”) filed Claim No. 8651 identified on Schedule 4 to the Order (together with the Pennsylvania Claims, the “Tax Claims”). The specific basis for the objection to each Claim to be Modified is stated on Schedules 3 and 4 to the Order in the “Reason” entry and is further described in the Wagner Declaration as to the Pennsylvania Claims to be Modified and Lincoln Claim or in the Bixler Declaration.

21. Failure to modify the Claims to be Modified could result in each relevant claimant receiving an unwarranted recovery. Accordingly, the Reorganized Debtors respectfully request entry of an order modifying the amount of each Claim to be Modified to the corresponding amount identified in the “Amount” and or “Priority” sub-column within the “Modified Claims” column on Schedules 3 and 4 to the Order.

#### **Certain Pennsylvania Claims to be Modified**

22. As described in paragraphs A.17 above, the Reorganized Debtors and the Department have agreed in principle to amounts of prepayment by Windstream PA (as shown in Column I of Exhibit 1 to the Wagner Declaration) and overpayments by certain Debtors (as shown in Column J of Exhibit 1 to the Wagner Declaration) relating to pre-petition periods. These payments, together with pre-petition overpayments made by Windstream D&E Systems LLC, as set forth in Column K of Exhibit 1 to the Wagner Declaration are Pre-Petition Credits, available to reduce the amount of any bankruptcy claims asserted by the Department against the Debtors.

23. In certain cases, as shown in Column L of Exhibit 1 to the Wagner Declaration, the amount of Pre-Petition Credits available to a particular Debtor exceed the amount of liability claimed by or allowable to the Department, resulting in certain credits owed by the Department to

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<sup>7</sup> The following eleven (11) claims constitute the Pennsylvania Claims to be Modified: Claim Nos. 1420, 1428, 1431-32, 1435, 1546, 1549, 1552, 7535, 8737, and 8739. See Schedule 3 to the Order attached hereto.

the Reorganized Debtors. These credits are set forth in Column L of Exhibit 1 to the Wagner Declaration. The proposed modifications to Claims No. 1428, 7535 and 8739, as listed on Schedule 3 to the Order include the application of these credits to reduce amounts otherwise owed by the Debtors.

24. As a result of the modifications, the aggregate amount of the Pennsylvania Claims to be Modified should be reduced to a total amount of \$1,863,226.27, as reflected on Schedule 3 to the Order.

25. The use of these Pre-Petition Credits to reduce the total amount of the Department's claims against the Reorganized Debtors is equitable under the circumstances, not barred by the Bankruptcy Code, and is consistent with the Plan, which provides that, after the Effective Date, each Debtor or Reorganized Debtor shall "retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date." Plan, at Art. VII.A.

26. Importantly, no credits owed by the Department to the Reorganized Debtors due to pre-payments or overpayments made by the Reorganized Debtors after the petition date, or relating to any tax period not yet concluded as of the Petition Date (including overpayments from a previous tax year that were rolled forward to a subsequent tax year) were applied. These Post-Petition Credits remain available to the Reorganized Debtors to reduce Pennsylvania tax liability for post-petition periods. The amount of the Post-Petition Credits is \$15,669,669.72, as set forth in Exhibit 2 to the Wagner Declaration.

**Claim No. 8651**

27. On or about August 26, 2019, the City filed proof of Claim No. 7511 against debtor Windstream Holdings, Inc. for the City's Telecommunication Occupation Taxes (the "Occupation Tax" or "Taxes") imposed on the gross receipts "resulting from any telecommunication services

and charges to a customer for which telecommunication services are provided,” pursuant to Lincoln Municipal Code 3.24.080 (the “Municipal Code”).<sup>8</sup> Claim No. 7511 did not include a claim for any specific dollar amount, but stated that the City had contracted with a third-party auditor, Garth Ashpaugh, to conduct an audit of the Debtor’s liability for the Occupation Tax.

**1. The Surprise: A Close to \$2 Million Claim for Occupation Tax Against a Different Debtor and Largely Based on a Tax on a Tax.**

28. On or about October 13, 2020, nearly a month after the Effective Date of the Reorganized Debtors’ confirmed bankruptcy plan, and more than a year after the bar date for claims of governmental units (August 26, 2019), the City filed Claim No. 8651: a nearly \$2 million claim for the period of 2013-2017 against a different Debtor—Windstream Nebraska, Inc.—than the debtor described in the original Claim No. 7511. Claim No. 8651 is based, in large part, on Windstream Nebraska’s alleged failure to assess its customers and pay the resulting City Occupation Tax, on certain charges. Specifically, the City contends that Windstream Nebraska should have calculated tax based not just on its charges to customers for telecommunication services, but also for the add-on charges it passed on to customers for the City Occupation Tax itself. Windstream Nebraska billed its customers for the Occupation Tax, as the Municipal Code specifically authorized. *See* Section 3.24.080(d) of the Municipal Code. However, neither the Municipal Code nor the City ever made clear in a regulation, ruling, or other public announcement that a tax was due on the tax, and the Debtors’ tax department had consulted with a national service provider, Avalara, and has been informed that no tax should be charged to customers on the taxes it is allowed to pass on to customers. *See* Wagner Declaration.

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<sup>8</sup> Claim No. 7511 was previously expunged. *See Order Granting Reorganized Debtors’ Eleventh Omnibus Objection to Amended Claims, Equity Interest Claims, Insufficient Documentation Claims, No Liability Claims, Substantively Duplicate Claims, and Claims to be Modified* [Docket No. 2758], at row 6 of Schedule 1 thereto.

29. The proof of claim for Claim No. 8651 states that it is an amendment to the previously-filed proof of claim for Claim No. 7511. Claim No. 8651 asserts a priority claim in the amount of \$1,929,443, consisting of unpaid Occupation Taxes for the period between January 2013 and April 2017, and attaching, as Attachment 1 thereto, a schedule showing the auditor's determinations of additional tax liability (\$914,406.62), interest through October 31, 2020 (\$969,316.50), and penalty (\$45,720.31).

30. On or about July 1, 2021, third-party auditor Garth Ashpaugh provided the Reorganized Debtors a revised schedule attached to the Wagner Declaration as Exhibit 4 (the "July 1, 2021 Schedule"), reducing the total amount claimed by the City from \$1,929,443 to \$1,337,123.78, consisting of Occupation Tax liability (\$555,025.52), interest through July 31, 2021 (\$754,346.98), and penalty (\$27,751.28). The City has not filed an amended claim reflecting the recent audit adjustments as set forth in the July 1, 2021 Schedule.

31. Upon examination of the audit workpapers and their own books and records, the Reorganized Debtors have determined that the City's claims are excessive, for the reasons set forth in more detail below. Specifically, the City's claims for Occupation Tax, as revised in the July 1, 2021 Schedule, are erroneously calculated based upon charges not subject to the Occupation Tax under the Municipal Code, the lion's share of which are the tax on the tax itself. Further, the City claims, in both Claim No. 8651 as well as the July 1, 2021 Schedule, interest accruing during the pendency of the Reorganized Debtors' bankruptcy proceedings, in contravention of section 502(b)(2) of the Bankruptcy Code. The City also erroneously claims priority for the entirety of its claim, including claims for the tax years 2013-2015, and for non-compensatory penalties.

32. Accordingly, and subject to further objection and the express reservation of rights set forth below, the Reorganized Debtors request that Claim No. 8651 be reduced to reflect solely



a general unsecured claim in the total amount of \$413,481.69 (consisting of \$198,779.36 of Occupation Tax Liability and \$214,702.34 of interest through the February 25, 2019 date of the Reorganized Debtors' petition in bankruptcy). The entire claim, as reduced, should be categorized as a general unsecured claim because the entire allowable portion of Claim No. 8651 relates to returns for gross receipts taxes filed more than three years prior to the petition date. As a result, no portion of the claim is entitled to priority under section 507 of the Bankruptcy Code.

**2. Objection to Claim No. 8651.**

33. The Reorganized Debtors object to Claim No. 8651 on the grounds that it is excessive and includes claims for amounts that are not owed to the City.

34. As an initial matter, Claim No. 8651 – which purports to assert a priority claim in the total amount of \$1,929,443 – exceeds the total liability determined by the City's own auditor and shared with Windstream in its most recent audit workpapers, which is the July 1, 2021 Schedule. The July 1, 2021 Schedule asserts a total amount due of \$1,337,123.78. While this amount is itself excessive, for the reasons set forth more fully below, the Claim should in no case exceed the amount calculated by the City's own contracted auditor in the July 1, 2021 Schedule.

**viii. Objection to claimed liability calculated on receipts not subject to the City's Occupation Tax.**

35. The City's claim is also excessive because it calculates tax on receipts that are not subject to the City's Occupation Tax. As described in the Wagner Declaration, the City's contracted auditor calculated Occupation Tax on the following categories of charges shown on customer's bills: (1) revenue from charges for telecommunication service; (2) revenue from Universal Service Fund charges; (3) E911 Charges; (4) Late Payment Revenue; (5) Returned Check Charges; (6) Voicemail Revenue; (7) Telecom Relay Surcharge; and (8) charges reflecting the Lincoln occupation tax itself, as authorized by Lincoln Municipal Code Section 3.24.080(d).

For the reasons set forth below, only categories 1, 2 & 3 above are “gross receipts” subject to Lincoln’s occupation tax.

**ii. Charges for the Occupation Tax, late payment charges, and returned check charges are not gross receipts resulting from telecommunication services.**

36. Claim No. 8651 is a claim for the telecommunication occupation tax imposed under Section 3.24.080 of the Municipal Code. Section 3.24.080 levies “upon every person, firm, partnership, corporation, or association engaged in the business of offering, providing or selling telecommunication services to the public for hire in the City of Lincoln an occupation tax of six percent (6%) on the gross receipts resulting from any telecommunication services and charges to a customer for which telecommunication services are provided.” Clearly, the Occupation Tax is designed to impose a tax on a company for the occupation of “offering, providing or selling telecommunication services.” The charges to the customer for the occupation tax itself are not part of the service offered to the customer. While the Municipal Code does specify that charges for regulatory fees on the service such as universal service fees are subject to the Occupation Tax, nowhere does the Municipal Code state that the service provider’s receipts from charges to customers for the Occupation Tax are themselves subject to the Occupation Tax, even though Subsection 3.24.080(d) of the Municipal Code permits the telecommunications service provider to “itemize, as an add-on charge, the tax” on the bill to the customer. Nor did the City provide by any regulation, ruling or other public statement that a tax was due on the add-on charge the provider is permitted to add to the bill to the customer. Therefore, it was a surprise to Windstream Nebraska that the claim for a period going back to 2013 and ending in 2017 was in large part an assessment by the City of a tax on the tax it was allowed to pass on to its customers.

37. “Generally speaking, statutes imposing a tax are strictly construed against the government and in favor of the taxpayer, while exemptions from taxation are to be strictly

construed in favor of the government and not extended by judicial construction.” *Big Blue Express, Inc. v. Nebraska Department of Revenue*, Case No. S-20-518, 2021 WL 3234373, at \*8 (Supreme Court of Nebraska, July 30, 2021) (citing *New York Ins. Co. v. Edwards*, 271 U.S. 109 (1926) and 71 Am. Jur. 2d State and Local Taxation § 7 (2012)). In light of this rule of construction, the definition of “telecommunications services,” as well as the term “gross receipts resulting from telecommunications services,” contained in Section 3.24.080 must be read strictly, and not interpreted to include charges other than those included within the plain meaning of the language of the Ordinance long after the period when the company could have passed that tax on to its customers.

38. “Telecommunications Services” are defined in Section 3.24.080(a) of the Municipal Code as “the provision of all communication services operable by the general public.” Under Section 3.24.080(b)(5), “telecommunication services” subject to the occupation tax include “any other telecommunication services that are a necessary component of the service provided, regardless of whether the services or fees are required by federal, state or local authorities or provided by the telecommunication business including, but not limited to, universal service fund fees imposed under Neb Rev. Stat. §§86-317 et seq.”

39. In determining whether receipts from certain categories of charges on a customer’s bill are gross receipts from the provision of telecommunications services, subject to the occupation tax, this Court must determine if the charges are “a necessary component of the service provided.” Any receipts that do not meet this definition cannot be part of the base on which the Occupation Tax is calculated.

- iii. Charges to customers for the Occupation Tax should not themselves be subject to the tax lest there be a tax on a tax, which is not a telecommunications service in the first place.**

40. The most significant category of receipts erroneously included in taxable gross receipts by the City's contracted auditor are charges to customers for the Occupation Tax itself. Under the plain language of the Ordinance, a charge for the occupation tax does not meet the definition of "telecommunications services." The Occupation Tax is not a charge for a telecommunications service within the meaning of Section 3.24.080(a) ("the provision of all communication services operable by the general public"). Nor are the taxes a component, much less a "necessary component of the service provided," within the meaning of Section 3.24.080(b)(5).

41. That a separate charge for the occupation tax is not itself a gross receipt subject to the occupation tax is further illustrated by subsection (d) of Section 3.24.080 of the Ordinance, which expressly provides that "the seller of telecommunication services may itemize, as an add-on charge, the tax levied on the bill, receipt, or other invoice to the purchaser." The fact that the Ordinance contemplates and permits the seller of telecommunications to pass the Occupation Tax on to the customer necessarily means that the charge for the tax cannot itself be subject to the tax. Indeed, if it were the intent of the legislature that added Subsection (d) to impose the tax on the pass-on of charges for the tax, Subsection (d) would have stated as follows: "(d) the seller of telecommunication services may itemize, as an add-on charge, **to the charges for the other telecommunication services**, the tax levied on the bill, receipt, or other invoice to the purchaser" (emphasis added).

42. In addition, the fact that the communications company is given the option under Subsection (d) to pass on the Occupation Tax shows that the tax cannot be a "necessary" component of the service provided under Section 3.24.080(b)(5).

43. Moreover, if the charge for the Occupation Tax were itself subject to the Occupation Tax, the seller of telecommunications would be placed in the impossible position of having to either understate the amount of tax imposed or overstate the amount of tax, in either case thwarting the intention of the Municipal Code that the “tax imposed” may be separately stated as an add-on charge to the customer.<sup>9</sup>

44. In light of the cardinal rule of statutory construction that tax statutes are construed strictly against the government entity imposing the tax and the actual statutory language that does not treat the occupation tax as a telecommunication service subject to the tax, the City’s claim should be reduced to reflect that charges to customers for the Occupation Tax are not taxable gross receipts subject to the tax.

45. Finally, the add-on charges Windstream Nebraska passed on to its customers for the Occupation Tax were not “gross receipts resulting from telecommunications services.” The phrase gross receipts resulting from telecommunications services by necessity must mean all receipts a provider receives from telecommunications services. If there were a different construction, then a seller of telecommunication services and ancillary items such as t-shirts, pens and other items with a Company logo would be charged a telecommunications occupation tax on the sale of these other items (unlike a general retailer, which would not be subject to the telecommunications occupation tax), simply because the telecommunications provider also sold

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<sup>9</sup> As an example, if a seller charged a customer \$100.00 for telecommunications services, the occupation tax would be \$6.00 (6% of \$100.00). If the seller chose to include the \$6.00 tax as an add-on charge, as expressly permitted under the Ordinance, the City’s position is that the gross receipts subject to the occupation tax would not be \$100.00 (the charge for service), but would instead be \$106.00 (the charge for service plus the charge for the occupation tax). The occupation tax owed, then, would be \$6.36 (6% of \$106.00). If the seller instead charged its customer \$6.36 for the occupation tax, the City would treat \$106.36 as taxable gross receipts, and the tax owed would be \$6.3816. If the seller instead included a charge of \$6.38, it would be understating the amount of occupation tax by a fraction of a cent ( $\$106.38 * 6\% = \$6.3824$ ). However, if the seller included a charge of \$6.39, it would be overstating the occupation tax by a fraction of a cent ( $\$106.39 * 6\% = \$6.3834$ ).

telecommunications services. Certainly, if the legislature’s intention was to impose a tax on all services and products a telecommunications provider sells or charges to its customers, then the legislature should have spelled that out.

**iv. Charges for Late Payment and Returned Checks are not for telecommunications services.**

46. Additional categories of receipts that do not meet the definition of charges for the provision of telecommunications services include late payment and returned check charges. Based on the plain language of the Ordinance, a late fee or returned check charge is not a “necessary component” of any “communication services operable by the general public,” and accordingly those categories of charges cannot be included in taxable gross receipts. The City’s claim should be reduced to reflect that late fees and returned check fees are not taxable gross receipts from the provision of telecommunications service.

**v. Charges for the Telecommunications Relay Surcharge are explicitly exempted from tax.**

47. Section 3.24.080(c) of the Municipal Code provides that “Gross receipts shall not include any services and charges for ... (6) any surcharges required by Neb. Rev. Stat. §§ 86-313 [surcharges for the Nebraska Telecommunications Relay System Fund] or 86-457 [Enhanced Wireless 911 surcharges]. One of the categories of receipts the City’s contracted auditor included in his calculation of taxable gross receipts was “Telecom Relay Surcharge” receipts. Because the Telecom Relay Surcharge is imposed by Neb. Rev. Stat. § 86-313, this category of receipts is explicitly exempt from taxation under the Municipal Code itself.

**vi. Charges for voice mail are charges for an ancillary service, and Nebraska law prohibits the imposition of tax on these charges.**

48. Section 86-704(4)(a)(i)(B) of the revised statutes of Nebraska prohibits the imposition by a municipality of a tax on a telecommunications company except for those

occupation taxes imposed on receipts from telecommunications service as defined in Section 77-2703.04(7)(aa). Section 77-2703.04(7)(aa)(viii) specifically excludes from the definition of telecommunications service “ancillary services.”

**vii. The City has erroneously claimed interest that accrued during the pendency of Windstream’s bankruptcy proceedings.**

49. Claim No. 8561 purports to calculate and claim interest on the claimed tax liability through October 31, 2020. The July 1, 2021 Schedule calculates interest through July 31, 2021. Section 502(b)(2) of the Bankruptcy Code precludes the accrual of interest during the pendency of the bankruptcy proceeding. Thus, interest should stop as of the date the chapter 11 petition was filed, which was February 25, 2019. Any interest amounts calculated for periods subsequent to that date should be eliminated.

**viii. The Imposition of Penalties is not Warranted.**

50. Section 3.24.090 of the Municipal Code provides that “all deferred payments shall draw interest at the rate of one percent per month and shall be compounded quarterly. After default for six months, a penalty of five percent (5%) shall be added in addition to the interest charges.” The City, in Claim 8651, claims a penalty in the amount of 5% of the calculated additional liability.

51. While neither the Municipal Code nor the Nebraska Revised Statutes articulate the grounds for waiver or abatement of tax penalties, the Nebraska Tax Commission has discretion to waive all or part of any penalties imposed under Nebraska’s tax laws. Neb. Rev. ST. §77-2792. Abatement of penalties is appropriate in this case, where the proper calculation of liability shows good faith efforts by Windstream Nebraska, which actually resulted in overpayments of tax for the three most recent years under audit. Accordingly, Claim No. 8651 should be reduced to eliminate penalties.

**ix. Summary of the Reduction.**

52. The amount of the claim shall be reduced to a total amount of \$413,481.69 of general unsecured liability, consisting of \$198,779.36 of Occupation Tax and \$214,702.34 of interest through the February 25, 2019 date of the Reorganized Debtors' chapter 11 petition.

53. None of Claim No. 8651 is entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

54. The City has claimed priority under Section 507(a)(8) of the Bankruptcy Code. In fact, no part of the City's claim is entitled to priority under that section.

55. Section 507(a)(8)(A) of the Bankruptcy Code provides that unsecured claims of governmental units are entitled to priority "only to the extent that such claims are for --- a tax on or measured by income or gross receipts for a taxable year ending on or before the date of the filing of the petition – (i) for which a return, if required, is last due, including extensions, after three years before the date of the filing of the petition." As reflected in Schedule 4 to the Order, the only liability, properly calculated, relates to the 2013 and 2014 tax periods – well outside of the three-year window in which unsecured claims for gross receipts taxes are entitled to priority.

56. Similarly, Section 507(a)(8)(G) of the Bankruptcy Code provides that penalties are subject to priority only if the penalty is related to a claim of a kind specified in Section 507(a)(8), and only if the penalty is in compensation for actual pecuniary loss. The 5% penalty claimed by the City relates to periods more than three years old, and is not compensatory in nature, so is not entitled to priority.

**Compliance with the Objection Procedures and the Bankruptcy Rules**

57. The Reorganized Debtors believe that the content of this objection is in full compliance with the applicable Bankruptcy Rules and Objection Procedures Order for the following reasons:



- (a) this objection conspicuously states on the first page that **“YOU SHOULD LOCATE YOUR NAME AND YOUR CLAIM(S) ON THE SCHEDULES ATTACHED TO EXHIBIT A HERETO. PLEASE TAKE NOTICE THAT THE OBJECTION SEEKS TO DISALLOW, EXPUNGE, OR OTHERWISE AFFECT YOUR CLAIM(S). THEREFORE, PLEASE READ THIS OBJECTION AND ATTACHMENTS THERETO VERY CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE”**;<sup>10</sup>
- (b) each schedule lists the claims subject to this objection in alphabetical order based on the claimant’s name and contains a reference to the applicable claim number;<sup>11</sup>
- (c) each schedule to the Order provides the grounds for the objection to the claims and a cross-reference to the page in this objection pertinent to the stated grounds;<sup>12</sup>
- (d) this objection states in the title the identity of the objecting party (*i.e.*, the Reorganized Debtors) and the grounds for the objection;<sup>13</sup>
- (e) this objection is numbered appropriately;<sup>14</sup>
- (f) the grounds asserted are that (i) the No Liability Claims assert claims that are unenforceable against the Debtors, (ii) the Substantively Duplicate Claims assert the same purported liability as another proof of claim filed in the chapter 11 cases, and (iii) the Claims to be Modified failed to provide sufficient documentation to support the asserted amount and/or priority, do not relate to a record of indebtedness reflected in the Debtors’ books and records, or are not supported under the Bankruptcy Code or nonbankruptcy law;<sup>15</sup> and
- (g) each schedule to the Order includes only the claims to which there is a common basis for the objection.<sup>16</sup>

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<sup>10</sup> See Fed. R. Bankr. P. 3007(e)(1).

<sup>11</sup> See Fed. R. Bankr. P. 3007(e)(2).

<sup>12</sup> See Fed. R. Bankr. P. 3007(e)(3).

<sup>13</sup> See Fed. R. Bankr. P. 3007(e)(4).

<sup>14</sup> See Fed. R. Bankr. P. 3007(e)(5).

<sup>15</sup> See Fed. R. Bankr. P. 3007(d)(1); Objection Procedures Order.

<sup>16</sup> See Objection Procedures Order, ¶ 4.

For the foregoing reasons, the Reorganized Debtors respectfully submit that the content of this objection is in full compliance with the Bankruptcy Rules and the Objection Procedures Order.

58. The Reorganized Debtors further respectfully state that notice and service of this objection will be in full compliance with the Bankruptcy Rules for the following reasons:

- (a) the objection will be filed with the Court and served upon (i) the affected claimant set forth on each proof of claim subject to this objection or its respective attorney of record, (ii) the U.S. Trustee, and (iii) parties that have filed a request for service of papers under Bankruptcy Rule 2002;<sup>17</sup>
- (b) the Reorganized Debtors will also serve each claimant affected as a result of this objection with a customized objection notice tailored, as appropriate, to address the particular creditor, claim, and objection;<sup>18</sup> and
- (c) this objection will be set for hearing at least thirty (30) days after the filing of this objection.<sup>19</sup>

#### **Reservation of Rights**

59. This objection is limited to the grounds stated herein. Accordingly, it is without prejudice to the rights of the Reorganized Debtors or any other party in interest to object to any of the claims listed on Schedules 1, 2, 3, and 4 to the Order, including the “Remaining Claims” listed on Schedule 2 and the “Modified Claim” listed on Schedules 3 and 4 to the Order, on any grounds whatsoever, and the Reorganized Debtors expressly reserve all further substantive or procedural objections they may have with respect to such claims.

#### **Objection Practice**

60. This objection includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of its application to this

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<sup>17</sup> See Fed. R. Bankr. P. 2002, 3007(a).

<sup>18</sup> See Objection Procedures Order ¶ 4.

<sup>19</sup> See Fed. R. Bankr. P. 2002, 3007(a); Objection Procedures Order, ¶ 4.

objection. Accordingly, the Reorganized Debtors submit that this objection satisfies Local Bankruptcy Rule 9013-1(a).

**Notice**

61. The Reorganized Debtors have provided notice of this objection to (a) the affected claimant party set forth on each proof of claim or the respective attorney of record, (b) the entities on the Master Service List (as defined in the case management order and available on the Reorganized Debtors' case website at [www.kccllc.net/windstream](http://www.kccllc.net/windstream)), and (c) parties that have filed a request for service of papers under Bankruptcy Rule 2002. The Reorganized Debtors respectfully submit that no other or further notice is necessary.

**No Prior Request**

62. No prior request for the relief sought in this objection has been made to this or any other court.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Reorganized Debtors respectfully request entry of the Order granting the relief requested herein and such other relief as is just and proper.

Dated: August 31, 2021  
New York, New York

*/s/ Stephen E. Hessler, P.C.*

Stephen E. Hessler, P.C.

**KIRKLAND & ELLIS LLP**

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- and -

James H.M. Sprayregen, P.C.

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-and-

*Solely as to the Tax Claims*

Martin Eisenstein (admission *pro hac vice* pending)

Nathaniel Bessey (admission *pro hac vice* pending)

**BRANN & ISAACSON LLP**

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*Counsel to the Reorganized Debtors*

**Exhibit A**

**Proposed Order**

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

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In re:	)	Chapter 11
	)	
WINDSTREAM FINANCE, CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-22397 (RDD)
	)	
Reorganized Debtors.	)	(Formerly Jointly Administered
	)	under Lead Case: Windstream
	)	Holdings, Inc., Case No. 19-22312)

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**ORDER GRANTING REORGANIZED DEBTORS'  
TWENTIETH OMNIBUS OBJECTION TO THE NO LIABILITY CLAIMS,  
SUBSTANTIVELY DUPLICATE CLAIMS, AND CLAIMS TO BE MODIFIED**

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Upon the objection, dated August 31, 2021 (the “20th Objection”)<sup>2</sup> of the above-captioned reorganized debtors (collectively, the “Reorganized Debtors”) for entry of an order (this “Order”) disallowing and expunging or modifying the claims as identified on **Schedules 1, 2, 3, and 4** attached hereto and pursuant to section 502(b) of the Bankruptcy Code and the Objection Procedures Order [Docket No. 1141], all as more fully set forth in the 20th Objection; and upon the Wagner Declaration; and upon the Bixler Declaration; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012 as a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

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<sup>1</sup> The last four digits of the Reorganized Debtor Windstream Finance, Corp.’s tax identification number are 5713. Due to the large number of Reorganized Debtors in these chapter 11 cases, for which joint administration was granted, a complete list of the Reorganized Debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Reorganized Debtors’ claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Reorganized Debtors’ service address for purposes of these chapter 11 cases is 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

<sup>2</sup> Capitalized terms used in this Order and not defined herein have the meanings given to such terms in the 20th Objection filed contemporaneously herewith.

and the Court having found that the Reorganized Debtors provided due and sufficient individualized notice of the 20th Objection and the opportunity for a hearing thereon; and there being no opposition to the relief granted herein; and no additional notice or a hearing being required under the circumstances; and after due deliberation the Court having determined that the legal and factual bases set forth in the 20th Objection establish just cause for the relief granted herein, in that the 20th Objection rebutted any presumption of the validity of the claims at issue and the respective claimants have not carried their burden of proof; and the relief granted herein being in the best interests of the estates, creditors, and other parties in interest; now, therefore, it is HEREBY ORDERED THAT:

1. The 20th Objection is granted as set forth herein.
2. The No Liability Claims listed on **Schedule 1** attached hereto are disallowed and expunged in their entirety.
3. The Substantively Duplicate Claims listed in the column labeled “Claims to be Disallowed” on **Schedule 2** attached hereto are disallowed and expunged in their entirety.
4. The Claims to be Modified identified on **Schedules 3** and **4** attached hereto are hereby modified in accordance with the corresponding entries within the “Modified Claims” column relating to the amount and/or priority identified in the corresponding sub-column, as described in the Motion.
5. The “Remaining Claims” as identified on **Schedule 2** attached hereto and the “Modified Claims” as identified on **Schedules 3** and **4** attached hereto, as described above, (collectively, the “Surviving Claims”) will remain on the Claims Register (including remain, subject to any future objection on any basis), subject to the terms hereof.

6. The total of the remaining Pennsylvania Claims to be Modified shall be \$1,863,226.27 (the "Payment Amount") after the modifications for the tax liability, interest, and the Debtors' prepayments and overpayments, as described in the 20th Objection and Wagner Declaration.

7. Upon the Reorganized Debtors' payment of the Payment Amount to the Department, the Pennsylvania Claims to be Modified shall be expunged.

8. Upon the payment by the Reorganized Debtors of the Payment Amount and the payment by the Debtors of any recording fees for liens, the Department shall release any and all liens on the Debtors' or Reorganized Debtors' properties that are on account of the Pennsylvania Claims.

9. The amounts of Post-Petition Credits available to each Reorganized Debtor to reduce taxes due for the calendar years 2019 and thereafter set forth on Exhibit 2 to the Wagner Declaration are preserved to the fullest extent under applicable law and remain otherwise unaffected by this Order.

10. Kurtzman Carson Consultants LLC is authorized to update the claims register to reflect the relief granted in this Order.

11. Entry of this Order is without prejudice to the Reorganized Debtors' right to object to any other claims in these chapter 11 cases or to further object to the claims as addressed in the 20th Objection and as identified on Schedules 1, 2, 3, and 4 attached hereto (to the extent they are not disallowed and expunged pursuant to this Order) on any grounds whatsoever at a later date.

12. Each objection to each claim as addressed in the 20th Objection and as identified on Schedules 1, 2, 3, and 4 attached hereto constitutes a separate contested matter as contemplated in Bankruptcy Rule 9014. This Order shall be deemed a separate order with respect to each claim



as addressed in the 20th Objection and as identified on Schedules 1, 2, 3, and 4 attached hereto. Any stay of this Order shall apply only to the contested matter that involves such claim and shall not act to stay the applicability or finality of this Order with respect to the other contested matters covered hereby.

13. Notice of the 20th Objection shall be deemed good and sufficient, and the applicable requirements of the Bankruptcy Rules and Local Bankruptcy Rules have been satisfied.

14. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

15. The Reorganized Debtors are authorized to take any and all actions reasonably necessary or appropriate to effectuate the relief granted pursuant to this Order.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

White Plains, New York  
Dated: \_\_\_\_\_, 2021

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THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

**Schedule 1**

**No Liability Claims**

The basis for the objection to each claim listed on this schedule may be found on pages 5-7 of the Objection.

Windstream Finance, Corp. 19-22397  
 Twentieth Omnibus Claims Objection  
 Schedule 1 - No Liability Claims

NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ASSERTED CLAIM AMOUNT
1 CMN-RUS, INC. JEREMY R. JOHNSON POLSINELLI PC 600 THIRD AVENUE, 42ND FLOOR NEW YORK, NY 10016 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant. This claim alleges obligations related to power charges for facilities in Wolcott, Marion, and Seymour. However, the claimant owes the Reorganized Debtors on account of certain power payments for a facility in Indianapolis. In addition, the claimant owes the Reorganized Debtors for inadvertent payments the Debtors made on account of fifteen (15) racks in Evansville that were to be free of charge pursuant to certain contract amendment(s). The Reorganized Debtors have provided materials for the claimant's review, including calculations.	10/20/2020	19-22312	Windstream Holdings, Inc.	8713	\$ 100,933.36
2 CMN-RUS, INC. ANDREW J. NAZAR, ESQ. POLSINELLI PC 900 WEST 48TH PLACE, SUITE 900 KANSAS CITY, MO 64112 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant. This claim remains unliquidated as of the date hereof.	10/21/2020	19-22449	Windstream KDL, LLC	8710	Undetermined*
3 COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF REVENUE BUREAU OF COMPLIANCE PO BOX 280948 HARRISBURG, PA 17128-0946 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant.	10/7/2020	19-22312	Windstream Holdings, Inc.	8633	\$ 2,169,089.95
4 JAMES A. LURZ HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant.	5/30/2019	19-22460	Valor Telecommunications of Texas, LLC	1711	\$ 5,000,000.00
5 JOHNNY R. WILKERSON HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant. The Reorganized Debtors are not liable for such amounts.	5/30/2019	19-22460	Valor Telecommunications of Texas, LLC	1710	\$ 5,000,000.00
6 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISON PO BOX 280946 HARRISBURG, PA 17128 Reason: Pursuant to the Debtors' books and records, no amounts are due and no liability exists for this claimant. The Reorganized Debtors are not liable for such amounts.	8/26/2019	19-22315	Cavalier Telephone Mid-Atlantic, L.L.C.	7529	\$ 3,055,305.16

Reason: Windstream objects because some of the receipts were not taxable, but is willing to compromise at 50% of the tax due. No interest is due from Windstream on tax due because the amount of overpayments far exceed the amount of the tax due.

\* Indicates claim contains unliquidated and/or undetermined amounts

Windstream Finance, Corp. 19-22397  
 Twentieth Omnibus Claims Objection  
 Schedule 1 - No Liability Claims

ASSERTED CLAIM  
 AMOUNT

CLAIM #

DEBTOR

CASE NUMBER

DATE FILED

NAME

7	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	Cavalier Telephone, L.L.C.	19-22317	5/22/2019	1685	\$ 3,300.00
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Reason: No tax is due because company is not a provider of telecommunications service because the Secretary of State has not certificated it to provide telecommunications services. In addition, penalty is not a priority claim.

8	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	The Other Phone Company, LLC	19-22323	5/13/2019	1426	\$ 8,357.00
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Reason: No tax is due because company is not a provider of telecommunications service because the Secretary of State has not certificated it to provide telecommunications services.

9	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	PAETEC, LLC	19-22393	5/13/2019	1422	\$ 23,350.00
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Reason: The company was not certified to provide telecommunications service during at least half of the taxable period, so no tax is due on gross receipts. No interest is due because the amount of the overpayments exceed the purported amount of the tax due.

10	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	US LEC of Pennsylvania LLC	19-22395	2/11/2020	8018	\$ 1,122,884.53
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Reason: No interest is due because of other overpayments made by US LEC. Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax or are not properly categorized as receipts from the provision of telephone messages. Windstream objects because the company was denied a deduction from taxable gross receipts for uncollectable accounts/bad debts. Windstream objects because the underlying assessments treat Windstream differently than other similarly situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.

11	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	Windstream Communications, LLC	19-22433	5/13/2019	1413	\$ 144,992.63
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Reason: Interest is not allowed because overpayments exceed the amount of the tax due

12	PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	Windstream KDL, LLC	19-22449	5/13/2019	1423	\$ 135,419.73
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Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States. Windstream objects as this company derives receipts only from the provision of wholesale telecommunications service, as such all receipts qualify for the resale exclusion from tax.

\* Indicates claim contains unliquidated and/or undetermined amounts

Windstream Finance, Corp. 19-22397  
 Twentieth Omnibus Claims Objection  
 Schedule 1 - No Liability Claims

NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ASSERTED CLAIM AMOUNT
13 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946 Reason: Windstream submits that it made overpayments in 2012 and 2013 as set forth in Column K of Exhibit 1 to the Wagner Declaration. Windstream is willing to concede tax due per the proof of claim. No interest should be due given the fact that the overpayments far exceed the amount of the tax due. The amount of overpayment is based on the calculations set forth in the Wagner Declaration.	5/13/2019	19-22452	Windstream D&E Systems, LLC	1434	\$ 74,311.65
14 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946 Reason: The amount of the tax is reduced because of tax paid. No interest is due on such claim because of overpayments.	5/13/2019	19-22487	Windstream Buffalo Valley, Inc.	1417	\$ 61,671.23
15 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946 Reason: No tax is due because company is not a provider of telecommunications service because the Secretary of State has not certificated it to provide telecommunications services.	5/13/2019	19-22500	Windstream Cavalier, LLC	1419	\$ 6,600.00
16 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946 Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and United States. Interest has been calculated as set forth in the Wagner Declaration.	8/13/2019	19-22505	Windstream Pennsylvania, LLC	7335	\$ 20,167,461.44
TOTAL					\$ 37,073,676.68*

\* Indicates claim contains unliquidated and/or undetermined amounts

**Schedule 2**

**Substantively Duplicate Claims**

CLAIMS TO BE DISALLOWED

REMAINING CLAIMS

	NAME	DATE FILED	CASE NUMBER / DEBTOR	CLAIM #	CLAIM AMOUNT	NAME	DATE FILED	CASE NUMBER / DEBTOR	CLAIM #	CLAIM AMOUNT
1	JAMES A. LURZ HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864	05/30/19	Windstream Holdings, Inc. 19-22312	1709	\$ 5,000,000.00	JAMES A. LURZ HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864	05/30/19	Valor Telecommunications of Texas, LLC 19-22460	1711	\$ 5,000,000.00
Reason: The underlying liability asserted in the claim to be disallowed is included in the surviving claim.										
2	JOHNNY R. WILKERSON HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864	05/30/19	Windstream Holdings, Inc. 19-22312	1708	\$ 5,000,000.00	JOHNNY R. WILKERSON HASSAKIS AND HASSAKIS, P.C. 206 SOUTH NINTH STREET, SUITE 201 MOUNT VERNON, IL 62864	05/30/19	Valor Telecommunications of Texas, LLC 19-22460	1710	\$ 5,000,000.00
Reason: The underlying liability asserted in claim to be disallowed is included in the surviving claim.										
<b>Total</b>									<b>Total</b>	<b>\$ 10,000,000.00</b>

**Schedule 3**

**Claims to be Modified - Amount**



ASSERTED CLAIMS				MODIFIED CLAIMS			
NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
1 PA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128	8737	Windstream Business Holdings, LLC	Priority	\$18,669.81	Windstream Business Holdings, LLC	Priority	\$0.00
		Windstream Business Holdings, LLC	Secured	\$35,839.17	Windstream Business Holdings, LLC	Secured	\$24,753.58
			Subtotal	\$54,508.98		Subtotal	\$24,753.58
Reason: Claim filed after the bar date as to the 2016 tax year. Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							
2 PA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128	8739	Windstream D&E, Inc.	Priority	\$66,372.84	Windstream D&E, Inc.	Priority	\$0.00
		Windstream D&E, Inc.	Secured	\$3,969,638.54	Windstream D&E, Inc.	Secured	\$66,422.12
			Subtotal	\$4,036,011.38		Subtotal	\$66,422.12
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States. Interest calculated based on ratio of POC interest to POC tax and applied to agreed amount of \$648k less overpayments of \$66k.							
3 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1420	McLeodUSA Telecommunications Services, L.L.C.	Priority	\$8,659.80	McLeodUSA Telecommunications Services, L.L.C.	Priority	\$0.00
		McLeodUSA Telecommunications Services, L.L.C.	Secured	\$128,730.90	McLeodUSA Telecommunications Services, L.L.C.	Secured	\$54,168.97
		McLeodUSA Telecommunications Services, L.L.C.	Unsecured	\$651.73	McLeodUSA Telecommunications Services, L.L.C.	Unsecured	\$0.00
			Subtotal	\$138,042.43		Subtotal	\$54,168.97
Reason: Agreed to tax due on claim. Interest amount reduced by proportion of overpayments to tax due.							
4 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1428	CoreComm-ATX, Inc.	Secured	\$4,048,631.86	CoreComm-ATX, Inc.	Secured	\$983,834.35
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							

Windstream Energy, L.P. 19-22397  
 Twentieth Omnibus Claims Objection  
 Schedule 3 - Claims to be Modified - Amount

ASSERTED CLAIMS				MODIFIED CLAIMS			
NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
5 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1431	PaeTec Communications, LLC	Secured	\$321,987.38	PaeTec Communications, LLC	Secured	\$255,243.79
			Unsecured	\$0.02	PaeTec Communications, LLC	Unsecured	\$0.00
			Subtotal	\$321,987.40		Subtotal	\$255,243.79
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the company was denied a deduction from taxable gross receipts for uncollectable accounts/bad debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							
6 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1432	US LEC Communications LLC	Secured	\$2,791.87	US LEC Communications LLC	Secured	\$1,712.72
Reason: No interest is due because of other overpayments made by US LEC. Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the company was denied a deduction from taxable gross receipts for uncollectable accounts/bad debts. Windstream objects to the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							
7 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1435	Windstream Norlight, LLC	Secured	\$7,946.04	Windstream Norlight, LLC	Secured	\$4,900.86
Reason: This modification reflects that no interest is due on account of this claim because of overpayments made by US LEC and Windstream Buffalo.							
8 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1546	Conversent Communications of Pennsylvania, LLC	Secured	\$7,667.33	Conversent Communications of Pennsylvania, LLC	Secured	\$186.83
Reason: Windstream objects as no tax is due because company requested to discontinue its telecommunications certification with the Pennsylvania Public Utilities Commission and the request was granted in May 2014.							
9 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1549	Deltacom, LLC	Secured	\$72,678.45	Deltacom, LLC	Secured	\$2,437.68
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects because the company was denied a deduction from taxable gross receipts for uncollectable accounts/bad debts. Windstream objects to the claim to the extent it is based on the Department's erroneous finding that Windstream has not filed all necessary returns. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							

MODIFIED CLAIMS

ASSERTED CLAIMS

NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
10 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128-0946	1552	Earthlink Business, LLC	Secured	\$595,632.40	Earthlink Business, LLC	Secured	\$367,021.32
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages and are therefore not taxable. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the Department has failed to provide a detailed basis for assessment, denying Windstream the ability to fairly challenge the assessment in contravention of the protections afforded taxpayers by the constitutions of Pennsylvania and the United States. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States.							
11 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY DIVISION PO BOX 280946 HARRISBURG, PA 17128	7535	Windstream Conestoga, Inc.	Priority	\$969,907.95	Windstream Conestoga, Inc.	Priority	\$0.00
		Windstream Conestoga, Inc.	Secured	\$4,134,246.07	Windstream Conestoga, Inc.	Secured	\$102,544.05
		Windstream Conestoga, Inc.	Unsecured	\$54,165.39	Windstream Conestoga, Inc.	Unsecured	\$0.00
		Subtotal	Subtotal	\$5,158,319.41	Subtotal	Subtotal	\$102,544.05
Reason: Windstream objects because the company has been assessed on receipts that are statutorily excluded from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone messages. Windstream objects because the underlying assessments treat Windstream differently than other similarly-situated taxpayers, denying Windstream the protections offered by the constitutions of Pennsylvania and the United States. Interest has been calculated as described in the Wagner Declaration.							
				TOTAL			\$ 14,462,217.55
							TOTAL
							\$ 1,863,226.27

**Schedule 4**

**Claims to be Modified - Amount and Priority**

ASSERTED CLAIMS				MODIFIED CLAIMS			
NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
1 CITY OF LINCOLN, NEBRASKA CITY OF LINCOLN CITY ATTORNEY STEVEN HUGGENBERGER 555 S. 10TH ST. LINCOLN, NE 68508-3997	8651	Windstream Nebraska, Inc.	Priority	\$1,929,443.00	Windstream Nebraska, Inc.	Priority	\$0.00
					Windstream Nebraska, Inc.	Unsecured	\$413,481.69
						Subtotal	\$413,481.69
Reason: The modified amount reflects an adjustment per a review of the claimant's proof of claim, the documents attached thereto, and a reasonable review of the Debtors' books and records. The modified priority reflects that, according to Debtors' books and records and/or documentation filed with the proof of claim, the claim is unsecured and does not qualify for priority status.							
TOTAL				\$ 1,929,443.00	TOTAL		\$ 413,481.69

**Exhibit B**

**Wagner Declaration as to the Tax Claims**

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*Counsel to the Reorganized Debtors*

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

In re:	)	Chapter 11
WINDSTREAM FINANCE, CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-22397 (RDD)
Reorganized Debtors.	)	(Formerly Jointly Administered under Lead Case: Windstream Holdings, Inc., Case No. 19-22312)

**DECLARATION OF SHANNON WAGNER  
IN SUPPORT OF REORGANIZED DEBTORS’  
TWENTIETH OMNIBUS OBJECTION TO THE NO LIABILITY CLAIMS,  
SUBSTANTIVELY DUPLICATE CLAIMS, AND CLAIMS TO BE MODIFIED**

I, Shannon Wagner, hereby declare under penalty of perjury:

1. I submit this declaration (the “Declaration”) in support of the *Reorganized Debtors’ Twentieth Omnibus Objection to the No Liability Claims, Substantively Duplicate Claims, and Claims to be Modified* (the “Objection”) filed by Windstream Finance, Corp., et al. and its debtor

<sup>1</sup> The last four digits of the Reorganized Debtor Windstream Finance, Corp.’s tax identification number are 5713. Due to the large number of Reorganized Debtors in these chapter 11 cases, for which joint administration was granted, a complete list of the reorganized debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Reorganized Debtors’ claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Reorganized Debtors’ service address for purposes of these chapter 11 cases is 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

and reorganized debtor affiliates (collectively, the “Debtors” or “Reorganized Debtors”) solely as to the Tax Claims (as defined in the Objection).

2. My job title is Director-Tax Accounting for the Reorganized Debtors. I have direct responsibility for reviewing and evaluating state and local tax obligations of the Reorganized Debtors. I am generally familiar with the Reorganized Debtors’ day-to-day operations, business, financial affairs and books and records.

3. I have been involved in overseeing audits, assessments and claims against various Debtors by the Pennsylvania Department of Revenue (the “Department”) as well as prepayments and overpayments made by various Debtors to the Department. I have also reviewed statements of account prepared by the Department that show amounts of payments to the Department by various Debtors.

4. I was involved in overseeing an audit of Windstream Nebraska, Inc., one of the Reorganized Debtors, relating to City of Lincoln, Nebraska occupation tax, conducted by contracted third-party auditor Garth Ashpaugh on behalf of the City of Lincoln (the “City”) for the period of January 1, 2013 through April 30, 2017 (the “Lincoln Audit”).

5. All matters set forth in this Declaration are based upon (a) my personal knowledge, (b) my review of relevant documents, (c) my various investigations of the activities and businesses of the Debtors and Reorganized Debtors, (d) my review of the Debtors’ or Reorganized Debtor’s respective books and records (the “Books and Records”), (e) my work in connection with the Lincoln Audit, (f) my review of the Tax Claims (as defined in the Objection), (g) my review of the Objection filed contemporaneously herewith and the schedules attached thereto, and (h) as to matters involving United States bankruptcy law or rules or other applicable laws, my reliance on



the advice of counsel or other advisors to the Reorganized Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

**A. Pennsylvania Claims.**

6. On September 4, 2012, Debtor Windstream Pennsylvania made a prepayment to the Department of gross receipts taxes of \$4,408.235. The Department has acknowledged receipt of that amount. That amount is reflected in Column I of **Exhibit 1** attached hereto.

7. I have carefully reviewed the Statements of Account prepared by the Department for the various Debtors. Based upon my review, I began discussions with representatives of the Department to determine the amount of overpayments of the gross receipts taxes made by Debtors. Through conversations and emails up to and including August 8, 2021, the Department's representative informed me that records of the Department reveal that the amount of pre-petition overpayments available to the various debtors is as set forth in Column J of **Exhibit 1** attached hereto. A pre-petition overpayment is a payment made prior to the commencement of the bankruptcy for a tax year beginning prior to the petition in bankruptcy. The Debtors filed their chapter 11 bankruptcy petitions on February 25, 2019, and the pre-petition overpayments relate to payments for tax years beginning prior to that date.

8. I am in agreement with the Department's calculations of the amount of pre-petition credits set forth in Column J of **Exhibit 1** attached hereto based upon my review of the Debtors' records, with two exceptions as recited in the paragraphs below.

9. First, the amounts set forth in Column J of **Exhibit 1** attached hereto do not include any of the post-petition credits described in **Exhibit 2** attached hereto, which is a schedule I prepared from the Debtors' records. The Post-Petition Credits described in **Exhibit 2** comprise all credits, pre-payments of tax, and overpayments from previous tax years rolled over or applied to

tax years not yet concluded as of the February 25, 2019 petition date. Based on the Debtors' Books and Records, the total amount of Post-Petition Credits available is \$15,669,699.72.

10. Second, Column J of Exhibit 1 attached hereto does not contain any pre-petition overpayments made by Debtor Windstream D&E Systems, LLC. Based on my review of the records of Windstream D&E Systems, LLC, I believe the amount of overpayments and thus the pre-payment credits are \$563,793, attributable to overpayments made in various years, all as set forth in Exhibit 3 attached hereto. I have prepared Exhibit 3 from the records of Windstream D&E System, LLC, and based on information provided by the Department.

11. Column L of Exhibit 1 shows the application of the Pre-Petition Credits, including the prepayment by Windstream Pennsylvania (shown in Column I of Exhibit 1), the pre-petition overpayments agreed to by the Department (shown in Column J of Exhibit 1), and the additional pre-petition overpayments relating to Windstream D&E Systems LLC (shown in Exhibit 3 and in Column K of Exhibit 1). For those entities in which Column L of Exhibit 1 shows a net overpayment, the Debtors have applied those credits to reduce the liability on Claim Nos. 1428, 7535, and 8739, as shown in Column N of Exhibit 1.

**B. Claim No. 8651.**

12. I understand that, on or about August 26, 2019, the City filed, and I have since reviewed, Claim No. 7511, which asserted a claim against Windstream Holdings, Inc. for the City of Lincoln occupational tax in an unidentified amount based upon the then-pending Lincoln Audit.

13. I further understand that, on or about October 13, 2020, after the August 26, 2019 bar date for claims by governmental entities, the City filed Claim No. 8651, which purported to amend Claim No. 7511 and to assert a claim against Windstream Nebraska, Inc., a different debtor entity than Windstream Holdings, Inc., which had been the subject of Claim No. 7511. Claim No. 8651 was based on the City audit. Claim No. 8651 included an analysis showing the auditor's

calculation, as of October 2020, of occupation tax, penalty and interest due, in the total amount of \$1,929,442.82.

14. Based upon the schedule attached to Claim No. 8651, and in the course of the Lincoln Audit, the Reorganized Debtors became aware that the auditor was taking the position that the occupation tax itself, which Windstream Nebraska passed on to its customers as permitted in the Lincoln Municipal Code, constituted taxable gross receipts subject to the occupation tax. This position came as a surprise to the Reorganized Debtors, as it amounted to a tax upon a tax. In calculating the tax to be passed through to customers and remitted to the City, Reorganized Debtors' tax department had consulted with Avalara, a leading national provider of state tax compliance solutions, and had been informed that no tax should be charged to customers on the taxes permitted to pass through.

15. Subsequent to the filing of Claim No. 8651, the Reorganized Debtors continued to work with third-party auditor Garth Ashpaugh, who was working on behalf of the City, to provide additional information to inform the Lincoln Audit.

16. On or about July 1, 2021, third-party auditor Garth Ashpaugh shared revised schedules with the Reorganized Debtors. The revised schedules reduced the total amount claimed from \$1,929,442.82 to \$1,337,123.78. This amount consisted of \$555,025.52 of occupation tax liability, \$754,346.98 of interest calculated through July 31, 2021, and \$27,751.28 of penalty. More than 50% of the additional tax calculated by the auditor can be attributed to the imposition of tax on tax – that is, the imposition of occupation tax on the charges Windstream Nebraska passed through to its customers for the occupation tax imposed on charges for telecommunications services. The auditor's revised schedule of proposed liability, as provided to the Reorganized Debtors on July 1, 2021 (the "July 1, 2021 Schedule"), is attached as **Exhibit 4** to this Declaration.

17. During the claims reconciliation process, the Reorganized Debtors have conducted, and continue to conduct, a review of the claims filed in these chapter 11 cases, in order to identify both valid claims and claims to which the Reorganized Debtors would object. I am aware that the Order would, if entered by the Court, modify Claim No. 8651 to a general unsecured claim reduced total amount of \$413,481.69, consisting of \$198,779 of occupation tax and \$214,702.34 of interest through the February 25, 2019 date of the Reorganized Debtors' chapter 11 petition in bankruptcy.

**C. Objection to Claim No. 8651 Against the Audited Debtors.**

18. The auditor's proposed calculation of liability is based upon the auditor's determination that the following categories of revenues are taxable gross receipts subject to the Lincoln occupation tax: (1) Identified "Y" Revenue (these are charges for telecommunications services); (2) USF Revenue; (3) E911 Revenue; (4) Late Payment Revenue; (5) Returned Check Charge; (6) Voicemail Revenue; (7) Telecom Relay Surcharge; and (8) Occupation Tax Charges.

19. The Reorganized Debtors agree with the auditor that categories 1 through 3, listed in paragraph 18 above (identified "Y" Revenue, USF Revenue; E911 Revenue; and Charges for the Occupation Tax ), are taxable gross receipts subject to Lincoln's occupation tax. As set forth in the Objection, however, the Reorganized Debtors contend that none of the receipts in categories 4-8 (Late Payment Revenue; Returned Check Charge; Voicemail Revenue; Telecom Relay Surcharge) are taxable gross receipts for purposes of the occupation tax. The spreadsheet attached hereto as **Exhibit 5** (the "Revised Schedule") recalculates the total amount of occupation tax due for each of the periods in the Lincoln Audit once the revenues for Late Payments, Returned Check Charges, Voicemail Revenue and Telecom Relay Surcharge are correctly treated as not taxable under the occupation tax. The result is that the Debtors actually overpaid the occupation tax in each of the years 2015, 2016 and 2017, while still owing additional tax for the years 2013 and

2014. In all the total amount of additional liability for the occupation tax during the audit period is \$198,779.36.

20. The Reorganized Debtors also recognize that interest is owed on additional occupation tax, however, the Reorganized Debtors contend that any claims for interest accruing after the petition date are claims for unmatured interest and must be disallowed under section 502(b)(2) of the Bankruptcy Code. The correct amount of interest through the petition date, as shown on the Revised Schedule, is \$214,702.34.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 31, 2021

Respectfully submitted,

/s/ Shannon Wagner

Name: Shannon Wagner

Title: Director Tax-Accounting  
Reorganized Debtors

**Exhibit 1**

**Pennsylvania Claims - Summary**

WINDSTREAM HOLDINGS, INC AND ALL SUBSIDIARIES  
 PENNSYLVANIA DEPARTMENT OF REVENUE BANKRUPTCY CLAIMS FILED  
 GROSS RECEIPTS TAX AND INCENTIVE/FRANCHISE TAXES

DEBTORS' SUMMARY OF CLAIMS, OBJECTIONS TO CLAIMS, AND DETERMINATION OF THE REDUCED AMOUNTS

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Debtor Name	Claim #	Tax Type	Amount per Claim	Tax on Claim	Interest on Claim	Windstream Agreed Gross Tax Due	Interest On Agreed Tax Due	GRT Payment on April 4, 2012	Department's Calculation of Overpayment's As of 8/9/2012 To Which Windstream Agrees	Additional Overpayments Claimed by Windstream	Net Amount Due (Overpayment by Windstream in parentheses)	Windstream Objections to the Claim	Amount Claim Reduced to
Cavalier Telephone Mid-Atlantic, LLC	7529 (suspending 1429 and 2178)	Gross Receipts	75,250.75	41,682.00	8,507.13	20,841.00	-	-	184,384.00	-	(169,543.00)	Windstream objects to the claim because the receipts were not taxable but is willing to compromise at 50% of the tax due. No interest due from Windstream on tax due because the amount of overpayments far exceeded the tax due.	zero
Cavalier Telephone, LLC (2013 Estimated liability of \$1000 tax and \$300 penalty)	1685	Gross Receipts	3,000.00	3,000.00	-	-	-	-	-	-	-	Windstream objects to the claim because the company is not a provider of telecommunications services. In addition, penalty is not a priority claim.	zero
Conversant Communications of Pennsylvania, LLC	1546	Gross Receipts	7,667.33	6,791.00	186.83	-	186.83	-	-	-	186.83	Windstream objects to the claim because the company requested to discontinue its telecommunications certification with the Pennsylvania Public Utility Commission and the request was granted in May 2014.	186.83
ComCom-ATX, Inc. (Interest Based on ratio of interest/tax in POC)	1428	Gross Receipts	4,048,602.77	3,520,87.66	526,163.38	1,299,054.00	194,858.10	-	-	-	1,493,921.10	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	zero
ComCom-ATX, Inc.	1428	Income/Franchise	29,09	-	29,09	-	-	-	-	-	-	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	989,834.35
Dishcom, LLC	1549	Gross Receipts	71,679.45	65,779.00	5,411.45	9,771.30	1,951.38	-	9,287.00	-	2,487.68	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	zero
Earthlink Business, LLC interest based on ratio of interest/tax in POC	1552	Gross Receipts	593,939.92	520,834.28	65,109.79	3,262,338.39	40,782.93	-	-	-	367,001.12	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	367,001.12
Earthlink Business, LLC	1552	Income/Franchise	186.15	151.00	35.15	5,432.00	-	-	11,032.00	-	(5,600.00)	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	zero
Maize.com		Income/Franchise disallowed per 9/21/20 claims report	-	-	-	-	-	-	-	-	-	Other disallowed.	zero
McGraw-Hill Information Services LLC	1154	Gross Receipts	128,720.90	104,833.00	24,097.90	100,833.00	15,099.97	-	65,564.00	-	54,168.97	Agreed to tax due on claim. Interest amount reduced by proportion of overpayment to tax due.	54,168.97
McGraw-Hill Telecommunications Services, L.L.C.	1420	Gross Receipts	321,887.38	271,925.13	50,662.25	2,151,914.43	39,294.36	-	-	-	255,383.79	Windstream objects because the company has been assessed on receipts that are a statutory exclusion from tax. Windstream objects because the company has been assessed on receipts that are not properly categorized as receipts from the provision of telephone services and the company was denied a deduction from taxable gross receipts for uncollectible accounts/had debts. Windstream objects to the claim to the extent it is based on erroneous increases to the reported taxable receipts based on reconciliations to the reported corporation tax sales apportionment factor. Windstream objects because the underlying apportionment factor is based on the Department's erroneous finding that the company's gross receipts are not taxable. Windstream objects to the extent it is based on the Department's erroneous finding that other similarly situated taxpayers deny Windstream the protections offered by the Pennsylvania and United States Constitutions.	255,383.79
PaTelCo Communications, LLC	1431	Gross Receipts	23,350.00	22,000.00	-	11,000.00	-	-	17,532.50	-	(6,582.50)	Not certified to provide telecommunications service during at least 1/2 the period for no tax due on gross receipts. No interest is due since the amount of the overpayments exceeded the tax due.	zero
PAETEC, LLC	1422	Gross Receipts	23,350.00	22,000.00	-	11,000.00	-	-	17,532.50	-	(6,582.50)	Not certified to provide telecommunications service during at least 1/2 the period for no tax due on gross receipts. No interest is due since the amount of the overpayments exceeded the tax due.	zero
Tek America	1426	Gross Receipts	8,857.00	8,000.00	77.00	-	-	-	12,075.00	-	(12,075.00)	No due because company is not a provider of telecommunications service, since the Secretary of State has not certified it to provide telecommunications services.	zero
The Other Phone Company, LLC	1426	Gross Receipts	8,857.00	8,000.00	77.00	-	-	-	12,075.00	-	(12,075.00)	No due because company is not a provider of telecommunications service, since the Secretary of State has not certified it to provide telecommunications services.	zero





**Exhibit 2**

**Pennsylvania Claims - Post-Petition Credits**

Company Revenue ID	Buffalo Valley				Windstream Pennsylvania 1000229354	Windstream D&E Systems 1000174996	Windstream Communications 1001188372
	Windstream D&E 1000191000	Telephone Company 100510326	Windstream Conestoga 1000095015	Windstream 1,981,023.00			
2021 Actual Prepmnt Cash Paid	492,543.00	199,485.00	440,708.00	1,981,023.00	883,165.00	1,003,633.00	
2018 Overpayment rolled to 2019				213,550.72			
2019 Overpayment	14,161.00	71,912.00	173,212.00	677,948.00	642,018.00	678,199.00	
2019 - Applied to 2020 return	0.00	0.00	(173,212.00)	(677,948.00)	(524,996.00)	(678,199.00)	
TU TRANS IN TO 2020 PER PA STMT	0.00	0.00	0.00	0.00	0.00	0.00	
2020 - OVERPMT	252,601.00	113,261.00	266,256.00	2,038,893.00	154,487.00	201,635.00	
<b>Amount on deposit for 2021</b>	<b>759,305.00</b>	<b>384,658.00</b>	<b>706,964.00</b>	<b>4,233,466.72</b>	<b>1,154,674.00</b>	<b>1,205,268.00</b>	

Company	US LEC of Pennsylvania 1000286808	McLeod Telecommunications Services 1000229605	Windstream Norlight 1000226973	Masscomm 1000277732	Windstream New Edge 1000428279	Deltacom 1000464294
2021 Actual Prepmnt Cash Paid	1,629,042.00	34,744.00	15,741.00	20,773.00	62,999.00	119,916.00
2018 Overpayment rolled to 2019						
2019 Overpayment	158,572.00	681.00	4,877.00	0.00	0.00	18,482.00
2019 - Applied to 2020 return	(158,572.00)	0.00	(2,849.00)	0.00	0.00	0.00
TU TRANS IN TO 2020 PER PA STMT			0.00	0.00	0.00	0.00
2020 - OVERPMT	447,222.00	0.00	12,925.00	5,825.00	0.00	127,280.00
<b>Amount on deposit for 2021</b>	<b>2,076,264.00</b>	<b>35,425.00</b>	<b>30,694.00</b>	<b>26,598.00</b>	<b>62,999.00</b>	<b>265,678.00</b>

<b>Company</b>	<b>Business Telecom</b>	<b>Choice One</b>	<b>American</b>	<b>CTC Communications</b>	<b>Paetec</b>		
<b>Revenue ID</b>	<b>1000768813</b>	<b>1000115635</b>	<b>1000223796</b>	<b>Corp</b>	<b>Communications</b>	<b>1000114318</b>	
<b>2021 Actual Prepmnt Cash Paid</b>	38.00	858,370.00	7,447.00	27,559.00	978,059.00		
<b>2018 Overpayment rolled to 2019</b>							
<b>2019 Overpayment</b>	88.00	73,730.00	553.00	13,460.00	294,706.00		
<b>2019 - Applied to 2020 return</b>	(88.00)	(73,730.00)	(855.00)	0.00	(294,688.00)		
<b>TU TRANS IN TO 2020 PER PA STMT</b>	0.00	0.00	0.00	0.00	302.00		
<b>2020 - OVERPMT</b>	76.00	269,945.00	4,776.00	12,460.00	132,875.00		
<b>Amount on deposit for 2021</b>	114.00	1,128,315.00	11,921.00	53,479.00	1,111,254.00		

		Cavalier Telephone Mid Atlantic 1000239811	Talk America 1000236633	LDMI Telecommunications 1000462359	Broadview Networks 1000222512	Windstream KDL 1000247617	Total
2021 Actual Prepmnt Cash Paid		262,171.00	2,725.00	30.00	1,411,379.00	18,781.00	10,450,331.00
2018 Overpayment rolled to 2019							213,550.72
2019 Overpayment		422,870.00	0.00	0.00	0.00	0.00	3,245,469.00
2019 - Applied to 2020 return		(367,783.00)	0.00	0.00	0.00	0.00	(2,952,920.00)
TU TRANS IN TO 2020 PER PA STMT		0.00	(18.00)	0.00	0.00	0.00	284.00
2020 - OVERPMT		193,357.00	1,854.00	1,832.00	475,425.00	0.00	4,712,985.00
Amount on deposit for 2021		510,615.00	4,561.00	1,862.00	1,886,804.00	18,781.00	15,669,699.72

**Exhibit 3**

**Pennsylvania Claims - Credits for Windstream D&E Systems, LLC**

<b>Type</b>	<b>Amount</b>
Held Overpayments - 2014	132,759.00
Held Overpayments - 2015	194,831.00
Held Overpayments - 2016	193,605.00
Held Overpayments - 2017	193,241.00
Used/Cleared Overpayments - 2018	(134,970.00)
Held Overpayments - 2018	384,596.00
Used/Cleared Overpayments - 2019	(400,269.00)
<b><i>Total</i></b>	<b><i>563,793.00</i></b>

**Exhibit 4**

**Claim No. 8651 - July 1, 2021 Schedule**

Analyses of Occurrence of Windstream  
01/2013 to 04/2017

Revised Schedule prepared by third-party auditor Garth Ashpaugh and shared with Windstream on July 1, 2021

Tax Month	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total	Additional Amount Due	12% Interest from Payment Date to 07/31/21	5% Penalty on Additional Amount Due
Payment Date	3/7/2013	3/28/2013	4/30/2013	5/23/2013	6/21/2013	7/31/2013	8/30/2013	9/30/2013	10/31/2013	11/27/2013	12/16/2013	1/28/2014				
Posted Date	3/11/2013	4/1/2013	5/3/2013	5/28/2013	6/24/2013	8/5/2013	8/23/2013	10/3/2013	11/4/2013	12/2/2013	1/20/2014	1/31/2014				
Total	166,775.92	162,522.97	160,356.36	160,524.77	161,277.95	159,882.86	164,544.59	163,403.00	160,714.28	159,025.66	157,308.64	156,599.25				
A&S Calculated Amount Due												176,577.18				
Error Rate																
Additional Amount Due	21,276.20	20,733.64	20,457.24	20,478.72	20,574.81	20,396.83	20,991.55	20,845.91	20,502.90	20,287.48	20,068.43	19,977.93	246,591.63			
12% Interest from Payment Date 7/31/21	36,769.86	35,444.93	34,377.24	34,001.88	33,644.59	32,654.80	33,073.71	32,302.52	31,243.56	30,465.02	29,825.01	28,996.72	392,799.84			
5% Penalty on Additional Amount Due	1,063.81	1,036.68	1,022.86	1,023.94	1,028.74	1,019.84	1,042.30	1,042.30	1,025.14	1,014.37	1,003.42	998.90	12,329.58			
Total Due	59,109.87	57,215.25	55,857.34	55,504.54	55,248.14	54,071.47	55,114.83	54,190.73	52,771.60	51,766.87	50,896.86	49,973.55	651,721.06			

Tax Month	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total	Additional Amount Due	12% Interest from Payment Date to 07/31/21	5% Penalty on Additional Amount Due
Payment Date	2/28/2014	3/26/2014	4/28/2014	6/3/2014	6/24/2014	7/30/2014	8/20/2014	9/16/2014	10/24/2014	11/20/2014	12/19/2014	1/27/2015				
Posted Date	3/4/2014	3/31/2014	5/1/2014	6/27/2014	6/27/2014	8/26/2014	8/27/2014	9/19/2014	10/28/2014	11/25/2014	1/2/2015	1/30/2015				
Total	154,823.04	155,398.07	156,254.08	160,187.04	160,142.08	159,067.28	159,576.14	158,556.81	157,197.55	149,694.67	144,892.26	141,396.74				
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	17,654.99	17,720.56	17,818.18	18,266.67	18,261.54	18,138.98	18,197.00	18,080.76	17,925.76	17,070.19	16,522.55	16,520.70	212,177.88			
12% Interest from Payment Date 7/31/21	25,188.43	24,917.78	24,594.69	24,704.69	24,403.64	23,743.70	23,531.99	23,017.07	22,316.37	20,914.25	19,896.15	19,432.28	276,661.04			
5% Penalty on Additional Amount Due	882.75	886.03	890.91	913.33	913.08	906.95	909.85	904.04	896.29	853.51	826.13	826.04	10,608.89			
Total Due	43,726.17	43,524.37	43,303.78	43,884.69	43,578.26	42,789.62	42,638.85	42,001.87	41,138.43	38,837.94	37,244.82	36,779.02	499,447.81			

Tax Month	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total	Additional Amount Due	12% Interest from Payment Date to 07/31/21	5% Penalty on Additional Amount Due
Payment Date	2/24/2015	3/25/2015	4/27/2015	5/22/2015	6/19/2015	7/24/2015	8/28/2015	9/24/2015	10/23/2015	11/23/2015	12/14/2015	1/29/2016				
Posted Date	3/2/2015	3/30/2015	5/1/2015	5/26/2015	6/23/2015	7/27/2015	8/31/2015	9/28/2015	10/27/2015	11/25/2015	1/2/2016	2/4/2016				
Total	145,643.88	144,568.88	145,373.94	144,994.76	143,409.77	140,785.46	144,448.62	143,702.39	141,717.23	140,526.75	139,486.23	138,598.51				
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	2,953.55	2,931.75	2,948.07	2,940.38	2,908.24	2,855.02	2,929.31	2,914.18	2,873.92	2,849.78	2,828.67	2,810.67	34,743.54			
12% Interest from Payment Date 7/31/21	3,415.47	3,330.57	3,281.50	3,222.33	3,131.53	3,006.72	3,016.49	2,948.89	2,853.56	2,772.28	2,713.55	2,614.03	36,306.93			
5% Penalty on Additional Amount Due	147.68	146.59	147.40	147.02	145.41	142.75	146.47	145.71	143.70	142.49	141.43	140.53	1,737.18			
Total Due	6,516.69	6,408.90	6,376.98	6,309.74	6,185.18	6,004.50	6,092.26	6,008.77	5,871.17	5,764.55	5,683.66	5,565.24	72,787.64			

Tax Month	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total	Additional Amount Due	12% Interest from Payment Date to 07/31/21	5% Penalty on Additional Amount Due
Payment Date	2/19/2016	3/18/2016	4/15/2016	5/13/2016	6/17/2016	7/26/2016	8/19/2016	9/14/2016	10/27/2016	11/18/2016	12/22/2016	1/20/2017				
Posted Date	2/23/2016	3/21/2016	4/19/2016	5/16/2016	6/21/2016	7/29/2016	8/23/2016	9/22/2016	10/31/2016	11/21/2016	12/27/2016	1/23/2017				
Total	139,711.82	137,717.33	137,346.65	136,147.43	136,777.01	135,103.82	137,437.46	139,889.60	135,888.86	135,152.89	134,877.03	132,564.74				
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	4,236.69	4,176.20	4,164.96	4,128.60	4,147.69	4,096.95	4,167.72	4,242.08	4,120.76	4,098.44	4,090.07	4,013.89	49,684.05			
12% Interest from Payment Date 7/31/21	3,884.30	3,755.86	3,673.62	3,570.69	3,499.15	3,360.59	3,359.31	3,354.36	3,155.35	3,086.37	3,000.76	2,879.16	40,579.51			
5% Penalty on Additional Amount Due	211.83	208.81	208.25	206.43	207.38	204.85	208.39	212.10	206.04	204.92	204.50	200.69	2,484.20			
Total Due	8,332.82	8,140.87	8,046.83	7,905.72	7,854.22	7,662.39	7,735.41	7,808.54	7,482.15	7,389.73	7,295.34	7,093.74	92,747.76			

Tax Month	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total	Additional Amount Due	12% Interest from Payment Date to 07/31/21	5% Penalty on Additional Amount Due
Payment Date	2/24/2017	3/24/2017	4/28/2017	5/22/2017	6/19/2017	7/26/2017	8/23/2017	9/20/2017	10/31/2017	11/21/2017	12/27/2017	1/23/2018				
Posted Date	2/24/2017	3/28/2017	5/2/2017	5/26/2017	6/23/2017	7/20/2017	8/16/2017	9/14/2017	10/31/2017	11/21/2017	12/27/2017	1/23/2018				
Total	131,895.20	131,142.51	128,262.36	126,643.39												
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	3,999.65	2,659.47	2,601.06	2,568.23									11,828.42			
12% Interest from Payment Date 7/31/21	2,790.75	1,814.47	1,724.81	1,669.64									7,999.67			
5% Penalty on Additional Amount Due	199.98	132.97	130.05	128.41									591.42			
Total Due	6,990.39	4,606.92	4,455.93	4,366.28									20,419.51			

Total 1,337,123.78 555,025.52 754,346.98 27,751.28

7/31/2021

Payment Date



**Exhibit 5**

**Claim No. 8651 - Revised Schedule**

Adjusted Total Amount Due -- per Windstream analysis and Objection to Claim 8651

Tax Month	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total	Additional Amount Due	12% Interest from Payment Date to 02/25/2019	5% Penalty on Additional Amount Due
Payment Date	3/7/2013	3/28/2013	4/30/2013	5/23/2013	6/21/2013	7/31/2013	8/30/2013	9/30/2013	10/31/2013	11/27/2013	12/16/2013	1/28/2014				
Posted Date	3/11/2013	4/1/2013	5/3/2013	5/28/2013	6/24/2013	8/5/2013	9/3/2013	10/2/2013	11/4/2013	12/2/2013	12/20/2013	1/31/2014				
Total	166,775.92	162,522.97	160,536.36	160,524.77	161,277.95	159,882.86	164,544.59	163,403.00	160,714.28	159,025.66	157,308.64	156,599.25	171,822.39			
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	16,212.42	15,798.99	15,588.37	15,604.74	15,677.96	15,542.34	15,995.51	15,884.53	15,623.16	15,459.01	15,292.10	15,223.14	187,902.25			
12% Interest from Payment Date 7/31/21	16,878.44	16,227.25	15,671.63	15,453.33	15,231.40	14,701.30	14,825.98	14,414.29	13,876.42	13,477.94	13,151.12	12,696.30	176,601.60			
5% Penalty on Additional Amount Due	810.62	789.95	779.42	780.24	783.90	777.12	799.78	794.23	781.16	777.95	764.16	761.16	9,395.11			
Total Due	33,901.48	32,816.19	32,039.42	31,838.50	31,693.26	31,020.76	31,621.26	31,093.05	30,280.74	29,705.90	29,207.82	28,680.59	373,898.97			

Tax Month	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total	Additional Amount Due	12% Interest from Payment Date to 02/25/2019	5% Penalty on Additional Amount Due
Payment Date	2/28/2014	3/26/2014	4/28/2014	6/3/2014	6/24/2014	7/30/2014	8/20/2014	9/16/2014	10/24/2014	11/20/2014	12/19/2014	1/27/2015				
Posted Date	3/4/2014	3/31/2014	5/1/2014	6/3/2014	6/27/2014	8/6/2014	9/2/2014	9/19/2014	10/28/2014	11/25/2014	12/24/2014	1/30/2015				
Total	154,823.04	155,398.07	156,254.08	160,187.04	160,142.08	159,067.28	159,576.14	158,556.81	157,197.55	149,694.67	144,892.26	144,876.04	153,840.39			
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	9,579.83	9,615.41	9,668.38	9,911.74	9,908.95	9,842.45	9,873.94	9,810.86	9,726.76	9,262.51	8,965.36	8,964.35	115,130.55			
12% Interest from Payment Date 7/31/21	7,812.44	7,693.60	7,549.11	7,532.47	7,410.96	7,159.80	7,065.93	6,872.78	6,609.52	6,157.25	5,818.80	5,630.75	83,313.41			
5% Penalty on Additional Amount Due	478.99	480.77	483.42	495.59	495.45	492.12	493.70	490.54	486.34	463.13	448.27	448.22	5,756.53			
Total Due	17,871.26	17,789.79	17,700.91	17,939.79	17,815.36	17,494.38	17,433.57	17,174.19	16,822.62	15,882.89	15,232.42	15,043.32	204,200.49			

Tax Month	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total	Additional Amount Due	12% Interest from Payment Date to 02/25/2019	5% Penalty on Additional Amount Due
Payment Date	2/24/2015	3/25/2015	4/27/2015	5/22/2015	6/19/2015	7/24/2015	8/28/2015	9/24/2015	10/23/2015	11/23/2015	12/14/2015	1/29/2016				
Posted Date	3/2/2015	3/30/2015	5/1/2015	5/26/2015	6/23/2015	7/27/2015	8/31/2015	9/28/2015	10/27/2015	11/25/2015	12/18/2015	2/4/2016				
Total	145,643.88	144,568.88	145,373.94	144,994.76	143,409.77	140,785.46	144,448.62	143,702.39	141,717.23	140,526.75	139,486.23	138,598.51	134,136.86			
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	(4,688.45)	(4,653.85)	(4,679.76)	(4,667.56)	(4,616.54)	(4,532.06)	(4,649.98)	(4,625.96)	(4,562.05)	(4,523.73)	(4,490.23)	(4,461.65)	(55,151.81)			
12% Interest from Payment Date 7/31/21	(2,875.34)	(2,783.23)	(2,718.43)	(2,651.24)	(2,556.25)	(2,429.31)	(2,411.21)	(2,336.98)	(2,239.86)	(2,152.99)	(2,091.67)	(1,980.68)	(29,227.17)			
5% Penalty on Additional Amount Due	(234.42)	(232.69)	(233.99)	(233.83)	(230.83)	(226.60)	(232.50)	(231.30)	(228.10)	(226.19)	(224.51)	(223.08)	(2,757.59)			
Total Due	(7,798.22)	(7,669.77)	(7,652.18)	(7,552.17)	(7,403.61)	(7,187.97)	(7,293.68)	(7,194.23)	(7,050.01)	(6,902.90)	(6,806.42)	(6,665.42)	(87,136.58)			

Tax Month	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total	Additional Amount Due	12% Interest from Payment Date to 02/25/2019	5% Penalty on Additional Amount Due
Payment Date	2/19/2016	3/18/2016	4/15/2016	5/13/2016	6/17/2016	7/26/2016	8/19/2016	9/14/2016	10/27/2016	11/18/2016	12/22/2016	1/20/2017				
Posted Date	2/23/2016	3/21/2016	4/19/2016	5/16/2016	6/21/2016	7/29/2016	8/23/2016	9/22/2016	10/31/2016	11/21/2016	12/27/2016	1/23/2017				
Total	139,711.82	137,717.33	137,346.65	136,147.43	136,777.01	135,103.82	137,437.46	139,889.60	135,888.86	135,152.89	134,877.03	132,364.74	129,622.63			
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	(2,894.31)	(2,852.99)	(2,845.31)	(2,820.47)	(2,833.51)	(2,798.85)	(2,847.20)	(2,898.00)	(2,815.11)	(2,799.87)	(2,794.15)	(2,742.11)	(33,941.89)			
12% Interest from Payment Date 7/31/21	(1,256.27)	(1,201.03)	(1,160.94)	(1,114.59)	(1,074.74)	(1,012.65)	(999.82)	(984.50)	(903.66)	(872.24)	(829.93)	(780.89)	(12,191.26)			
5% Penalty on Additional Amount Due	(144.72)	(142.65)	(142.27)	(141.02)	(141.68)	(139.94)	(142.36)	(144.90)	(140.76)	(139.99)	(137.71)	(137.11)	(1,697.09)			
Total Due	(4,295.30)	(4,196.68)	(4,148.52)	(4,076.09)	(4,049.93)	(3,951.45)	(3,989.38)	(4,027.39)	(3,859.53)	(3,812.10)	(3,763.79)	(3,660.10)	(47,830.25)			

Tax Month	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total	Additional Amount Due	12% Interest from Payment Date to 02/25/2019	5% Penalty on Additional Amount Due
Payment Date	2/24/2017	3/24/2017	4/28/2017	5/22/2017	6/19/2017	7/24/2017	8/28/2017	9/24/2017	10/23/2017	11/23/2017	12/14/2017	1/29/2018				
Posted Date	2/24/2017	3/28/2017	5/2/2017	5/22/2017	6/21/2017	7/29/2017	8/23/2017	9/22/2017	10/31/2017	11/21/2017	12/27/2017	1/23/2018				
Total	131,895.20	131,142.51	128,262.36	126,643.39												
A&S Calculated Amount Due																
Error Rate																
Additional Amount Due	(2,732.38)	(4,221.64)	(4,128.92)	(4,076.81)									(15,159.74)			
12% Interest from Payment Date 7/31/21	(738.15)	(1,091.58)	(1,008.45)	(956.05)									(3,794.24)			
5% Penalty on Additional Amount Due	(136.62)	(211.08)	(206.45)	(203.84)									(757.99)			
Total Due	(3,607.15)	(5,524.30)	(5,343.82)	(5,236.70)									(19,711.97)			

Total																	413,481.69	198,779.36	214,702.34	0.00
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2/25/2019

Petition Date

**Exhibit C**

**Bixler Declaration as to Claims Subject to the Objection Other than the Tax Claims**

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*Counsel to the Reorganized Debtors*

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

	)		
In re:	)	Chapter 11	
	)		
WINDSTREAM FINANCE, CORP., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-22397 (RDD)	
	)		
Reorganized Debtors.	)	(Formerly Jointly Administered	
	)	under Lead Case: Windstream	
	)	Holdings, Inc., Case No. 19-22312)	

**DECLARATION OF HOLDEN BIXLER  
IN SUPPORT OF REORGANIZED DEBTORS’  
TWENTIETH OMNIBUS OBJECTION TO THE NO LIABILITY CLAIMS,  
SUBSTANTIVELY DUPLICATE CLAIMS, AND CLAIMS TO BE MODIFIED**

I, Holden Bixler, declare under penalty of perjury:

1. I am a Managing Director at Alvarez & Marsal North America, LLC (“A&M”).  
Windstream Finance, Corp. and its affiliates (before the effective date of their chapter 11 plan,<sup>2</sup>  
collectively, the “Debtors” and, after the effective date of their chapter 11 plan, collectively,

<sup>1</sup> The last four digits of the Reorganized Debtor Windstream Finance, Corp.’s tax identification number are 5713. Due to the large number of Reorganized Debtors in these chapter 11 cases, for which joint administration was granted, a complete list of the reorganized debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Reorganized Debtors’ claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Reorganized Debtors’ service address for purposes of these chapter 11 cases is 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

<sup>2</sup> The Debtors emerged from chapter 11 on September 21, 2020, as set forth in the *Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates* [Docket No. 2527].

the “Reorganized Debtors”) retained A&M and its subsidiaries, affiliates, agents, and independent contracts as financial advisors in connection with the above-captioned chapter 11 cases.

2. As part of my current position, I am responsible for assisting the Reorganized Debtors with certain claims management and reconciliation matters. I am generally familiar with the Debtors’ day-to-day operations, financing arrangements, business affairs, and books and records that reflect, among other things, the Debtors’ liabilities and the amounts thereof owed to their creditors as of the Petition Date.

3. I have read the *Reorganized Debtors’ Twentieth Omnibus Objection to the No Liability Claims, Substantively Duplicate Claims, and Claims to be Modified* (the “Objection”) filed contemporaneously herewith and am, directly or indirectly through the Reorganized Debtors’ advisors and personnel, familiar with the information contained therein and the schedules attached thereto.<sup>3</sup> The scope of this declaration (the “Bixler Declaration”) shall include all claims subject to the Objection other than the Tax Claims.

4. I am authorized to submit this declaration in support of the Objection as to all claims subject to the Objection other than the Tax Claims. All matters set forth in this Declaration are based on (a) my personal knowledge, (b) my review of relevant documents, (c) my view based on my experience and knowledge of the Debtors and the Debtors’ operations, books and records, and personnel, (d) information that the Debtors and others supplied to me at the Debtors’ request, or (e) as to matters involving bankruptcy law or rules or other applicable laws, my reliance on the advice of counsel or other advisors to the Reorganized Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

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<sup>3</sup> Capitalized terms used in this Bixler Declaration and not defined have the meanings given to such terms elsewhere in the Objection.

5. I believe to the best of my knowledge and experience and based on information that I have been able to ascertain after reasonable inquiry that considerable time and resources have been expended to ensure a high level of diligence in reviewing and reconciling the proofs of claim filed against the Debtors in these chapter 11 cases.

**A. No Liability Claims.**

6. A&M along with the Reorganized Debtors have thoroughly reviewed the No Liability Claims and the supporting documentation thereto. The Reorganized Debtors have determined that the No Liability Claims either seek recovery for unsubstantiated amounts for which the Debtors are not liable or are inconsistent with the Debtors' books and records for the reasons stated on Schedule 1 to the Order.

7. Thus, I believe the No Liability Claims listed on Schedule 1 should be disallowed and expunged in their entirety.

**B. Substantively Duplicate Claims.**

8. A&M along with the Reorganized Debtors have thoroughly reviewed the Substantively Duplicate Claims and the supporting documentation thereto. The Reorganized Debtors have determined that the "Claims to be Disallowed" listed on Schedule 2 to the Order are substantively duplicative of another proof of claim because they either assert the same underlying liability as or included within the corresponding "Remaining Claim." Specifically, the holder of each Substantively Duplicate Claim filed a subsequent proof of claim to change the Debtor entity against which the claim was asserted, but the underlying obligations in the corresponding proof of claim remained the same. Each Substantively Duplicate Claim was identified because there is no material difference between the original and subsequently-filed proofs of claim. Accordingly, I believe the Substantively Duplicate Claims should be disallowed and expunged in their entirety.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 31, 2021

Respectfully submitted,

*/s/ Holden Bixler*

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Name: Holden Bixler

Title: Managing Director

Alvarez & Marsal North America, LLC