

**ENTERED**

September 29, 2021

Nathan Ochsner, Clerk

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	*	<b>CHAPTER 11</b>
	*	
	*	<b>CASE NO. 19-34698 (DRJ)</b>
	*	
<b>KP ENGINEERING, LP, et al<sup>1</sup></b>	*	
	*	<b>(Jointly Administered)</b>
<i>Debtor</i>	*	

**JOINT STIPULATION AND ORDER FOR ALLOWANCE OF DEPARTMENT OF  
TREASURY – INTERNAL REVENUE SERVICE’S PROOF OF CLAIM**

**(Doc. No. 977)**

Michael D. Warner (the “*Liquidation Trustee*”), in his capacity as liquidation trustee for the KP Engineering Liquidation Trust (the “*Trust*”) and pursuant to the *Third Amended Joint Chapter 11 Plan of Reorganization of KP Engineering, LP and KP Engineering, LLC*<sup>2</sup> (the “*Plan*”), confirmed by the Court’s *Order Confirming Third Amended Joint Chapter 11 Plan of Reorganization of KP Engineering, LP and KP Engineering, LLC*<sup>3</sup> (the “*Confirmation Order*”), and that certain *Liquidation Trust Agreement* dated June 22, 2020 (the “*Trust Agreement*”), and the Department of Treasury – Internal Revenue Service (the “*IRS*”) (together, the Liquidation Trustee and the IRS are referred to herein as the “*Parties*”) respectfully submit this proposed stipulation and agreed order (the “*Stipulation and Order*”) allowing the IRS’ claim as set forth

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are KP Engineering, LP (7785) and KP Engineering, LLC (0294). The location of the Debtors’ corporate headquarters and the Debtors’ service address is: 5555 Old Jacksonville Hwy., Tyler, TX 75703.

<sup>2</sup> Case Number 19-34698, Doc. No. 575.

<sup>3</sup> *Id.*

herein.

### RECITALS

**WHEREAS**, on August 23, 2019 (the “*Petition Date*”), KP Engineering, LP (“*KPE LP*”) and KP Engineering, LLC (“*KPE LLC*”) (together, KPE LP and KPE LLC are referred to herein as the “*Debtors*” and, post-confirmation, the “*Reorganized Debtors*”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the “*Court*”).<sup>4</sup>

**WHEREAS**, KPE LP was assigned Case Number 19-34698 and KP LLC was assigned Case Number 19-34699.<sup>5</sup> The two bankruptcy cases were subsequently consolidated for procedural purposes only and have since been jointly administered under Case Number 19-34698 (the “*Bankruptcy Case*”).<sup>6</sup>

**WHEREAS**, on January 7, 2020, the IRS filed Proof of Claim Number 59 (“*Claim 1*”), according to the records of the Trust’s claims and noticing agent, Omni Agent Solutions (“*Omni*”), and a copy of which is attached hereto as **Exhibit “A”**, therein asserting a \$10,239.00 priority unsecured claim and a \$13,518.19 general unsecured claim against the KPE LP bankruptcy estate on the basis of “Taxes.”

**WHEREAS**, on February 10, 2020, the IRS filed Proof of Claim Number 59-1 (“*Claim 2*”), according to the records of the Trust’s claims and noticing agent, Omni Agent Solutions (“*Omni*”), and a copy of which is attached hereto as **Exhibit “B”**, therein asserting a \$5,239.01 priority unsecured claim and a \$13,518.19 general unsecured claim against the KPE LP bankruptcy estate on the basis of “Taxes.” Claim 2, in response to question 4, indicates that it amends Claim 1.

**WHEREAS**, on March 26, 2020, the IRS filed Proof of Claim Number 59-2 (“*Claim 3*”), according to the records of the Trust’s claims and noticing agent, Omni Agent Solutions (“*Omni*”),

and a copy of which is attached hereto as **Exhibit “C”**, therein asserting a \$506.56 priority unsecured claim and a \$13,518.19 general unsecured claim against the KPE LP bankruptcy estate on the basis of “Taxes.” Claim 3, in response to question 4, indicates that it amends Claim 1.

**WHEREAS**, on June 12, 2020, the Court entered the Confirmation Order into the record of the Bankruptcy Case.

**WHEREAS**, pursuant to Article IV(F) of the Plan, the Trust was created and effective on the Effective Date.

**WHEREAS**, pursuant to the Confirmation Order, the Plan and the Trust Agreement, the Liquidation Trustee was appointed to act as trustee of the Trust.

**WHEREAS**, on June 23, 2020, the Plan became effective (the “*Effective Date*”). The Liquidation Trustee has since retained Omni’s continued services.

**WHEREAS**, on July 14, 2020, the IRS filed Proof of Claim Number 101 (“*Claim 4*”), according to the records of the Trust’s claims and noticing agent, Omni Agent Solutions (“*Omni*”), and a copy of which is attached hereto as **Exhibit “D”**, therein asserting a \$506.56 priority unsecured claim and a \$18,818.19 general unsecured claim against the KPE LP bankruptcy estate on the basis of “Taxes.” Claim 4, in response to question 4, indicates that it amends Claim 1.

**WHEREAS**, on May 18, 2021, the IRS filed Proof of Claim Number 109 (“*Claim 5*”), according to the records of the Trust’s claims and noticing agent, Omni Agent Solutions (“*Omni*”), and a copy of which is attached hereto as **Exhibit “E”**, therein asserting a \$506.56 priority unsecured claim and a \$13,418.19 general unsecured claim against the KPE LP bankruptcy estate on the basis of “Taxes.” Claim 5, in response to question 4, indicates that it amends Claim 1. Collectively, Claim 1, Claim 2, Claim 3, Claim 4, and Claim 5 are referred to herein as the “*Claims*”.

**WHEREAS**, pursuant to the Plan<sup>4</sup> and the Trust Agreement<sup>5</sup>, the Liquidation Trustee is authorized to object to the Claims.

**WHEREAS**, the Liquidation Trustee alleges the Claims are objectionable pursuant to 11 U.S.C. § 502, Federal Rule of Bankruptcy Procedure 3007 and/or the Plan.

**WHEREAS**, the Liquidation Trustee and the IRS agree to enter into the following stipulation to resolve the foregoing issues regarding the Claims.

**WHEREAS**, by this Stipulation and Order, the Parties hereby agree to the terms set forth below.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AND UPON APPROVAL BY THE COURT OF THIS STIPULATION, THE FOLLOWING IS SO ORDERED:**

1. The general unsecured claim portions of Claim 1, Claim 2, Claim 4, and Claim 5 are hereby disallowed.
2. The general unsecured claim portion of Claim 3 is hereby allowed as a Class 7 General Unsecured Claim in the amount of \$13,418.19 against the KPE LP bankruptcy estate.

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<sup>4</sup> Article VII(A)(2) of the Plan authorizes the Liquidation Trustee, “[e]xcept as otherwise specifically provided in the Plan or the [Trust Agreement]”, to, *inter alia*, “with respect to all Claims in Class 3 [Allowed Other Secured Claims],<sup>4</sup> [Allowed Johnson Creditor Claims – exclusive standing], <sup>5</sup> [Allowed Channelview Creditor Claims – exclusive standing], <sup>6</sup> [Allowed Geismar VI Creditor Claims – exclusive standing], and <sup>7</sup> [Allowed General Unsecured Claims – exclusive standing]], . . . file, withdraw, or litigate to judgment, objections to Proofs of Claims.”

<sup>5</sup> Article 1, Section 1.2(c) of the Trust Agreement provides that “[o]n the Effective Date, the Liquidation Trust shall stand in the shoes of the Debtors for all purposes with respect to . . . (ii) the claims reconciliation process for Claims in Classes 4, 5, 6 and 7. For clarity, (x) deficiency claims, if any, of holders of Claims in Classes 3, 4, 5 and 6, will be treated as Claims in Class 7, and subject to the Claims objection process provided in Section 6.3 hereof; (y) the Liquidation Trustee shall have no duty or obligation to address distributions on or to, or allowances of the Claims in Class 3 (other than with respect to any deficiency Claim within Class 7), as such duty and obligation shall be undertaken by the Debtors or the Reorganized Debtors, as applicable.” Article 3, Section 3.6(d) of the Trust Agreement provides that “[s]ubject to any limitations contained herein, in the Plan, or the Confirmation Order, the Liquidation Trustee shall have the following powers and authorities on behalf of the Liquidation Trust: . . . without the need for [the Court’s] approval, to investigate, object to, subordinate, compromise, estimate, allow, settle, or abandon any Claims in Classes 4, 5, 6, and 7.”

3. This Stipulation and Order shall not have any effect on the IRS' asserted priority unsecured claim portion of the Claims.

4. Omni is authorized and directed to update the claims register maintained in the Bankruptcy Case to reflect the relief granted in this Stipulation and Order.

5. Notwithstanding closure of the Bankruptcy Case, whether one or both cases of record are closed, the Court shall maintain non-exclusive jurisdiction and authority to interpret and enforce this Stipulation and Order and to resolve any and all disputes related to this Stipulation and Order.

6. The Stipulation and Order represents the Parties' mutual understandings and supersedes all prior agreements whether in oral or written form.

7. This Stipulation and Order shall be effective and enforceable immediately upon entry.

IN WITNESS WHEREOF, and in agreement herewith, the Parties have executed and delivered this Stipulation and Order on the day and year indicated below.

**Signed: September 28, 2021.**

  
\_\_\_\_\_  
DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE

**Signature Page to Follow**

**AGREED AS TO FORM AND CONTENT:**

**Dated: September 27, 2021**

**STEWART ROBBINS BROWN &  
ALTAZAN, LLC**

By: /s/ Brooke W. Altazan

Brooke W. Altazan (TX Bar # 24101002)  
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Telephone: (225) 231-9998  
Facsimile: (225) 709-9467

***Attorneys for Michael D. Warner, Liquidation  
Trustee***

**Dated: September 27, 2021**

JENNIFER B. LOWERY,  
Acting United States Attorney

s/ Richard A. Kincheloe

Richard A. Kincheloe  
Assistant United States Attorney  
Attorney-in-Charge  
United States Attorney's Office  
Southern District of Texas  
Texas Bar No. 24068107  
S.D. Tex. ID No. 1132346  
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Houston, Texas 77002  
Telephone: (713) 567-9422  
Facsimile: (713) 718-3033  
Email: Richard.Kincheloe@usdoj.gov  
**Attorney for the United States**

United States Bankruptcy Court  
Southern District of Texas

In re:  
KP Engineering, LP  
Official Committee Of Unsecured Creditor  
Debtors

Case No. 19-34698-drj  
Chapter 11

## CERTIFICATE OF NOTICE

District/off: 0541-4  
Date Rcvd: Sep 29, 2021

User: ADIuser  
Form ID: pdf002

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Total Noticed: 37

The following symbols are used throughout this certificate:

**Symbol            Definition**

+                    Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

**Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 01, 2021:**

Recip ID	Recipient Name and Address
db/db	+ KP Engineering, LP, KP Engineering LLC, 5555 Old Jacksonville Highway, Tyler, TX 75703-3379
aty	+ Cody J Waagner, Breazeale, Sachse & Wilson LLP, One American Place, 23rd Floor, 301 Main St. Baton Rouge, LA 70801-0027
aty	+ Eric Pezoid, Snell & Wilmer LLP, 600 Anton Blvd, Suite 1400, Costa Mesa, CA 92626-7689
aty	+ Foley Gardere/Foley & Lardner LLP, Foley Gardere/Foley Lardner LLP, 1000 Louisiana, Suite 2000, Houston, TX 77002-5018
aty	John T. Andrishok, Breazeale, Sachse & Wilson, LLP, 23rd Floor, One American Place, Baton Rouge, LA 70801
aty	+ Logan C Threadgill, Chambliss, Bahner & Stophel, P C, 605 Chestnut Street, Suite 1700, Chattanooga, TN 37450-0019
aty	+ Okin Adams LLP, Okin Adams LLP, 1113 Vine St, Suite 240, Houston, TX 77002 UNITED STATES 77002-1044
aty	+ Timothy M Gibbons, Chambliss, Bahner, & Stophel, P.C., 605 Chestnut St Ste 1700, Chattanooga, TN 37450-0019
cr	+ American Express National Bank, c/o Zwicker & Asso, P.O. Box 9043, 80 Minuteman Road, Andover, MA 01810-1008
cr	Apache Industrial Services, Inc., c/o William R. Sudela, Crady Jewett McCulley & Houren LLP, 2727 Allen Parkway, Suite 1700, Houston, TX 77019-2125
cr	+ Arcosa Tank, LLC, Attention: Justin E. Allen, 500 N. Akard St., Suite 400, Dallas, TX 75201-3332
cr	+ BWFS Industries, LLC, c/o Jason M. Medley, Clark Hill Strasburger, 909 Fannin, Suite 2300, Houston, TX 77010-1036
cr	Dealers Electrical Supply Company, P O Box 2676, Waco, Tx 76702-2676
cr	+ Globe, LLC, c/o Kilpatrick Townsend, 700 Louisiana, 43rd Floor, Houston, TX 77002-2700
cr	+ Innovative Industrial Fabricators, LLC, P. O.Box 621, Keithville, LA 71047, UNITED STATES 71047-0621
intp	+ Jackson Walker LLP, c/o Matthew Cavanaugh, 1401 McKinney St, Suite 1900, Houston, TX 77010-1900
cr	+ Morse Electric, Inc., P.O. Box 611, Muskogee, OK 74402-0611
intp	+ Navigators Insurance Company, Wilson, Elser, Moskowitz, Edelman &, 901 Main Street, # 4800, Dallas, TX 75202, US 75202-3758
cr	+ Office of UCTS, Dept. of Labor and Industry, Commo, Collections Support Unit, c/o Deb Secrest, 651 Boas Street, Room 925 Harrisburg, PA 17121-0751
cr	+ Parker Hannifin Corporation, c/o Darrell Corzine, PO Box 1311, Odessa, TX 79760-1311
cr	+ Saulsbury Industries, Inc., c/o Bradley Arant Boulton Cummings, LLP, Attn: N. Chris Glenos, One Federal Place, 1819 5th Avenue North Birmingham, AL 35203-2120
cr	+ Smith County, Linebarger Goggan Blair & Sampson, LLP, c/o Elizabeth Weller, 2777 N Stemmons Frwy Ste 1000, Dallas, TX 75207-2328
intp	+ Texas Capital Bank, National Association, c/o Russell W. Mills, Bell Nunnally & Martin LLP, 2323 Ross Avenue, Suite 1900, Dallas, TX 75201-2721
cr	Texas Comptroller of Public Accounts, E. Stuart Phillips, P.O. Box 12548, Austin, TX 78711-2548
cr	Texas Comptroller of Public Accounts, c/o Office of the Attorney General, Bankruptcy - Collections Division MC-008, PO Box 12548, Austin, tx 78711-2548
cr	+ The Reynolds Company, Attn LaVonda Harrison, Credit Director, 12900 Senlac Drive, Farmers Branch, TX 75234-9245
cr	Tyler Independent School District, c/o Tab Beall, Perdue Brandon Fielder Collins & Mott, PO Box 2007, Tyler, TX 75710-2007
cr	+ Vessel Technology, P. O. Box 6570, Longview, TX 75608, UNITED STATES 75608-6570

TOTAL: 28

**Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.**

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: beanland@mssattorneys.com	Sep 29 2021 20:08:00	Consolidated Electrical Distributors, Inc., c/o Misti L. Beanland, Matthews, Shiels, Knott, LLP, 8131 LBJ Freeway, Suite 700, Dallas, TX 75251-1352
cr	+ Email/Text: amberjames@wtlaw.com	Sep 29 2021 20:08:00	Crume Sales, Inc., c/o Amber James, AmberJames, PLLC, 1316 5th Avenue, Fort Worth, TX 76104-4318
cr	Email/PDF: resurgentbknofications@resurgent.com	Sep 29 2021 20:16:57	Dell Financial Services LLC, c/o Resurgent Capital Services, PO Box 10390, Greenville, SC

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			29603-0390
cr	+ Email/Text: houston_bankruptcy@LGBS.com	Sep 29 2021 20:08:00	Harris County, Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064, Houston, TX 77253-3064
cr	+ Email/Text: ipfscollectionsreferrals@ipfs.com	Sep 29 2021 20:08:00	IPFS Corporation, 30 Montgomery Street, Suite 501, Jersey City, NJ 07302-3821
cr	+ Email/Text: amberjames@wtlaw.com	Sep 29 2021 20:08:00	LCM Industries, Inc., c/o Amber James, AmberJames, PLLC, 1316 5th Avenue, Fort Worth, TX 76104, UNITED STATES 76104-4318
cr	Email/Text: LDRBankruptcy.EBN@la.gov	Sep 29 2021 20:07:00	Louisiana Department of Revenue, Bankruptcy Section, P. O. Box 66658, Baton Rouge, LA 70896-6658
cr	+ Email/Text: rachel@morseelectricinc.com	Sep 29 2021 20:08:00	Morse Electric, Inc., P.O. Box 611, Muskogee, OK 74402-0611
cr	Email/Text: lwickham@smithandloveless.com	Sep 29 2021 20:08:00	Smith & Loveless, Inc., 14040 Santa Fe Trail, Lenexa, KS 66215
intp	+ Email/Text: ddeems@theclarogroup.com	Sep 29 2021 20:07:00	The Claro Group, LLC, c/o Douglas J. Brickley, 711 Louisiana Street, Suite 2100, Houston, TX 77002-2746

TOTAL: 10

## BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
aty		Foley & Lardner LLP
tr		Michael D. Warner
fa		Alvarez & Marsal North America, LLC
cr		BTS Enterprises, Inc.
cr		Bounds Construction II, LLC
cr		Bowman Specialized Services
intp		Brandon Steele
cr		CPC Pumps International, Inc.
cr		Cajun Constructors, Inc.
cr		CalTech Software Systems, Inc.
cr		Canon Financial Services Inc, Amar A Agrawal
cr		Crawford Electric Supply Company, Inc.
intp		Doug Schnittker
cr		Euler Hermes agent for DNOW, LP
cr		Flowserve US Inc.
cr		Genesis Technical Staffing, Inc.
cr		Gregg Industrial Insulators, Inc.
cr		Hancock Mechanical, LLC d/b/a Hancock Mechanical W
cr		Heatec, Inc
cr		ISC Constructors, L.L.C.
blank		Instrumentation Commissioning Group, LLC
blank		Ken Baxter
intp		Kyle McCoy
cr		MarkWest Ohio Fractionation Company LLC
cr		Official Committee Of Unsecured Creditors
cr		Ohio Department of Taxation
cr		Pierce Construction and Maintenance Co., Inc.
cr		ROWC Energy Services
blank		Ric Steele
cr		S&S Services, LLC
cr		Sefton Steel, LP
cr		Smith County
cr		TII Logistics, Inc.



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intp	Targa Channelview LLC
intp	Targa Pipeline Mid-Continent WestTex LLC
cr	The Dow Chemical Company
intp	Tony Freeman
cr	United States of America
intp	William Preston
cr	Zeeco, Inc., c/o Munsch Hardt Kopf & Harr, P.C., 700 Milam St., Suite 2700, Houston

TOTAL: 40 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

## NOTICE CERTIFICATION

**I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Oct 01, 2021

Signature: /s/Joseph Speetjens