

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

In re:

Case No. 19-11292

**INSYS THERAPEUTICS, INC., et
al.,**

Debtors.

Chapter 11

**THE COUNTY OF WILLIAMSON, TEXAS' OBJECTION TO THE
DEBTORS' AMENDED JOINT CHAPTER 11 PLAN OF LIQUIDATION OF INSYS
THERAPEUTICS, INC. AND ITS AFFILIATED DEBTORS**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The County of Williamson, Texas files this objection to the Debtor's Amended Joint Chapter 11 Plan of Liquidation of Insys Therapeutics, Inc. and Its Affiliated Debtors (the "Plan") and would respectfully show the Court the following:

1. Williamson County is a holder of claims for post-petition ad valorem business personal property taxes for 2019 in the aggregate amount of \$556,234.21.
2. Texas Tax Code Section 32.01 provides that on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attaches. The lien exists in favor of each taxing unit having power to tax the property.
3. On January 1, 2019, personal liability arose and a statutory lien attached for the 2019 tax year. The laws of the State of Texas, Property Tax Code, Section 32.05(b), gives this claim a superior position over all other claims against this property. *Stanford v. Butler*, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; *Universal Seismic Associates, Inc.*, 288 F.3d 205 (5th Cir. 2002); *In Re Winn's Stores, Inc.*; 177 B.R. 253 (Bkcty W.D. Tex 1995).

4. The Plan provisions which deal with the secured claim of Williamson County fails to provide fair and equitable treatment to this secured claim as required by 1129(b)(1) and (2)(A) in that:
 - a. The ad valorem tax liens for all tax years should remain in full force and effect until the taxes, as well as any penalties or interest that may ultimately accrue thereunto, have been paid in full;
 - b. To the extent that the debtor intends to pay out these ad valorem tax claims, Williamson County is entitled to equal monthly payments in cash over a period ending not later than five years after the *Petition Date*.
 - c. Williamson County objects to the treatment of their claims in the Plan to the extent that the debtor fails to pay the 2019 taxes in the ordinary course, because it does not specifically provide for them to receive post-Effective Date interest on their claims at the state statutory rate of 12% per annum pursuant to 11 U.S.C. Sections 511 and 1129.
 - d. Williamson County is entitled to express retention of all property tax liens currently securing their claims until all taxes and interest protected by those liens have been paid as to any properties affected in any manner by this plan;
 - e. Williamson County object to confirmation of the Plan because it does not provide for when they shall receive payment of their claims. It merely includes Williamson County in the definition of “Other Secured Claims” and provides that The Tax Authorities have the right to know if the Debtors intend to pay their claims in installments or in one lump sum, the number of installments that the

Debtors contemplate and when they should expect the first installment payment or the lump sum payment of their claims. The Plan does not provide any of these details.

WHEREFORE, Williamson County objects to the Debtor's Plan and requests this Court to order appropriate provisions to assure the protection of the position of their secured tax claims and further request other such relief as is just and proper.

Dated: November 20, 2019

Respectfully Submitted,

**McCREARY, VESELKA, BRAGG &
ALLEN, P.C.**

By: /s/ Tara LeDay
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CERTIFICATE OF SERVICE

Service has been accomplished on all parties required to be served under Local Rule 9013(d) and at the proper address as required by 11 U.S.C. §342, at the respective addresses listed on this certificate, by first class U.S. mail, email, or telecopier transmission addressed as set forth below, on November 20, 2019:

/s/ Tara LeDay
Tara LeDay