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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
TUESDAY MORNING, CORP. <i>et al</i> ¹	§	CASE NO. 20-31476 (HDH)
	§	
	§	Chapter 11
Debtors	§	Jointly Administered

**LIMITED OBJECTION OF CERTAIN TEXAS TAXING ENTITIES TO REVISED
SECOND AMENDED JOINT PLAN OF REORGANIZATION OF TUESDAY
MORNING CORPORATION, ET AL., PURSUANT TO CHAPTER 11 OF THE
BANKRUPTCY CODE
(Relates to Doc. #1633)**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW Arlington ISD , *et al.*², secured creditors and parties in interest (the
“Certain Texas Taxing Entities”) and file this Limited Objection REVISED SECOND
AMENDED JOINT PLAN OF REORGANIZATION OF TUESDAY MORNING
CORPORATION, ET AL., PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE .
(the “PLAN”).

¹ The full inclusion of Certain Texas Taxing Entities is still undergoing review but will include all taxing entities represented by Perdue Brandon Fielder Collins and Mott LLP.

Background

1. The Certain Texas Taxing Entities are political subdivisions of the State of Texas, authorized and required by the Texas Constitution and laws to levy and collect taxes on taxable property within their boundaries, in order to operate and discharge their public purposes.
2. The Certain Texas Taxing Entities hold secured pre-petition tax claims for the 2020 tax year. The tax claims are secured by tax liens on the real and tangible business personal property of the Debtor.
3. The Certain Texas Taxing Entities' tax liens are senior to any other secured claim in this case as provided by Article VIII, Section 15 of the Texas Constitution, and Section 32.01 and Section 32.05(b) of the Texas Property Tax Code. See also *Stanford v. Butler*, 826 F.2d 353 (5th Cir. 1987); *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).

Limited Objections

4. The Certain Texas Taxing Entities object to confirmation of the Plan to the extent it purports to treat their senior secured tax claims as Priority Tax Claims without express retention of their liens until paid, the payment of interest as required under applicable non-bankruptcy law.
5. The Certain Texas Taxing Entities objects to confirmation of the Plan to the extent it fails to provide for the retention of their pre- and post- petition liens on its collateral. The Plan should not be confirmed unless and until it specifically provides for the Certain Texas Taxing Entities

pre- and post-petition liens to remain on the Debtor's real and tangible personal property until the pre- and post-petition taxes are paid in full.

6. The Certain Texas Taxing Entities object to the confirmation of the Plan to the extent it fails to provide for the payment of interest on their claims at the applicable non-bankruptcy rate from date of delinquency until paid in full as required by 11 U.S.C. § 511 and Texas law.

7. The Certain Texas Taxing Entities object to confirmation of the Plan to the extent it provides the Debtors an option to return collateral securing the claims of the members of the Other Secured Claims class of creditor which would result in preferential treatment of the claims of junior secured creditors.

8. The Certain Texas Taxing Entities object to confirmation of the Plan to the extent it fails to comply with the requirements of 11 U.S.C. § 1129(a)(9)(C) and (D) by failing to provide for regular installment payments commencing on a date certain over a period ending not later than 5 years after the date of the order for relief.

9. The Certain Texas Taxing Entities object to confirmation of the Plan to the extent it unfairly discriminates in the treatment of the claims of similarly situated creditors.

Prayer

WHEREFORE, Arlington ISD, *et al* respectfully request that the Court deny confirmation of the Plan, until and unless the Objection is remedied, and grant them such other and further relief as is just.

Dated: December 15, 2020

By: /s/ Eboney Cobb

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been sent to the parties listed below by the method indicated on this the day of 15th of December 2020.

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And all other parties via CM/ECF-enotice.

/s/Eboney D. Cobb