

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**
www.flmb.uscourts.gov

IN RE:

Chapter 11 Cases

RED LOBSTER MANAGEMENT LLC,¹

Case No. 6:24-bk-02486-GER
Lead Case

RED LOBSTER RESTAURANTS LLC,
RLSV, INC.,
RED LOBSTER CANADA, INC.,
RED LOBSTER HOSPITALITY LLC,
RL KANSAS LLC,
RED LOBSTER SOURCING LLC,
RED LOBSTER SUPPLY LLC,
RL COLUMBIA LLC,
RL OF FREDERICK, INC.,
RED LOBSTER OF TEXAS, INC.,
RL MARYLAND, INC.,
RED LOBSTER OF BEL AIR, INC.,
RL SALISBURY, LLC,
RED LOBSTER INTERNATIONAL HOLDINGS LLC,

Jointly Administered with
Case No. 6:24-bk-02487-GER
Case No. 6:24-bk-02488-GER
Case No. 6:24-bk-02489-GER
Case No. 6:24-bk-02490-GER
Case No. 6:24-bk-02491-GER
Case No. 6:24-bk-02492-GER
Case No. 6:24-bk-02493-GER
Case No. 6:24-bk-02494-GER
Case No. 6:24-bk-02495-GER
Case No. 6:24-bk-02496-GER
Case No. 6:24-bk-02497-GER
Case No. 6:24-bk-02498-GER
Case No. 6:24-bk-02499-GER
Case No. 6:24-bk-02500-GER

Debtors.

_____/

**JOINT LIMITED OBJECTION OF THE TEXAS TAXING AUTHORITIES TO THE
DEBTORS' MOTION FOR ORDER (I) APPROVING PROCEDURES FOR DE
MINIMIS ASSET SALES AND (II) GRANTING RELATED RELIEF
(Relates to Document No. 458)**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7386); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

The Texas Taxing Authorities,² secured creditors and parties in interest, file this joint limited objection to the *Debtors' Motion for Order (I) Approving Procedures of De Minimis Asset Sales and (II) Granting Related Relief* (ECF No. 458) (the “Motion”), and respectfully show as follows:

Background

1. The Texas Taxing Authorities are political subdivisions of the State of Texas, authorized and required by the Texas Constitution and laws to levy and collect taxes on taxable personal and real property within their boundaries, in order to operate and discharge their public purposes.

2. The Texas Taxing Authorities hold secured pre-petition tax claims which are secured by statutory tax liens on the tangible personal property of the Debtors within their taxing boundaries (the “Tax Liens”). The Tax Liens attach to the taxpayer’s property on January 1 of each tax year.

² The Texas Taxing Authorities include all taxing authorities represented by Linebarger Goggan Blair & Sampson, Perdue Brandon Fielder Collins & Mott, and McCreary Veselka Bragg & Allen including but not limited to: Bexar County, Cameron County, Cypress-Fairbanks Independent School District, Dallas County, Ector CAD, City of El Paso, Fort Bend County, City of Frisco, Grayson County, Greenville Independent School District, Gregg County, Harris County Emergency Service District #11, Harris County Emergency Service District #28, Hidalgo County, City of Houston (where represented by Linebarger Goggan Blair & Sampson), Houston Community College System, City of Humble, Irving Independent School District, Lewisville Independent School District, Lone Star College System, City of McAllen, McLennan County, Montgomery County, Nueces County, City of Pasadena, San Marcos CISD, Smith County, Tarrant County, Victoria County, City of Webster, Potter County Tax Office, Lubbock Central Appraisal District, Brazoria County, et al, City of Katy - Fort Bend and Waller Counties, Katy Management District # 1, Humble Independent School District, Alief Independent School District, City of Houston (where represented by Perdue Brandon), Spring Independent School District, Clear Creek Independent School District, Pasadena Independent School District, Brownsville Independent School District, Plano Independent School District, Frisco Independent School District, City of Burleson, Burleson Independent School District, Richardson Independent School District, Crowley Independent School District, Tyler Independent School District, Hunt County, et al., Wichita County Tax Office, Bell County Tax Appraisal District, Bowie Central Appraisal District, Denton County, Hays County, Taylor County Central Appraisal District, City of Waco and Waco Independent School District and Williamson County.

3. The Tax Liens are superior to any other secured claim in this case as provided by Article VIII, Section 15 of the Texas Constitution, and Sections 32.01, 32.04, 32.05(b) of the Texas Property Tax Code.

Limited Objection to Motion

4. In the Motion, the Debtors propose a *de minimis* asset sale procedure for certain transactions of \$100,000 or less. The Debtors propose to give notice of same at least ten (10) business days prior to consummation of such sales to certain parties including “(i) any known directly affected creditor(s), including counsel to any entity asserting a Lien or other interest in the relevant De Minimis Assets, if known...”³ The Motion also enumerates additional parties for notice.

5. The Texas Taxing Authorities respectfully request that they be included as a Notice Party of all De Minimis Asset sales in the state of Texas so that they can timely track disposition of any of their collateral that is disposed of through the De Minimis Asset Sale Procedures.

6. Language substantially similar to the following in the Order approving the Motion would resolve the Texas Taxing Authorities’ objection:

To the extent any of the Debtors’ property in Texas subject to any ad valorem prepetition tax claim(s) held by any of the Texas Taxing Authorities is to be sold pursuant to a De Minimis Asset Sale, the Email Notification shall be sent to the following additional parties, via their counsel, solely to the extent such parties are the applicable claim holder(s) of such ad valorem tax claims: (i) Perdue, Brandon, Fielder, Collins & Mott, L.L.P., Attn: Melissa E. Valdez, Esq. (mvaldez@pbfc.com), (ii) Linebarger Goggan Blair & Sampson LLP, Attn: Tara L. Grundemeier, Esq. (Tara.Grundemeier@lgbs.com) and/or (iii) McCreary, Veselka, Bragg & Allen, P.C., Attn: Julie Anne Parsons, Esq. (julie.parsons@mvalaw.com).

7. Counsel for the Texas Taxing Authorities will attempt to confer with counsel for the Debtors regarding the relief sought in an attempt to reach an agreement.

³ See Motion ¶10(c).

WHEREFORE, The Texas Taxing Authorities respectfully request that they be included as a Notice Party in the Order on the Motion, and that they be granted such other and further relief as is just and proper.

Dated: July 12, 2024

Respectfully submitted,

BAST AMRON LLP

/s/ Jeffrey P. Bast

Jeffrey P. Bast (FBN 996343)

Hunter J. Grasso (FBN 1031416)

One Southeast Third Avenue, Suite 2410

Miami, Florida 33131

Telephone: 305.379.7904

Email: jbast@bastamron.com

hgrasso@bastamron.com

-and-

MCCREARY VESELKA

BRAGG & ALLEN, P.C.

Julie A. Parsons

Texas State Bar No. 00790358

700 Jeffrey Way #100

Round Rock, Texas 78665

Telephone (512) 323-3200

Email: julie.parsons@mvalaw.com

-and-

PERDUE BRANDON FIELDER

COLLINS & MOTT, L.L.P.

Melissa E. Valdez

Texas State Bar No. 24051463

1235 North Loop West, Suite 600

Houston, Texas 77008

Telephone (713) 862-1860

Email: mvaldez@pbfc.com

-and-

LINEBARGER GOGGAN

BLAIR & SAMPSON, LLP

Tara L. Grundemeier

Texas State Bar No. 24036691

4828 Loop Central Drive, Suite 600

Houston, Texas 77081

Telephone: (713) 844-3478

Email: tara.grundemeier@lgbs.com

Counsel for the Texas Taxing Authorities

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 12, 2024, a true and correct copy of the foregoing has been served electronically upon all parties of record registered to receive notice via CM/ECF.

By: /s/ Jeffrey P. Bast