

# Exhibit H

Chapter 7 trustee Christy Brandon's objection stating: "*The judgment entered in favor of WCU and against Thorco was vacated and the underlying debt... was satisfied.*"

basis of the claim is described as “Equity Securityin [sic] Thorco Inc...” The Debtor lists Dennis and Donna Thornton as holding equity security interests in its Rule 1007(a)(3) disclosure filed August 17, 2022 at ECF 15. The Thorntons hold interests in Thorco Inc.’s (“Thorco”) assets solely as shareholders. They do not hold a separate debt apart from their shares that should be paid through this estate’s distribution as a claim.

3. To the extent POC 9 alleges a further basis for the claim, it should be disallowed as well. Par. 8 of POC 9 describes the basis of the claim as an equity security interest “...and Liability on Judgment”. There are no documents attached to POC 9 supporting this further basis of the claim. It is therefore unfounded and fails to meet the *prima facie* requirements of validity. Further, Section 502(e)(1) provides that a claim for reimbursement or contribution should be disallowed where the creditor’s claim against the estate is disallowed. Here, the creditor at issue (Whitefish Credit Union) has stated in hearings through its counsel of record that it holds no claim against the Debtor. The evidence produced in this case shows that the judgment entered in favor of Whitefish Credit Union and against Thorco was vacated and the underlying debt owed by Thorco that the Thorntons had guaranteed was satisfied. See, Joint List of Exhibits for 9/27/2024 Hearing filed by Whitefish Credit Union, ECF 363, Exhibit 5 (Settlement Agreement 6/8/2016); See, also, Dennis Thornton’s List of Exhibits for 9/27/2024 Hearing, ECF 370, Exhibits 1 and 2 (Guarantees by Dennis and Donna Thornton 3/19/2009), Exhibit 25 (Vacated Judgment and Dismissal with Prejudice 8/16-24/2016), Exhibits 29 and 31 (Non-Merger Warranty Deeds 10/25/2018), Exhibit 34 (Corrected Release of Mortgage 6/7/2022).

4. Section 510 of the Bankruptcy Code are not applicable here since this issue does not concern the order of payment. The issue here is more fundamental, whether an actual, allowable debt exists. 4 Collier on Bankruptcy ¶ 510.02[1] and [2] (16<sup>th</sup> ed. 2024).