

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:)
IEH AUTO PARTS HOLDING LLC, et al., 1) Chapter 11
Debtors.) Case No. 23-90054 (CML)
(Joint Administration Requested)

DECLARATION OF MICHAEL NEYREY IN SUPPORT OF
DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Michael Neyrey, Chief Executive Officer of IEH Auto Parts Holding LLC ("Auto Parts")
and its debtor affiliates (collectively, the "Debtors") hereby declare under penalty of perjury:

1. I am the Chief Executive Officer of Auto Parts and its debtor affiliates. I joined
Auto Parts in January 2022 as Vice President of Financial Planning. I was appointed to Chief
Financial Officer and Executive Vice President in March 2022. I was then appointed Chief
Executive Officer in December 2022. Prior to joining Auto Parts, I held various executive and
leadership roles with several organizations, including TK Elevator, Brill Inc., Chep USA, and
Coca-Cola. I hold a Bachelor of Arts degree from Tulane University and Master of Business
Administration degree from the University of New Orleans.

2. As Chief Executive Officer, I am generally familiar with Auto Parts' day-to-day
operations, business and financial affairs, and books and records. I submit this declaration to assist
the Court and parties in interest in understanding the circumstances that led to the commencement

1 The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity's federal tax
identification number, are: IEH Auto Parts Holding LLC (6529); AP Acquisition Company Clark LLC (4531);
AP Acquisition Company Gordon LLC (5666); AP Acquisition Company Massachusetts LLC (7581);
AP Acquisition Company Missouri LLC (7840); AP Acquisition Company New York LLC (7361); AP
Acquisition Company North Carolina LLC (N/A); AP Acquisition Company Washington LLC (2773); Auto Plus
Auto Sales LLC (6921); IEH AIM LLC (2233); IEH Auto Parts LLC (2066); IEH Auto Parts Puerto Rico, Inc.
(4539); and IEH BA LLC (1428). The Debtors' service address is: 112 Townpark Drive NW, Suite 300,
Kennesaw, GA 30144.



of this chapter 11 case and in support of: (a) the Debtor’s petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) filed on January 31, 2023 (the “Petition Date”); and (b) the emergency relief that the Debtor requested from the Court pursuant to the motions filed contemporaneously herewith (collectively, the “First Day Motions”).

3. All facts set forth in this declaration are based upon my personal knowledge, information obtained from the Debtors’ management team and advisors, my review of relevant documents and information concerning the Debtors’ operations, financial affairs, and restructuring initiatives, or my opinions based on my experience and knowledge. I am over the age of 18 and authorized to submit this declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.

A. Introduction

4. The Debtors, which operate under the Auto Plus® brand, are a leading distributor of automotive aftermarket parts and products in the United States.



5. Over the last two years, the Debtors incurred significant operating losses. As part of an ongoing transformation plan, the Debtors have undertaken cost-cutting initiatives. These actions include sales of assets in non-core markets, exiting unprofitable locations, and selling excess inventory through alternative channels. The Debtors are optimistic that significant savings have and will continue to result from these ongoing efforts. Unfortunately, in part due to factors that affected the industry in general, the Debtors no longer have the necessary liquidity for an out-of-court turnaround of its business.

6. The Debtors commenced these chapter 11 cases to consummate a going-concern sale of its assets. The Debtors obtained from their prepetition secured lender—who is also the Debtors’ indirect parent—a \$75 million DIP Facility (as defined below) and consent to use cash collateral. The goal of these cases is to afford the Debtors the runway necessary to undergo a sale process.

B. Overview of Auto Parts

7. The Auto Plus brand was launched in the United States in 2010. Auto Plus was owned by Uni-Select Inc. at that time. Uni-Select entered the United States automotive aftermarket parts industry in 1998. It grew Auto Plus operations through acquisitions and investment in inventory and distribution technology platforms for its facilities and customers.

8. In February 2015, IEH Auto Parts, LLC, a subsidiary of Icahn Enterprises L.P. (“IEP”) acquired substantially all of the assets of Uni-Select USA, Inc., including Uni-Select Inc.’s automotive parts distribution business in the United States. The transaction included 22 distribution centers and satellite locations, 259 corporate-owned stores, and more than 3,500 team members.

9. In 2016, IEP, through a subsidiary merger, acquired Pep Boys®, a leading automotive aftermarket service company, with nearly a thousand locations throughout the United States. Later, IEP formed Icahn Automotive Group LLC (“IAG”) and ownership of Auto Plus and Pep Boys was transferred to IAG, bringing them together under one corporate umbrella.

10. Despite their common parent, the Debtors and Pep Boys have faced their customer and suppliers as separate businesses.² In 2019, IAG announced its plan to more formally separate

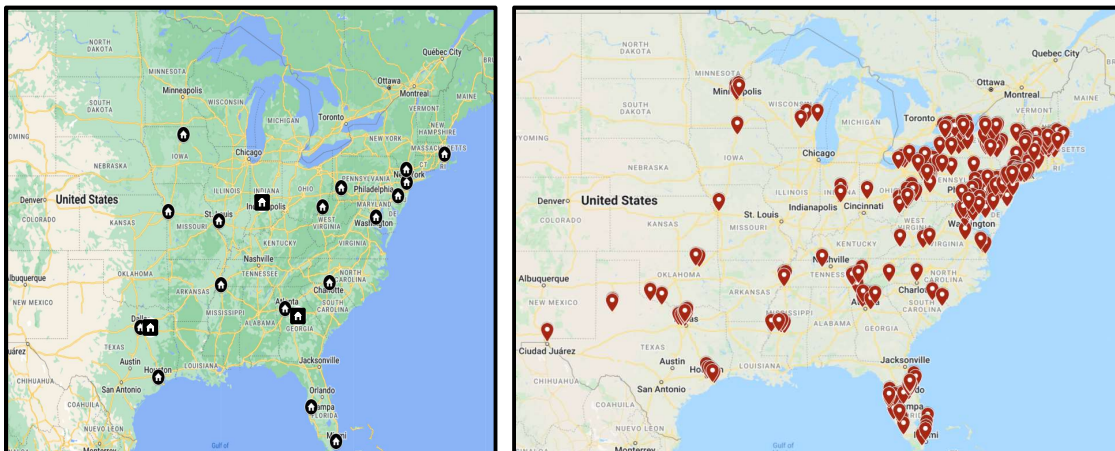
² For clarity, there are 53 locations where Auto Plus leases space from Pep Boys and the two businesses operate out of one location. They are still operating as separate businesses within these locations despite the shared space.

the Debtors and Pep Boys businesses into two independent aftermarket businesses—Parts (i.e., the Debtors) and Service (i.e., Pep Boys).

11. Pursuant to this multi-year plan, the Debtors and Pep Boys operate internally as separate businesses with standalone management teams. Pursuant to its overall turnaround, the Debtors began to right-size the retail footprint, grow the eCommerce platform and relationships, and implement inventory optimization actions.

i. Corporate Structure, Facilities, and Employees

12. The Debtors’ headquarters are located in Kennesaw, Georgia. The Debtors operate 304 store locations across 26 states, as well as 21 distribution centers—all of which are leased.



For the Debtors to serve their core customers effectively, the Debtors have distribution centers in strategically located regions and near their stores to ensure a continuous supply of products. A typical Auto Plus store operates, in part, as a mini-distribution center that supports nearby customers (by stocking frequently purchased parts) and also as a retail store that services walk-in customers. Ultimately, the Debtors’ retail and distribution center footprint enables it to fulfill seamlessly their commitments to the stores and end-customers.

13. As of the Petition Date, the Debtors employ approximately 3,500 full- and part-time employees across their stores and distribution centers. In addition to their employees, the

Debtors retain independent contractors and temporary workers through various staffing agencies to fulfill certain duties. The independent contractors are a reliable and cost-efficient component of the Debtors' operations, filling certain critical and immediate business needs of the Debtors and allowing the business to have a flexible workforce to meet operational needs in a cost-effective manner.

ii. Business Operations

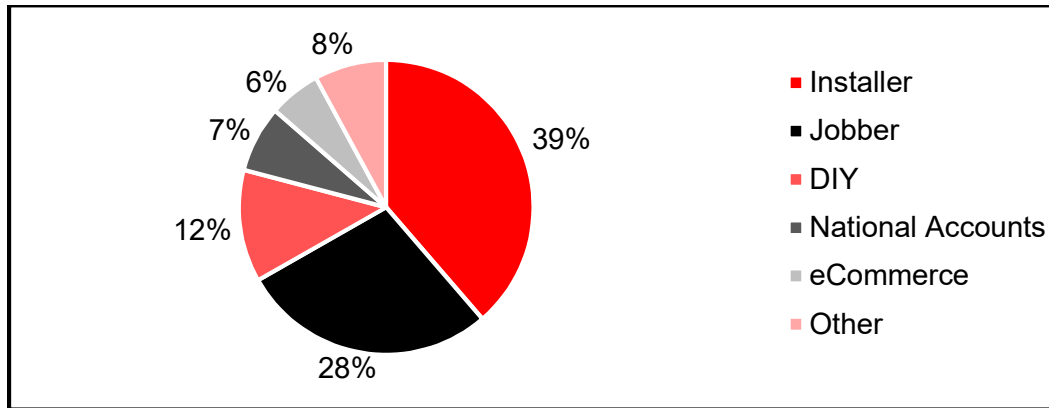
14. The Debtors' business operations can be broken down into two key customer groups: (a) installers and (b) jobbers. The Debtors also serve several ancillary business segments, which comprise roughly one third of the Debtors' revenue.

15. Installers. Installers are service providers (e.g., mechanics and garages) that order automotive parts directly from the Debtors. The Debtors' installer customer base is comprised of (a) 2,000+ installers enrolled in the Auto Plus Professional Service Center ("PSC") program, and (b) approximately 19,000 installers not enrolled in the PSC program. The proximity of the Debtors' stores to the installer base enables efficient delivery of parts on an as-needed basis.

16. Jobbers. Jobbers are wholesalers that purchase larger quantities of automotive parts that they can distribute to their own customers. The jobber customer base is comprised of over 400 banner jobber customers that predominantly buy parts from the Debtors and over 1,600 jobbers that do not fly the Auto Plus banner. The locations of Auto Parts' stores and distribution centers allow it to fulfill its commitments to deliver daily shipments to jobbers.

17. Other. Approximately a third of the Debtors' revenue comes from ancillary business segments, such as (a) store sales to retail customers (tapping into the do-it-yourself customer base), (b) eCommerce, (c) national accounts, where the Debtors sell directly to large national companies, (d) exports to foreign-based jobbers, (e) large fleet companies (e.g., car rental

companies), (f) governmental bids, and (h) paint body & equipment (PB&E), which are autobody shops that purchase paint.

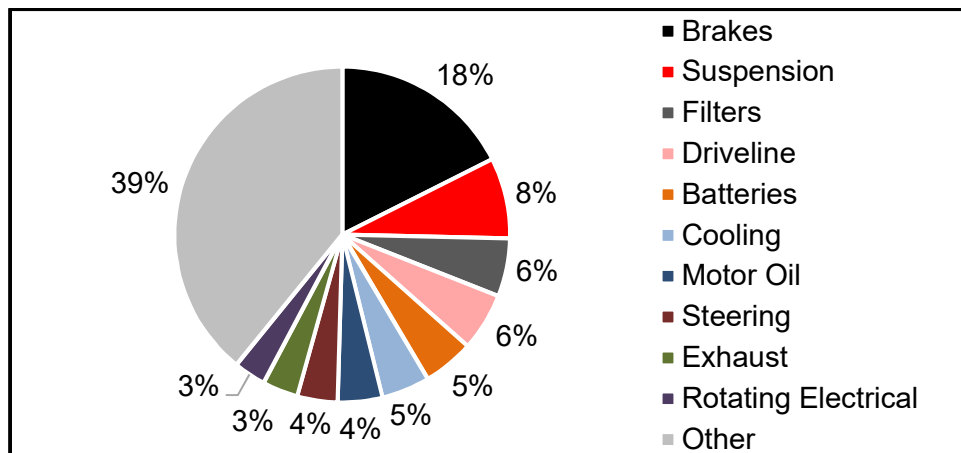


iii. Products

18. Auto Plus is known in the marketplace for its extensive catalogs of aftermarket automotive parts and products. Auto Plus offers its customers a superior selection of premium brand parts, including MOOG®, Wagner®, Walker®, Champion®, and countless others.

19. Auto Plus’ top product categories include: (a) brakes; (b) automotive batteries; (c) exhaust; (d) driveline; (e) rotating electrical; (f) application electrical; (g) motor oil; (h) steering; (i) fuel system; and (j) automotive lighting.

20. Below is a summary of the sales by product category for FY 2021:



21. As of the Petition Date, the Debtors estimate that the book value of inventory on hand is approximately \$529 million. However, much of this inventory is aged, and is not the type of popular, “high-velocity” product that draws customer orders. To sustain their business, the Debtors will need to obtain or relocate—beginning immediately—significant quantities of new inventory across all product categories to ensure they are poised to complete their customers’ entire multi-parts orders on the swift turnaround schedule customers expect. Installers and Jobbers usually order multiple parts in a single order and will place an order with the parts distributor who can complete the entire order in one delivery. If the Debtors are missing one product in a customer’s order, the customer will move on to a competitor who has all the requested parts on hand.

iv. Ongoing Relationship with Pep Boys

22. Although the Debtors’ and Pep Boys’ businesses now operate internally as separate, standalone businesses, the Debtors continue to maintain business relationships with Pep Boys:

23. First, Pep Boys is a longstanding customer of the Debtors. The Debtors estimate that Pep Boys accounted for approximately 2% of their revenue in 2022. The Debtors intend to continue to provide goods to Pep Boys during the these cases in the ordinary course of business.

24. Second, the Debtors lease from Pep Boys retail space at Pep Boys’ locations throughout the United States. As part of the transformation plan, the Debtors and Pep Boys terminated most of the leases. However, the Debtors operate approximately 53 stores inside Pep Boys locations.

25. Third, Pep Boys and the Debtors jointly lease warehousing space at four distribution centers. The landlords for each of these four locations are entities affiliated with IEP, Pep Boys and the Debtors’ indirect parent company.

26. Fourth, Pep Boys and the Debtors are parties to a transition services agreement (“TSA”) and shared services agreement (“SSA”). Pursuant to the TSA, Pep Boys and the Debtors provide each other services and reimburse the other party for the transition services. The scope of the transition services includes, without limitation: (a) human resource / employee benefits; (b) information technology, (c) risk management; and (d) supply chain and inventory planning and control.

27. Fifth, Pursuant to the terms of the SSA not superseded by the TSA, IAG, Pep Boys, and the Debtors agreed to provide each other services, including, without limitation: (a) real estate and property management, (b) legal; (c) visual presentation, (d) communications; (e) loss prevention; (f) finance and accounting (terminated in 2022); and (g) environmental, health & safety. On average, the Debtors have a net payable to Pep Boys of approximately \$900,000 per month that may be offset against the net payable due from Pep Boys to the Debtors, which is approximately \$1,300,000 per month. The Debtors intend to continue to receive and to provide services under the TSA and SSA and make any applicable payments due thereunder.

v. Prepetition Capital Structure

28. An organizational chart of the Debtors is attached as Exhibit A. Debtor IEH Auto Parts Holding LLC (“IEH Holding”) is the direct or indirect parent of all the other Debtors. IEH Holding is itself wholly owned by non-Debtor IAG.

29. Approximately \$189 million in total funded debt obligations exist under Auto Parts’ Prepetition Facility (defined below). All but four of the Debtors are obligated under the

Prepetition Facility.³ In addition, the Debtors have approximately \$200 million in capital lease obligations and trade debt.

30. Prepetition Secured Debt. Certain Debtor entities are party to a Credit and Guaranty Agreement, dated as of August 13, 2021 (as amended, restated, supplemented, or otherwise modified from time to time, the “Existing Credit Agreement”), by and among (a) IEP, as lender, (b) IAG as a borrower, (c) IEH Holding, as borrower, and certain of its Debtor subsidiaries, as guarantors, and (d) The Pep Boys – Manny, Moe & Jack Holding Corp., as a borrower (“PB”), and certain of PB’s direct and indirect subsidiaries, as guarantors.

31. The Existing Credit Agreement had three sub-facilities (collectively, the “Existing Facility”): (a) a revolver facility in the principal amount of up to \$166 million, (b) the Term A facility, designated for PB in the principal amount of \$305.2 million (this portion of the Existing Facility, the “Term A Facility”); and (c) the Term B facility, designated for Auto Plus, in the total principal amount of \$200 million, of which \$69.8 million is considered the Term B loan and \$130.2 million is considered the incremental delayed draw term B loan (this portion of the Existing Facility, collectively, the “Term B Facility”).

32. The Existing Facility was secured by a first-priority lien on many of the borrowers’ and guarantors’ personal property assets.

33. On January 30, 2023, in anticipation of these chapter 11 cases, the parties to the Existing Credit Agreement amended the Existing Facility to formally separate Auto Plus debt from Pep Boys debt. I understand this was accomplished by IAG, Debtor Auto Plus, and the PB, as borrowers, certain other subsidiaries of the borrowers, as guarantors, and IEH, as lender, entering

³ The four Debtors that are not parties to the Prepetition Loan Agreement are: (i) AP Acquisition Company North Carolina LLC, (ii) AP Acquisition Company Clark LLC; (iii) IEH BA LLC; and (iv) IEH AIM LLC.

into that certain Fifth Amendment to the Existing Credit Agreement (the “Fifth Amendment”), whereby PB and Icahn Automotive were released from the Existing Credit Agreement (as amended by the Fifth Amendment, the “Prepetition Credit Agreement”). The released parties partially paid down the obligations under the Existing Credit Agreement, including payment in full of the Term A Facility, and a portion of the total LC Exposure (as defined in the Existing Credit Agreement) is deemed no longer outstanding under the Prepetition Credit Agreement. PB was simultaneously released from any further obligations under the Prepetition Credit Agreement. The Prepetition Credit Agreement reflects the Term B Facility obligations related to the Debtor Auto Plus and certain of its subsidiaries as guarantors (the “Prepetition Term B Facility”), which comprises \$187.5 million in aggregate principal amount outstanding in Prepetition Loans, and the remaining LC Exposure (as defined in the Prepetition Credit Agreement) in an amount equal to \$23.7 million as of the Petition Date (collectively, the “Prepetition Facility”). All but four Debtors are obligated on the Prepetition Facility. The obligations under the Prepetition Credit Agreement were assigned to American Entertainment Properties Corp. (now, the “Prepetition Lender”) by IEH (the “Prior Prepetition Lender”) on January 30, 2023.

34. The Prepetition Facility is secured by a first-priority lien on many of the remaining borrowers’ and guarantors’ personal property assets (the “Prepetition Collateral”).

35. As of the Petition Date, approximately \$187.5 million plus the \$23.7 million LC Exposure in aggregate principal amount is outstanding under the Prepetition Facility.

36. Trade Debt. As of the Petition Date, the Debtors estimate that they have approximately \$200 million in outstanding trade debt and capital lease obligations. The trade vendors are largely comprised of auto-parts manufactures, landlords, shippers, and lessors of Auto Parts’ fleet.

C. Events Leading to the Chapter 11 Cases

37. Over the last two years, the Debtors incurred significant losses in its operations. For fiscal year 2021, the Debtors' EBITDA was negative \$153 million and for fiscal year 2022, the Debtors estimate their EBITDA will also be negative.

38. A number of factors contributed to the Debtors' declining financial performance. The Debtors' retail footprint was both too large and also situated in too many regions in the United States for the Debtors to effectively operate an efficient and profitable business. This resulted in high leasing, shipping, and labor costs. In addition, the Debtors' inventory management was inefficient. This resulted in excess and slow-moving products at its distribution centers and retail stores, significant warehousing costs, and a decline in sales at Auto Parts' stores.

39. The Debtors took significant steps to evaluate and implement cost reduction measures over the last two years. These initiatives resulted in: (a) selling its operations in California and the Pacific Northwest, (b) exiting retail stores and distribution centers in low performing markets, (c) selling excess inventory through alternative channels, (d) right-sizing the labor force, and (e) reducing G&A expenses.

40. The Debtors have seen an improvement in its EBITDA over the past year. However, various external factors have made an out-of-court restructuring even more difficult by negatively impacting the Debtors' business as well as the industry in general, including lessened demand, supply chain disruptions, an inflationary environment, and the effects of COVID-19 . The Debtors no longer have the necessary liquidity to effectuate an out-of-court turnaround of its business. Beginning in late 2022, the Debtors began to explore transactions with strategic partners for a going concern sale of its business and also sales of certain regions where Auto Plus operates. The Debtors received informal indications of interest. However, its preliminary discussions with counterparties did not result in actionable offers.

41. Auto Parts intends to use the chapter 11 process to pursue a going concern sale of its operations. In the coming weeks, Auto Parts intends to file a motion seeking to establish bid procedures for the sale of all or substantially all of its assets.

D. Prepetition Negotiations with Creditors and the Proposed DIP Financing.

42. In light of the challenging situation, in December 2022, the Debtors, with the assistance of their advisors, began exploring potential liability management/contingency planning alternatives and discussing with the Prepetition Lender and Prior Prepetition Lender what potential solutions they would consider sponsoring. A key part of these efforts was to evaluate the Debtors' liquidity position and the need for post-petition financing to enable the Debtors to fund any potential chapter 11 cases. As a first step, the Debtors' management team (including myself) worked closely with their advisors, and in particular Portage, to determine the cash requirements for the business. We developed and analyzed the Debtors' long-term and 13-week cash flow projections. These forecasts take into account anticipated cash receipts and disbursements during the projected period and consider a number of factors, including, but not limited to, the effect of the chapter 11 filing on the operations of the business, fees and interest expenses associated with postpetition financing, professional fees, customer and vendor relationships, and required operational payments. They also incorporated several recent cost-cutting initiatives, including a reduction in force, significant cost reductions in delivery and ocean freight achieved through an aggressive RFP process, and the closure of unprofitable stores.

43. Based on these forecasts and discussions among the Debtors' management and other advisors—and despite the Debtors' cost-cutting efforts—we determined that the Debtors would require access to both Cash Collateral and postpetition financing to provide sufficient liquidity to administer the Debtors' estates during these chapter 11 cases. Among other things, the Debtors need liquidity to satisfy payroll, pay suppliers, vendors, and utility providers, honor

obligations to customers, and make any other payments that are essential or appropriate for the continued management, operation, and preservation of the Debtors' businesses and assets. I believe that the Debtors' ability to continue making such payments during these chapter 11 cases is essential to the Debtors' continued operation and the preservation of their assets during the pendency of these cases. I do not believe it would be possible to administer these chapter 11 cases, operate the Debtors' business in the ordinary course, and pay administrative costs during these cases solely through the use of cash collateral.

44. Following weeks of intense negotiations, the Debtors and the Prepetition Lender agreed on the terms of the DIP Facility.⁴ The DIP Facility will provide approximately \$75 million of essential liquidity to the Debtors' estates during these chapter 11 cases, \$35 million of which will be available immediately. The Debtors will use the DIP Facility in accordance with the DIP Budget attached to the DIP Motion. I believe the DIP Budget presents a reasonable estimate of the Debtors' cash sources and needs during these chapter 11 cases. Given these estimates, I believe that the DIP Facility will provide the Debtors sufficient liquidity to stabilize their operations and fund the administration of these chapter 11 cases.

45. Due to current limited liquidity, the Debtors require immediate access to both the DIP Facility and Cash Collateral to operate their business, preserve value, and pursue their restructuring goals in the interim period, and to avoid irreparable harm pending the Final Hearing. The Debtors enter these chapter 11 cases with approximately \$4.8 million in cash on hand. Without immediate financing, the Debtors project that they will be unable to pay essential costs required to

⁴ A description of the terms of the DIP Facility and the facts and circumstances leading to entry into the DIP Facility can be found in the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Post-Petition Financing Secured by Senior Liens, (II) Authorizing the Debtors to Use Cash Collateral (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "DIP Motion"), filed contemporaneously herewith.

continue operating as a going concern, resulting in immediate and irreparable harm to the Debtors' business. Absent the proposed financing, the Debtors will be forced to cease operations and immediately liquidate their assets in a piecemeal fashion. The DIP Budget contemplates a first draw on the DIP Facility immediately after entry of the DIP Order and use of those funds to satisfy obligations due this week and contemplated by the first day relief. Immediate access to the DIP Facility will also send a strong signal to our vendors and customers that, despite the uncertainty associated with their financial condition and the commencement of these chapter 11 cases, the Debtors will be a reliable trading partner going-forward. This will allow the Debtors to maintain favorable trade terms. Absent funds available from the DIP Facility and access to cash collateral, I believe the Debtors could face a value-destructive interruption to their business and lose support from important stakeholders on which the Debtors depend, including the hundreds of vendors who supply irreplaceable goods that are the foundation of the Debtors' business. Without the funding, trade creditors would likely cease extending credit, creating a vicious cycle, and destroying value for all stakeholders. The DIP Facility is necessary to preserve, protect, and maximize the value of the Debtors' estates.

46. For each of these reasons I believe that there is a risk of immediate and irreparable harm if the Debtors are denied access to Cash Collateral or if the proposed DIP Facility is not approved by the Court. Access to Cash Collateral and the DIP Facility will ensure the Debtors have sufficient funds to preserve and maximize the value of their estates, and responsibly administer these chapter 11 cases throughout the period that the Debtors expect will be necessary to implement and effectuate their restructuring, including by the sale process already under way.

47. The DIP Term Sheet establishes case milestones to ensure that these chapter 11 cases proceed at an appropriate and efficient pace, thereby avoiding an unnecessarily prolonged stay in chapter 11. The key DIP milestones are as follows:

Proposed DIP Milestones
i. The Bankruptcy Court shall have entered the Interim Order by the date that is no later than five days after the Petition Date.
ii. The Bankruptcy Court shall have entered the Final Order by the date that is no later than 35 days after the Petition Date.
iii. The Debtors shall file, by the date that is no later than 10 days after the Petition Date, a motion to sell all or substantially all of the Debtors' assets through a sale pursuant to section 363 of the Bankruptcy Code in form and substance reasonably acceptable to the DIP Lender (the " <u>Sale Motion</u> ").
iv. The Bankruptcy Court shall have entered an order approving the bidding procedures of the sale contemplated by the Sale Motion (the " <u>Sale</u> ") by the date that is no later than 45 days after the Petition Date.
v. The Bankruptcy Court shall have entered an order approving the Sale by the date that is no later than 110 days after the Petition Date.
vi. The Sale shall be consummated by the date that is no later than 120 days after the Petition Date.
vii. A liquidating chapter 11 plan shall be consummated by the date that is no later than 90 days after consummation of the Sale.

48. The Debtors are driving toward a commercially reasonable swift sale process to be consummated in 2023.

E. Further Evidentiary Support for the First Day Motions.

49. Along with this Declaration, the Debtors filed the First Day Motions, seeking orders granting various forms of relief intended to facilitate the efficient administration of this chapter 11 case.

50. I read and understand each of the First Day Motions. Based on my review, and to the best of my knowledge and belief, the factual statements contained in each of the First Day Motions are true and accurate and each such factual statement is incorporated herein by reference.

51. I believe that the relief requested in the First Day Motions is necessary, in the best interests of the Debtors' estate, its creditors, and all other parties in interest, and will allow the Debtor to operate with minimal disruption during the pendency of the chapter 11 case. Failure to grant the relief requested in any of the First Day Motions may result in immediate and irreparable harm to the Debtor, its asset, and its estate. Specifically:

- **Joint Administration Motion.** The *Debtors' Emergency Motion for Entry of an Order (I) Directing Joint Administration of the Debtors' Chapter 11 Cases and (II) Granting Related Relief* seeks joint administration of the Debtors' cases, given the integrated nature of the Debtors' operations. Joint administration for procedural purposes only will provide significant administrative convenience without harming the substantive rights of any party in interest. Parties in interest will also benefit from the cost reductions associated with the joint administration of the Debtors' chapter 11 cases.
- **156(c) Retention.** The *Emergency Ex Parte Application for Entry of an Order Authorizing the Employment and Retention of Kurtzman Carson Consultants LLC as Claims, Noticing, and Solicitation Agent* seeks authority to employ Kurtzman Carson Consultants LLC ("KCC") as claims, noticing, and solicitation agent for the Debtors. KCC's employment is in the best interest of the estates as they have the expertise required for complex chapter 11 cases.
- **Creditor Matrix/Sealing Motion.** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Redact Certain Personally Identifiable Information, (II) Approving the Form and Manner of the Notice of Commencement, and (III) Granting Related Relief* seeks authority to (a) redact certain personally identifiable information for individuals within the consolidated list of creditors (the "Creditor Matrix"); (b) approving the form and manner of the notice of commencement, substantially in the form attached to said motion as Exhibit A. Redaction of personal identification is necessary to protect the privacy interests of natural persons who may be listed on the Creditor Matrix, the Schedules and Statements, and any other filings which may be filed. Additionally, approval of the form and manner of the notice of commencement is necessary to not only properly serve notice to interested parties, but also to avoid confusion among creditors and prevent the Debtors' estates from incurring unnecessary costs associated with serving multiple parties listed on the Debtors' voluminous Creditor Matrix.
- **Schedules/SOFA Motion.** The *Debtors' Emergency Motion for Entry of an Order (I) Extending Time to File (A) Schedules and Statements and (B) Rule 2015.3 Financial Reports and (II) Granting Related Relief* seeks a court order extending the deadline by which

the Debtors must file their Schedules and Statements and 2015.3 Reports. Ample cause exists to grant said extensions, as to prepare their Schedules and Statements, the Debtors will have to compile information from books, record, and documents relating to thousands of claims, assets, leases, and contracts from each of the 13 Debtor entities, requiring significant expenditure of time and effort on part of the Debtors. Preparation of these documents was not practicable prepetition given the Debtors focus on preparing a smooth transition into chapter 11. Finally, the relief requested will not prejudice any party in interest.

- **Taxes Motion.** *The Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Prepetition Taxes and Fees, and (II) Granting Related Relief* seeks authority for the Debtors to remit and pay certain accrued and outstanding prepetition Taxes and Fees (as defined therein) in the ordinary course of business. Failing to pay the Taxes and Fees could materially disrupt the Debtors' business operations. Not only would paying the Taxes and Fees be a sound exercise of the Debtors' business judgment, it would also assist in the efficient and value-maximizing administration of the Debtors' estates. Finally, the Debtors' failure to pay the prepetition Taxes and Fees as they come due may ultimately increase the amount of priority claims held by the Governmental Authorities against the Debtors' estates to the detriment of the Debtors' general unsecured creditors and other stakeholders
- **Insurance Motion.** *The Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Related Prepetition Obligations, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Continue to Pay Brokerage Fees, and (D) Maintain the Customs Bond Program, and (II) Granting Related Relief* seeks authority from the court for the Debtors to continue existing insurance covered, renew or otherwise supplement insurance coverage on a postpetition basis, satisfy payment of prepetition obligations related to Brokerage Fees, and grant related relief. Continuation and renewal of the Insurance Policies and potentially entry into new insurance policies is essential to preserving the value of the Debtors' business, properties, and assets.
- **Utilities Motion.** *The Debtor's Emergency Motion for Entry of an Order (I) Approving the Debtor's Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtor's Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief* seeks a court order (i) approving the Debtors' Proposed Adequate Assurance of payment of future utility services and determining that such Proposed Adequate Assurance provide Utility Providers with adequate assurances of payment, (ii) prohibits Utility Providers from altering, refusing, or discontinuing service, and (iii) approving the Debtors' proposed procedures for resolving any additional adequate assurance requests. Uninterrupted Utility Services is essential to operating and thus maximizing the value of the Debtors' business.
- **Cash Management Motion.** *The Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate their Cash management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions (C) Maintain Existing Business Forms and Books and Records, and (II) Granting Related*

Relief seeks authority to (i) continue to operate their cash management system as set forth on Exhibit 1 attached to the Cash Management Motion (the “Cash Management System”) and maintain their existing bank accounts set forth on Exhibit 2 to the Cash Management Motion, including honoring certain prepetition obligations related thereto, (ii) continue to perform intercompany transactions with each other and with non-Debtor affiliates (the “Intercompany Transactions”) consistent with past practice and authorizing the Debtors to continue to operate and perform under the terms of the Shared Services Agreement and Transition Services Agreement; (iii) maintain existing business forms; and (b) granting related relief. The Debtors depend on the efficient collection, transfer, and disbursement of funds. The Cash Management System is tailored to meet the Debtors’ operating needs, enables the Debtors to control and monitor company funds, ensure cash availability and liquidity, comply with requirements in its financing arrangements, and reduce administrative expenses incurred in connection with the movement of funds and the reporting of accurate account balances. The Cash Management System is a critical component of the Debtors’ overall business. Any disruption of the Cash Management System would have a severe and adverse effect on the Debtors’ value-maximizing sale process. Additionally, Intercompany Transactions are an integral part of the Cash Management System and essential to the Debtors’ continued operations. Absent the relief requested, the Debtors would be required to adopt a new, segmented cash management system, or find different service providers, which would be financially and logistically burdensome and cause the Debtors’ operations to grind to a halt, reducing the value of the Debtors’ business enterprise.

- **Wages and Benefits Motion.** The *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Honor and Continue their Employee Compensation and Benefits Programs and (II) Granting Related Relief* seeks authority for the Debtors to honor and continue their employee compensation and benefits programs. As of the Petition Date, the Debtors employ approximately 4,000 employees which perform a variety of critical functions for the Debtors. The Debtors must retain their employees’ skills and their knowledge and understanding of the Debtors’ infrastructure, operations, and customer relations to effect a successful reorganization and maximize creditors’ recoveries.
- **Customer Programs Motion.** The *Debtors’ Emergency Motion for Entry of and Order (I) Authorizing the Debtors to (A) Maintain and Administer their Existing Customer Programs and (B) Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief* seeks to continue their Commercial Marketing Program, Professional Services Centers Program, VIP Accounts Program, Pricing Programs, the Legacy AIM Rebate Program, the Drop Ship Program, the Return Program, and the Warranty Program, each as defined in the Customer Programs Motion and pay prepetition amounts related to the programs. Continuing the identified Customer Programs is essential to maintain its customer base.
- **Vendors Motion.** The *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Pay Certain Prepetition Trade Claims, (II) Confirming Administrative Expense Priority of Outstanding Purchase Orders, and (III) Granting Related Relief* seeks authority to pay certain prepetition trade claims, including certain of the amounts owed to holders of Lien Claims, 503(b)(9) Claims, Import Claims, and Critical Vendor Claims (each as defined in the Vendors Motion). Payment of the identified trade claims is essential to ensure the ongoing operation of the business. Absent payment, vendors of critical merchandise and services may

assert liens, withhold delivery of product, or refuse to manufacture and ship new product. Because so many of the vendors are irreplaceable providers of brand-name or other specific products that our customers require, and lead times and costs to onboard a new vendor in the limited circumstances where a replacement is available are so great, the Debtors cannot afford for any of the identified trade claimants to “turn off” Auto Plus.

- **Inventory Management Motion.** The *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Continue the Inventory Management Program and (II) Granting Related Relief* seeks authority for the Debtors to continue implementation of an Inventory Management Program which has already substantially improved the functioning of the Debtors’ supply lines, overall ability to manage the Inventory, and ability to procure new inventory. While the Inventory Management Program reasonably constitutes a series of ordinary course transactions, the Debtors have asked for the court’s authority out of an abundance of caution and in light of the critical role the Inventory Management Program has in the Debtors’ ongoing operation of their business.
- **DIP Motion.** The *Debtors’ Emergency Motion for Entry of Interim and Final Orders Authorizing (I) Post-Petition Financing Secured by Senior Liens, (II) Granting Adequate Protection, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* seeks authority to enter into post-petition financing, and is necessary as explained above.

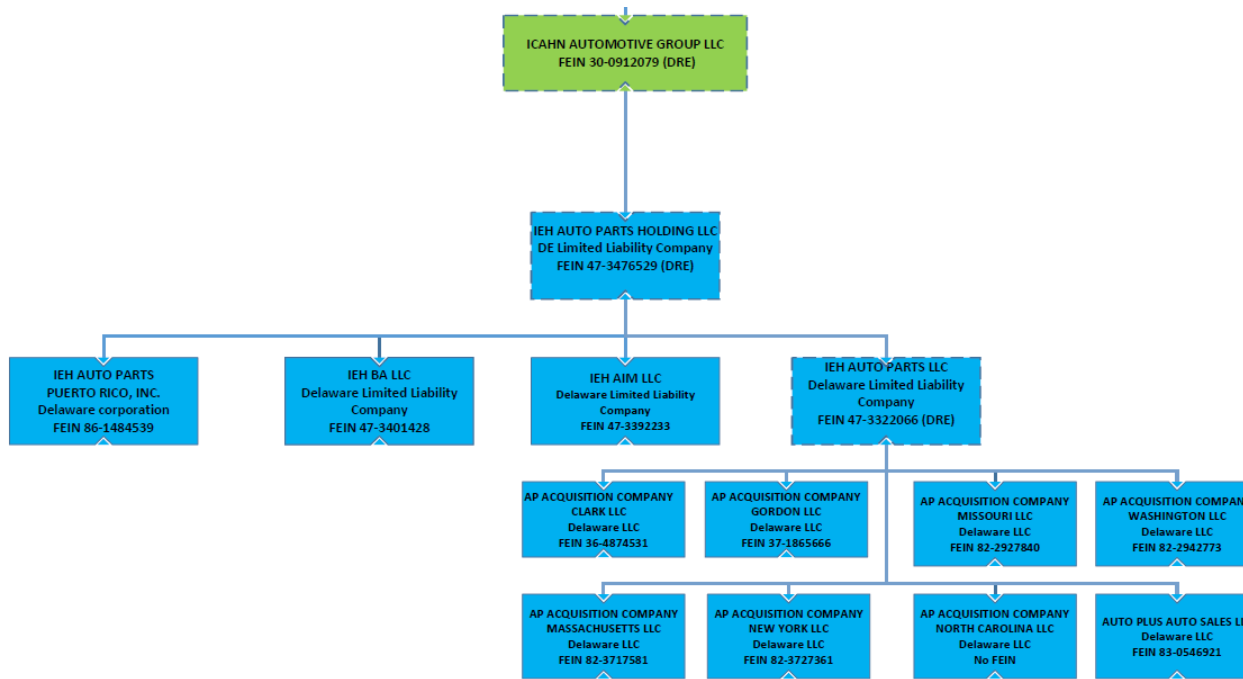
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that, to the best of my knowledge and after reasonably inquiry, the foregoing statements are true correct.

Dated: February 1, 2023

/s/ John Michael Neyrey
Michael Neyrey
Chief Executive Officer
IEH Auto Parts Holding LLC

Exhibit A

Organizational Chart



Key

(DRE) Disregarded Entity

Blue - Debtor Entity
Green - Corporate Level