

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

In re: § Chapter 11
§
IEH AUTO PARTS HOLDING LLC, *et al.*,¹ § Case No. 23-90054 (CML)
§
Debtors. §
§ (Jointly Administered)
§

OFFICIAL UNSECURED CREDITORS' COMMITTEE'S OBJECTION TO
DEBTORS' CORRECTED 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

The Official Unsecured Creditors' Committee (the "**Committee**") for IEH Auto Parts Holding LLC, Inc. and its debtor affiliates (collectively, the "**Debtors**") files this *Objection* (the "**Objection**") to the *Debtors' Corrected 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* [Dkt. #26] (the "**Cash Management Motion**" or "**Motion**")² and, in support hereof, respectfully states as follows:

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.

² Capitalized terms that are not defined herein shall have the meanings provided in the Cash Management Motion unless otherwise noted.



SUMMARY OF OBJECTION

1. A debtor's "cash management system" is typically thought to include a series of accounts used to manage the debtors' collection and disbursement of funds in the ordinary course of operating its business together with applicable forms and related relief. Indeed, the primary reason for most cash management motions is to avoid the operational disruptions associated with transferring the debtors' cash management system to debtor-in-possession bank accounts (DIP accounts), as required by the U.S. Trustee Guidelines.

2. Here, however, the Debtors seek relief far beyond that which is typically requested in cash management motions. The Debtors propose to grant automatic section 503(b) claims to its affiliated non-Debtor insiders, and to seemingly approve or safeguard its controversial Shared Services Agreement, Transitional Services Agreement and similar agreements with non-Debtor insiders, all under the guise of a cash management motion. The Committee objects to the granting of any administrative claims related to any non-Debtor agreements and to any de facto assumption or other condoning of such agreements, and the Committee specifically reserves any and all rights related thereto.

3. The Committee's objections to the Cash Management Motion relate to the following requests by the Debtor:

- a) **Pre-Approved Insider Administrative Claims.** "The Debtors request pursuant to 503(b) of the Bankruptcy Code, that all valid postpetition Intercompany Claims, including between Debtors and their non-Debtor affiliates, be accorded administrative expense status." Motion, ¶ 33.
- b) **Shared Services Agreement and Transition Services Agreement.** Pursuant to the Motion, "the Debtors have a net payable to Pep Boys of \$900,000 per month that may be offset against the net payable to Pep Boys of approximately \$1,300,000 per Month." The Debtors intend to continue operating under the Shared Services Agreement and Transition Services Agreement. Motion, ¶ 28 (e).

- c) **Preferential Treatment of Pep Boys.** The Debtors request authority to honor prepetition credits with Non-Debtor Pep Boys for goods the Debtors will ship Pep Boys postpetition. Motion, ¶ 28 (b).
- d) **Insufficient Information.** "The Debtors estimate that 97% of their operations are conducted by IEH Auto Parts. However, certain Debtors have ordinary course obligations (e.g. taxing authorities, landlords) that are *di minimis*. Payment for these obligations is funded from the Concentration Account." Motion, ¶ 28 (a).
- e) **Insider Leases.** The Debtors operate approximately 53 stores inside Non-Debtor Pep Boys. The Debtors and Non-Debtor Pep Boys "collectively lease warehousing space at four distribution centers." Motion, ¶ 28(c)-(d).

4. The Committee raises certain of these issues because it believes the Debtors' requested relief should be denied, while other issues are raised for the purpose of ensuring that all rights of the Committee and other parties in interest are fully reserved and are in no way prejudiced by the relief sought in the Motion.

BACKGROUND

A. COMMENCEMENT OF DEBTORS' BANKRUPTCY CASES

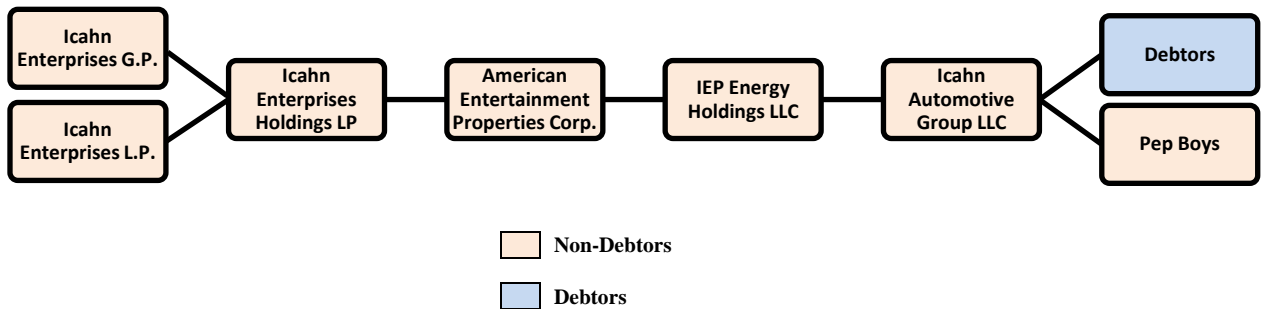
5. On January 31, 2023 (the "**Petition Date**"), each of the Debtors filed voluntary petitions for relief in this Court under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate and manage their businesses as debtors-in-possession under sections 1107 and 1108 Bankruptcy Code. The Debtors' bankruptcy cases are jointly administered under the above-captioned Case No. 23-90054. *See* Dkt. #27.

6. The U.S. Trustee appointed the Committee on February 14, 2023. *See* Dkt. #99. On or about February 15, 2023, the Committee selected the undersigned law firm of Kane Russell Coleman Logan PC to serve as its counsel in the Debtors' bankruptcy cases, subject to Court approval. On or about February 17, 2023, the Committee selected FTI Consulting, Inc. as its financial advisors, also subject to Court approval.

7. The Debtors originally filed the Cash Management Motion on the Petition Date [Dkt. #14], and filed a "corrected" version of the Motion the next day, February 1, 2023 [Dkt. #26]. The Cash Management Motion is supported by the *Declaration of Michael Neyrey, Chief Executive Officer of IEH Auto Parts Holding LLC, in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Dkt. #24] (the "**First Day Declaration**" or "**FDD**").

B. INTERRELATIONSHIP BETWEEN DEBTORS AND NON-DEBTORS

8. The Debtors operate under the Auto Plus® brand. All of the Debtors are subsidiaries of non-Debtor Icahn Automotive Group LLC ("**IAG**"), which is an indirect subsidiary of Icahn Enterprises L.P ("**IEP**"). IEP acquired the Auto Plus brand in February 2015, and shortly thereafter, in 2016, it acquired the non-Debtor entities comprising the Pep Boys® brand (such entities and affiliates, collectively, "**Pep Boys**"). IEP then transferred ownership of Auto Plus and Pep Boys to IAG. The following chart illustrates the chain of corporate ownership connecting the Debtors with IEP, IAG, and Pep Boys.



The Debtors' operations are significantly intertwined with the non-debtor entities listed on the above chart (collectively, the "**Non-Debtors**"), particularly Pep Boys, IAG, and IEP.

9. The Debtors' assertion that the "**Debtors and Pep Boys' operate internally as separate businesses with standalone management teams**,"³ despite their common ownership and complex contractual relationships, is anything but clear. Among other things, fifty-three of Auto Plus' store locations are still leased and operated from Pep Boys locations,⁴ and the Debtors continue to lease their warehousing spaces in distribution centers collectively with Pep Boys. Notably, IEP is the landlord under all of those warehouse leases.⁵

10. Moreover, the Debtors and Non-Debtors IAG and Pep Boys are parties to a Shared Services Agreement, amended and restated effective as of January 1, 2021 (the "**SSA**"), pursuant to which the Debtors, Pep Boys, and IAG share services related to the following:

- human resources / employee benefits;
- information technology,
- risk management;
- supply chain and inventory planning and control;
- assortment support;
- real estate and property management;
- legal services;
- visual presentation;
- communications;
- loss prevention; and
- environmental, health and safety.⁶

The Debtors and Pep Boys are also parties to a Transition Services Agreement dated as of December 31, 2021 (the "**TSA**", and collectively with the SSA, the "**Service Agreements**").⁷

³ FDD, ¶ 11 (emphasis added).

⁴ FDD, ¶ 10, n. 2; Motion ¶ 28(c).

⁵ Motion, ¶ 28(d).

⁶ Motion, ¶¶ 28(e) and 31.

⁷ Motion, ¶ 28(e). The SSA is made by and among "(i) Icahn Automotive Group LLC... and its affiliates, successors and assigns; (ii) The Pep Boys-Manny, Moe & Jack LLC... and its affiliates, successors and assigns; and (iii) IEH Auto Parts Holding LLC... and its affiliates, successors and assigns" SSA, 1. The TSA is made by and among "The Pep Boys – Manny, Moe & Jack Holding Corp... and its subsidiaries and affiliates *other than Auto Plus*, as well as their, successors and assigns, and IEH Auto Parts Holding LLC... and its subsidiaries, as well as their successors and assigns." TSA, 1 (emphasis added).

11. Importantly, the Service Agreements do not disclose, among other things, (a) who provides what services to whom, (b) the charges for such services under the SSA, (c) the responsibilities of the respective Debtor and Non-Debtor parties to the SSA, (d) how much is owed to/by IAG, Pep Boys and the Debtors as of the Petition Date, (e) how such costs and charges were originally determined, (f) the relationship between any charges in the Service Agreements and fair market value for such services, (g) whether an independent director approved the Service Agreements or what involvement, if any, an independent consultant had with regard to the undisclosed charges therein, and (h) what role the Debtors versus the Non-Debtors played in negotiating the terms and costs of the services in the Service Agreements. Moreover, the SSA, for example, does not provide which of the three parties, IAG, Pep Boys and IEH APH, provides which services and which of the three parties receives any of the services.⁸

12. The Debtors' and Pep Boys' operations are in fact so intertwined that their respective customers apparently pay the wrong entity, thereby necessitating a monthly reconciliation to account for all of Pep Boys' receivables that were collected by the Debtors, and vice-versa, and the two businesses "routinely" exchanging wire transfers to true up each other's lockbox accounts.⁹ Pep Boys is also a "longstanding customer" of the Debtors, accounting for approximately 2% of the Debtors' annual revenue.¹⁰

13. These Intercompany Transactions are described in the Cash Management Motion as being only "examples" of the Debtors' existing business relationships with the Non-Debtors, indicating the parties' are intertwined in even more ways than discussed herein.¹¹ According to

⁸ SSA, 1.

⁹ Motion, ¶ 28(f).

¹⁰ Motion, ¶ 28(b).

¹¹ Motion, ¶ 28.

the First Day Declaration, IAG has been attempting for over three years, since 2019, to "more formally separate" the Debtors and Pep Boys into "two independent aftermarket businesses,"¹² but the two businesses nonetheless remain heavily interconnected as of the Petition Date. The Debtors' CEO describes the two brands as operating "**internally** as separate businesses."¹³

14. In short, this case presents an unusual circumstance for bankruptcy in that the Debtors' operations are heavily dependent, interrelated and reliant upon Non-Debtor insiders. Even the Debtors' prepetition lender and proposed DIP lender, American Entertainment Properties Corp., is an affiliate and indirect parent of the Debtors. The foregoing discussion of the Debtors' interrelationships with Non-Debtors is necessary to grasp the implications of the relief sought in the Cash Management Motion, which goes far beyond the types of relief customarily sought in such motions.

OBJECTIONS TO CASH MANAGEMENT MOTION

15. Initially, it may be helpful to the Court to understand what the Committee does NOT object to in the Cash Management Motion. The Committee does not object to the Debtors' requests to continue using their prepetition bank accounts, to the extent funds are NOT commingled with Non-Debtor insiders. Nor does the Committee object to the Debtors' request to continue to operate its Store Level Cash system in the ordinary course of business. The Committee also does not object to the Debtors request to pay Bank Fees, continue the Finish Order P-Card Program, the Merchant Services Agreement or to use of the Debtors' existing business forms. These requests for relief all involve third party transactions common in cash management motions.

¹² FDD, ¶ 10.

¹³ FDD, ¶ 11 (emphasis added).

16. The basis of this Objection is that the Motion seeks extensive, overbroad relief that cannot be granted without making significant additional disclosures, particularly not in favor of Non-Debtor insiders, at this early stage of the case. The Debtors' seek relief far beyond what is customarily sought in cash management motions, which could have significant implications for all parties in this case going forward. The Committee's specific objections and requests of the Court are as follows.

A. PRE-APPROVED INSIDER ADMINISTRATIVE CLAIMS

17. The Debtors request that all valid postpetition Intercompany Claims, including between Debtors and their non-Debtor affiliates, be accorded administrative expense status pursuant to section 503(b) of the Bankruptcy Code.¹⁴ The allowance of an administrative expense claim requires proof that, *inter alia*, the claim "directly and substantially benefitted the estate,"¹⁵ and section 503(b) of the Bankruptcy Code expressly states that such claims shall not allowed except "[a]fter notice and hearing."¹⁶ "The claimant seeking administrative expenses bears the burden of proof."¹⁷

18. Here, however, under the guise of a Cash Management Motion, the Debtors seek to allow administrative expense priority for all Intercompany Claims in favor of the Non-Debtors

¹⁴ Motion, ¶ 33.

¹⁵ *In re White Motor Corp.*, 831 F.2d 106, 110 (6th Cir. 1987) (a party seeking allowance of an administrative expense claim "must prove that the debt (1) arose from a transaction with the debtor-in-possession as opposed to the preceding entity (or, alternatively, that the claimant gave consideration to the debtor-in-possession); and (2) directly and substantially benefitted the estate.") (citing *In re Mammoth Mart, Inc.*, 536 F.2d 950, 954 (1st Cir.1976)); *In re Jack/Wade Drilling, Inc.*, 258 F.3d 385, 387 (5th Cir. 2001) ("In order to qualify as an [administrative expense] under section 503(b)(1)(A), a claim against the estate must have arisen post-petition and as a result of actions taken by the trustee that benefitted the estate."); *In re Bouchard Transportation Co., Inc.*, 639 B.R. 697, 708 (S.D. Tex. 2022) ("[T]o qualify as an 'actual and necessary cost' under section 503(b)(1)(A),... a claim against the estate must have arisen post-petition and as a result of actions taken by the trustee [or debtor-in-possession] that benefitted the estate.") (citations omitted).

¹⁶ 11 U.S.C. § 503(b).

¹⁷ *Matter of Whistler Energy II, L.L.C.*, 931 F.3d 432, 441 (5th Cir. 2019).

without any requisite showing of direct and substantial benefits to the Debtors' bankruptcy estates and creditors. Moreover, not a single amount is provided for any of the proposed administrative claims. The Debtors' request directly circumvents the express requirements of the Bankruptcy Code and applicable Fifth Circuit authority. Worse yet, all future Intercompany Claims would be given automatic administrative expense priority on a go-forward basis for the duration of this case, creating an untold administrative burden on the Debtors' estates.

19. It is unimaginable that in the first days of the case, the Debtors are seeking allowed "blanket" administrative claims without any specifics whatsoever; *i.e.*, the amount due, the charges, who is providing what services, the reasonableness of the charges for the insider-provided services, and the benefit to the Debtors' bankruptcy estate. What the Debtors seek would be unacceptable even if the proposed administrative claimant was an independent third party, but the Motion is all the more troubling given that the requested administrative claims are for Non-Debtor insiders, whose transactions with the Debtors are necessarily subject to heightened scrutiny from this Court.¹⁸

B. SHARED SERVICES AGREEMENT AND TRANSITION SERVICES AGREEMENT

20. Pursuant to the Motion, the Debtors seek Court approval to continue operating under the Shared Services Agreement and Transition Services Agreement.¹⁹ The Committee objects to the Cash Management Motion to the extent it seeks Court approval of the Service Agreements or any other similar agreements with Non-Debtor insiders (collectively, the "**Insider**

¹⁸ See *Matter of Fabricators, Inc.*, 926 F.2d 1458, 1465 (5th Cir. 1991) ("A claim arising from the dealings between a debtor and an insider is to be rigorously scrutinized by the courts."); *In re H & M Oil & Gas, LLC*, 514 B.R. 790 (Bankr. N.D. Tex. 2014) ("Further, "interested" transactions are subject to a higher level of scrutiny.").

¹⁹ Motion, ¶¶ 28 (e)(1)-(2), 29-32.

Agreements"), or to the extent that the Motion will result in a de facto assumption or other approval of any Insider Agreements under section 365 of the Bankruptcy Code.

21. First, the Debtors' transactions with insiders require heightened scrutiny,²⁰ particularly in this case given the complete void of specifics related to the Insider Agreements. Second, the requested authorization relating to the SSA is particularly problematic given that the SSA has expired by its own terms.²¹ Third, the Committee objects because there are so many unanswered questions as to the requested relief concerning the Insider Agreements. Regarding the Insider Agreements, parties in interest must know, *inter alia*:

- a. Who is providing what services under the SSA and TSA;
- b. Who is paying for what services, and how much is being paid;²²
- c. Are the amounts being paid actually fair value;
- d. What is the extent of separation between the brands' internal operations and management?²³
- e. Why are Pep Boys and the Debtors still collecting each other's receivables at all?²⁴
- f. What is meant by "transformation plan," as used in paragraph 30 of the Motion, and what is left to accomplish under the plan?

22. Additionally, while the Debtors expressly request this Court to award administrative priority to amounts incurred by Non-Debtor parties to the Insider Agreements,²⁵ the SSA expressly provides that:

²⁰ See note 18, *supra*.

²¹ SSA, 21 (providing for termination of the SSA on June 30, 2022, with an extension period, if utilized, "not to exceed December 31, 2022...."). No further extension periods are provided in the SSA.

²² While the TSA does include dollar amounts for certain services, the SSA contains no monetary amounts whatsoever.

²³ See FDD, ¶ 22.

²⁴ Motion, ¶28 (a).

²⁵ Motion, ¶¶ 33 and 49.

"Recipient will not pay Provider for Services performed, as set forth in Schedule A, unless the parties otherwise agree. Recipient will **not** reimburse Provider for all reasonable and necessary out of pocket expenses incurred...unless the Parties otherwise agree."²⁶

Schedule A to the SSA does not delineate any fees or costs.

23. Importantly, the Committee also objects to the Motion to the extent of any prejudice, negative impact, or limitation on the Committee or any party in interest's ability to investigate and potentially bring actions against Non-Debtors, whether under the Service Agreements or under other Insider Agreements or otherwise related to the Intercompany Transactions or Intercompany Claims. The Committee did not obtain copies of the TSA and SSA until recently, on or about February 18, 2023, and to the Committee's knowledge such documents have not been made available to other parties in interest.

C. PREFERENTIAL TREATMENT OF PEP BOYS

24. The Debtors request authority to honor prepetition credits with Non-Debtor Pep Boys for goods the Debtors will ship Pep Boys postpetition.²⁷ According to the Debtors, Pep Boys represents 2% of the Debtors' revenue.²⁸ Apparently, in the Debtors' prepetition product shipments to Pep Boys, certain goods were defective, not included in the shipment or otherwise gave rise to a prepetition claim by Pep Boys against the Debtors; *i.e.*, a "credit" or a claim. By the Motion, the Debtors seek to satisfy its Pep Boys' prepetition credit or claim by postpetition shipments to Pep Boys. No amount is given for Pep Boys' prepetition credits nor whether such credits arose from shipments subject to section 503(b)(9) of the Bankruptcy Code. Further, no information is given as to how the Debtors are handling all its other vendors' prepetition creditors.

²⁶ SSA, ¶4 (a)-(b).

²⁷ Motion, ¶ 28 (b).

²⁸ Motion, ¶ 28 (b).

25. Moreover, the Debtors filed a separate motion specifically for the purpose of obtaining authority to pay prepetition trade claims, which included specificity of the amount to be paid, amounts owed prepetition, the terms under which such payments were allowed, reporting requirements, and penalties for violating the Courts order.²⁹ In sharp contrast, however, in dealing with Non-Debtor insiders, the Debtors seek "blanket" authority to honor unspecified prepetition insider claims³⁰ as part of what is typically a rather perfunctory Cash Management Motion. If the Debtors are truly "standalone" businesses from Pep Boys and the other Non-Debtors, it is troubling that authority to pay prepetition claims to Pep Boys is sought under the guise of the Cash Management Motion rather than the Vendor Motion. The Committee is also concerned with the Debtors' inability to separate its operations from Pep Boys and IAG, and how that fact is relevant in the context of a Cash Management Motion.

26. The Committee, therefore, objects to the Debtors' satisfaction of a Non-Debtor insider's (Pep Boys) prepetition credits.

D. INSUFFICIENT INFORMATION

27. In the Motion, the Debtors "estimate that 97% of their operations are conducted by IEH Auto Parts.³¹ However, certain Debtors have ordinary course obligations (e.g. taxing authorities, landlords) that are *di minimis*, and payment for these obligations is funded from the Concentration Account."³²

²⁹ See *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* [Dkt. #9] (the "**Vendor Motion**").

³⁰ Motion, ¶28 (b) (requesting authority to honor "any prepetition credits for goods that the Debtors will ship postpetition.")

³¹ Motion, ¶ 28 (a).

³² Motion, ¶ 28 (a).

28. Candidly, the Committee is unclear about this request by the Debtors. From review of the Motion and the exhibits thereto outlining the Debtors' banking system, it appears that the Debtors have a relatively common ZBA banking system whereby the various store-level bank accounts all feed into the Concentration Account. What is unclear and potentially disturbing, however, is (a) whether the fact that the two bank accounts held with Truist Bank and Signature Bank are "held in the Debtor IEH Auto Parts, LLC's name" means that some of the Debtors' funds are held by non-Debtor entities or by other Debtor entities; (b) whether the fact that 97% of the Debtors' operations are conducted by IEH Auto Parts means that 3% of the Debtors' funds are held by Non-Debtors. Adding to the Committee's concern is the fact that the entire discussion about the Debtors' banking system is found in the Motion under the title "The Debtors' Intercompany Transactions."

29. Before the Final Order is entered on the Motion, the Debtors have the burden of explaining exactly what they are asking the Court to approve.

E. INSIDER LEASES

30. The Debtors operate approximately 53 stores inside Non-Debtor Pep Boys' store locations, and the Debtors and Non-Debtor Pep Boys "collectively lease warehousing space at four distribution centers."³³ The Committee's Objection with respect to these leases is limited to obtaining assurances that no prepetition lease payments to Non-Debtor insiders are being authorized by way of the Motion. The Committee further reserves any and all rights to examine these leases, the fair market value of the leases, and all other issues related to the leases and raise objections based on the same.

³³ Motion, ¶ 28(c)-(d).

PRAYER

WHEREFORE, the Committee respectfully requests that this Objection be sustained as provided herein, including that any and all rights and remedies of the Committee and any parties in interest be specifically reserved and not prejudiced in any manner for all purposes relating to the Service Agreements, Intercompany Agreements, Insider Agreements, Intercompany Transactions, and Intercompany Claims (as such terms are defined in the Motion and/or this Objection), and that the Committee be granted such other and further relief to which it is justly entitled.

Dated: February 22, 2023.

Respectfully submitted,

KANE RUSSELL COLEMAN LOGAN PC

By: /s/ Joseph M. Coleman

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**PROPOSED ATTORNEYS FOR THE OFFICIAL
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CERTIFICATE OF SERVICE

This is to certify that on February 22, 2023, a true and correct copy of the foregoing document was filed with the Court and served (i) via the Court's CM/ECF notification system upon all parties registered to receive such electronic notices in this case and (ii) via first-class U.S. mail, postage prepaid, upon all parties listed on the Debtors' Master Service List.

By: /s/ Joseph M. Coleman
Joseph M. Coleman

CERTIFICATE OF CONFERENCE

On February 22, 2023, Committee counsel discussed the Cash Management Motion and the contents of this Objection with Debtors' counsel. The Debtors' and Committee's counsel were not able to resolve the matters addressed in this Objection with respect to the Motion. Accordingly, the Committee submits this Objection to the Court for determination.

By: /s/ Joseph M. Coleman
Joseph M. Coleman

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

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

**ORDER ON DEBTORS' CORRECTED 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**

CAME ON FOR CONSIDERATION the *Debtors' Corrected 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* [Dkt. #26] (the "**Motion**")² filed by IEH Auto Parts Holding LLC, Inc. and its debtor affiliates (collectively, the "**Debtors**"). Having considered the Motion, the objections and responses to the Motion, the record in this case, the arguments of counsel and evidence presented, and after due consideration, the Court finds that the Debtor's request that the relief sought in the Motion be granted on a final basis should be GRANTED in part and DENIED

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.

² Capitalized terms not defined herein have the meanings provided in the Motion unless otherwise noted.

in part. Accordingly,

IT IS HEREBY ORDERED that the Motion is **GRANTED** in part and **DENIED** in part, as set forth herein.

IT IS FURTHER ORDERED that the relief provided in the Court's Interim Order on the Motion [Dkt. #41] is hereby granted on a final basis, *except* that all relief related in any way to the Intercompany Transactions, the Intercompany Claims, and/or the Intercompany Agreements (as each term is defined in the Motion) is hereby denied.