

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.*,<sup>1</sup> ) Case No. 23-90054 (CML)  
)  
Wind-Down Debtors. ) (Jointly Administered)  
)  
\_\_\_\_\_)

**WIND-DOWN DEBTORS’ EMERGENCY MOTION FOR ENTRY OF A  
FINAL DECREE CLOSING CERTAIN OF THE CHAPTER 11 CASES**

**Emergency relief has been requested. Relief is requested on or before December 22, 2023.**

**If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this application was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this application was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

The above-captioned wind-down debtors (collectively, the “Wind-Down Debtors” and, prior to the Effective Date of the Plan,<sup>2</sup> the “Debtors”) state the following in support of this motion (this “Motion”):

<sup>1</sup> The Wind-Down Debtor entities in these chapter 11 cases, along with the last four digits of each Wind-Down 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 Wind-Down Debtors’ service address is: 5330 Carmel Crest Lane, Charlotte, North Carolina 28226.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Third Amended Combined Disclosure Statement and Joint Plan of Liquidation of IEH Auto Parts Holding LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 738] (as modified, amended, and including all supplements, the “Plan”) or the First Day Declaration (as defined herein), as applicable.



### **Relief Requested**

1. The Wind-Down Debtors seek entry of a final decree, substantially in the form attached hereto (the “Final Decree”), closing each of the Debtors’ Chapter 11 Cases other than Auto Plus Auto Sales LLC, Case No. 23-90055 (CML) (the “Remaining Case”).

2. Counsel to the Wind-Down Debtors provided a draft of this Motion and the proposed Final Decree to the U.S. Trustee for their review and comment. The U.S. Trustee is unopposed.

### **Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Wind-Down Debtors confirm their consent to the Court’s entry of a final order.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a) and 350(a) of title 11 of the United States Code (the “Bankruptcy Code”), rules 1015(b) and 3022 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 1075-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

### **Background**

6. On January 31, 2023 (the “Petition Date”), thirteen Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.<sup>3</sup> On February 1, 2023, the Court entered an order authorizing the joint administration and procedural consolidation of these Chapter 11 Cases

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<sup>3</sup> A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of Michael Neyrey in Support of First Day Motions* [Docket No. 24] (the “First Day Declaration”), filed on February 1, 2023.

under the case of IEH Auto Parts Holding LLC, Case No. 23-90054 (the “Lead Case”). The Chapter 11 Cases other than the Lead Case are as follows:

<b>Debtor</b>	<b>Case No.</b>	<b>Debtor</b>	<b>Case No.</b>
AP Acquisition Company Clark LLC	23-90053	AP Acquisition Company Gordon LLC	23-90060
AP Acquisition Company Massachusetts LLC	23-90062	AP Acquisition Company Missouri LLC	23-90063
AP Acquisition Company New York LLC	23-90056	AP Acquisition Company North Carolina LLC	23-90064
AP Acquisition Company Washington LLC	23-90061	IEH AIM LLC	23-90065
Auto Plus Auto Sales LLC	23-90055	IEH Auto Parts LLC	23-90057
IEH Auto Parts Puerto Rico, Inc.	23-90058	IEH BA LLC	23-90059

7. On October 6, 2023, the Debtors substantially consummated the Plan, and the Effective Date occurred. *See* Docket No. 922.

8. To date, approximately 754 Proofs of Claim have been filed in these Chapter 11 Cases. The Wind-Down Debtors continue to review the Proofs of Claim and may object to certain Proofs of Claim in the future (the “Claims Reconciliation Process”).<sup>4</sup> Relatedly, certain claimants have sought relief from the automatic stay of section 362(a) of the Bankruptcy Code and/or the injunctions set forth in Article VIII of the Plan in order to proceed with their claims, and additional claimants may seek similar relief in the future (the “Injunction Modification Matters”). The Wind-Down Debtors also continue to negotiate pending issues related to the various sales of substantially all of the Debtors assets (the “Pending Sale Matters”). Additionally, certain Professional Fee Claims remain outstanding (the “Fee Applications”).

9. Although the Wind-Down Debtors do not anticipate any further significant contested matters related to their Chapter 11 Cases, miscellaneous motions, applications, pleadings, or other matters or proceedings may arise from time to time (together with the Claims

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<sup>4</sup> In addition, Article VII of the Plan empowers the GUC Trustee to prosecute and settle General Unsecured Claims.

Reconciliation Process, Injunction Modification Matters, Pending Sale Matters, and the Fee Applications, collectively, the “Remaining Matters”). Any Remaining Matters related to any of the Wind-Down Debtors can be filed, administered, and adjudicated in the Remaining Case without any substantive or negative impact on any party in interest.<sup>5</sup>

10. The Wind-Down Debtors believe that closing these Chapter 11 Cases other than the Remaining Case is in the best interest of the Wind-Down Debtors as it will greatly reduce the fees attributable to remaining in chapter 11.

### **Basis for Relief**

11. Section 350(a) of the Bankruptcy Code provides that “[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case.” 11 U.S.C. § 350(a). Bankruptcy Rule 3022, which implements section 350 of the Bankruptcy Code, further provides that “[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case.” Fed. R. Bankr. P. 3022.

12. The term “fully administered” is not defined in the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Local Rules. The Advisory Committee Note to Bankruptcy Rule 3022 (the “Advisory Committee Note”), however, sets forth the following non-exclusive factors to be considered in determining whether a case has been fully administered:

- i. whether the order confirming the plan has become final;
- ii. whether deposits required by the plan have been distributed;

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<sup>5</sup> The Wind-Down Debtors reserve all rights to dispute any outstanding claims, and the failure of the Wind-Down Debtors to object to any claim filed in these Chapter 11 Cases prior to entry of the Final Decree shall not cause such claim to be deemed allowed. The Wind-Down Debtors request that the Court permit any objections to claims against or interests in any of the Chapter 11 Cases to be filed, administered, and adjudicated in the Remaining Case.

- iii. whether the property proposed by the plan to be transferred has been transferred;
- iv. whether the debtor or the successor of the debtor under the plan has assumed the business or the management of the property dealt with by the plan;
- v. whether payments under the plan have commenced; and
- vi. whether all motions, contested matters, and adversary proceedings have been finally resolved.

Fed. R. Bankr. P. 3022, Advisory Comm. Note (1991). Courts look “to the advisory committee’s notes on Bankruptcy Rule 3022 in seeking guidance as to the meaning of ‘fully administered.’” *In re JCP Props., Ltd.*, 540 B.R. 596, 605 (Bankr. S.D. Tex. 2015).

13. In addition to the factors set forth in the Advisory Committee Note, courts have considered whether the plan of reorganization has been substantially consummated. *See, e.g., In re JCP Props., Ltd.*, 540 B.R. at 605 (commenting that “substantial consummation is the pivotal question here to determine the propriety of closing the [case]”). Section 1101(2) of the Bankruptcy Code defines substantial consummation as the: (A) transfer of all or substantially all of the property proposed by the plan to be transferred; (B) assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan; and (C) commencement of distribution under the plan. However, entry of a final decree does not require that all claims be paid or satisfied as a prerequisite. Bankruptcy courts in the Fifth Circuit enter final decrees and close cases despite certain claims being unpaid. *See, e.g., In re Anachoreta, Inc.*, No. 18-36960 (MI) (Bankr. S.D. Tex. Jun. 26, 2020); *In re EXCO Services, Inc.*, No. 18-30167 (MI) (Bankr. S.D. Tex. Nov. 12, 2019). “The court should not keep [a] case open only because of the possibility that the court’s jurisdiction may be invoked in the future.” Fed. R. Bankr. P. 3022, Advisory Comm. Note (1991).

14. Bankruptcy courts have adopted the view that “[the Advisory Committee Note] factors are but a guide in determining whether a case has been fully administered, and not all factors need to be present before the case is closed.” *In re SLI, Inc.*, Case No. 02-12608 (WS), 2005 WL 1668396, at \*2 (Bankr. D. Del. June 24, 2005).

15. Courts have also noted that entry of a final decree is appropriate to stop the accrual of fees paid to the U.S. Trustee pursuant to section 1930 of the United States Code (“Section 1930 Fees”). *See In re Jay Bee Enters., Inc.*, 207 B.R. 536, 539 (Bankr. E.D. Ky. 1997) (concluding that “it seems appropriate to close this case to stop the financial drain on the debtor” due to accrual of Section 1930 Fees).

16. Here, the foregoing factors weigh strongly in favor of closing all of the Chapter 11 Cases except for the Remaining Case (collectively, the “Affiliate Cases”). The Confirmation Order is a final order, the Effective Date of the Plan has occurred, and the Plan is substantially consummated. The Debtors’ estate property has transferred to the Wind-Down Debtors in accordance with the Plan, the Plan Agent has assumed the management and control over the Wind-Down Debtors’ businesses, and distributions have been initiated in accordance with the Plan. Therefore, the Affiliate Cases have been “fully administered.”

17. While the Wind-Down Debtors acknowledge that the payment of certain claims may be pending, such claims will be paid pursuant to the Plan in the Remaining Case or outside the Chapter 11 Cases in accordance with the Bankruptcy Code and the Plan. Bankruptcy courts in the Fifth Circuit have entered final decrees and closed cases despite certain claims being unpaid. *See, e.g., In re Anachoreta, Inc.*, No. 18-36960 (MI) (Bankr. S.D. Tex. Jun. 26, 2020); *In re EXCO Services, Inc.*, No. 18-30167 (MI) (Bankr. S.D. Tex. Nov. 12, 2019). “The court should not keep [a] case open only because of the possibility that the court’s jurisdiction may be invoked in the

future.” Fed. R. Bankr. P. 3022, Advisory Comm. Note (1991). Moreover, the entry of the Final Decree closing the Affiliate Cases would be without prejudice to creditors’ rights to petition the Court to reopen any of such cases pursuant to section 350(b) of the Bankruptcy Code.

18. The Wind-Down Debtors will work to resolve the Remaining Matters. To the extent issues arise relating to the Wind-Down Debtors, such matters can be resolved under the Remaining Case without keeping the dockets of the Affiliate Cases open. Closing the dockets of the Affiliate Cases will have no impact on the resolution of any remaining claims or distributions, other legal entitlements under the Plan, or the substantive rights of any party in interest, and would stop the accrual of Section 1930 Fees associated with the Affiliate Cases. Accordingly, entry of the Final Decree closing the Affiliate Cases is in the best interests of the Wind-Down Debtors and an appropriate use of the Court’s equitable powers pursuant to section 105(a) of the Bankruptcy Code.

#### **Emergency Consideration**

19. Pursuant to Local Rule 9013-1(i), the Wind-Down Debtors request emergency consideration of this Motion. Prompt entry of the Final Decree will allow the Wind-Down Debtors to save administrative costs, including Section 1930 Fees.

#### **Notice**

20. The Debtors will provide notice of this Motion to: (a) the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the Prepetition Lender; (d) counsel to the DIP Lender; (e) the Office of the United States Attorney for the Southern District of Texas; (f) the state attorneys general for states in which the Debtors conduct business; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; (i) the Environmental Protection Agency; (j) other governmental agencies having a regulatory or statutory interest in these cases; (k) counsel

to the Committee; and (1) any party that has requested notice pursuant to Bankruptcy Rule 2002.

In view of the nature of the relief requested, no other or further notice need be provided.



The Wind-Down Debtors request that the Court enter the Final Decree granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas  
Dated: December 20, 2023

*/s/ Veronica A. Polnick*

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*Counsel to the Wind-Down Debtors*

**Certificate of Accuracy**

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Veronica A. Polnick

Veronica A. Polnick

**Certificate of Service**

I certify that on December 20, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Veronica A. Polnick

Veronica A. Polnick

**Certificate of Conference**

On December 18, 2023, counsel to the Wind-Down Debtors provided Jayson Ruff with the U.S. Trustee's office a draft of the Motion and proposed Final Decree. The U.S. Trustee is unopposed to the relief requested.

/s/ Veronica A. Polnick

Veronica A. Polnick

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

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In re:	)	Chapter 11
	)	
IEH AUTO PARTS HOLDING LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90054 (CML)
	)	
Wind-Down Debtors.	)	(Jointly Administered)
	)	<b>Re: Docket No. ____</b>

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**FINAL DECREE CLOSING CERTAIN OF THE CHAPTER 11 CASES**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned wind-down debtors (collectively, the “Wind-Down Debtors” and, prior to the Effective Date of the Plan, the “Debtors”) for entry of a final decree (this “Final Decree”) pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022, closing the Affiliate Cases, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Wind-Down Debtors’ notice of

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<sup>1</sup> The Wind-Down Debtor entities in these chapter 11 cases, along with the last four digits of each Wind-Down 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 Wind-Down Debtors’ service address is: 5330 Carmel Crest Lane, Charlotte, North Carolina 28226.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The following Affiliate Cases are hereby closed; *provided* that this Court shall retain jurisdiction as provided in the Plan, the Confirmation Order, and this Final Decree:

Debtor	Case No.	Debtor	Case No.
AP Acquisition Company Clark LLC	23-90053	AP Acquisition Company Gordon LLC	23-90060
AP Acquisition Company Massachusetts LLC	23-90062	AP Acquisition Company Missouri LLC	23-90063
AP Acquisition Company New York LLC	23-90056	AP Acquisition Company North Carolina LLC	23-90064
AP Acquisition Company Washington LLC	23-90061	IEH AIM LLC	23-90065
IEH Auto Parts Holding LLC	23-90054	IEH Auto Parts LLC	23-90057
IEH Auto Parts Puerto Rico, Inc.	23-90058	IEH BA LLC	23-90059

2. The Remaining Case of Auto Plus Auto Sales LLC, Case No. 23-90055, shall remain open pending the entry of a final decree by this Court closing the Remaining Case.

3. The clerk shall designate on the dockets of the Affiliate Cases that the cases are now being administered under the Remaining Case. The Wind-Down Debtors shall make a docket entry in each of the Affiliate Cases substantially similar to the following:

An order has been entered in this case directing that all further reporting concerning the administration of the assets and liabilities in this case will occur only in the case of Auto Plus Auto Sales LLC, Case No. 23-90055. The docket in Case No. 23-90055 should be consulted for all matters affecting this case and all future pleadings need to be filed in this docket.

4. The following caption shall be used in the Remaining Case going forward:

In re:  AUTO PLUS AUTO SALES LLC,  Wind-Down Debtor.	) Chapter 11 ) ) Case No. 23-90055 (CML) ) ) (Formerly Jointly Administered under ) Lead Case IEH Auto Parts ) Holding LLC, Case No. 23-90054)
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5. The Court retains jurisdiction and authority with regard to the Remaining Matters, whether or not they pertain to the Remaining Case or the Affiliate Cases and whether or not they are pending before the Court in the Remaining Case or the Affiliate Cases. Any actions with regard to the Remaining Matters, including with respect to the Claims Reconciliation Process, the Injunction Modification Matters, Pending Sale Matters, and Fee Applications, whether currently pending in an Affiliate Case or not, shall be filed, administered, and adjudicated in the Remaining Case without the need to reopen any Affiliate Case. Any failure of the Wind-Down Debtors, or any entity authorized pursuant to the Plan, as applicable, to file an objection to any claim against or interest in any Wind-Down Debtor on or prior to entry of this Final Decree shall not constitute allowance of the claim or interest and shall not result in such claim or interest being deemed allowed against or in any Wind-Down Debtor. Any objections to claims against or interests in the Wind-Down Debtors may be filed, administered, and adjudicated in the Remaining Case.

6. Within 21 days after entry of this Final Decree, the Wind-Down Debtors of the Affiliate Cases shall file post-confirmation reports for the period from October 1, 2023, to the date this Final Decree is entered.

7. The Wind-Down Debtors shall pay the appropriate sum of quarterly fees due and payable under 28 U.S.C. § 1930(a)(6)(A) and (B) for the Affiliate Cases by the later of (i) 21 days after the date of entry of the Final Decree and (ii) the date on which such quarterly fees are

otherwise due. This Court shall retain jurisdiction to enforce fees assessed under 28 U.S.C. § 1930(a)(6)(A) and (B).

8. Quarterly disbursements for the Remaining Case will be reported in post-confirmation reports and quarterly fees will be paid when due and payable under 28 U.S.C. § 1930(a)(6)(A) and (B) pending the entry of a final decree by this Court closing the Remaining Case.

9. Entry of this Final Decree is without prejudice to (a) the rights of the Wind-Down Debtors or any party in interest to seek to reopen any of the Affiliate Cases for cause pursuant to section 350(b) of the Bankruptcy Code, and (b) the rights of the Wind-Down Debtors, or any Entity authorized pursuant to the Plan, as applicable, to dispute, in the Bankruptcy Court or any applicable non-bankruptcy forum, any claims that were filed against the Wind-Down Debtors in these Chapter 11 Cases as contemplated by the Plan and the Confirmation Order. Notwithstanding anything to the contrary contained in the Plan, any failure of the Wind-Down Debtors, or any Entity authorized pursuant to the Plan, as applicable, to file an objection to any claim in these Chapter 11 Cases shall not constitute allowance of the claim and shall not result in such claim being deemed Allowed against any Wind-Down Debtor. For the avoidance of doubt, the GUC Trust may undertake all actions and discharge all duties in accordance with the Plan and Confirmation Order in the Remaining Case to the same extent it could have undertaken or performed such actions or duties in the closed cases, notwithstanding entry of this Order.

10. This Final Decree is immediately effective and enforceable upon its entry.

11. The Wind-Down Debtors, or any Entity authorized pursuant to the Plan, and their respective agents are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Decree in accordance with the Motion.

12. Nothing in this Final Decree shall change the amount or nature of any distribution, or any other substantive rights, that any claim against or interest in any Debtor would have been entitled to under the Plan, the Confirmation Order, the Bankruptcy Code, the Bankruptcy Rules, or otherwise, had this Final Decree not been entered.

13. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Decree.

Dated: \_\_\_\_\_, 2023

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CHRISTOPHER M. LOPEZ  
UNITED STATES BANKRUPTCY JUDGE