

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

In re:

IEH AUTO PARTS HOLDING LLC, *et al.*,¹

Wind-Down Debtors.

Chapter 11

Case No. 23-90054 (CML)

Jointly Administered

**STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS AND
DRiV AUTOMOTIVE INC. FOR PARTIAL ALLOWANCE AND
PAYMENT OF ADMINISTRATIVE EXPENSE PORTION OF ITS CLAIM**

The above-captioned wind-down debtors (collectively, the “Debtors”) and DRiV Automotive Inc. (“DRiV”, and together with the Debtors, the “Parties”), enter into this stipulation (the “Stipulation”) and consent to entry of the agreed order below (the “Order”), as follows:

BACKGROUND

1. On January 1, 2021, DRiV and certain of its subsidiaries entered into an Amended and Restated Supply Agreement with the Debtors and certain affiliates pursuant to which, among other things, the Debtors agreed to purchase certain goods manufactured and sold by DRiV. In exchange, DRiV agreed to, among other things, supply these goods in a guaranteed quantity and warranted that the goods were free from design or manufacturing defects.

¹ The Wind-Down 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 Wind-Down Debtors’ service address is: 5330 Caramel Crest Lane, Charlotte, NC 28226.

2. On January 31, 2023 (the “Petition Date”), the Debtors filed voluntary petitions under chapter 11 of Title 11 of the United States Code, initiating the above-captioned, jointly administered bankruptcy cases.

3. On June 16, 2023, the Court entered its *Order Confirming 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. 749] (the “Confirmation Order”) confirming the *Combined Plan and Disclosure Statement* (the “Plan”) [Docket No. 442] of the Debtors.

4. The “Effective Date” of the Plan occurred on October 6, 2023 [Docket No. 922].

5. On April 27, 2023, DRiV filed Proof of Claim 500 (the “Claim”), asserting a claim in the amount of \$44,271,764.53, \$4,963,555.63 of which was claimed as a section 503(b)(9) administrative priority claim for goods provided to the Debtors in the ordinary course of business in the twenty-day period preceding the Petition Date.

6. Upon examination of the Claim as well as data in support of the same provided by DRiV, the Debtors believe the amount asserted by DRiV that qualifies for section 503(b)(9) treatment did not match the Debtors’ books and records and were subject to offset.

7. After reconciliation of the Claim and arm’s length, good faith negotiations, the Debtors and DRiV have agreed to fully and finally compromise and settle the 503(b)(9) portion of the Claim to avoid further litigation and intend for this Stipulation to dispose of the entirety of the 503(b)(9) portion of the Claim. The general unsecured portion of the Claim shall remain unchanged and subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan, including without limitation, objection on the basis that a

portion of the asserted general unsecured claim should have been claimed as a Section 503(b)(9) claim, and DRiV reserves all rights with respect to the general unsecured portion of the Claim.

IT IS STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, IT IS ORDERED AS FOLLOWS:

1. The Stipulation is approved and its terms incorporated into this Order.
2. DRiV has an allowed administrative expense claim pursuant to section 503(b)(9) in the amount of \$3,800,000.00 (the “DRiV Administrative Expense Claim”). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case is capped at \$3,800,000.00.
3. DRiV’s general unsecured portion of its Claim totaling \$39,308,208.90, which DRiV will not amend to increase in amount, shall remain subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan, including without limitation, objection on the basis that a portion of the asserted general unsecured claim should have been claimed as a Section 503(b)(9) claim, and DRiV’s rights with respect to the general unsecured portion of its Claim remain fully reserved.
4. The Debtors shall pay the full amount of the DRiV Administrative Expense Claim to DRiV as soon as practicable within three (3) business days after entry of this Order, as authorized by the confirmed Plan in these chapter 11 cases, which shall be in full satisfaction of the DRiV Administrative Expense Claim.
5. Once made, the payment shall not be subject to avoidance, rescission, or claw-back at any time for any reason.
6. The terms and conditions of the Stipulation and this Order shall be immediately effective and enforceable upon entry of this Order.

7. This Order is binding upon and for the benefit of the Parties and their respective successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties (for which such Party is legally entitled to bind such parent, subsidiary or affiliated entity of the Party under applicable law).

8. This Stipulation and Order constitutes the entire agreement between the Parties with respect to the DRiV Administrative Expense Claim and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

9. This Court retains jurisdiction with respect to all matters arising from or related to this Order, and the Parties consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Order.

IT IS SO ORDERED.

Dated: _____

Christopher M. Lopez
United States Bankruptcy Judge

AGREED TO ON DECEMBER 19, 2023 BY:

/s/ Zachary S. McKay

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