

**ENTERED**

June 26, 2024

Nathan Ochsner, Clerk

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

In re:

AUTO PLUS AUTO SALES, *et al.*,<sup>1</sup>

Wind-Down Debtors.

Chapter 11

Case No. 23-90055 (CML)

(Formerly Jointly Administered under  
Lead Case IEH Auto Parts Holding, LLC,  
Case No. 23-90054)

**STIPULATION AND AGREED ORDER BETWEEN THE WIND-DOWN DEBTORS  
AND THE CIT GROUP/COMMERCIAL SERVICES, INC. FOR PARTIAL  
ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE PORTION OF ITS  
CLAIM**

The above-captioned wind-down debtors (collectively, the “Debtors”) and The CIT Group/Commercial Services, Inc. (“CIT”, 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. In 2022, the Debtors purchased goods from a factored client of CIT.
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]

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<sup>1</sup> The Wind-Down Debtor’s service address is: 5330 Carmel Crest Lane, Charlotte, North Carolina 28226. All pleadings related to these chapter 11 cases may be obtained from the website of the Wind Down Debtor’s claims and noticing agent at <https://www.kccllc.net/autoplus>.



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(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 13, 2023, CIT filed two identical Proofs of Claim against separate Debtors. Claim No. 358 asserting a claim against IEH Auto Parts Holding, LLC in the total amount of \$327,643.43, \$146,881.70 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 (the “503(b)(9) Claim”), and \$180,761.73 of which was asserted as a general unsecured claim (the “GUC Claim”).<sup>2</sup> Claim No. 359 was filed against IEH Auto Parts Holding, LLC in the same amounts.

6. Upon a reconciliation of the 503(b)(9) Claim and arms’ length, good faith negotiations, the Debtors and CIT 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, with any remainder to be reclassified as part of the GUC Claim, subject to and without any limitation on the GUC Trustee’s ability to object to the same. The GUC Claim shall otherwise 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 all or any portion of the asserted GUC Claim should have been claimed as a section 503(b)(9) claim (a “Section 503(b)(9) Claim”), and CIT reserves all rights with respect to the GUC Claim.

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<sup>2</sup> The reconciliation and resolution of the GUC Claim is being conducted by the GUC Trustee. To be clear, this Stipulation does not pertain to or in any way affect the GUC Claim. All rights of CIT and the GUC Trustee with respect to the GUC Claim are reserved, including the rights of the GUC Trustee to object to the same.

**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. CIT has an allowed administrative expense claim pursuant to section 503(b)(9) in the amount of \$93,274.44 (the “CIT Administrative Expense Claim”). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case is capped at \$93,274.44, subject to the GUC Trustee’s right to object to and seek to reclassify all or any portion of the GUC Claim or the Remainder (defined below) as a Section 503(b)(9) Claim.
3. The remainder of the administrative claim amount, \$53,607.26 (the “Remainder”), shall be reclassified as part of the GUC Claim. For the avoidance of doubt, the Remainder and the originally asserted GUC Claim 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 all or any portion of the asserted general unsecured claim should have been claimed as a section 503(b)(9) claim. CIT reserves its rights, without limitation, with respect to the Remainder and the GUC Claim.
4. Claim No. 358 is expunged in its entirety.
5. CIT’s general unsecured claims, including the Remainder and the originally asserted general unsecured portion of the GUC Claim totaling \$234,368.99, 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 all or any portion of the asserted general unsecured claims should have been claimed as a section 503(b)(9) claim, and CIT’s rights with respect to the Remainder and the GUC Claim remain fully reserved.
6. The Debtors shall pay the full amount of the CIT Administrative Expense Claim to CIT as soon as practicable within seven (7) 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 CIT Administrative Expense Claim.

7. Once made, the payment shall not be subject to avoidance, rescission, or claw-back at any time for any reason.

8. The terms and conditions of the Stipulation and this Order shall be immediately effective and enforceable upon entry of this Order.

9. This Order is binding upon and for the benefit of the Parties and their respective successors, agents, assigns, including bankruptcy trustees and estate representatives.

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

11. 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.**

Signed: June 26, 2024

  
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Christopher Lopez  
United States Bankruptcy Judge

**AGREED TO ON June 24, 2023 BY:**

*/s/ Zachary McKay*

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**COUNSEL TO THE WIND-DOWN DEBTORS**

-and-

*/s/ Robert Franklin*

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