

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

In re:)	Chapter 11
)	
AUTO PLUS AUTO SALES LLC,)	Case No. 23-90055 (CML)
)	
Wind-Down Debtor. ¹)	(Formerly Jointly Administered
)	under Lead Case IEH Auto Parts
)	Holding LLC, Case No. 23-90054)

**STIPULATION AND AGREED ORDER BY AND AMONG THE GUC TRUSTEE AND
BORGWARNER PROPULSION SYSTEMS, LLC N/K/A PHINIA DELPHI USA LLC**

[Relates to Claim No. 509]

Michael D. Warner, solely in his capacity as trustee (the “GUC Trustee”) of the Auto Parts GUC Trust (the “GUC Trust”), and BorgWarner Propulsion Systems, LLC n/k/a PHINIA Delphi USA LLC (“BorgWarner,” and together with the GUC Trustee, the “Parties”), by and through the undersigned counsel, hereby stipulate and agree as follows:

General Background

WHEREAS, on January 31, 2023 (the “Petition Date”), IEH Auto Parts Holding LLC and its debtor affiliates (before the Plan Effective Date, the “Debtors,” and after the Plan Effective Date, the “Wind-Down Debtors”)² filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

¹ On January 16, 2024, the Court entered a *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 23-90054, Dkt. No. 1043] closing each Debtor's chapter 11 case except the case of Auto Plus Auto Sales LLC. The Wind-Down Debtor's service address is 5330 Caramel Crest Lane, Charlotte, NC 28226.

² The Debtors in these chapter 11 cases, along with the last four digits of each entity's federal tax identification number, are as follows: 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).



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WHEREAS, on February 1, 2023, the Court entered an Order [Case No. 23-90054, Dkt. No. 28] authorizing the Debtors to retain Kurtzman Carson Consultants LLC (“KCC” or the “Claims Agent”) as claims, noticing, and solicitation agent to, among other things, maintain the official claims register in these bankruptcy cases (the “Claims Register”).

WHEREAS, on March 13, 2023, the Court entered an Order [Case No. 23-90054, Dkt. No. 222] establishing (i) May 1, 2023, as the deadline for all non-governmental units to file proofs of claim (the “General Bar Date”) and establishing (ii) July 31, 2023, as the deadline for all governmental units to file proofs of claim (the “Government Bar Date” and together with General Bar Date, the “Bar Dates”).

WHEREAS, on March 31, 2023, the Debtors filed their respective Schedules of Assets and Liabilities [Case No. 23-90054, Dkt. Nos. 292-304] (as each may have been amended from time to time, the “Bankruptcy Schedules”). Claims listed in the Debtors’ Bankruptcy Schedules are referenced herein as “Scheduled Claims,” and creditors with Scheduled Claims are referenced herein as “Scheduled Claimants.”

WHEREAS, on June 16, 2023, the Court entered an Order [Case No. 23-90054, Dkt. No. 749] 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* [Case No. 23-90054, Dkt. No. 738] (the “Plan”). The Plan became effective on October 6, 2023 (the “Effective Date”) [Case No. 23-90054, Dkt. No. 922].

WHEREAS, the GUC Trustee has sole authority under the Plan to object to and reconcile all General Unsecured Claims,³ and the Plan Agent and/or the Wind-Down Debtors, as applicable,

³ Capitalized terms used but not defined herein shall have the meanings provided in the Plan unless otherwise noted.

have authority to object to and reconcile all Non-GUC Claims, including 503(b)(9) Claims. *See Plan* at 37, Art. VII.B.1.

Claims of BorgWarner

WHEREAS, IEH Auto Parts LLC’s Bankruptcy Schedules list the following Scheduled Claims for entities affiliated with BorgWarner (together with all other affiliates and subsidiaries of Pennzoil, collectively, “Affiliates”):

- (i) a General Unsecured Claim for BORGWARNER POWERDRIVE SYSTEMS in the amount of \$390.45 [Case No. 23-90054, Dkt. No. 302, Schedule E/F, Part 2, #3.161; Claims Register ScheduleID #3276034]; and
- (ii) a General Unsecured Claim for DELPHI AUTOMOTIVE SYSTEMS in the amount of \$656,596.27 [Case No. 23-90054, Dkt. No. 302, Schedule E/F, Part 2, #3.393; Claims Register ScheduleID #3276250].

WHEREAS, on April 28, 2023, BorgWarner filed Proof of Claim No. 509 (“Claim No. 509”) asserting a Claim against IEH Auto Parts LLC in the total amount of \$1,794,535.42 as of the Petition Date, including a 503(b)(9) Claim in the amount of \$176,851.64 and a General Unsecured Claim in the amount of \$1,617,683.78.

WHEREAS, on October 28, 2024, the Court entered the *Stipulation and Agreed Order Between the Wind-Down Debtors and BorgWarner Propulsion Systems, LLC n/k/a PHINIA Delphi USA LLC* [Dkt. No. 232] (the “BorgWarner 503(b)(9) Stipulation”), BorgWarner’s 503(b)(9) Claim is allowed in the reduced amount of \$126,596.60 (the “Allowed 503(b)(9) Claim”), and the remaining \$50,255.04 of its asserted 503(b)(9) Claim was reclassified as a General Unsecured Claim. BorgWarner’s Allowed 503(b)(9) Claim has been paid and satisfied in full in the amount of \$126,596.60.

WHEREAS, Claim No. 509 supersedes all Scheduled Claims listed for BorgWarner and/or its Affiliates.

WHEREAS, on June 27, 2024, the GUC Trustee filed the *GUC Trustee's Eleventh Omnibus Objection to Claims (Reduced Claims)* [Dkt. No. 147] (the "Objection") objecting to BorgWarner's General Unsecured Claim asserted in Claim No. 509. BorgWarner informally responded to the GUC Trustee's Objection prior to the response deadline.

WHEREAS, the Parties have engaged in good faith, arm's length negotiations to resolve the disputes as to the General Unsecured Claims described herein above. To efficiently resolve such matters without further litigation, and without admission by any of the Parties, the Parties have agreed to resolve all disputes as to those General Unsecured Claims on the terms set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY STIPULATE AND AGREE, AND UPON APPROVAL AND ENTRY OF THIS STIPULATION BY THE COURT, IT IS HEREBY ORDERED AS FOLLOWS:

1. The above recitals are incorporated by reference into this Stipulation and Agreed Order with the same force and effect as if fully set forth hereinafter.

2. All Scheduled Claims listed for BorgWarner and/or its Affiliates, including, without limitation, the Scheduled Claims identified in the above recitals (ScheduleID #3276034 and #3276250), are hereby disallowed in their entirety and shall be expunged from the Claims Register.

3. Claim No. 509 filed by BorgWarner is hereby Allowed as a General Unsecured Claim in the reduced amount of **\$1,050,000.00**, which shall be paid in accordance with the terms of the Plan.

4. BorgWarner's General Unsecured Claim is hereby capped in the foregoing Allowed amount. No portion of any Non-GUC Claim filed or asserted by BorgWarner shall be reclassified as a General Unsecured Claim.

5. This Stipulation and Agreed Order does not affect or impair BorgWarner's Allowed 503(b)(9) Claim, except to prohibit such Allowed 503(b)(9) Claim (or any portion thereof) from

being reclassified as a General Unsecured Claim. BorgWarner's Allowed 503(b)(9) Claim has been paid and satisfied in full in the amount of \$126,596.60.

6. BorgWarner shall not file or assert any further Claims against the Debtors, the Wind-Down Debtors, the Debtors' bankruptcy estates, or the GUC Trust. BorgWarner is not entitled to and shall not receive any Distributions from the GUC Trust on account of any Claims other than Claim No. 509, as reduced and Allowed under this Stipulation and Agreed Order.

7. BorgWarner represents and warrants that (a) Claim No. 509 is the only Claim that it holds or assert against the Debtors and/or the GUC Trust; (b) it has not transferred or assigned Claim No. 509 to any third party; and (c) none of its Affiliates holds or asserts any other Claims against the Debtors and/or the GUC Trust.

8. The Claims Agent is authorized and directed to update the Claims Register to reflect the terms and relief provided in this Stipulation and Agreed Order.

9. The Parties are authorized to take all actions necessary or appropriate to effectuate the terms of the Stipulation and Agreed Order.

10. The terms of this Stipulation and Agreed Order are effective and enforceable immediately upon approval and entry by the Court.

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

12. This Stipulation and Agreed Order may be executed by electronic means and the printed product of such shall constitute an original of this Stipulation and Agreed Order. This Stipulation and Agreed Order may be executed and delivered in multiple counterparts, each of

which, when so executed and delivered, shall be and constitute an original and one and the same document.

IT IS SO ORDERED.

Signed: _____, 2024

Christopher Lopez
United States Bankruptcy Judge

AGREED AS TO FORM AND CONTENT:

Dated: December 16, 2024

/s/ Kyle Woodard
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