

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

In re:

IEH AUTO PARTS HOLDING LLC, *et al.*,  
Wind-Down Debtors.

Chapter 11

Case No. 23-90055 (CML)<sup>1</sup>

Jointly Administered

**STIPULATION AND AGREED ORDER BETWEEN THE WIND-DOWN DEBTORS  
AND MIDSTATE TOOL AND SUPPLY, INC.**

The above-captioned wind-down debtors (collectively, the “Debtors”<sup>2</sup>) and Midstate Tool and Supply, Inc. (“Midstate,” 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 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.

2. 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> On January 16, 2024, the Court entered a *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 23-90054, Docket 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.



(the “Confirmation Order”) confirming the *Combined Plan and Disclosure Statement* (the “Plan”) [Docket No. 442] of the Debtors.<sup>3</sup>

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

4. On April 28, 2023, Midstate filed Proof of Claim No. 503 (the “Claim”), \$28,625.98 of which was asserted as a § 503(b)(9) administrative priority claim (the “503(b)(9) Claim”) for the value of goods provided to the Debtors in the ordinary course of business in the twenty-day period preceding the Petition Date.<sup>4</sup>

5. Upon a reconciliation of the 503(b)(9) Claim, and arms’ length, good faith negotiations, the Debtors and Midstate have agreed to fully and finally compromise and settle the 503(b)(9) Claim to avoid further litigation and intend for this Stipulation to dispose of the entirety of the 503(b)(9) Claim, with the remainder of the 503(b)(9) to be disallowed in full.

6. The GUC Claim shall remain unaffected 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 any portion of the asserted general unsecured claim should have been asserted, claimed or allowed (notwithstanding this Stipulation) as a claim under section 503(b)(9) of the Bankruptcy Code, and Midstate reserves all rights with respect to the GUC Claim.

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<sup>3</sup> Capitalized terms not defined herein shall have the meanings provided in the Plan unless otherwise noted.

<sup>4</sup> The Claim also asserted \$13,474.51 as a general unsecured claim (the “GUC Claim”). For purposes of clarity, this Stipulation resolves only the portion of the Claim asserted as an administrative expense claim under 11 U.S.C. § 503(b)(9). 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 the GUC Trustee with respect to the GUC 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. Midstate has an allowed administrative expense claim pursuant to section 503(b)(9) in the amount of \$20,000.00 (the "Allowed 503(b)(9) Claim"). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case is capped at \$22,663.51.
3. The remainder of the 503(b)(9) Claim, that is the 503(b)(9) Claim less the Allowed 503(b)(9) Claim, totaling \$8,625.98, shall be disallowed in full.
4. The GUC Claim shall remain unaffected 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 any portion of the GUC Claim should have been asserted, claimed or allowed (notwithstanding this Stipulation) as a claim pursuant to section 503(b)(9) of the Bankruptcy Code, and Midstate's rights with respect to the general unsecured portion of its Claim remain fully reserved.
5. The Claims and Noticing Agent is authorized and directed to update the Claims Register to reflect the changes to the Claim set forth herein.
6. The Debtors shall pay the full amount of the Allowed 503(b)(9) Claim to Midstate as soon as practicable within fourteen (14) 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 503(b)(9) Claim.
7. The terms and conditions of the Stipulation and this Order shall be immediately effective and enforceable upon entry of this Order.
8. 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).

9. This Stipulation and Order constitutes the entire agreement between the Parties with respect to the 503(b)(9) Claim and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

10. 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: \_\_\_\_\_

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Christopher M. Lopez  
United States Bankruptcy Judge

**AGREED TO ON FEBRUARY 28, 2025 BY:**

*/s/ Zachary McKay*

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