

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

In re:

AUTO PLUS AUTO SALES LLC,¹

Wind-Down Debtors.

Chapter 11

Case No. 23-90055 (CML)²

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

**MEDIATED SETTLEMENT AGREEMENT AND
AGREED ORDER BETWEEN THE WIND-DOWN DEBTORS
AND MANN + HUMMEL FILTRATION TECHNOLOGIES US LLC**

The above-captioned wind-down debtors (collectively, the “Debtors”) and MANN + HUMMEL Filtration Technologies US LLC, (“M+H,” and together with the Debtors, the “Parties,” and each, a “Party”), enter into this Mediated Settlement Agreement (“Agreement”) and consent to the 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. M+H and one or more of the Debtors are party to certain vendor agreements, pursuant to which M+H sold certain goods to one or more of the Debtors.

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*

¹ 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.kcellc.net/autoplus>.

² 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.



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and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 749] confirming the *Combined Plan and Disclosure Statement* (the “Plan”) [Docket No. 442] of the Debtors.³

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

5. On May 1, 2023, M+H filed Proof of Claim No. 567 (the “Claim”), \$1,868,778.70 of which was asserted as a § 503(b)(9) administrative priority claim (the “503(b)(9) Claim”) for goods provided to one or more of the Debtors in the ordinary course of business in the twenty-day period preceding the Petition Date.⁴

6. On October 27, 2023, M+H filed its *Motion for Allowance and Payment of Administrative Expense Claim Pursuant to Section 503(b) of the Bankruptcy Code* (the “Admin Motion”) [Docket No. 966]. M+H determined that a portion of the 503(b)(9) Claim filed in the Claim was delivered after the Petition Date. M+H asserts that the correct 503(b)(9) amount owed is \$1,465,982.64 (the “Amended 503(b)(9) Claim”) and the value of goods delivered after the Petition Date total \$841,737.38 (the “Administrative Claim”). The Amended 503(b)(9) Claim together with the Administrative Claim total \$2,307,720.02 (the “Non-GUC Claim”).

7. On September 5, 2025, the Court entered the *Stipulation and Agreed Order Regarding Mediation* [Docket No. 406], pursuant to which the Parties agreed to mediate their

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

⁴ M+H also asserted a general unsecured portion of its Claim totaling \$15,127,143.24 (the “GUC Claim”). For purposes of clarity, this Agreement and Order 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 Agreement and Order does not pertain to or in any way affect the GUC Claim other than the amounts being specifically reclassified as indicated herein. The GUC Claim, including any amounts reclassified to a non-priority general unsecured claim by this Agreement and Order are subject to future review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan and this Agreement and Order. 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.

disputes before United States Bankruptcy Judge Marvin Isgur. On October 3, 2025, the Court entered a Supplemental Mediation Order [Docket No. 433].

8. The Debtors have asserted that \$269,996.81 of the Amended 503(b)(9) Claim does not qualify for administrative claim treatment because the invoices supporting those amounts were on account of goods that were either not delivered in the 20-day 503(b)(9) period or were not received by the Debtor. Therefore \$269,996.81 of the Amended 503(b)(9) Claim should be reclassified to a General Unsecured Claim and shall remain subject to review, reconciliation, and objection by the GUC Trustee in as provided for under the Plan and this Agreement and Order (the “Reclass”).

9. The Debtors have further asserted that M+H owes funds to the Debtor on account of vendor support funds which should be set off against the Amended 503(b)(9) Claim (the “VSF”). The Debtors have further asserted that M+H owes funds to the Debtors on account of customer rebate programs which should be set off against the Administrative Claim (the “Rebates”). M+H disputes that it owes or is liable for the VSF or the Rebates.

10. Upon a reconciliation of the Non-GUC Claim, the VSF and the Rebates, and arms’ length, good faith negotiations at a mediation conducted by Judge Isgur on October 8, 2025, the Debtors and M+H have agreed to fully and finally compromise and settle the Non-GUC Claim, VSF, and Rebates together to avoid further litigation, for a cash payment to M+H, and intend for this Agreement and Order to dispose of the entirety of the 503(b)(9) Claim, Amended 503(b)(9) Claim, Administrative Claim, Non-GUC Claim, VSF, and Rebates, with any unpaid remainder of the Non-GUC Claim, other than those amounts specifically reclassified in this Agreement and Order, to be disallowed in full.

11. The GUC Claim, including those amounts being reclassified in this Agreement and Order, shall remain subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan and this Agreement and Order, 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)(1) or 503(b)(9) claim. M+H reserves all rights with respect to the GUC Claim.

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

1. The Parties' Agreement is approved on the terms set forth herein, and the above recitals are incorporated into this Agreement and Order.

2. M+H has an allowed administrative expense claim pursuant to Section 503(b)(1) and 503(b)(9) in the amount of \$949,000.00 (the "Allowed Non-GUC Claim"). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case, including with respect to the relief requested in the Admin Motion, is capped at \$949,000.00.

3. The Reclass, totaling \$269,996.81, shall be reclassified as a non-priority general unsecured claim and shall be subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan and this Agreement and Order.

4. The remainder of the Amended 503(b)(9) Claim, that is the Amended 503(b)(9) Claim less the Allowed 503(b)(9) Claim and less the Reclass, shall be disallowed in full. For the avoidance of doubt, this Agreement and Order satisfies each of the 503(b)(9) Claim, Amended 503(b)(9) Claim, and the Admin Motion in full.

5. The Amin Motion [Docket No. 966] is hereby withdrawn.

6. The Claims and Noticing Agent is authorized and directed to update the Claims Register to reflect the changes to the Claim set forth herein.

7. The Debtors shall pay the full amount of the Allowed Non-GUC Claim to M+H by wire transfer on or before October 17, 2025, as authorized by the confirmed Plan in these chapter 11 cases, which shall be in full and final satisfaction of the Non-GUC Claim, VSF, and the Rebates, and any and all claims or causes of action that could be asserted by the Debtors against M+H.

8. Except with respect to the VSF, Rebates, Reclass, and the provisions above, 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 all or any portion of the GUC Claim should have been asserted, claimed or allowed (notwithstanding this Agreement and Order) as a claim under section 503(b)(9) of the Bankruptcy Code—and all rights of the GUC Trustee and M+H are expressly reserved and retained with respect to the GUC Claim.

9. The terms and conditions of this Agreement and Order shall be immediately effective and enforceable upon entry of this Order.

10. This Agreement and Order are 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).

11. This Agreement and Order constitute the entire agreement between the Parties with respect to the Non-GUC Claim and the Admin Motion and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

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

IT IS SO ORDERED.

Dated: _____

Christopher M. Lopez
United States Bankruptcy Judge

AGREED TO ON October 10, 2025 BY:

/s/ Zachary McKay

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