

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

In re

**WESCO AIRCRAFT HOLDINGS, INC.,
et al.,¹**

Debtors.

Case No. 23-90611 (DRJ)
Chapter 11
(Joint Administration Requested)

**DEBTORS' EMERGENCY
MOTION FOR ENTRY OF AN ORDER
EXTENDING TIME TO FILE (I) SCHEDULES,
(II) STATEMENTS OF FINANCIAL AFFAIRS
AND (III) RULE 2015.3 STATEMENTS**

Emergency relief has been requested. Relief is requested not later than 1:00 p.m. (Central Time) on June 1, 2023.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must either appear at the hearing or file a written response prior to the hearing. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on June 1, 2023 at 1:00 p.m. (Central Time) in Courtroom 400 (Jones), 4th Floor, 515 Rusk, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at 1 (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Jones's conference room number is 205691. Video communication will be by use of the GoToMeeting platform. Connect via the free

¹ The Debtors operate under the trade name Incora and have previously used the trade names Wesco, Pattonair, Haas, and Adams Aviation. A complete list of the Debtors in these chapter 11 cases, with each one's federal tax identification number and the address of its principal office, is available on the website of the Debtors' noticing agent at <http://www.kccllc.net/incora/>. The service address for each of the Debtors in these cases is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.



GoToMeeting application or click the link on Judge Jones’s home page. The meeting code is “Judge Jones”. Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the “Electronic Appearance” link on Judge Jones’s home page. Select the case name, complete the required fields and click “Submit” to complete your appearance.

The above-captioned debtors and debtors in possession (the “**Debtors**” and, together with their non-Debtor subsidiaries, “**Incora**”) respectfully state as follows.

RELIEF REQUESTED

1. By this motion (the “**Motion**”), the Debtors seek entry of an order extending the Debtors’ deadlines to file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, statements of financial affairs, and reports under Rule 2015.3 of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”). The requested extension for each of the foregoing is to 60 days after the Petition Date. A proposed form of order is attached to this Motion as **Exhibit A** (the “**Proposed Order**”).

2. The principal statutory bases for this Motion are sections 105(a) and 521 of title 11 of the U.S. Code (the “**Bankruptcy Code**”) and Rules 1007(c), 2015.3(d) and 9006(b) of the Bankruptcy Rules.

3. In support of this Motion, the Debtors rely upon the *Declaration of Raymond Carney in Support of Chapter 11 Petitions and First Day Motions* filed concurrently with this Motion (the “**First Day Declaration**”).²

JURISDICTION AND VENUE

4. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This Motion is a core proceeding under 28 U.S.C. § 157(b). Venue in the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² Capitalized terms used but not defined in this Motion have the meanings ascribed to them in the First Day Declaration.

BACKGROUND

I. GENERAL BACKGROUND

5. Incora is a provider of supply chain management services in several industries and the largest independent distribution and supply chain services provider in the global civilian and military aerospace industry. In its distribution business, Incora offers aerospace hardware and parts, electronic products, chemicals, and tooling products, which it procures, tracks and provides to customers from service centers around the world. In its service business, Incora manages all aspects of its customers' supply chains, including procurement, warehouse management, and on-site customer services, offering both customized supply-chain management plans and ad hoc direct sales. In both lines, timely delivery of necessary hardware and chemicals is critical to the business operations of Incora and its civilian and military customers.

6. On June 1, 2023 (the "*Petition Date*"), the Debtors each commenced a voluntary case under chapter 11 of the Bankruptcy Code in this Court. The Debtors have requested joint administration of their chapter 11 cases for procedural purposes. The Debtors are operating their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner or official committee has been appointed.

7. Additional information regarding the Debtors' businesses, assets, capital structure, and the circumstances leading to the filing of these chapter 11 cases is set forth in the First Day Declaration.

II. THE DEBTORS' PROGRESS TOWARD COMPLETING THEIR SCHEDULES AND STATEMENTS

8. The Debtors operate a worldwide business through dozens of domestic and foreign business entities that is maintained through sophisticated accounting and financial controls that are further detailed in the Cash Management Motion filed contemporaneously herewith. As further described in the First Day Declaration, to service its over 8,400 customers, Incora employs approximately 3,750 people across more than 60 stocking locations, warehouses, and offices in 17 countries around the globe. More than 1,200 of Incora's employees work at approximately 200

customer sites and provide a range of critical on-site services. Collectively, these employees are essential to sourcing hardware and chemicals from over 7,000 suppliers. This complex web of internal and external relationships, along with the many books and records associated with those relationships, presents a significant hurdle to Incora's ability to compile its Schedules and Statements on the timeline described herein, especially while Incora remains focused on the filing and administration of these chapter 11 cases.

9. The Debtors filed a consolidated list of readily identifiable known and significantly involved creditors and attorney representatives with their chapter 11 petitions, which includes approximately 25,000 potential creditors. Necessarily, the Schedules and Statements reflect the Debtors assets and liabilities as of the Petition Date. While some efforts before the Petition Date have occurred to generate information of the type needed for inclusion in the Schedules and Statements, necessarily there is substantial financial and accounting review and research needed to ensure the Petition Date disclosures required are complete. Since the Petition Date, the Debtors and their professional advisors have initiated the task of compiling the information required to complete the Schedules and Statements. However, the Debtors do not believe that the Schedules and Statements can be completed by the standard fourteen-day deadline under the Bankruptcy Rules without significant disruption to their businesses and already burdened accounting, operations, and executive teams, and significant expense to their estates.

BASIS FOR RELIEF

I. SCHEDULES AND STATEMENTS

10. Section 521(a)(1)(B) of the Bankruptcy Code and Bankruptcy Rules 1007(b) and (c) require a voluntary business debtor to file schedules of assets and liabilities, a schedule of current income and expenditures, a schedule of executory contracts and unexpired leases and a statement of financial affairs (collectively, the "*Schedules and Statements*") within 14 days after its petition date. Pursuant to Bankruptcy Rule 1007(c), the Court has authority to extend the time required for filing of the Schedules and Statements "for cause shown." Fed. R. Bankr. P. 1007(c). Showing cause requires that a debtor "demonstrate some justification for the issuance of the order,"

and bankruptcy courts will normally grant such extensions “in the absence of bad faith or prejudice to the adverse party.” *See, e.g., Bryant v. Smith*, 165 B.R. 176, 182 (W.D. Va. 1994) (internal citations and quotation marks omitted). Further, the Court has broad discretion under section 105 of the Bankruptcy Code to issue orders necessary to “carry out the provisions of this title.” 11 U.S.C. § 105(a).

11. In these cases, the foregoing factors and the complex and substantial matters disclosed in the First Day Declaration demonstrate that sufficient cause exists to justify the proposed extension of time for the Debtors to file their Schedules and Statements. In accordance with the size and geographic scale of Debtors’ worldwide operations, the consolidated list of creditors filed contemporaneously with the petitions shows that the Debtors have approximately 25,000 potential creditors. Accordingly, to prepare the Schedules and Statements, the Debtors will need to compile information from books and records relating to many claims, assets, leases, and contracts. Moreover, as the First Day Declaration describes, the Debtors’ affairs are spread around the world, in some cases through international offices that operate with little oversight from the U.S.-based headquarters on a day-to-day basis. While the Debtors are working with a nationally recognized financial advisor (Alvarez & Marsal, whose retention application is forthcoming) on operational matters and now with respect to matters concerning requirements in chapter 11, the Debtors’ focus to date has been to prepare for the filing of these chapter 11 cases.

12. In the context of these cases, extending the filing deadlines to 60 days after the Petition Date will provide the Debtors and their professionals with sufficient time to research and assemble the information necessary to better ensure the filing of accurate Schedules and Statements in an orderly manner, while enabling key accounting, financial, operational, and executive personnel to focus on critical operational and compliance issues during the first days of these cases. The Debtors submit that extending the filing deadlines to 60 days after the Petition Date will foster improved information and transparency and thereby maximize value of their estates for the benefit of creditors and other parties in interest.

13. Courts in this district have routinely granted similar relief to that requested by this Motion in complex cases involving substantial business operations. *See, e.g., In re Talen Energy Supply, LLC*, No. 22-90054 (MI) (Bankr. S.D. Tex. May 9, 2022) (Docket No. 121) (granting 45-day extension); *In re Limetree Bay Services, LLC*, No. 21-32351 (Bankr. S.D. Tex. Sept. 27, 2021) (Docket No. 628) (granting fourth extension of the deadline to file schedules and statements, cumulatively a 43-day extension for what was a nonoperating refinery); *In re Katerra Inc.*, No. 21-31861 (DRJ) (Bankr. S.D. Tex. June 7, 2021) (Docket No. 81) (granting 45-day extension for an operating business in the process of selling its disparate operations); *In re Seadrill Limited*, No. 21-30427 (DRJ) (Bankr. S.D. Tex. Feb. 11, 2021) (Docket No. 73) (granting 44-day extension); *In re Chesapeake Energy Corporation*, No. 20-33233 (DRJ) (Bankr. S.D. Tex. June 29, 2020) (Docket No. 136) (granting 45-day extension); *In re Fieldwood Energy LLC*, No. 20-33948 (MI) (Bankr. S.D. Tex. Aug. 5, 2020) (Docket No. 59) (granting 30-day extension); *In re Seadrill Ltd.*, No. 17-60079 (DRJ) (Bankr. S.D. Tex. Sept. 13, 2017) (Docket No. 71) (granting 45-day extension).

II. RULE 2015.3 REPORTS

14. Bankruptcy Rule 2015.3(a) requires a chapter 11 debtor in possession to file “periodic financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor . . . , and in which the estate holds a substantial or controlling interest.” By default, the first such report (a “**Rule 2015.3 Report**”) must be filed by seven days before the first date set for the meeting of creditors under section 341 of the Bankruptcy Code, and subsequent reports must be filed every six months. *See* Fed. R. Bankr. P. 2015.3(b). However, a bankruptcy court may, “after notice and a hearing, vary the reporting requirement . . . for cause” Fed. R. Bankr. P. 2015.3(d).

15. The justifications for extending the deadline for Schedules and Statements apply with even greater force to the deadline for filing the initial Rule 2015.3 Reports. The Debtors have many non-debtor subsidiaries, which are organized and operated in many different jurisdictions outside the United States. *See* Organizational Chart, Ex. A to First Day Declaration. To prepare the

Rule 2015.3 Report, the Debtors and their advisors will need to compile information from books and records located at numerous locations around the globe. While all of the operations are accounted for under the Debtors accounting and finance functions and operate within the corporate cash management and banking account system, the Debtors do not currently prepare and maintain separate financial reports for each of the non-Debtor subsidiaries in the form required by Bankruptcy Rule 2015.3. In addition, the Debtors' employees, officers, and advisors are already engaged in many other necessary tasks—not least of which is ensuring the operation of this complex and critical business that supplies logistics support and material to one of the most critical and time-sensitive industries serving the global and national economies. This is further burdened in the near term by the preparation of the Debtors' own Schedules and Statements—all of which bear more directly on maintaining the value of the Debtors' estates.

16. Extending the deadline for Rule 2015.3 Reports will also provide the Debtors and their advisors with the necessary time to research, analyze, and examine the non-Debtor subsidiaries' books and records. The Debtors may also use the time to provide information to, and work with, the Office of the U.S. Trustee for Region 7 (the "*U.S. Trustee*") and any official committee to determine the appropriate nature and scope of the Rule 2015.3 Reports and to propose modifications to the standard reporting requirements.

17. Courts in this District have regularly found cause to extend the initial deadline for filing Rule 2015.3 Reports in cases of comparable complexity and geographic scope. *See, e.g., In re Seadrill Ltd.*, No. 21-30427 (DRJ) (Bankr. S.D. Tex. Feb. 11, 2021) (Docket No. 73) (granting an extension to the later of 15 days after the 341 Meeting and 44 days after the Petition Date); *CBL & Assocs. Props., Inc.*, No. 20-35226 (DRJ) (Bankr. S.D. Tex. Nov. 2, 2020) (Docket No. 67) (granting an extension to the later of 15 days after the initial 341 Meeting and 45 days from the Petition Date); *In re Fieldwood Energy LLC*, No. 20-33948 (MI) (Bankr. S.D. Tex. Aug. 5, 2020) (Docket No. 59) (granting an extension to the later of 15 days after the initial 341 Meeting and 45 days from the Petition Date).

18. For these reasons, the Debtors request that the Court extend the deadline for the Debtors to file their initial Rule 2015.3 Reports to 60 days after the Petition Date.

EMERGENCY CONSIDERATION

19. Bankruptcy Rule 6003 allows a bankruptcy court to grant relief within the first 21 days of a case “to the extent that relief is necessary to avoid immediate and irreparable harm.” Pursuant to that Bankruptcy Rule and Rule 9013-1(i) of the Bankruptcy Local Rules (the “*Local Rules*”), the Debtors request emergency consideration of this Motion. As explained in this Motion, the Debtors believe that strict adherence to the Bankruptcy Rules’ deadlines would pull the Debtors’ personnel and advisors away from more immediately critical issues during the first weeks of these cases. The same would be true if the relief requested in this Motion were not granted on an emergency basis: without an immediate order in place, the Debtors would have to devote their resources to assembling and preparing the Schedules and Statements and the Rule 2015.3 Report. For that reason, the Debtors have shown cause for the Motion to be granted on an emergency basis.

20. The Debtors also submit that emergency relief on a final basis is appropriate, provided that the Debtors’ reserve all rights to seek additional extensions as needed, because the requested relief is “procedural in nature and do[es] not affect the substantive rights of creditors and other parties-in-interest.” Procedures for Complex Cases in the Southern District of Texas ¶ 4(g) (Jan. 1, 2023).

NOTICE

21. Notice of this Motion will be provided to (a) the Office of the U.S. Trustee for Region 7; (b) the creditors holding the thirty largest unsecured claims, according to the list filed by the Debtors with their petitions and their counsel; (c) the administrative agent for the ABL Facility and its counsel; (d) the indenture trustee for the 1L Notes and its counsel; (e) the indenture trustee for the 1.25L Notes and its counsel; (f) the indenture trustee for the Unsecured Notes and its counsel; (g) the indenture trustee for the PIK Notes and its counsel; (h) Davis Polk & Wardwell LLP and Porter Hedges LLP, as counsel to an ad hoc group of holders of 1L Notes (the “*First Lien*”).

Noteholder Group”); (i) Carlyle Global Credit Investment Management, LLC, and its counsel; (j) Senator Investment Group LP and its counsel; (k) Kobre & Kim LLP as counsel to an ad hoc group of holders of Unsecured Notes; (l) Langur Maize, L.L.C. and its counsel; (m) Katsumi and its counsel; (n) Platinum and its counsel; (o) each of the Debtors’ depositories and their respective counsel; (p) the Internal Revenue Service; (q) the Office of the U.S. Attorney for the Southern District of Texas; and (r) any other party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice is required under the circumstances.

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Upon the foregoing Motion, the Debtors respectfully request that the Court (a) enter an order, substantially in the form attached as **Exhibit A**, granting this Motion and (b) grant such other relief as is just and proper.

Dated: June 1, 2023

Respectfully submitted,

/s/ Kelli S. Norfleet

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*Proposed Counsel to the
Debtors and Debtors in Possession*

CERTIFICATE OF ACCURACY

I certify, pursuant to Local Rule 9013-1(i), that the foregoing statements regarding the nature of the emergency set forth in the foregoing Motion are true and accurate to the best of my knowledge.

Dated: June 1, 2023

/s/ Kelli S. Norfleet
Kelli S. Norfleet

CERTIFICATE OF SERVICE

I certify that, on June 1, 2023, a true and correct copy of the foregoing document was served through the Court's Electronic Case Filing system of the United States Bankruptcy Court for the Southern District of Texas, and will be served as set forth in the Affidavit of Service to be filed by the Debtors' proposed noticing agent.

Dated: June 1, 2023

/s/ Kelli S. Norfleet
Kelli S. Norfleet

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

In re

**WESCO AIRCRAFT HOLDINGS, INC.,
et al.,¹**

Debtors.

Case No. 23-90611 (DRJ)

Chapter 11

(Jointly Administered)

**ORDER EXTENDING
TIME TO FILE (I) SCHEDULES,
(II) STATEMENTS OF FINANCIAL AFFAIRS
AND (III) RULE 2015.3 STATEMENTS**

¹ The Debtors operate under the trade name Incoira and have previously used the trade names Wesco, Pattonair, Haas, and Adams Aviation. A complete list of the Debtors in these chapter 11 cases, with each one's federal tax identification number and the address of its principal office, is available on the website of the Debtors' noticing agent at <http://www.kccllc.net/incora/>. The service address for each of the Debtors in these cases is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

Upon the motion (the “*Motion*”),² of the above-captioned debtors (collectively, the “*Debtors*”), for entry of an order (this “*Order*”) pursuant to sections 105(a) and 521 of title 11 of the Bankruptcy Code and Rules 1007(c), 2015.3(d) and 9006(b) of the Bankruptcy Rules, extending the Debtors’ deadlines to file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, statements of financial affairs, and reports under Rule 2015.3 of the Bankruptcy Rules; and the Court having jurisdiction to decide the Motion and to enter this Order pursuant to 28 U.S.C. § 1334; and consideration of the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, such notice being adequate and appropriate under the circumstances; and after notice and a hearing, as defined in section 102 of the Bankruptcy Code; and the Court having determined that the legal and factual bases set forth in the Motion and in the record establish just cause for entry of this Order; and it appearing that entry of this Order on an emergency basis is in the best interests of the Debtors’ estates; it is hereby **ORDERED** that:

1. The Debtors’ deadline to file their Schedules and Statements is extended to the date that is 60 days after the Petition Date.
2. The Debtors’ deadline to file their first set of Rule 2015.3 Reports is extended to the date that is 60 days after the Petition Date. Subsequent Rule 2015.3 Reports shall be due on each six-month anniversary of the deadline for the initial set of Rule 2015.3 Reports, until the effective date of a plan has occurred or the cases have been dismissed or converted.
3. This Order is without prejudice to the Debtors’ right to request further extensions or modifications of reporting requirements.
4. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

² Capitalized terms used but not defined in this Order have the meanings ascribed to them in the Motion.

5. Notwithstanding any provision of the Bankruptcy Rules or Local Rules, the terms of this Order shall be immediately effective and enforceable upon its entry.

6. The Debtors and their agents are authorized to take all steps necessary or appropriate to carry out this Order.

7. The Court shall retain jurisdiction over all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Dated: _____
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE