

ENTERED

June 01, 2023

Nathan Ochsner, Clerk

**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 (I) PROHIBITING
UTILITIES FROM ALTERING,
REFUSING OR DISCONTINUING SERVICE,
(II) APPROVING ADEQUATE ASSURANCE OF PAYMENT
TO UTILITIES AND (III) ESTABLISHING PROCEDURES
TO RESOLVE REQUESTS FOR ADDITIONAL ASSURANCE**

(Docket Nos. 11 and 29)

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.



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Upon the motion (the “*Motion*”),² of the above-captioned debtors (collectively, the “*Debtors*”), for entry of an order (this “*Order*”) (i) prohibiting Utility Companies from altering, refusing or discontinuing service to, or discriminating against, the Debtors, (ii) determining that the Debtors have provided each of the Utility Companies adequate assurance of payment within the meaning given in section 366 of the Bankruptcy Code, (iii) establishing procedures for the Court to determine or for the Debtors to consensually provide additional assurance of payment, and (iv) granting additional relief; and the Court having jurisdiction to decide the Motion and to enter this Order pursuant to 28 U.S.C. §§ 157 and 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 and 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 is in the best interests of the Debtors’ estates and that immediate relief is justified under Bankruptcy Rule 6003 to avoid immediate and irreparable harm to the Debtors’ estates; it is hereby **ORDERED** that:

1. All Utility Companies are prohibited from altering, refusing or discontinuing service on the basis of the commencement of the Debtors’ chapter 11 cases, on the basis that a debt owed for services rendered before the Petition Date was not paid when due, or on the basis of any perceived inadequacy of the Proposed Adequate Assurance.

2. The Adequate Assurance Deposit, together with the Debtors’ ability to pay for postpetition Utility Services in the ordinary course of business, subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

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

3. Any bonds, security deposits or other security that were in place as of the Petition Date shall remain in place and shall continue to be held by the applicable Utility Companies, except (a) upon further order of the Court or (b) as agreed by the Debtors pursuant to the Adequate Assurance Procedures.

4. The following Additional Assurance Procedures are hereby approved and shall be followed by each Utility as a condition to seeking any further relief:

- a. The Debtors will serve a copy of this Motion and the Order, as applicable, on each Utility Company listed on the Utility Service List within two business days following entry thereof.
- b. Within twenty business days after entry of the Order, the Debtors will deposit \$245,024 into the Adequate Assurance Account to serve as the Adequate Assurance Deposit.
- c. Any Utility Company desiring additional assurance of payment in the form of deposits, prepayments, or otherwise must serve an Additional Assurance Request on the Notice Parties.
- d. Any Additional Assurance Request must (i) be in writing and served on the following parties (A) the Debtors, (B) the Debtors' undersigned proposed counsel, (C) counsel to the First Lien Noteholder Group, (D) the Office of the U.S. Trustee for Region 7 (the "*U.S. Trustee*"), and (E) counsel to any statutorily appointed committee in these cases; (ii) identify the location(s) for which the applicable Utility Services are being provided and the applicable account number(s); (iii) provide evidence that the Debtors have a direct obligation to the Utility Company; (iv) summarize the Debtors' payment history relevant to the affected account(s) for the past twelve months, including the outstanding overdue amount and the amount of any security deposit(s); (v) certify that the Utility Company is not being paid in advance for its services; and (vi) set forth the Utility Company's reasons for believing that the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- e. Any Utility Company that does not file an Additional Assurance Request shall be (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code and (ii) forbidden to (1) discontinue, alter, refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges or (2) require any assurance of payment other than the Proposed Adequate Assurance.
- f. Upon the Debtors' receipt of an Additional Assurance Request, the Debtors shall have twenty business days from the receipt thereof (the "*Resolution Period*") to negotiate a resolution of such Additional Assurance Request.

- g. The Debtors may, in their sole discretion and without further order of the Court, (i) resolve any Additional Assurance Request by mutual agreement with the applicable Utility Company and (ii) in connection with any such agreement, provide such Utility Company with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, or another form of security.
- h. If the Debtors determine, in their sole discretion, that the Additional Assurance Request is not reasonable and are unable to reach a resolution with the applicable Utility Company during the Resolution Period, they shall, during the Resolution Period or immediately thereafter, request a hearing before the Court at the next regularly scheduled omnibus hearing to determine the adequacy of the Proposed Assurance of Payment with respect to such Utility Company pursuant to section 366(c)(3) of the Bankruptcy Code.
- i. Pending resolution of the Additional Assurance Request by the Court, the applicable Utility Company shall be prohibited to alter, refuse, or discontinue its Utility Services to the Debtors on account of unpaid charges for prepetition services, a pending Adequate Assurance Request, or any objections to the Proposed Adequate Assurance.
- j. Without further order of the Court, (i) the portion of the Adequate Assurance Deposit attributable to any Utility Company shall be returned to the Debtors on the date on which the Debtors reconcile and pay such Utility Company's final invoice in accordance with applicable non-bankruptcy law following the termination of the Utility Services provided by such Utility Company and (ii) any balance remaining in the Adequate Assurance Deposit on the effective date of the Debtors' chapter 11 plan shall be returned to the Debtors on such date. Any funds returned to the Debtors pursuant to this provision shall be subject to the terms and conditions of any then-applicable debtor in possession financing order.

5. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

6. Unless and until a Utility Company serves an Additional Assurance Request on the Debtors and the other Notice Parties, such Utility Company shall be: (a) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code and (b) forbidden to (i) discontinue, alter, or refuse services to, or discriminate against, the Debtors on account of any unpaid prepetition charges, and (ii) require additional assurance of payment other than the Proposed Adequate Assurance.

7. The inclusion of any entity in, or the omission of any entity from, the Utility Service List shall not be deemed an admission by the Debtors that such entity is or is not a “utility” within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

8. All Utility Companies that provide services to the Debtors and that receive actual notice of this Order, regardless of whether they are listed on the Utility Service List, shall be bound by the terms of this Order. The Debtors are authorized to amend the Utility Services List to add Utility Companies to the extent the Debtors identify additional Utility Companies. The Debtors shall cause a copy of this Order to be served on any subsequently identified or added Utility Company. The Debtors shall, as soon as possible, increase the aggregate amount of the Adequate Assurance Deposit by an amount equal to the cost of two weeks of services provided by such subsequently identified or added Utility Company.

9. The Debtors are authorized to amend the Utility Service List to remove a Utility Company, including to the extent the Debtors terminate the services of any Utility Company, provided that the Debtors give at least three business days’ notice to the affected Utility Company. Upon the termination of Utility Services by any Utility Company, the Debtors may, in their discretion and without further order of this Court, reduce the Adequate Assurance Deposit by an amount equal to the lesser of (a) the estimated two-week cost of the Utility Services being discontinued and (b) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Company.

10. Notwithstanding the relief granted in this Order, all authorizations herein and all payments and actions pursuant thereto shall be subject to each interim and final order entered by the Court in respect of the *Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors To (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Granting Adequate Protection to Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* filed contemporaneously herewith (collectively, such interim and final

orders, the “*DIP Orders*”), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Orders or the DIP Documents (as defined in the DIP Orders). To the extent there is any inconsistency between the terms of the DIP Orders and the terms of this Order, the terms of the DIP Orders shall control.

11. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Order (nor any action, payment, deposit or adequate assurance pursuant to the relief granted herein) shall constitute, nor is it intended to constitute: (a) an implication, admission, concession or finding as to the validity, priority, amount, basis for, or secured status of any particular claim against any Debtor, including priority under section 503(b)(9); (b) a waiver of the Debtors’ or other party in interest’s right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) a waiver of any claim or cause of action that any Debtor or other party in interest may have against any entity; (e) a ratification, adoption, rejection or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code; (f) a waiver or limitation of any Debtor’s or other party in interest’s rights under any agreement, the Bankruptcy Code or other applicable law; or (g) an implication, admission, concession or finding (i) that any particular claim is of a type specified or defined in this Order or the Motion or (ii) that any lien, security interest, other encumbrance on property of any Debtor or right of setoff is valid, enforceable or perfected (and the Debtors and all other parties in interest expressly reserve and preserve their rights to contest or to seek avoidance of the same). Any payment made pursuant to this Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors’ or any other party in interest’s rights to subsequently dispute such claim.

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

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

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

Signed: June 01, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of TexasIn re:
Wesco Aircraft Holdings, Inc.
DebtorCase No. 23-90611-drj
Chapter 11**CERTIFICATE OF NOTICE**District/off: 0541-4
Date Rcvd: Jun 01, 2023User: ADIuser
Form ID: pdf002Page 1 of 2
Total Noticed: 7

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jun 03, 2023:

Recip ID	Recipient Name and Address
db	+ Wesco Aircraft Holdings, Inc., 2601 Meacham Blvd., Suite 400, Fort Worth, TX 76137-4213
aty	+ Adam M Lavine, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Darryl G Stein, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Igor M Margulyan, 800 Third Avenue, New York, NY 10022-7649
aty	+ John G Conte, 800 Third Avenue, New York, NY 10022-7649
aty	+ Michael S Brasky., Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Zachary D Rosenbaum, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775

TOTAL: 7

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
intp		Ad Hoc 2024/2026 Noteholder Group
intp		BANK OF AMERICA, N.A.
sutr		BOKF, NA
cr		Carlyle Global Credit Investment Management, LLC
intp		First Lien Noteholder Group
cr		Langur Maize, L.L.C.

TOTAL: 6 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 03, 2023

Signature: /s/Gustava Winters **CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on June 1, 2023 at the address(es) listed below:

Name	Email Address
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District/off: 0541-4

User: ADIuser

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Date Rcvd: Jun 01, 2023

Form ID: pdf002

Total Noticed: 7

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US Trustee

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TOTAL: 13