

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)

**FINAL ORDER (I) AUTHORIZING
THE PAYMENT OF PREPETITION CLAIMS OF
CRITICAL VENDORS AND FOREIGN CLAIMANTS,
(II) AUTHORIZING THE PAYMENT OF OUTSTANDING
ORDERS, AND (III) GRANTING RELATED RELIEF**

(Docket No. 3)

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 this Final Order pursuant to sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 4001 and 6003, (i) authorizing, but not directing, the Debtors to pay, in the ordinary course, prepetition Critical Vendor Claims and Foreign Claims; (ii) authorizing, but not directing, the Debtors to pay undisputed amounts owing on account of the Outstanding Orders; (iii) authorizing and directing all financial institutions to honor, to the extent of available funds, all authorized checks and other fund transfers; and (iv) granting related relief; and the Court having jurisdiction to decide the Motion and to enter this Final 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 under Local Rules 2002-1 and 9013-1, 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, in the First-Day Declaration, and on the record establish just cause for entry of this Final Order; and it appearing that entry of this Final Order is in the best interests of the Debtors’ estates; it is hereby **ORDERED** that:

1. The Debtors are authorized, but not directed, to (a) pay in the ordinary course of the Debtors’ businesses some or all of the prepetition Critical Vendor Claims and Foreign Claims and (b) to supplement, in their sole discretion, the list of Critical Vendor Claims; *provided* that the Debtors shall provide five (5) business days’ notice to counsel to the First Lien Noteholder Group of any material change thereto; *provided, however*, that the aggregate amount of such payments shall not exceed \$165,000,000 (the “*Payment Cap*”). The Debtors shall have the right to request authority from this Court, after notice and a hearing, to pay any amounts owed to Critical Vendors or Foreign Claimants in excess of the Payment Cap.

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

2. The Debtors are authorized, but not directed, to pay all undisputed amounts related to the Outstanding Orders in the ordinary course of business consistent with the customary practices in effect as of the Petition Date.

3. Any party that accepts payment from the Debtors on account of a Critical Vendor Claim or Foreign Claim, as applicable, shall be deemed to have agreed to the terms and provisions of this Final Order. Prior to making any payment pursuant to this Final Order, the Debtors shall provide the payee with a copy of this Final Order.

4. As a condition to receiving payment of its Critical Vendor Claim or Foreign Claim, the applicable Critical Vendor or Foreign Claimants shall be required to continue—or recommence—providing goods and services to the Debtors on the most favorable terms in effect between such Critical Vendor or Foreign Claimant and the Debtors in the 24-month period preceding the Petition Date or on such other terms as the Critical Vendor or Foreign Claimant and the Debtors may otherwise agree (collectively, the “*Customary Trade Terms*”). The Customary Trade Terms shall apply for the remaining term of such Critical Vendor or Foreign Claimant’s agreement with the Debtors; *provided, however*, that the Debtors pay for the goods and services in accordance with the payment terms provided in the agreement.

5. Any payment made under the authority granted by this Final Order to a Critical Vendor or Foreign Claimant that, thereafter, does not continue to provide goods or services to the Debtors on the Customary Trade Terms shall be deemed an avoidable postpetition transfer under section 549 of the Bankruptcy Code and shall be recoverable by the Debtors in cash upon written request; *provided* that, if there exists an outstanding postpetition balance due from the Debtors to such Critical Vendor or Foreign Claimant, the Debtors may elect to recharacterize and apply any such payment made pursuant to the authority granted hereunder to such outstanding postpetition balance and such Critical Vendor or Foreign Claimant shall be required to repay the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims or otherwise. Upon recovery or recharacterization and reapplication of any payment by the Debtors in accordance with the

foregoing, the applicable Critical Vendor Claim or Foreign Claim shall be reinstated as a prepetition claim in the amount so recovered or recharacterized and reapplied, and the relevant Critical Vendor or Foreign Claimant shall be entitled to file a proof of claim on account of its alleged prepetition claim by the later of (a) 30 days following notice of such reinstatement or (b) the general bar date.

6. The Debtors are hereby authorized, but not directed, before issuing payment to a Critical Vendor or Foreign Claimant, to obtain written verification that such Critical Vendor or Foreign Claimant will comply with paragraph 4 above and continue to provide goods or services to the Debtors on the Customary Trade Terms for the remaining term of such Critical Vendor's or Foreign Claimant's agreement with the Debtors; *provided, however*, that the absence of such written verification shall not limit the Debtors' rights hereunder.

7. This Final Order shall not be construed to limit, or in any way affect, the Debtors' ability to contest any invoice or other charge or claim of any Critical Vendor or Foreign Claimant.

8. All banks and other financial institutions are authorized and required to receive, process, honor, and pay any and all checks and other transfer requests with respect to payments made by the Debtors pursuant to this Final Order, whether presented before, on or after the Petition Date. However, a bank or other financial institution is not required to honor any such check or transfer request if insufficient funds are on deposit to cover the requested payment.

9. All banks and financial institutions are authorized to rely on the representations of the Debtors and their agents as to whether a particular payment is authorized to be paid pursuant to this Final Order. The banks and financial institutions subject to this Final Order shall have no liability in connection with honoring any prepetition checks or transfer requests contemplated by this Final Order.

10. The Debtors are authorized, but not directed, in their sole discretion, to issue new postpetition checks, or effect new transfers, on account of the Critical Vendor Claims or the Foreign Claims, to replace any prepetition checks or transfer requests issued that are dishonored or rejected as a result of the commencement of these chapter 11 cases. Any amounts that are dishonored or

rejected and then paid pursuant to new postpetition checks or transfers shall not be credited against the Payment Cap.

11. The Debtors shall maintain a matrix/schedule of all amounts directly or indirectly paid under the terms of this Order (the “*Claimant Matrix*”), including the following information: (a) the category of claim paid, applied, or set off; (b) the amount of the payment, application, or setoff by category; (c) the Debtor(s) that made the payment, application, or setoff; (d) the identity of the recipient of the payment, application, or setoff; and (e) the date of the payment, application, or setoff. Within 20 days after the end of each month, commencing with the first full month after entry of this Order, the Debtors shall provide a copy of the Claimant Matrix to the U.S. Trustee, and on a confidential and professional eyes’ only basis (or on such other terms as mutually agreed) to counsel to the First Lien Noteholder Group, and on terms to be mutually agreed with counsel to any statutory committee appointed in these chapter 11 cases. The Debtors shall not be required to file or publish the Claimant Matrix.

12. Notwithstanding the relief granted in this Final 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 Order*”), 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 Order or the DIP Documents (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Final Order, the terms of the DIP Order shall control.

13. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Final Order (nor any actions or payments 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 Final 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 Final 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.

14. Nothing herein shall impair or prejudice the rights of the U.S. Trustee, any statutory committee appointed in these chapter 11 cases or any other party in interest, which are expressly reserved, to object to any payment made pursuant to this Final Order to or for the benefit of an insider (as such term is defined in section 101(31) of the Bankruptcy Code) or an affiliate of an insider, of the Debtors. To the extent the Debtors intend to make a payment pursuant to this Final Order to or for the benefit of an insider or an affiliate of an insider of the Debtors pursuant to this Final Order, the Debtors shall first obtain the prior written consent of the Required Purchasers (as defined in the DIP Order) and, to the extent reasonably practicable, provide three (3) business days' advance notice to, and opportunity to object by the U.S. Trustee, the First Lien Noteholder Group

and any statutory committee appointed in these chapter 11 cases; *provided*, that if any party objects to the payment, the Debtors shall not make such payment without further order of the Court.

15. Notwithstanding entry of this Final Order, the Debtors' rights to seek enforcement of the automatic stay provisions of section 362(a) of the Bankruptcy Code with respect to any creditor that demands payment of their prepetition debts as a condition to doing business with the Debtors postpetition are preserved.

16. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any party.

17. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied, and that the relief granted in this Final Order as to Critical Vendor Claims and Foreign Claims is necessary to avoid immediate and irreparable harm to the Debtors' estates.

18. Notwithstanding Bankruptcy Rule 6004(h) or any other provision of the Bankruptcy Rules or Local Bankruptcy Rules, the terms of this Final Order shall be immediately effective and enforceable upon its entry.

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

20. The Court shall retain jurisdiction over all matters arising from or related to the implementation, interpretation, or enforcement of this Final 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
Date Rcvd: Jun 01, 2023

User: ADIuser
Form ID: pdf002

Page 2 of 2
Total Noticed: 7

Andrew Jimenez
on behalf of U.S. Trustee US Trustee andrew.jimenez@usdoj.gov aubrey.thomas@usdoj.gov;Omar.E.Jones@usdoj.gov

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kenneth.rusinko@haynesboone.com

Christopher Darnell Porter
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Robert Bernard Bruner
on behalf of Interested Party BANK OF AMERICA N.A. bob.bruner@nortonrosefulbright.com

US Trustee
USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 14