

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

In re:

Wesco Aircraft Holdings, Inc., *et al.*,
Debtors.¹

Chapter 11

Case No. 23-90611 (MI)

(Jointly Administered)

**THE 2024/2026 NOTEHOLDER GROUP'S STATEMENT AND RESERVATION
OF RIGHTS WITH RESPECT TO THE DEBTORS' THIRD MOTION
TO EXTEND THE DEBTORS' EXCLUSIVE PERIODS TO
FILE A CHAPTER 11 PLAN AND SOLICIT VOTES**

Related to ECF No. 1778

The ad hoc group of holders of holders of the 8.50% notes due 2024 and the 9.00% notes due 2026 (the “**2024/2026 Noteholder Group**”) herby files this statement and reservation of rights (this “**Statement**”) with respect to the *Debtors' Third Motion to Extend the Debtors' Exclusive Periods to File a Chapter 11 Plan and Solicit Votes*, filed on May 24, 2024 [Docket No. 1778] (the “**Motion**”).² In support of this Statement, the 2024/2026 Noteholders respectfully represents as follows:

STATEMENT AND RESERVATION OF RIGHTS

1. In the Motion, the Debtors seek extensions of their exclusive periods to file a chapter 11 plan and solicit votes on a chapter 11 plan to September 23, 2024 and November 22, 2024, respectively. The 2024/2026 Noteholder Group does not object to such extensions of the Debtors' exclusive periods at this time, in part because deciding the Debtors'

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 a <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.

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



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appropriate capital structure, which is squarely at issue in the 2022 Financing Adversary Proceeding, is necessary before proceeding to confirmation of a chapter 11 plan. *See Debtors' Emergency Motion for an Order (I) Declaring that the Automatic Stay Applies to the Non-Debtor Parties in the New York State Actions or Extending the Automatic Stay to the Non-Debtor Parties and (II) Preliminarily Enjoining the New York State Court Actions* (“The treatment of the 2022 Transaction is of critical importance in these Chapter 11 Cases—the Debtors’ capital structure is, after all, the backbone of any potential plan of reorganization . . .”).³ Adv. Pro. ECF No. 2, at p. 31. And the Debtors’ appropriate capital structure has not yet been determined.

2. However, the 2024/2026 Noteholder Group notes that the Debtors’ actions with respect to the Plan solicitation and confirmation process in these cases have not always been in the best interests of all of its creditors. For example, on April 3, 2024, the Debtors filed their *Emergency Motion for Entry of an Order (I) Approving Debtors’ Disclosure Statement Supplement for Distribution to Voting Classes and (II) Granting Related Relief* [Docket No. 1636] (the “**Disclosure Statement Motion**”). In the Disclosure Statement Motion, the Debtors sought approval, at a hearing originally scheduled for April 8, 2024, of what the Debtors characterized as a “supplement” to the Disclosure Statement, but was, in fact, a heavily marked-up version of the Disclosure Statement [Docket No. 1636]. The deadline to object to and vote on the Plan was only four days later on April 12, 2024 and the Debtors publicly disclosed for the first time, among other things, amendments changes to valuation figures and projections that had been first provided in the Disclosure Statement filed on December 27, 2023. Creditors had been solicited to vote commencing with the Solicitation Package dated January 12, 2024 (See Docket No. 1228). While the April 8, 2024 hearing on the Disclosure Statement Motion was

³ The 2024/2026 Noteholder Group intends to press its objections to confirmation of the Plan at the confirmation hearing.

subsequently continued to April 15, 2024 and the deadline to object to and vote on the Plan was extended to May 3, 2024 in the Court's order granting that motion, the fact remains that the Debtors initially attempted to provide almost no time for creditors to review the proposed additional disclosures before the then-prevailing voting and objection deadline.

3. The 2024/2026 Noteholder Group submits this Statement without prejudice to, and with full express reservation of, the rights of the 2024/2026 Noteholder Group to file a motion seeking to terminate the Debtors' exclusive periods. The Debtors' chapter 11 plan as proposed is premised on the assumed validity of the so-called 2022 Transaction. The 2022 Financing Adversary Proceeding challenges virtually every aspect of the 2022 Transaction, and if the 2024/2026 Noteholders' counterclaims are vindicated, the existing plan cannot be considered, much less confirmed. The 2024/2026 Noteholders reserve their right to move to terminate exclusivity.

Dated: June 14, 2024
Houston, Texas

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Certificate of Service

I certify that on June 14, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ John P. Melko
John P. Melko