

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

In re

WESCO AIRCRAFT HOLDINGS, INC.¹

Reorganized Debtor.

Case No. 23-90611 (MI)

Chapter 11

(Jointly Administered)

**REORGANIZED DEBTOR'S OBJECTION TO
ADMINISTRATIVE EXPENSE APPLICATIONS
FILED BY GULFSTREAM AEROSPACE CORPORATION**

¹ The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.



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The above-captioned reorganized debtor (the “*Reorganized Debtor*” or “*Incora*” and, together with its affiliated former debtors and their successors, as applicable, the “*Reorganized Debtors*”) respectfully states as follows.

PRELIMINARY STATEMENT

1. By its Administrative Expense Applications, Gulfstream Aerospace Corporation (“*Gulfstream*”) asserts that it is entitled to approximately \$11.6 million on account of the Reorganized Debtor’s performance under a transition agreement between the parties concerning the movement of inventory, purchase orders, and personnel to Gulfstream. It is not. Incora admits that Gulfstream is owed approximately \$1.175 million on account of under-delivery of certain inventory as described herein, but such amount must be recouped or offset by outstanding obligations owing by Gulfstream under the agreement.

2. As a preliminary matter, Gulfstream has provided no evidentiary support for its entitlement to the Administrative Expenses, and Incora expects that a full evidentiary record will refute most of Gulfstream’s contentions. Indeed, Incora contends that Gulfstream’s grossly overstated Administrative Expense is a result of certain miscalculations and misunderstandings by Gulfstream.

3. In the first portion of its Administrative Expense Applications, Gulfstream appears to have both (i) inappropriately included certain inventory in its calculations of under-deliveries notwithstanding that it already *has* such inventory, which it collected from a separate location based on the parties’ agreed understanding at the time, and (ii) completely omitted certain *over*-delivery of inventory by Incora to Gulfstream from a third location. Gulfstream’s asserted expenses in the second portion of its Administrative Expense Applications appear to be based on its misunderstandings of the terms of the transition agreement between the parties. While the agreement provides that Incora must replace or issue a margin refund as to certain non-assigned open purchase orders (as further described herein) where such orders are canceled or modified, Incora (i) has already issued credits for all such orders that have been canceled, and (ii) has not been informed by Gulfstream of any such orders that have been modified. In addition, Gulfstream

appears to incorrectly believe that Incora bears the responsibility of providing part certifications for parts that are delivered under such non-assigned open purchase orders; Incora has no such obligation, and Gulfstream thus has no right to seek expenses related to purported missing certifications.

RELIEF REQUESTED

4. By this objection (the “*Objection*”), the Reorganized Debtor respectfully requests the Court deny the applications (the “*Administrative Expense Applications*”)² for allowance of administrative expenses (the “*Administrative Expenses*”) of Gulfstream or, in the alternative, limit Gulfstream’s Administrative Expenses to the amount of damages that Gulfstream can prove are payable under the Transition Agreement dated February 6, 2024 (the “*Transition Agreement*”). In support of the relief sought in the Objection, the Reorganized Debtor submits the *Declaration of Kevin Matthies in Support of the Reorganized Debtor’s Objection to Administrative Expense Applications filed by Gulfstream Aerospace Corporation* (the “*Matthies Declaration*”), attached hereto as **Exhibit A**.

BACKGROUND

5. Before these chapter 11 cases (the “*Chapter 11 Cases*”), Gulfstream was a significant customer of Incora’s, with a long-term, multi-million-dollar contract (the “*Contract*”) under which Incora managed Gulfstream’s hardware needs at several North American locations. Among other things, Incora was responsible for tracking Gulfstream’s hardware needs, monitoring Gulfstream’s factory floors for part shortages, negotiating hardware prices and ordering parts from suppliers, storing parts until needed by Gulfstream, tracking inventory needs against multiple supplier part numbers, and coordinating part certifications.

² Gulfstream filed the Administrative Expense Applications as attachments to Proofs of Claim Nos. 2159 and 2160 on February 27, 2025. The Administrative Expense Applications are identical, other than that one was lodged against Wesco Aircraft Holdings, Inc. (which has subsequently been merged into the Reorganized Debtor), and the other against Wesco Aircraft Hardware Corp. The Court should allow Gulfstream only one recovery, which will be satisfied collectively by the Reorganized Debtors.

6. During the early stages of the Chapter 11 Cases, Incora successfully re-negotiated long-term contracts with nearly all its customers. Gulfstream was the single exception. After negotiations with Gulfstream failed, Incora moved to reject the Contract. Litigation ensued, and the parties eventually came to agreement, through the Transition Agreement, on the terms under which Incora would move inventory, purchase orders, and personnel to Gulfstream.³ On February 9, 2024, the Court entered an *Order (I) Authorizing Rejection of the Gulfstream Contract, (II) Approving a Transition Agreement Between the Debtors and Gulfstream, and (III) Granting Related Relief* [Dkt. No. 1398] (the “**Transition Approval Order**”), which approved, among other things, the Transition Agreement. A month later, on March 8, 2024, the parties entered into a Transition Services Agreement (the “**TSA**”), which agreement was meant to further detail the parties’ obligations concerning the implementation of the Transition Agreement.

7. Under Section 5 of the Transition Agreement, Gulfstream agreed to purchase all Incora-owned inventory listed on Schedule 1 to the Transition Agreement, free and clear of all liens, claims and encumbrances. *See* Transition Agreement § 5(a). Section 5 of the Transition Agreement distinguished between inventory at Incora’s forward stocking location in Savannah, Georgia (the “**Savannah Warehouse**”) and inventory elsewhere. Specifically, Gulfstream agreed to accept all inventory at the Savannah Warehouse for a fixed price, so long as a sample inventory check (referred to as a “process count”) confirmed that the list on Schedule 1 matched the physical inventory at the Savannah Warehouse within certain agreed bounds. *Id.* § 5(b)(ii). Gulfstream and Incora personnel conducted the process count on or around February 7, 2024 and agreed that Schedule 1 fell within the prescribed bounds. The process count covered a sample set of inventory that was physically located at and booked in to the Savannah Warehouse, but *not* inventory that had recently arrived from other Incora locations and was waiting on the Savannah Warehouse loading dock to be booked into the Savannah Warehouse’s inventory. Consistent with that

³ The Transition Agreement contemplated a separate purchase agreement concerning Incora-owned inventory located in the United Kingdom, which was to contain substantially similar economic terms as the Transition Agreement. *See* Transition Agreement § 5(d). On February 14, 2024, the parties entered into such an agreement (the “**UK Inventory Purchase Agreement**”).

approach, Schedule 1 does not list inventory on the Savannah Warehouse's loading dock as "Savannah" inventory.

8. With respect to other inventory—including parts stored at Incora facilities in Mexicali, Tulsa, Wichita, Valencia, and Northlake—Incora and Gulfstream agreed that the Transition Agreement's stated purchase price would be subject to adjustment, based on an ongoing reconciliation of Schedule 1 against the parts that were actually provided to Gulfstream. *Id.* § 5(b)(i). Any payments by Incora resulting from this reconciliation are subject to offset against Gulfstream's obligations to pay for Incora's transitional services. *Id.*

9. Beyond the parts in inventory, the Transition Agreement addressed parts that Incora had ordered from suppliers for Gulfstream's benefit but had not yet arrived at Incora's stock. To that end, Gulfstream agreed to accept all open purchase orders that Incora had placed as of February 6, 2024 to support Gulfstream's operations under the Contract. *See* Transition Agreement § 6(a). Those open purchase orders were listed in Schedule 2 to the Transition Agreement. The Transition Agreement prescribed two means for open purchase orders to be effectively transferred to Gulfstream. By default, Incora agreed to assume all open purchase orders and assign them to Gulfstream. *Id.* § 6(b); *see also Debtors' First Omnibus Motion for Entry of an Order Authorizing and Approving Assumption and Assignment of Certain Purchase Orders to Gulfstream* [Dkt. No. 1414]. For those open purchase orders, the Transition Agreement provides that Incora "will have no further obligation." Transition Agreement § 6(c). Alternatively, if a supplier wished to opt out of the assignment of its open purchase orders to Gulfstream (for instance, because the supplier wished to keep its price list secret from Gulfstream), then that supplier's open purchase orders would be assumed by Incora but *not* assigned to Gulfstream, and Incora would function as a pass-through between the supplier and Gulfstream. *See id.* § 6(d). For open purchase orders that remained with Incora, the parties agreed to "act in such a way as to place Gulfstream in the same position as if [those open purchase orders] had been assigned to Gulfstream (except with respect to confidentiality)." *Id.* § 6(e). For instance, if the applicable supplier modifies or cancels an order, Incora agreed to either replace the non-assigned open purchase order by placing an order with

another approved supplier of the same parts at the same price and same delivery date to Gulfstream, or refund the margin that Gulfstream had paid with respect to the canceled part at the rate set forth in Schedule 2. *Id.* So too, Gulfstream bears its own costs to pick up parts from Incora's loading dock, or the incremental costs to direct suppliers to ship directly to a Gulfstream site. *See id.* § 6(d).

10. Finally, the Transition Agreement provides that Incora would provide Gulfstream with certain "part certifications" for certain parts delivered under the Contract or the Transition Agreement, within 60 days of the Transition Agreement's effective date. *See id.* § 9.⁴

11. After gaining approval of the Transition Agreement, the parties implemented the transition. For example, parts began to move out of the Savannah Warehouse on February 12, 2024, and personnel moved to Gulfstream in early April 2024.

12. On February 27, 2025, Gulfstream filed the Administrative Expense Applications seeking \$11,564,557.39, both alleging that (a) Incora has delivered fewer parts than had been listed on Schedule 1 from locations other than the Savannah Warehouse, and (b) Incora has failed to deliver parts that had been listed on Schedule 2 (*i.e.*, open purchase orders that were not assigned to Gulfstream), or else has delivered the parts without the appropriate part certifications. The first category (under-delivery of non-Savannah inventory) purportedly amounts to approximately \$4.8 million, and the second category (under-delivery from non-assigned open purchase orders) purportedly amounts to approximately \$6.0 million, which consists of approximately \$3.9 million of direct costs and \$2.1 million of agreed margin.⁵

13. As discussed herein and in the Matthies Declaration, Incora has undertaken its own reconciliation and believes that Gulfstream's \$4.8 million figure is dramatically overstated. In fact,

⁴ The effective date of the Transition Agreement (the "**Effective Date**") is defined therein to be the later of (a) entry of the Transition Approval Order and (b) execution and delivery of signature pages to the Transition Agreement. *See* Transition Agreement § 1. Accordingly, the Effective Date occurred on February 9, 2024.

⁵ The Administrative Expense Applications also seek amounts in connection with Gulfstream's overpayments of certain invoices related to non-assigned open purchase orders. Incora is prepared to accept Gulfstream's \$768,360.19 calculation of such overpayments in connection with resolving the Administrative Expense Applications, subject to offsetting for amounts Gulfstream owes on account of Incora's payment of tariffs as discussed herein.

the net under-delivery of inventory (relative to the non-Savannah inventory listed on Schedule 1) was only approximately \$1.175 million, which includes *over*-delivery of parts from the Mexicali site.

OBJECTION

I. GULFSTREAM CANNOT MEET ITS BURDEN TO PROVE ITS ENTITLEMENT TO AN ADMINISTRATIVE EXPENSE.

14. Section 503(b) provides that an administrative expense shall be allowed for the “actual, necessary costs and expenses of preserving the estate.” 11 U.S.C. § 503(b). The Reorganized Debtor does not dispute that any amounts owed by the Debtors under the Transition Agreement constitute administrative expenses in the abstract, as the Transition Agreement is indisputably a post-petition, court-approved contract that the Debtors entered into in connection with their well-considered disengagement from the Gulfstream relationship. However, the burden rests upon Gulfstream, as the administrative expense applicant, to prove by a preponderance of the evidence what money (if any) is actually owed by Incora under the Transition Agreement. *See In re Express One Int’l, Inc.*, 217 B.R. 207, 210 (Bankr. N.D. Tex. 1998); *see also In re Taco Bueno Rests., Inc.*, 606 B.R. 289, 302 (Bankr. S.D. Tex. 2019) (“Creditors . . . ultimately bear the burden of persuasion and production to establish that their claims are in fact an administrative expense.”). Administrative expense applications may be disallowed for insufficient evidence. *See In re Buttes Gas & Oil Co.*, 112 B.R. 191, 195-96 (Bankr. S.D. Tex. 1989).

15. Gulfstream has provided no evidentiary support for its entitlement to the Administrative Expenses, and Incora expects that a full evidentiary record will refute most of Gulfstream’s contentions.⁶

⁶ Filing the Administrative Expense Applications as attachments to proofs of claim was procedurally improper. A request for allowance of an administrative expense requires notice and hearing, *see* 11 U.S.C. § 503(b), and the official form for a proof of claim expressly states that it is not intended for administrative expenses requests. *See* Official Form 410 at 1. Accordingly, Gulfstream’s mistaken use of the proof of claim form does not constitute *prima facie* evidence of its Administrative Expenses. *Cf.* Fed. R. Bank. P. 3001(f) (providing that a properly filed proof of claim constitutes *prima facie* evidence of the claim’s validity). As discussed above, Gulfstream bears the burden of proving its entitlement to the Administrative Expenses.

II. GULFSTREAM’S REQUEST UNDER SECTION 5 OF THE TRANSITION AGREEMENT IS OVERSTATED.

16. Gulfstream asserts that \$4,823,960.28 is due on account of under-shipments of inventory that corresponded to four locations (Mexicali, Northlake, Tulsa, and the United Kingdom) on Schedule 1 of the Transition Agreement. *See* Claim No. 2159 at ¶ 8; *cf.* Transition Agreement § 5.

17. To support this contention, Gulfstream offers a chart showing the alleged total dollar amounts of under- and over-shipments from those four locations, paired with a statement that “the total dollar value of parts listed on [] Schedule 1 for the four non-[Savannah] . . . locations were greater than the actual parts provided to Gulfstream.” *See* Claim No. 2159 at ¶ 8. This bare, conclusory statement is insufficient to support Gulfstream’s assertion.

18. Moreover, as described in the Matthies Declaration, Incora has undertaken its own reconciliation of the parts that it delivered from the four locations as compared to amounts listed on Schedule 1. That reconciliation is summarized in the following chart:

Location	Schedule 1 Price	Total Dollars Shipped	Overage/(Shortfall)
Mexicali	\$2,710,928.06	\$3,756,529.83	\$1,045,601.77
Northlake/Wichita/ Valencia	\$54,465,775.90	\$52,584,313.81	(\$1,881,462.09)
UK	\$2,215,269.72	\$1,976,501.72	(\$238,768.00)
Tulsa	\$1,027,331.98	\$926,060.54	(\$101,271.44)
Total	\$60,419,305.66	\$59,243,405.91	\$(1,175,899.75)

19. Most of the discrepancy between Incora’s and Gulfstream’s calculations appear to stem from two sources: (a) Gulfstream may have counted as “Savannah” parts certain parts that were listed on Schedule 1 as “Northlake” parts, which were in transit to the Savannah Warehouse when Schedule 1 was prepared but had not been accepted into the Savannah Warehouse inventory or included in the process count that the parties jointly performed at the Savannah Warehouse; and (b) Gulfstream is not giving credit to Incora for over-deliveries from the Mexicali site.

20. Certain parts were in transit from Incora’s centralized warehouse in Northlake to the Savannah Warehouse while Incora and Gulfstream were negotiating the Transition Agreement.

To maintain the integrity of its records, Incora took care not to move these parts from the Savannah Warehouse's loading dock into the Savannah Warehouse, or to re-book them as "Savannah" parts in Incora's inventory system. Accordingly, these parts remained as "Northlake" parts, both in Incora's inventory system and on Schedule 1 of the Transition Agreement. The parties to the Transition Agreement treated the parts on the loading dock consistent with Incora's records: the Savannah Warehouse's loading dock was excluded from the process count that the parties conducted together. (Indeed, if the parts on the loading dock had been unpacked and included in the process count, then the process count would have deviated from Schedule 1's "Savannah" inventory well beyond the agreed tolerance, and the parties would have been forced to re-negotiate Gulfstream's payment on account of Savannah Warehouse inventory.) The bottom line is that, based on the parties' agreed-upon process count procedures and understandings at the time of entry into the Transition Agreement, there can be no serious question raised that these parts were "Northlake" parts for purposes of the Transition Agreement; that Gulfstream has subsequently received all of these parts; and that Gulfstream is now obligated to pay for these parts. If these parts are—contrary to the parties' expectations and conduct—treated as "Savannah" parts, Gulfstream will gain a windfall that it does not deserve.

21. Gulfstream's calculation also does not appear to give Incora credit for "over-deliveries" (*i.e.*, parts that are associated with Gulfstream's business which Gulfstream took from Incora's Mexicali facility even though they did not appear on Schedule 1). Gulfstream's position has no legitimate basis. Either Gulfstream was entitled to these parts under the Transition Agreement (in which case the parts are part of the Section 5 reconciliation), or Gulfstream was not entitled to these parts (in which case Gulfstream is liable for unjust enrichment or conversion).

III. GULFSTREAM'S REQUEST UNDER SECTION 6 OF THE TRANSITION AGREEMENT IS VAGUE AND SHOULD BE DISALLOWED.

22. As to its claimed expenses arising under Section 6 of the Transition Agreement, Gulfstream again offers only a conclusory statement that "a total of \$5,972,236.92 is due pursuant to Section 6 of the [Transition] Agreement." Claim No. 2159 at ¶ 11. Gulfstream alleges that this amount arises from "goods that Gulfstream prepaid to receive and either did not receive or received

without the required FAA certifications making the goods unusable,” as well as “the associated margin payments . . . related to these goods.” *Id.*

23. Based on a passing citation to Section 6(d) of the Transition Agreement, Incora believes that this aspect of the Administrative Expense Applications refers specifically to open purchase orders that were not assigned to Gulfstream—*i.e.*, open purchase orders for which Incora still acts as a pass-through. To date, Gulfstream has provided no evidentiary support, such as a list of unfulfilled non-assigned open purchase orders or a list of goods received without certifications. Indeed, Gulfstream fails in its Administrative Expense Applications to even separate the amounts it seeks based on goods purportedly not received from goods purportedly received without certifications.

24. As to non-assigned open purchase orders that Gulfstream “did not receive,” Gulfstream is simply wrong in seeking this relief. As set forth above and in the Matthies Declaration, Incora has issued credits for all orders that have been canceled, such as the orders that had to be canceled due to LFC Industries going out of business. And in respect of missing parts from non-assigned open purchase orders, the Transition Agreement contemplates a quarterly reconciliation process, leading to a refund to Gulfstream on account of non-assigned open purchase orders that have been modified or canceled by the supplier. Incora is prepared to honor this provision but has not received any list of purportedly missing parts from Gulfstream. Unless Gulfstream can provide evidence to support its entitlement to margin refunds for specific non-assigned open purchase orders that have been modified or canceled, this aspect of Gulfstream’s Administrative Expenses Application should be disallowed.

25. Gulfstream’s claim is further disputed given its improper contention that Incora is responsible for providing part certifications for parts that are delivered under the non-assigned open purchase orders. Not so. To start, Section 6 (concerning open purchase orders) says nothing about part certifications. Part certifications are normally provided by the supplier itself, in the same boxes in which parts are shipped. Under the Section 6 process, Incora has no role in inspecting

part certifications because Incora does not even open the suppliers' shipments;⁷ some shipments are made directly to delivery points designated by Gulfstream, while others are held, unopened, at Incora's loading dock at Northlake for Gulfstream to collect. Consistent with the Transition Agreement, this is the same outcome as for open purchase orders that *were* assigned to Gulfstream, for which Gulfstream appears to concede that it is responsible for all part certifications. *See* Transition Agreement § 6(e) (requiring parties to act so that non-assigned open purchase orders result "in the same position as if the Non-Assigned Open Purchase Orders had been assigned to Gulfstream (except with respect to confidentiality)").⁸

26. As a consequence, Gulfstream may have difficulty in some cases correlating suppliers' certifications with Gulfstream's part numbers. As described in the Matthies Declaration, in the aviation industry, some parts are associated with multiple part numbers, and a supplier's certification for a particular part may refer to a different part number than the part number that Gulfstream uses. That this is a genuinely difficult problem to solve does not make it Incora's problem. Even if the Transition Agreement required Incora to provide a part certification on behalf of suppliers, only *one* valid certification should be required. The incremental work to track certifications across multiple part numbers is the job of a logistics specialist and was one of the services that Incora formerly provided to Gulfstream under the Contract. Now that the Contract has been rejected, Incora has no obligation to cure Gulfstream's logistical headaches.

⁷ Indeed, under the TSA between the parties Incora is *forbidden* from opening or altering the original supplier packaging. *See infra* at ¶ 29; TSA § 3.2.

⁸ Although not cited in the Administrative Expense Applications, Section 9 of the Transition Agreement required Incora to provide Gulfstream with part certifications for parts delivered under the Contract or the Transition Agreement within 60 days of the Effective Date. This provision refers solely to parts that were delivered directly from Incora's inventory under Section 5. The 60-day timeline does not make any sense for parts that are delivered by suppliers under separate purchase orders (which may be satisfied months or years after the Effective Date), and, as explained above, Incora does not have the practical means nor the responsibility to review or administer part certifications that arrive directly from Gulfstream's new suppliers.

IV. ANY ADMINISTRATIVE EXPENSE MUST BE RECOUPED OR OFFSET BY GULFSTREAM'S OWN PAYMENT OBLIGATIONS.

27. Finally, to the extent any Administrative Expenses are allowed they must be recouped or offset by any amounts owed by Gulfstream under the Transition Agreement. *See* Transition Agreement § 5(b)(i). Gulfstream does not dispute this proposition in principle, but has rejected invoices from Incora for approximately \$144,639.68 in respect of increased tariffs that suppliers have passed through to Incora on non-assigned open purchase orders. Incora has incurred tariffs of \$876,286.20 to date.

28. It is clear under the Transition Agreement that such costs are borne by Gulfstream. *See* Transition Agreement §§ 6(c), 6(e). Incora has “no further obligation” to Gulfstream for the open purchase orders that were assigned to Gulfstream. *Id.* § 6(c). As such, Gulfstream pays all costs associated with transport and delivery of goods that are delivered under the assigned open purchase orders, including any tariffs. The parties further agreed that they would “act in such a way as to place Gulfstream in the same position as if the Non-Assigned Open Purchase Orders had been assigned to Gulfstream,” with only one carve-out: “except with respect to confidentiality.” Transition Agreement § 6(e). As such, where Gulfstream elects to receive non-assigned open purchase orders at facilities of their choice, “any and all incremental costs associated with such delivery” are borne by Gulfstream. *Id.* And even where Gulfstream elects to have Incora receive non-assigned open purchase orders at Incora’s facilities (and thereafter make such orders available for Gulfstream’s pickup), the parties agreed that Incora would “take reasonable direction from Gulfstream as to performance and notices” under such orders, but that “in no event will any such direction have any impact on [Incora’s] cost” under such orders. *Id.*

29. Gulfstream’s obligation to pay tariffs associated with non-assigned open purchase orders is emphatically more obvious when read in conjunction with the TSA. The TSA was executed a month after the Transition Agreement and contains further details concerning the parties’ implementation of the Transition Agreement. Under the TSA, Incora bears certain specific responsibilities in connection with the non-assigned open purchase orders: Incora must receive shipments at its facility; confirm and cross-reference the shipment; refrain from opening or altering

the original supplier packaging; transfer the shipment cross-dock; advise Gulfstream that the shipment is available to pick up; and provide Gulfstream with details to enable it to issue a purchase order to Incora. *See* TSA § 3.2. Payment of tariffs is not listed as a responsibility of Incora’s. As to the assigned open purchase orders, Gulfstream assumes “all responsibility” and must make any payment “directly to the supplier.” *Id.* § 3.3.

30. Together, the TSA and the Transition Agreement demonstrate that Gulfstream—not Incora—bears the burden of paying tariffs for all deliveries, including those that occur under the non-assigned open purchase orders. As such, Gulfstream’s Administrative Expenses arising under Section 5 of the Transition Agreement must be offset by tariffs that Incora has paid on Gulfstream’s behalf.

RESERVATION OF RIGHTS

31. The Reorganized Debtor expressly reserves, and does not waive, any right to amend, modify, or supplement this Objection, to present a full evidentiary record, and to further object to the Administrative Expense Applications on any grounds.

CONCLUSION

For the foregoing reasons, the Reorganized Debtor respectfully requests that the Court (a) sustain this Objection, and (b) enter an order disallowing the Administrative Expense Applications requested except to the extent provided herein.

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Dated: December 31, 2025

Respectfully submitted,

/s/ Charles A. Beckham, Jr.

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CERTIFICATE OF SERVICE

I certify that, on December 31, 2025, a true and correct copy of the foregoing document was served through the 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 Reorganized Debtors' noticing agent.

/s/ Charles A. Beckham, Jr.

Charles A. Beckham, Jr.

EXHIBIT A

MATTHIES DECLARATION

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

In re

WESCO AIRCRAFT HOLDINGS, INC.¹

Reorganized Debtor.

Case No. 23-90611 (MI)

Chapter 11

(Jointly Administered)

**DECLARATION OF KEVIN MATTHIES IN SUPPORT
OF REORGANIZED DEBTOR'S OBJECTION
TO ADMINISTRATIVE EXPENSE APPLICATIONS
FILED BY GULFSTREAM AEROSPACE CORPORATION**

¹ The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

I, Kevin Matthies, declare under penalty of perjury as follows:

1. I am the President of Global Hardware at Incora.

2. I submit this declaration (this “**Declaration**”) in support of the Reorganized Debtor’s *Objection to Administrative Expense Applications Filed by Gulfstream Aerospace Corporation* (the “**Objection**”).²

3. Except as otherwise indicated, all statements in this Declaration are based on (a) my personal knowledge of the Reorganized Debtors’ contracts and contract renegotiations, (b) my review of relevant documents, (c) information provided to me by the Reorganized Debtors’ employees working with me or under my supervision, (d) information provided to me by, or discussions with, the members of the Reorganized Debtors’ management team or their other advisors, and/or (e) my opinion based upon my experience as a defense and aerospace industry professional. If called upon to testify, I could and would testify the statements set forth herein are true and correct. I am over the age of 18 years and authorized to submit this Declaration.

BACKGROUND & QUALIFICATIONS

4. I have worked in the defense and aerospace industry for 36 years. My focus is and has been on program direction, factory operations, engineering, and customer relations.

5. I have been President of Global Hardware at Incora since October 2023. In this role, I lead Incora’s hardware organization across multiple industries, including aerospace, defense, heavy machinery, and industrial. I lead the vision, strategy, and end-to-end execution teams whose responsibilities span from business development through on-site value delivery. I have developed relationships with Incora’s largest customers and suppliers.

6. Previously, from August 2023 to October 2023, I served as the Executive Vice President of Global Hardware. Before joining Incora, I spent 9 years at Spirit AeroSystems, where I served in multiple roles including Chief Engineering Technology Officer and Chief Quality

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

Officer, Senior Vice President of Global Fabrication, Vice President and General Manager of the 787 Programs, Vice President of the Airbus Programs, and Senior Vice President and General Manager of the Boeing Programs. Before my time at Spirit AeroSystems, I worked at Raytheon Technologies for 26 years, where I served as President of the Javelin Joint Venture between Raytheon Technologies and General Dynamics. Before Raytheon, I worked in executive positions at Hughes Aircraft Company and General Dynamics.

7. I received a Master of Science degree from the University of Arizona and a Bachelor of Science degree from California State University, San Bernardino.

THE GULFSTREAM CONTRACT

8. Based on my own experience and Incora's records, Gulfstream Aerospace Corporation ("***Gulfstream***") was historically a significant customer of Incora's. Under a long-term contract that was in place since January 1, 2020 (the "***Gulfstream Contract***"), Incora sold certain hardware to support Gulfstream's manufacture and maintenance of aircraft at facilities throughout North America. Among other things, Incora was responsible for tracking Gulfstream's hardware needs, monitoring Gulfstream's factory floors for part shortages, negotiating hardware prices and ordering parts from suppliers, storing parts until needed by Gulfstream, tracking inventory needs against multiple supplier part numbers, and coordinating part certifications.

9. Through the Chapter 11 Cases, Incora revisited major customer contracts and worked diligently to renegotiate the terms of those contracts. The Gulfstream Contract was one such contract. While Incora successfully renegotiated long-term contracts with nearly all of its customers, Gulfstream was the single exception. When negotiations with Gulfstream did not conclude in agreement, Incora moved to reject the Gulfstream Contract (the "***Rejection Motion***"). Based on my involvement in this matter during the cases, I understand that the parties initially litigated the Rejection Motion but eventually came to an agreement on terms through which Incora would move inventory, purchase orders, and personnel to Gulfstream (the "***Transition Agreement***"). About a month later, on March 8, 2024, the parties entered into a Transition Services Agreement (the "***TSA***"), which was meant to further detail the parties' obligations concerning

implementation of the Transition Agreement. My team and I were involved in the negotiations concerning the terms of the Transition Agreement and its implementation.

THE TRANSITION AGREEMENT

10. Section 5 of the Transition Agreement contained the parties' agreement concerning Gulfstream's purchase of Incora-owned inventory, which inventory was listed on Schedule 1 to the Transition Agreement ("***Schedule 1***"). That section distinguished between inventory at Incora's forward stocking location in Savannah, Georgia (the "***Savannah Warehouse***") and inventory elsewhere. Gulfstream agreed to accept all inventory at the Savannah Warehouse for a fixed price, so long as a sample inventory check (referred to as a "process count") confirmed that the list on Schedule 1 matched the physical inventory at the Savannah Warehouse within certain agreed bounds. Gulfstream and Incora personnel conducted the process count on or around February 7, 2024 and agreed that Schedule 1 fell within the prescribed bounds. The process count covered a sample set of inventory that was physically located at and booked in to the Savannah Warehouse, but *not* inventory that had recently arrived from other Incora locations and was waiting on the Savannah Warehouse loading dock to be booked into the Savannah Warehouse's inventory. Schedule 1 does not list inventory that was waiting on the Savannah Warehouse's loading dock as "Savannah" inventory.

11. As to other inventory, including that inventory stored at Incora facilities in Mexicali, Tulsa, Wichita, Valencia, and Northlake, Incora and Gulfstream in Section 5 of the Transition Agreement agreed that the Transition Agreement's stated purchase price would be subject to adjustment based on an ongoing reconciliation of Schedule 1.

12. Section 6 of the Transition Agreement contains the parties' agreements concerning parts that Incora had ordered from suppliers for Gulfstream's benefit but had not yet arrived at Incora's facilities. By this agreement Gulfstream agreed to accept all open purchase orders that Incora had placed as of February 6, 2024 to support Gulfstream's operations under the Gulfstream Contract. Those open purchase orders were listed in Schedule 2 to the Transition Agreement. Incora agreed to assume all open purchase orders and assign them to Gulfstream; *however*, if a supplier

wished to opt out of the assignment of its open purchase orders to Gulfstream (for instance, because the supplier wished to keep its price list secret from Gulfstream), then that supplier's open purchase orders would be assumed by Incora but *not* assigned to Gulfstream, and Incora would function as a pass-through between the supplier and Gulfstream.

13. Through the Transition Agreement, Incora also agreed to provide Gulfstream with certain certifications for certain parts that had been delivered. Those certifications were to be provided within 60 days of the Transition Agreement's Effective Date.

14. After the Transition Agreement was approved by the Court, the parties implemented the transition. For example, parts began to move out of the Savannah Warehouse on February 12, 2024, and personnel moved to Gulfstream in early April 2024.

EXPENSES UNDER SECTION 5 OF THE TRANSITION AGREEMENT

15. Under my supervision and with my involvement, Incora has undertaken its own reconciliation of amounts owed by the parties under the Transition Agreement. Based on our calculations, Incora believes that Gulfstream's claim that it is owed approximately \$4.8 million is incorrect and overstated. As shown in the chart below, Incora's net under-delivery of inventory (relative to the non-Savannah Warehouse inventory listed on Schedule 1) was only approximately \$1.175 million, which includes *over*-delivery of parts from the Mexicali location:

Location	Schedule 1 Price	Total Dollars Shipped	Overage/(Shortfall)
Mexicali	\$2,710,928.06	\$3,756,529.83	\$1,045,601.77
Northlake/Wichita/ Valencia	\$54,465,775.90	\$52,584,313.81	(\$1,881,462.09)
UK	\$2,215,269.72	\$1,976,501.72	(\$238,768.00)
Tulsa	\$1,027,331.98	\$926,060.54	(\$101,271.44)
Total	\$60,419,305.66	\$59,243,405.91	\$(1,175,899.75)

16. My team and I have attempted to work with Gulfstream directly for months to reconcile Incora's and Gulfstream's calculations. Unfortunately, we have thus far been unable to agree to a reconciliation.

17. From our own forensic review of the Gulfstream claim and the amounts asserted, my team and I believe that the discrepancies between Incora's and Gulfstream's calculations are a result of two misunderstandings and/or miscalculations by Gulfstream.

18. *First*, I believe that Gulfstream may have counted as "Savannah" parts certain parts that were listed on Schedule 1 as "Northlake" parts, which were in transit to the Savannah Warehouse when Schedule 1 was prepared but had not been accepted into the Savannah Warehouse inventory or included in the process count that the parties jointly performed at the Savannah Warehouse. Certain parts were in transit from Incora's centralized warehouse in Northlake to the Savannah Warehouse while Incora and Gulfstream were negotiating the Transition Agreement. To maintain the integrity of its records, Incora did not move these parts from the Savannah Warehouse's loading dock into the Savannah Warehouse, nor re-book them as "Savannah" parts in Incora's inventory system. Accordingly, these parts remained as "Northlake" parts, both in Incora's inventory system and on Schedule 1 of the Transition Agreement. The parties to the Transition Agreement treated the parts on the loading dock consistent with Incora's records: the Savannah Warehouse's loading dock was excluded from the process count that the parties conducted together. Had the parts on the loading dock been unpacked and included in the process count, then the process count would have deviated from Schedule 1's "Savannah" inventory beyond the agreed tolerance, and the parties would have been forced to re-negotiate Gulfstream's payment on account of Savannah Warehouse inventory. As such, I believe that under the operation of the agreement, Gulfstream understood—or should have understood—that these parts were "Northlake" parts for purposes of the Transition Agreement. Gulfstream has subsequently received all these parts and is now obligated to pay for them. If these parts are treated as "Savannah" parts, which they should not be, Gulfstream will gain a significant windfall, which it should not.

19. *Second*, in reviewing the amounts claimed and the operation of the agreement, I believe that Gulfstream is not giving credit to Incora for over-deliveries from the Mexicali location; that is, parts that are associated with Gulfstream's business which Gulfstream took from Incora's Mexicali facility even though they did not appear on Schedule 1. My team and I have calculated

that Incora has over-delivered approximately \$1.045 million worth of inventory to Gulfstream from the Mexicali location.

EXPENSES UNDER SECTION 6 OF THE TRANSITION AGREEMENT

20. I am informed that Gulfstream asserts it is owed certain amounts under Section 6 of the Transition Agreement. The document stating this does not include any support or materials to enable Incora to evaluate this allegation. As of the date of this declaration, Gulfstream has provided no evidentiary support in connection with this conclusory assertion, such as a list of unfulfilled non-assigned open purchase orders or a list of goods received without certifications. Regardless, Incora in the ordinary course has already issued credits to Gulfstream every time that a supplier has failed to deliver and will continue to do so. For example, on July 11, 2024, Incora issued a \$93,994.39 credit to Gulfstream with respect to parts that LFC Industries failed to deliver, after going out of business. And where parts from non-assigned open purchase orders are missing upon delivery, the parties agreed to a quarterly reconciliation process, leading to a refund to Gulfstream on account of non-assigned open purchase orders that have been modified or canceled by the supplier. Incora is prepared to honor this provision, but has not received any list of purportedly missing parts from Gulfstream.

21. From the cursory claim asserted, Gulfstream also appears to claim that Incora is responsible for providing part certifications for parts that are delivered under the non-assigned open purchase orders. Based on my own review and experience in the industry, this is incorrect. Part certifications are typically provided by a supplier itself, in the same boxes in which parts are shipped. Under the process contemplated by Section 6 of the Transition Agreement and by the TSA, Incora has no role in inspecting part certifications because Incora does not even open the suppliers' shipments; some shipments are made directly to delivery points designated by Gulfstream, while others are held, unopened, at Incora's loading dock at Northlake for Gulfstream to collect. This is the same outcome as for open purchase orders that *were* assigned to Gulfstream.

22. I acknowledge that in the aviation industry, some parts are associated with multiple part numbers, and a supplier's certification for a particular part may refer to a different part number

than the part number that Gulfstream uses. While Incora used to provide services to Gulfstream under the Gulfstream Contract including tracking certifications across multiple part numbers, following rejection of that contract Incora now has no role nor responsibility in the provision or review of certifications associated with open purchase orders.

TARIFFS

23. Incora has paid numerous tariffs that suppliers have passed through to Incora on account of non-assigned open purchase orders. Incora has then issued invoices for reimbursement of these tariff payments to Gulfstream, consistent with Incora's role as a mere pass-through and with the parties' agreement as memorialized in the Transition Agreement and the TSA. As of the date of this Declaration, Incora has issued two invoices to Gulfstream for tariff payments, amounting to \$144,639.68 in total. Gulfstream has acknowledged receipt of these invoices via email but has refused to pay Incora. And since issuing these invoices, Incora has incurred an additional \$731,646.52 in tariff charges to date related to the Transition Agreement.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: December 31, 2025

/s/ Kevin Matthies

Kevin Matthies
President, Global Hardware
Incora