

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

In re:) Chapter 11
)
IEH AUTO PARTS HOLDING, LLC, *et al.*,¹) Case No. 23-90054
)
Debtors.) (Jointly Administered)
)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS TO FIRST AMENDED
COMBINED DISCLOSURE STATEMENT AND JOINT PLAN OF LIQUIDATION OF
IEH AUTO PARTS HOLDING LLC AND ITS DEBTOR AFFILIATES PURSUANT TO
CHAPTER 11 OF THE BANKRUPTCY CODE**

[Relates to Dkt Nos. 96 and 465]

Clutch Acquisition, LLC (“Clutch”), KPAE Holdco Inc. (“KPAE”), and Parts Authority, LLC (“Parts Authority”) (collectively the “Limited Objectors”) file this *Limited Objection and Reservation of Rights to First Amended Combined Disclosure Statement And Joint Plan of Liquidation of IEH Auto Parts Holding LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Objection”).²

RELEVANT FACTS

1. On January 31, 2023, the Debtors each filed a voluntary petition under chapter 11 of title 11 of the United States Code and commenced their bankruptcy cases (collectively, the “Bankruptcy Case”).

¹ The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity's federal tax identification number, are: IEH Auto Parts Holding LLC (6529); AP Acquisition Company Clark LLC (4531); AP Acquisition Company Gordon LLC (5666); AP Acquisition Company Massachusetts LLC (7581); AP Acquisition Company Missouri LLC (7840); AP Acquisition Company New York LLC (7361); AP Acquisition Company North Carolina LLC (N/A); AP Acquisition Company Washington LLC (2773); Auto Plus Auto Sales LLC (6921); IEH AIM LLC (2233); IEH Auto Parts LLC (2066); IEH Auto Parts Puerto Rico, Inc. (4539); and IEH BA LLC (1428).

² All capitalized terms not herein defined shall have the meanings ascribed to them in the Bid Procedures.



2. On March 10, 2023, the Court entered the *Order Approving the Bid Procedures and Granting Related Relief* (the “Bid Procedures Order”), which approved procedures for Debtors to sell all or substantially all the Debtors’ assets (the “Bid Procedures”).

3. Pursuant to the Bid Procedures, the Limited Objectors submitted a bid and deposited not less than \$1,731,244.00 with the Debtors (the “the Deposit”).

4. On May 18, 2023, Debtors notified the Limited Objectors that the Debtors had determined that the Limited Objectors were not a Qualified Bidder.

5. As of this date, Debtors have not returned the Deposit.

LIMITED OBJECTION

6. The Limited Objectors file this Limited Objection in order to protect their interests, including, without limitation, all rights regarding return of the Deposit.

7. The Limited Objectors’ rights are not specifically addressed in the *Debtor’s First Amended Combined Disclosure Statement and Joint Plan of Liquidation of IEH Auto Parts Holding LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”), and certain proposed Plan provisions may purport to affect the Limited Objectors’ rights, such as the release provisions contained therein.³ Thus, the Limited Objectors object to the Plan, including, without limitation, the release provisions contained therein.⁴

RESERVATION OF RIGHTS

The Limited Objectors reserve their rights to amend or supplement this Objection and any other related issues either by further submission to this Court, at oral argument or testimony to be presented at any hearing.

³ Dkt. No. 465.

⁴ Contemporaneously with this Objection, as a creditor, Parts Authority has submitted ballots rejecting the Plan and opting out of the Releases. Additionally, the other Limited Objectors hereby opt out of the Releases.

PRAYER

WHEREFORE, The Limited Objectors request that the Court sustain this Objection, and grant the Limited Objectors such other and further relief as the Court deems proper, both at law and in equity.

DATED: May 26, 2023.

Respectfully submitted,

FOLEY & LARDNER LLP

/s/ Michael Small _____

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LLC, KPAE HOLDCO INC., AND PARTS
AUTHORITY, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of May, 2023, I caused a true and correct copy of the foregoing to be served on all parties entitled to service via this Court's electronic filing system ("ECF").

/s/ Michael Small
Michael Small