

**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.*,<sup>1</sup> ) Case No. 23-90054 (CML)  
 )  
Debtors. ) (Jointly Administered)  
\_\_\_\_\_ )

**MOTION TO DISBURSE DEPOSITS**

**If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

**A hearing has been set on this matter on October 18, 2023 at 10:00 a.m. in Courtroom 401, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.**

**Audio communication will be by use of the Court’s dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez’s conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez’s home page. The meeting code is “JudgeLopez”. Click the settings icon in the upper right corner and enter your name under the personal information setting.**

**Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the “Electronic Appearance” link on Judge Lopez’s home page. Select the case name, complete the required fields and click “Submit” to complete your appearance.**

<sup>1</sup> 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). The Debtors’ service address is: 112 Townpark Drive NW, Suite 300, Kennesaw, GA 30144.



The above captioned debtors and debtors in possession (the “**Debtors**”) state the following in support of this motion (this “**Motion**”):

1. The Debtors seek entry of an order, substantially in the attached form (the “**Deposit Release Order**”) directing the distribution of the deposits made by two bidders, Bidder A and Bidder B (collectively, the “**Bidders**,” as identified in the Confidential Instruction Letter, which is defined below), which are currently held at Citizens Bank.

2. On January 31, 2023 (the “**Petition Date**”) the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

3. On February 10, 2023, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Approving the Bid Procedures, (II) Approving the Sale of the Debtors’ Assets Free and Clear, and (III) Granting Related Relief* [Docket No. 96] seeking the Court’s approval of the bid procedures (the “**Bid Procedures**”).

4. On March 10, 2023, the Court entered the *Order Approving the Bid Procedures and Granting Related Relief* [Docket No. 208] (the “**BPO**”) approving the Bidding Procedures. The Bid Procedures required, among other things, that bidders submit a deposit with a bid for any of the Debtors assets and such deposits were not property of the Debtors or their estates. Bidding Procedures §§ IV(c), VIII(a).

5. On May 10, 2023, the Debtors commenced an auction (the “**Auction**”), which concluded on May 15, 2023.

6. Following the Auction, a dispute arose between the Debtors and two of the bidders, Bidder A and Bidder B. The Bidders requested the return of the deposits they made in connection with the Debtors’ sale process (the “**Deposits**”), which have been held in an account at Citizens

Bank. The Debtors asserted that the Deposits may be subject to forfeiture, which was disputed by the Bidders.

7. On June 16, 2023, the Court entered the *Order Confirming the Third 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* [Docket No. 749] (the “**Confirmation Order**”). The Confirmation Order confirmed the *Third 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 required, among other things, a further Court Order for disbursement of the Deposits.

8. The Plan provides, among other things that the Debtors have the authority to settle claims prior to the effective date of the Plan. *See* Article VII.B.1 of the Plan.

9. After the Plan was confirmed, the Debtors conducted a thorough investigation regarding the disputes, and the Debtors understand that the Bidders conducted their own investigation. To avoid the fees, expenses, and uncertainty related to litigating the disputes, the Debtors and the Bidders agreed to mediate their disputes before retired U.S. Bankruptcy Judge Harlin Hale. The mediation took place on July 19, 2023.

10. The mediation resulted in the parties reaching a settlement resolving the disputes. The parties have entered into a confidential settlement agreement (the “**Confidential Settlement Agreement**”) providing for mutual releases, and for distribution of the Deposits within three (3) business days of the entry of the Deposit Release Order as follows:

- a. \$2,642,450 shall be distributed to Bidder A;
- b. \$774,721 shall be distributed to Bidder B; and
- c. The balance of the Deposits shall be distributed to the Debtors.

The Confidential Settlement Agreement becomes effective upon entry of the Deposit Release Order.

11. The Debtors and the Bidders met with the Office of the United States Trustee (the “**U.S. Trustee**”) regarding the investigations, the dispute, and the Confidential Settlement Agreement.

12. The Bidders and the U.S. Trustee are not opposed to the entry of the Deposit Release Order.

13. The Debtors request that the Court (i) direct Citizens Bank to accept a confidential instruction letter from the Debtors and the Bidders identifying the Bidders (the “**Instruction Letter**”) and (ii) order Citizens Bank to disburse the Deposits in accordance with the Instruction Letter and the Deposit Release Order within three (3) business days of the entry of the Deposit Release Order.

14. For the avoidance of doubt, notwithstanding anything to the contrary herein, any claims or causes of action that the Debtors are settling under the Confidential Settlement Agreement are the Debtors’ claims only and no third-party claims are being settled or released.

Houston, Texas

Dated: September 13, 2023

*/s/ Matthew D. Cavanaugh*

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*Counsel to the Debtors  
and Debtors in Possession*

**CERTIFICATE OF CONFERENCE**

The undersigned hereby certifies that, on September 13, 2023, they corresponded with the United State Trustee for the Southern District of Texas and they are unopposed to the relief requested herein.

*/s/ Matthew D. Cavanaugh*  
Matthew D. Cavanaugh

**CERTIFICATE OF SERVICE**

I certify that, on September 13, 2023, 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 and to the following parties:

**Office of the United States Trustee for the  
Southern District of Texas**  
Email: jayson.b.ruff@usdoj.gov

**UCC**  
Kane Russell Coleman Logan PC  
Joseph M. Coleman  
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**DIP Lender**  
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**Fisher Auto Parts, Inc.**  
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*/s/ Matthew D. Cavanaugh*

Matthew D. Cavanaugh

**Exhibit A**

**Instruction Letter**

**[filed under seal]**



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

In re:	)	
	)	Chapter 11
	)	
IEH AUTO PARTS HOLDING LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 23-90054 (CML)
	)	
Debtors.	)	(Jointly Administered)
	)	<b>Related to Docket No.</b> _____

**ORDER TO DISBURSE DEPOSITS**

Upon the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (this “**Order**”) and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. Citizens Bank (i) is directed to accept a confidential instruction letter from the Debtors and the Bidders identifying the Bidders (the “**Instruction Letter**”) and (ii) shall disburse the Deposits in accordance with the Instruction Letter and this Order within three (3) business days of the entry of this Order as follows:

- a. \$2,642,450 shall be distributed to Bidder A;
- b. \$774,721 shall be distributed to Bidder B; and
- c. The balance of the Deposits shall be distributed to the Debtors.

Dated: \_\_\_\_\_, 2023  
Houston, Texas

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

<sup>1</sup> 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). The Debtors’ service address is: 112 Townpark Drive NW, Suite 300, Kennesaw, GA 30144.

<sup>2</sup> Capitalized terms used by not otherwise defined herein shall have the meanings given to them in the Motion.