

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

In re:)	
)	Chapter 11
)	
AUTO PLUS AUTO SALES LLC,)	Case No. 23-90055 (CML)
)	
Wind-Down Debtor. ¹)	(Formerly Jointly Administered
)	under Lead Case IEH Auto Parts
)	Holding LLC, Case No. 23-90054)

**GUC TRUSTEE'S MOTION TO EXTEND
DEADLINE TO OBJECT TO GENERAL UNSECURED CLAIMS**

If you object to the relief requested herein, 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 (21) 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.

Michael D. Warner, in his capacity as trustee (the "GUC Trustee") of the Auto Parts GUC Trust (the "GUC Trust") established pursuant to the confirmed *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* [Case No. 23-90054, Dkt. No. 738] (the "Plan")² and that certain *GUC Trust Agreement* dated October 6, 2023 [Case No. 23-90054, Dkt.

¹ On January 16, 2024, the Court entered a *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 23-90054, Dkt. No. 1043] closing each Debtor's chapter 11 case except the case of Auto Plus Auto Sales LLC. The following is a complete list of the Debtor entities in these chapter 11 cases, along with the last four digits of each entity's federal tax identification number: 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 Wind-Down Debtors' service address is: 5330 Caramel Crest Lane, Charlotte, NC 28226.

² Capitalized terms not defined in this Motion shall have the meanings provided in the Plan unless otherwise noted.



No. 923-1] (the "GUC Trust Agreement"), files this *Motion to Extend Deadline to Object to General Unsecured Claims* (this "Motion") and, in support hereof, respectfully states as follows:

Relief Requested

1. The GUC Trustee seeks entry of an order, substantially in the form attached hereto (the "Proposed Order"), extending the GUC Claims Objection Deadline (as defined below) by a period of 180 days, from April 3, 2024 through and including September 30, 2024, without prejudice to the GUC Trustee's ability to seek further extensions.

Preliminary Statement³

2. The Debtors' Plan bifurcates responsibility for reconciling Claims between the Plan Agent and the GUC Trustee. The GUC Trustee is responsible for reconciling General Unsecured Claims (or "GUC Claims"), and the Plan Agent is responsible for reconciling all other Claims (as defined in the Plan, "Non-GUC Claims"). As practical matter, the GUC Trustee cannot complete the GUC Claim Reconciliation prior to the Plan Agent's reconciliation of all Non-GUC Claims, because the landscape of GUC Claims will necessarily change as the Plan Agent objects to Non-GUC Claims. The GUC Trustee understands that significant work remains on the Plan Agent's reconciliation of 503(b)(9) Claims and other Non-GUC Claims, and that the reconciliation of Non-GUC Claims is expected to continue well past the current GUC Claims Objection Deadline.

3. Additionally, given the Debtors' liquidation, the GUC Trustee and Plan Agent have limited access to the resources necessary to reconcile Claims in these cases, particularly personnel with sufficient knowledge of the Debtors' books and records and business operations (the "Debtor Representatives").⁴ To date, those personnel have primarily been focused on assisting the Plan

³ Capitalized terms in this Preliminary Statement section are defined herein below or otherwise in the Plan.

⁴ The GUC Trustee also has limited financial resources available for the GUC Claims Reconciliation. The Plan provides for a GUC Claims Reconciliation Fund of \$500,000 from which all GUC Trust expenses must be paid,

Agent's reconciliation of 503(b)(9) Claims, leaving them with little availability to assist with the GUC Claims Reconciliation.

4. The GUC Trustee has undertaken to reconcile as many GUC Claims as possible since the Effective Date without the assistance of the Debtor Representatives. The GUC Trustee has filed Omnibus GUC Claim Objections to numerous categories of GUC Claims, including (i) amended and superseded Claims, (ii) duplicate Claims, (iii) Claims that were not timely filed, (iv) Claims based on leases or contracts that have been assumed and assigned to third-parties, (v) Claims scheduled as contingent, disputed, and/or unliquidated, and (vi) scheduled Claims that have been superseded by filed proofs of claim, in addition to negotiating numerous resolutions to personal injury Claims. While the GUC Trustee has made considerable progress since the Effective Date, hundreds of GUC Claims remain that cannot be reconciled without the assistance and knowledge of the Debtor Representatives

5. Accordingly, the GUC Trustee hereby seeks an extension of the GUC Claims Objection Deadline to ensure sufficient time for the GUC Trustee to thoroughly and accurately review, reconcile, and object to GUC Claims in accordance with the Plan. This requested extension is consistent with the Plan and GUC Trust Agreement, which expressly contemplated and notified creditors that multiple extensions of the GUC Claims Objection Deadline were expected to be granted. *See GUC Trust Agreement* § 4.11.

Jurisdiction and Venue

6. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Article IX of

including the GUC Trustee's compensation and all professional fees and expenses incurred by the GUC Trust. *See Plan* at 22 (Art. III.A.1.c.v); *GUC Trust Agreement* §§ 3.2 and 7.8.

the Plan. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory bases for the relief requested herein are section 105(a) of title 11 of the United States Code (the "Bankruptcy Code"), rule 9006(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Rules"), section K of the Procedures for Complex Cases in the Southern District of Texas, effective October 18, 2023 (the "Complex Case Procedures"), Article VII.B of the Plan, and section 4.11 of the GUC Trust Agreement.

General Background

A. General Background

8. On January 31, 2023 (the "Petition Date"), the above-captioned debtor and each of its debtor affiliates (collectively, the "Debtors") filed voluntary petitions for relief in this Court under Chapter 11 of the Bankruptcy Code.

9. On February 1, 2023, the Court entered an Order [Case No. 23-90054, Dkt. No. 28] authorizing the Debtors' retention of Kurtzman Carson Consultants LLC (the "Claims Agent") as claims, noticing, and solicitation agent to, among other things, maintain the official claims register in these bankruptcy cases (the "Claims Register").

10. On March 13, 2023, the Court entered its *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, and (IV) Approving Notice of Bar Dates* [Case No. 23-90054, Dkt. No. 222], pursuant to which (i) the deadline for non-governmental units to file proofs of claim expired on May 1, 2023 (the "General Bar Date"),

and (ii) the deadline for governmental units to file proofs of claim expired on July 31, 2023 (the "Government Bar Date" and together with General Bar Date, the "Bar Dates").

11. On March 31, 2023, the Debtors filed their respective Schedules of Assets and Liabilities [Case No. 23-90054, Dkt. Nos. 292–304] (as each may have been amended from time to time, the "Bankruptcy Schedules").⁵

12. On June 16, 2023, the Court entered its *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* [Case No. 23-90054, Dkt. No. 749] (the "Confirmation Order") confirming the Plan and approving the terms of the GUC Trust Agreement, among other things. The Plan became effective on October 6, 2023 (the "Effective Date"). *See Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates* [Case No. 23-90054, Dkt. No. 922]. The Plan and Confirmation Order established the GUC Trust as of the Effective Date and appointed the GUC Trustee to administer the GUC Trust. The GUC Trust is governed by the terms of the Plan and the GUC Trust Agreement.

13. On August 10, 2023, the Court entered an *Order (I) Approving Omnibus Claim Objection Procedures and (II) Authorizing the Debtors to File Substantive Omnibus Objections to Claims Pursuant to Bankruptcy Rule 3007* [Case No. 23-90054, Dkt. No. 850] authorizing the Debtors and their successors, including the GUC Trustee, to file substantive omnibus objections to filed and scheduled Claims in accordance with the terms thereof and the *Procedures for Filing Omnibus Claims Objections* attached thereto as Exhibit 1 (the "Omnibus Objection Procedures").

⁵ Debtor IEH Auto Parts Holding, LLC filed an Amended Bankruptcy Schedule A/B on May 18, 2023 [Case No. 23-90054, Dkt. No. 563]. The GUC Trustee is not aware of any other amendments to the Debtors' Bankruptcy Schedules.

14. On January 16, 2024, the Court entered a *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 23-90054, Dkt. No. 1043] (the "Final Decree") closing each of the Debtors' chapter 11 cases except the above-captioned case of Auto Plus Auto Sales LLC, Case No. 23-90055. The Final Decree provides that "the GUC Trust may undertake all actions and discharge all duties in accordance with the Plan and Confirmation Order in the Remaining Case [Case No. 23-90055] to the same extent it could have undertaken or performed such actions or duties in the closed cases, notwithstanding entry of this Order." *Final Decree* ¶ 9.

B. GUC Claims Reconciliation

15. The GUC Trustee has sole authority to object to and reconcile all GUC Claims under the Plan, and the Plan Agent has authority to object to and reconcile all Non-GUC Claims. *See Plan*, 37, Art. VII.B.1.

16. The GUC Trust Agreement establishes a deadline of 180 days after the Effective Date, or April 3, 2024, for the GUC Trustee to object to GUC Claims (the "GUC Claims Objection Deadline"). *GUC Trust Agreement* § 4.11. The GUC Trustee is entitled to seek extensions of the GUC Claims Objection Deadline from time to time in his sole discretion. *Id.* Section 4.11 of the GUC Trust Agreement provides in relevant part as follows:

[T]he GUC Trust shall have the exclusive responsibility and authority for administering, disputing, compromising and settling or otherwise resolving and finalizing payments or other distributions with respect to General Unsecured Claims, all without Bankruptcy Court approval, and may object to any General Unsecured Claims until the later of one hundred eighty (180) days following the Effective Date or such other and later date that is approved by the Bankruptcy Court (the "GUC Claims Objection Deadline"). The GUC Trust shall be entitled to seek an extension of the GUC Claims Objection Deadline from time to time by filing an appropriate motion with the Bankruptcy Court based upon the GUC Trustee's sole determination that such extension is appropriate and reasonable under the circumstances. It is anticipated that the GUC Trust may seek multiple extensions of the GUC Claims Objection Deadline, and that the Bankruptcy Court will grant the GUC Trust's requests. Nothing herein shall prejudice the GUC Trust's right to seek an extension of the GUC Claims Objection Deadline at any time.

GUC Trust Agreement § 4.11.

17. As provided in the Claims Register, approximately 758 proofs of claim have been filed in these cases as of the date of this Motion, approximately 647 of which include a GUC Claim. There are approximately 1,307 GUC Claims listed on the Debtors' Bankruptcy Schedules (Schedule F).

18. On March 11, 2024, the GUC Trustee filed the following Omnibus Objections to GUC Claims, pursuant to and in accordance with the Omnibus Objection Procedures:

- GUC Trustee's First Omnibus Objection to Claims (Amended Claims) [Dkt. No. 33];
- GUC Trustee's Second Omnibus Objection to Claims (Duplicate Claims) [Dkt. No. 34];
- GUC Trustee's Third Omnibus Objection to Claims (Untimely Claims) [Dkt. No. 35];
- GUC Trustee's Fourth Omnibus Objection to Claims (Assigned Contract Claims) [Dkt. No. 36];
- GUC Trustee's Fifth Omnibus Objection to Claims (Scheduled CDU Claims: Claimants A-G) [Dkt. No. 37];
- GUC Trustee's Sixth Omnibus Objection to Claims (Scheduled CDU Claims: Claimants H-R) [Dkt. No. 38];
- GUC Trustee's Seventh Omnibus Objection to Claims (Scheduled CDU Claims: Claimants S-Z) [Dkt. No. 39];
- GUC Trustee's Eighth Omnibus Objection to Claims (Superseded Scheduled Claims: Claimants A-G) [Dkt. No. 40];
- GUC Trustee's Ninth Omnibus Objection to Claims (Superseded Scheduled Claims: Claimants H-P) [Dkt. No. 41];
- GUC Trustee's Tenth Omnibus Objection to Claims (Superseded Scheduled Claims: Claimants Q-Z) [Dkt. No. 42];

The GUC Trustee has also worked to negotiate and resolve numerous personal injury GUC Claims by agreement and stipulation with the respective claimants, having resolved Claims worth more than an estimated \$10 million, in the aggregate, to date.

19. As noted above, the GUC Trust is reliant on the Debtor Representatives to complete the GUC Claims Reconciliation. Since the Effective Date, the Debtor Representatives have spent considerable time working with the Plan Agent to review and reconcile 503(b)(9) Claims asserted against the Debtors. Additionally, the Plan Agent's ongoing reconciliation of Non-GUC Claims will alter the current landscape of GUC Claims to be reconciled by the GUC Trustee, as Non-GUC Claims are reclassified or otherwise modified by way of the Plan Agent's claim objections.

Basis for Relief

20. The Plan, Bankruptcy Code, and Bankruptcy Rules provide ample authority on which the Court may grant the requested relief. Additionally, the facts and circumstances of these chapter 11 cases demonstrate that cause exists to extend the Claims Objection Deadline.

21. First, the GUC Trust Agreement provides that:

The GUC Trust shall be entitled to seek an extension of the GUC Claims Objection Deadline from time to time by filing an appropriate motion with the Bankruptcy Court based upon the GUC Trustee's sole determination that such extension is appropriate and reasonable under the circumstances. It is anticipated that the GUC Trust may seek multiple extensions of the GUC Claims Objection Deadline, and that the Bankruptcy Court will grant the GUC Trust's requests.

GUC Trust Agreement § 4.11.

22. Second, section 105(a) of the Bankruptcy Code provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a); *see also In re Sanchez*, 372 B.R. 289, 309–10 (Bankr. S.D. Tex. 2007) (describing the scope of a bankruptcy court's authority under section 105(a)); *In re CEI Roofing, Inc.*, 315 B.R. 50, 55–56 (Bankr. N.D. Tex. 2004); *In re Cooper Props.*

Liquidating Trust, Inc., 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (noting that the bankruptcy court is "one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.").

23. Third, Bankruptcy Rule 9006(b)(1) provides, in pertinent part, that:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order

FED. R. BANKR. P. 9006(b)(1). This Court's Complex Case Procedures further provide that:

Unless otherwise provided in the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or Court order, if a motion is filed that complies with these procedures to extend the time to take any action before the expiration of the period prescribed by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, or a confirmed plan, the time for taking the action is automatically extended until the Court rules on the motion. An automatic extension under this rule does not require the issuance or entry of an order extending the time.

Complex Case Procedures ¶ 30.

24. Extensions of time to object to claims have been granted in other chapter 11 cases in this District where there are a substantial number of claims and complex issues. *See, e.g., In re Dreamwell, Ltd.*, Case No. 23-90024 (CML) (Bankr. S.D. Tex. Jan. 17, 2024) [Dkt. No. 76] (granting an extension of the deadline to object to claims by an additional 180 days); *In re Dean Foods Company, et al.*, Case No. 19-36314 (CML) (Bankr. S.D. Tex. Oct. 16, 2023) [Dkt. No. 1249] (granting a fourth extension of the deadline to object to claims by an additional 90 days); *In re Griddy Energy, LLC*, Case No. 21-30923 (MI) (Bankr. S.D. Tex. May 30, 2023) [Dkt. No. 513] (granting a second extension of the deadline to object to claims by an additional 18 months); *In re Fieldwood Energy III LLC, et al.*, Case No. 20-33948 (MI) (Bankr. S.D. Tex. Mar. 17, 2023) [Dkt. No. 2770] (granting a third extension of the deadline to object to claims by an additional 180 days);

In re SpeedCast International Limited, et al., Case No. 20-32243 (MI) (Bankr. S.D. Tex. Jan. 26, 2023) [Dkt. No. 2037] (granting a fifth extension of the deadline to object to claims by an additional 181 days); *In re EP Energy E&P Company, L.P.*, Case No. 19-35647 (MI) (Bankr. S.D. Tex. Sept. 27, 2021) [Dkt. No. 91] (granting an extension of the deadline to object to claims by an additional 90 days). Similar relief is appropriate under the facts and circumstances in this case.

25. The GUC Trustee submits that cause exists to extend the current GUC Claims Objection Deadline for an additional 180 days, through and including September 30, 2024. As stated, while the GUC Trustee has made substantial progress, the GUC Trustee continues to actively review and assess GUC Claims against the Debtors. For the reasons stated herein, the GUC Trustee requires additional time for further review of GUC Claims, negotiations with creditors, and to prepare and file objections to GUC Claims.

26. The GUC Trustee further submits that the requested relief is not sought for purposes of delay and will not prejudice any creditors or other parties in interest. The absence of the requested relief will be unfair to creditors as the GUC Trustee will not be able to fully address all GUC Claims prior to the expiration of the GUC Claims Objection Deadline. The relief requested herein is in the best interests of the Debtors, the GUC Trust, and the Debtors' creditors, and is necessary and appropriate to ensure that the GUC Claims Reconciliation process is accurate, comprehensive, and completed in a timely and efficient manner.

27. Accordingly, GUC Trustee respectfully requests that the Court enter an order extending the GUC Claims Objection Deadline for an additional 180 days, from April 3, 2024 through and including September 30, 2024, without prejudice to the GUC Trustee's ability to seek further extensions.

Reservation of Rights

28. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity or priority of any Claim against the GUC Trust, the Wind-Down Debtors, or the Debtors, as applicable, (ii) a waiver of the GUC Trust's or any appropriate party in-interest's rights to dispute the amount of, basis for, or validity of any Claim, (iii) a waiver of the GUC Trust's or any other party-in-interest's rights under the Bankruptcy Code or any other applicable non-bankruptcy law, or (iv) an approval, adoption, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code.

Notice

29. Notice of this Motion is being given to (i) all affected Holders of GUC Claims; (ii) the Office of the U.S. Trustee; (iii) parties registered to receive electronic notification via the Court's CM/ECF noticing system; and (iv) any other parties entitled to receive notice pursuant to Bankruptcy Rule 2002 and/or Local Rule 9013-1(d). The GUC Trustee submits that such notice is sufficient and proper under the circumstances and that no other or further notice is required.

Conclusion

WHEREFORE, based upon the foregoing, the GUC Trustee respectfully requests that the Court (a) sustain this Objection; (b) enter the attached Proposed Order extending the GUC Claims Objection Deadline as requested herein; and (c) grant such other and further relief as the Court deems just and proper.

DATED: March 11, 2024

Respectfully submitted,

KANE RUSSELL COLEMAN LOGAN PC

By: /s/ Kyle Woodard

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Counsel for the Auto Parts GUC Trust

Certificate of Service

I hereby certify that on March 11, 2024, a true and correct copy of the foregoing Motion was filed with the Court and served via the Court's Electronic Case Filing system for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Kyle Woodard

Kyle Woodard

to 28 U.S.C. §§ 1408 and 1409; (iv) that the relief sought in the Motion is in the best interests of the Debtors' estates and all parties in interest; (v) that due and proper notice of the Motion was provided to all necessary parties, including, without limitation, all Holders of GUC Claims affected by the relief sought in the Motion; (vi) that notice of the Motion and the opportunity for a hearing on the Motion were appropriate under the circumstances, and that no other or further notice is necessary; and (vii) that the legal and factual bases set forth in the Objection establish just cause for the relief granted in the following order (this "Order"); and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The GUC Claims Objection Deadline is hereby extended through and including **September 30, 2024**, without prejudice to the GUC Trustee's right to seek further extensions of the GUC Claims Objection Deadline or any other appropriate relief.

2. This Order and all relief granted herein shall be effective immediately upon entry.

3. This Court retains exclusive jurisdiction to resolve any dispute arising from or related to this Order.

4. The GUC Trustee, or his counsel, shall cause a copy of this Order to be served upon all parties that filed a timely objection to the Motion. Since the Motion was properly served upon all affected Holders of GUC Claims, no other or further notice of this Order is necessary.

Dated: _____, 2024

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE