

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

The above-captioned wind-down debtors (collectively, the “Debtors”) and 3M Company (“3M”, and together with the Debtors, the “Parties”), enter into this stipulation (the “Stipulation”) and consent to entry of the agreed order below (the “Order”), as follows:

1. On March 21, 2022, 3M and the Debtors entered into the 2022-2024 US Wholesaler Agreement and the 2022 3M Automotive Aftermarket Warehouse Distributor Incentive Program (collectively, the “Agreements”), pursuant to which the Debtors agreed to purchase certain goods from 3M.

2. On January 31, 2023 (the “Petition Date”), the Debtors filed voluntary petitions under chapter 11 of Title 11 of the United States Code, initiating the above-captioned, jointly administered bankruptcy cases.

1 The Wind-Down Debtor's service address is: 5330 Carmel Crest Lane, Charlotte, North Carolina 28226. All pleadings related to these chapter 11 cases may be obtained from the website of the Wind Down Debtor's claims and noticing agent at <https://www.kccllc.net/autoplus>.



3. 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* [Docket No. 749] (the “Confirmation Order”) confirming the *Combined Plan and Disclosure Statement* (the “Plan”) [Docket No. 442] of the Debtors.

4. The “Effective Date” of the Plan occurred on October 6, 2023 [Docket No. 922].

5. On April 28, 2023, 3M filed Proof of Claim No. 525 (the “Claim”) asserting a claim in the total amount of \$2,132,604.59, \$518,040.25 of which was claimed as a section 503(b)(9) administrative priority claim for goods provided to the Debtors in the ordinary course of business in the twenty-day period preceding the Petition Date (the “503(b)(9) Claim”), and \$1,614,564.24 of which was asserted as a general unsecured claim (the “GUC Claim”).²

6. Upon a reconciliation of the 503(b)(9) Claim and arms’ length, good faith negotiations, the Debtors and 3M have agreed to fully and finally compromise and settle the 503(b)(9) portion of the Claim to avoid further litigation and intend for this Stipulation to dispose of the entirety of the 503(b)(9) portion of the Claim, with any remainder to be reclassified as part of the GUC Claim, subject to and without any limitation on the GUC Trustee’s ability to object to the same. The GUC Claim shall otherwise remain unchanged and subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan, including without limitation, objection on the basis that all or any portion of the asserted GUC Claim should have been claimed as a section 503(b)(9) claim (a “Section 503(b)(9) Claim”), and 3M reserves all rights with respect to the GUC Claim.

² The reconciliation and resolution of the GUC Claim is being conducted by the GUC Trustee. To be clear, this Stipulation does not pertain to or in any way affect the GUC Claim. All rights of 3M and the GUC Trustee with respect to the GUC Claim are reserved, including the rights of the GUC Trustee to object to the same.

IT IS STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, IT IS ORDERED AS FOLLOWS:

1. The Stipulation is approved and its terms incorporated into this Order.
2. 3M has an allowed administrative expense claim pursuant to section 503(b)(9) in the amount of \$497,847.75 (the “3M Administrative Expense Claim”). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case is capped at \$497,847.75, subject to the GUC Trustee’s right to object to and seek to reclassify all or any portion of the GUC Claim or the Remainder (defined below) as a Section 503(b)(9) Claim.
3. The remainder of the administrative claim amount, \$9,858.73 (the “Remainder”), shall be reclassified as part of the GUC Claim. For the avoidance of doubt, the Remainder and the originally asserted GUC Claim shall remain subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan, including without limitation, objection on the basis that all or any portion of the asserted general unsecured claim should have been claimed as a section 503(b)(9) claim. 3M reserves its rights, without limitation, with respect to the Remainder and the GUC Claim.
4. 3M’s general unsecured claims, including the Remainder and the originally asserted general unsecured portion of the GUC Claim totaling \$1,614,564.24, shall remain subject to review, reconciliation, and objection by the GUC Trustee in every respect as provided for under the Plan, including without limitation, objection on the basis that all or any portion of the asserted general unsecured claims should have been claimed as a section 503(b)(9) claim, and 3M’s rights with respect to the Remainder and the GUC Claim remain fully reserved.
5. The Debtors shall pay the full amount of the 3M Administrative Expense Claim to 3M as soon as practicable within three (3) business days after entry of this Order, as authorized by

the confirmed Plan in these chapter 11 cases, which shall be in full satisfaction of the 3M Administrative Expense Claim.

6. Once made, the payment shall not be subject to avoidance, rescission, or claw-back at any time for any reason.

7. The terms and conditions of the Stipulation and this Order shall be immediately effective and enforceable upon entry of this Order.

8. This Order is binding upon and for the benefit of the Parties and their respective successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties (for which such Party is legally entitled to bind such parent, subsidiary or affiliated entity of the Party under applicable law).

9. This Stipulation and Order constitutes the entire agreement between the Parties with respect to the 3M Administrative Expense Claim and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

10. This Court retains jurisdiction with respect to all matters arising from or related to this Order, and the Parties consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Order.

IT IS SO ORDERED.

Dated: _____

Christopher M. Lopez
United States Bankruptcy Judge

AGREED TO ON APRIL 10, 2024 BY:

/s/ Zachary McKay

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