

ENTERED

August 09, 2023

Nathan Ochsner, Clerk

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

In re

**WESCO AIRCRAFT HOLDINGS, INC.,
et al.,¹**

Debtors.

Case No. 23-90611 (DRJ)

Chapter 11

(Jointly Administered)

**ORDER ESTABLISHING PROCEDURES
FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

(Docket No. 421)

¹ The Debtors operate under the trade name Incora and have previously used the trade names Wesco, Pattonair, Haas, and Adams Aviation. A complete list of the Debtors in these chapter 11 cases, with each one's federal tax identification number and the address of its principal office, is available on the website of the Debtors' noticing agent at <http://www.kccllc.net/incora/>. The service address for each of the Debtors in these cases is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.



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Upon the motion (the “***Motion***”),² the above-captioned debtors (collectively, the “***Debtors***”) seek entry of an order (this “***Order***”) establishing procedures for interim compensation and compensation and reimbursement of expenses for Professionals; and the Court having jurisdiction to decide the Motion and to enter this Order pursuant to 28 U.S.C. § 1334; and consideration of the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, such notice being adequate and appropriate under the circumstances; and after notice and a hearing, as defined in section 102 of the Bankruptcy Code; and the Court having determined that the legal and factual bases set forth in the Motion and in the record establish just cause for entry of this Order; and it appearing that entry of this Order is in the best interests of the Debtors’ estates; it is hereby **ORDERED** that:

1. All Retained Professionals whose retention applications have been approved may seek compensation and expense reimbursement in accordance with the following procedures (collectively, the “***Compensation Procedures***”):

- a. *Monthly Fee Statements.* Each Retained Professional may, with respect to each month during which it provides services, file with the Court and deliver to each of the parties listed below (the “***Notice Parties***”) a fee statement, reasonably detailing the nature of the services rendered and expenses incurred (a “***Monthly Fee Statement***”). Each Monthly Fee Statement shall be filed with the Court and served by first-class mail or electronic mail to each of the Notice Parties within 31 days following the end of the month or months for which a Retained Professional seeks compensation or as soon as reasonably practicable thereafter (and, with respect to June 2023, by August 15, 2023 or as soon as reasonably practicable thereafter). The Notice Parties are:
 - i. the Debtors c/o Wesco Aircraft Holdings, Inc., 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137, Attn: Dawn Landry (Dawn.Landry@Incora.com);
 - ii. proposed counsel to the Debtors, (A) Milbank, LLP, 55 Hudson Yards, 36th Floor, New York, NY 10001, Attn: Dennis F. Dunne (DDunne@Milbank.com), Samuel A. Khalil (SKhalil@Milbank.com), and Benjamin M. Schak (BSchak@Milbank.com) and (B) Haynes and Boone LLP, 1221 McKinney Street, Suite 4000, Houston, TX 77010,

² Capitalized terms used but not defined in this Order have the meanings ascribed to them in the Motion.

Attn: Charles A. Beckham, Jr. (Charles.Beckham@HaynesBoone.com), Patrick L. Hughes (Patrick.Hughes@HaynesBoone.com), and Kelli S. Norfleet (Kelli.Norfleet@HaynesBoone.com);

- iii. counsel to the First Lien Noteholder Group, Davis Polk & Wardwell LLP, Attn: Damian Schaible (Damian.Schaible@DavisPolk.com), Angela Libby (Angela.Libby@DavisPolk.com), and Stephanie Massman (Stephanie.Massman@DavisPolk.com);
 - iv. proposed counsel to the Official Committee of Unsecured Creditors (the “**Committee**”), Morrison & Foerster LLP, Attn: Lorenzo Marinuzzi (LMarinuzzi@MoFo.com), Theresa Foudy (TFoudy@MoFo.com), Michael Birnbaum (MBirnbaum@MoFo.com), Benjamin Butterfield (BButterfield@MoFo.com), and Raff Ferraioli (RFerraioli@MoFo.com);
 - v. counsel or proposed counsel to any other statutory committee appointed in these Chapter 11 Cases; and
 - vi. the Office of the U.S. Trustee, 515 Rusk Street, Suite 3516, Houston, TX 77002, Attn: Jayson Ruff (Jayson.B.Ruff@USDOJ.gov).
- b. *Objections to Monthly Fee Statements.* If any person, including a Notice Party, wishes to object to a Monthly Fee Statement, it must, within 14 calendar days following its filing (the “**Objection Deadline**”),³ email the applicable Retained Professional and each other Notice Party a notice of its objection (an “**Objection Notice**”), which shall specifically identify the objectionable fees and expenses, including the amount at issue, and the basis for the objection. Thereafter, the objecting party and the affected Retained Professional shall attempt in good faith to resolve the Objection consensually. If the affected Retained Professional and the applicable Notice Party are unable to resolve their dispute within 14 calendar days after the Retained Professional’s receipt of the Objection Notice, the objecting party shall file its Objection Notice with the Court within three business days and serve its Objection Notice on the affected Retained Professional and the other Notice Parties. The affected Retained Professional may then either: (i) file a response and schedule a hearing date with respect to the Objection Notice, at which the Court will determine whether to approve the disputed fees or expenses on a preliminary basis, without prejudice to further consideration on the corresponding Interim Fee Application (defined below) or on a final fee application; or (ii) defer payment of the amount that is subject to the Objection Notice until the hearing on the corresponding Interim Fee Application (defined below) or on a final fee application, at which time the

³ The Objection Deadline may be extended as to a Notice Party by written consent of the applicable Retained Professional.

Court will consider and rule on the Objection if necessary. For the avoidance of doubt, the pendency of an Objection to payment of compensation or reimbursement of expenses will not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses under these Compensation Procedures, unless otherwise ordered by the Court.

- c. *Payments on Monthly Fee Statements.* The Debtors shall pay each Retained Professional an amount equal to 80% of the fees and 100% of the expenses to the extent that such fees and expenses are (i) not subject to a timely Objection Notice, (ii) subject to a timely Objection Notice that is consensually resolved between the affected Retained Professional and the objecting Notice Party, or (iii) approved by the Court on a preliminary basis pursuant to clause (b)(i) of these Compensation Procedures. The Debtors shall make such a payment within five business days after, respectively, the Objection Deadline, the date of the consensual resolution, or the date of preliminary approval by the Court.
- d. *Interim Fee Applications.* Each Retained Professional may file, with respect to each three-month period commencing with the period from June 1 to August 31, 2023 (each such period, an “*Interim Fee Period*”), an application (an “*Interim Fee Application*”) for provisional allowance of fees earned and reimbursement of expenses incurred during or prior to the Interim Fee Period. Each Interim Fee Application must include (i) the Complex Case Fee Application Coversheet, the form of which is located on the Court’s website, (ii) a narrative summary of the requested fees, (iii) invoices for the interim application period with the amount of fees and expenses requested, (iv) an itemized list of expenses for which reimbursement is requested (if not contained in the invoices), and (v) a proposed order in the form located on this Court’s website. Each Retained Professional shall file its Interim Fee Application on or before the 45th day following the end of the Interim Fee Period or as soon as reasonably practicable thereafter. Interim Fee Applications shall be filed on Court’s docket and served on each of the Notice Parties.
- e. *Hearings on Interim Fee Applications.* The Debtors or the Committee may request that the Court schedule an omnibus hearing on all Retained Professionals’ Interim Fee Applications for each Interim Fee Period once every three (3) months or at such other intervals as the Court deems appropriate. Parties in interest shall have 21 days after the service of the Interim Fee Application to file an objection. The Court, in its discretion, may approve an uncontested Interim Fee Application if no timely objection is filed.
- f. *Payments on Interim Fee Applications.* Upon allowance by the Court of a Retained Professional’s Interim Fee Application, the Debtors shall pay the Retained Professional all allowed fees and expenses that have not previously

been paid (including the 20% “holdback” under the Monthly Fee Statement process).

- g. *Committee Member Expenses.* Each member of the Committee shall be permitted to submit to the Committee’s counsel statements of and supporting records for expenses incurred in the performance of the Committee’s duties (excluding the fees of such a member’s outside counsel). The Committee’s counsel shall consolidate and file the Committee members’ requests for reimbursement in accordance with the foregoing procedures for notice, objections, dispute resolution and payment. The foregoing shall also apply to any other statutory committee that may be appointed.
- h. *Late or Unfiled Monthly Fee Statement and Interim Fee Applications.* Each Retained Professional that fails to file a timely Monthly Fee Statement or Interim Fee Application for a particular month or Interim Fee Period may submit its late Monthly Fee Statement or Interim Fee Application along with a Monthly Fee Statement or Interim Fee Application for a subsequent month or Interim Fee Period. No Retained Professional’s failure to file a Monthly Fee Statement or an Interim Fee Application shall be the basis for objection to or disallowance of its fees and expenses upon a subsequent Interim Fee Application or a final fee application.
- i. *Effect on Final Fee Applications.* No Retained Professional shall seek payment in a final fee application of any amount that it previously requested in a Monthly Fee Statement or Interim Fee Application if (i) the Retained Professional voluntarily waived or reduced such amount to resolve a formal or informal objection or (ii) such amount was disallowed by the Court. Neither the payment of fees or expenses pursuant to this Order nor the filing of or failure to file an objection pursuant to this Order will bind any party in interest or the Court with respect to final fee applications.
- j. *Compliance.* All Monthly Fee Statements and Interim Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable Fifth Circuit law.
- k. *Notices.* Service and notice of Monthly Fee Statements, Interim Fee Applications, and final fee applications (collectively, “*Fee Applications*”) shall be limited to filing with the Court and delivery to the Notice Parties. Other parties that have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in these Chapter 11 Cases shall be entitled to receive only hearing notices (if any) regarding the Fee Applications.

2. The amount of fees and expenses sought in any request for compensation and reimbursement of expenses shall be stated in U.S. dollars (if applicable, calculated at the prevailing exchange rate on the date of submission of the relevant fee application).

3. All notices given in accordance with the Compensation Procedures shall be deemed sufficient and adequate notice and in satisfaction of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

4. For the avoidance of doubt, all time periods set forth in this Order shall be calculated and, if applicable, extended in accordance with Bankruptcy Rule 9006(a).

5. Notwithstanding any provision of the Bankruptcy Rules or Local Rules, the terms of this Order shall be immediately effective and enforceable upon its entry.

6. The Debtors and their agents are authorized to take all steps necessary or appropriate to carry out this Order.

7. The Court shall retain exclusive jurisdiction over all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: August 08, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE