

ENTERED

June 01, 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 (I) AUTHORIZING
THE DEBTORS TO PAY LIEN CLAIMS
AND CLAIMS UNDER 11 U.S.C. § 503(B)(9)
AND (II) GRANTING RELATED RELIEF**

(Docket No. 4)

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 of the above-captioned debtors (collectively, the “*Debtors*”), for entry of an order, pursuant to sections 105(a), 363(b), 1107(a), and 503(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004 and paragraph 4(c) of the Complex Case Procedures, (i) authorizing, but not directing, the Debtors to pay prepetition amounts in the ordinary course owing on account of the 503(b)(9) Claims and Lien Claims; (ii) authorizing and directing all financial institutions to honor, to the extent of available funds, all authorized checks and other fund transfers; and (iii) granting related relief; 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 on an emergency basis is in the best interests of the Debtors’ estates and that immediate relief is justified to avoid immediate and irreparable harm to the Debtors’ estates; it is hereby **ORDERED** that:

1. The Debtors are authorized, but not directed, to (a) pay in the ordinary course of the Debtors’ businesses some or all of the prepetition 503(b)(9) Claims and Lien Claims and (b) to supplement, in their sole discretion, the list of 503(b)(9) Claims and Lien Claims; *provided* that the Debtors shall provide five (5) business days’ notice to counsel to the First Lien Noteholder Group of any material change thereto; *provided, however*, that the aggregate amount of such payments shall not exceed \$97,000,000. The Debtors shall have the right to request authority from this Court, after notice and a hearing, to pay any amounts owed to 503(b)(9) Claimants and Lien Claimants in excess of \$97,000,000.

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

2. Any party that accepts payment from the Debtors on account of a 503(b)(9) Claim or Lien Claim shall be deemed to have agreed to the terms and provisions of this Order, a copy of which shall be provided by the Debtors to all such parties.

3. As a condition to receiving payment of its 503(b)(9) Claim or Lien Claim, the applicable 503(b)(9) Claimant or Lien Claimant shall be required to continue—or recommence—providing Goods and services to the Debtors on the most favorable terms in effect between such 503(b)(9) Claimant or Lien Claimant and the Debtors in the 24-month period preceding the Petition Date or such other terms as the 503(b)(9) Claimant or Lien Claimant and the Debtors may otherwise agree (collectively, the “*Customary Trade Terms*”). The Customary Trade Terms shall apply for the remaining term of such 503(b)(9) Claimant or Lien Claimant’s agreement with the Debtors; *provided, however*, that the Debtors pay for the goods and services in accordance with the payment terms provided in the agreement. Any Lien Claimant who has perfected a lien on the Debtors’ or their customers’ Goods that accepts any payment pursuant to the authority granted by this Order further agrees to take whatever action is necessary to promptly remove the lien at the Lien Claimant’s sole cost and expense.

4. Any payment made under the authority granted by this Order to a 503(b)(9) Claimant or Lien Claimant that, thereafter, does not continue to provide Goods or services to the Debtors on Customary Trade Terms shall be deemed an avoidable postpetition transfer under section 549 of the Bankruptcy Code and shall be recoverable by the Debtors in cash upon written request; *provided* that, if there exists an outstanding postpetition balance due from the Debtors to such 503(b)(9) Claimant or Lien Claimant, the Debtors may elect to recharacterize and apply any such payment made pursuant to the authority granted hereunder to such outstanding postpetition balance and such 503(b)(9) Claimant or Lien Claimant shall be required to repay the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims or otherwise. Upon recovery or recharacterization and reapplication of any payment by the Debtors in accordance with the foregoing, the applicable 503(b)(9) Claimant or Lien Claimant shall be reinstated as a prepetition

claim in the amount so recovered or recharacterized and reapplied, and the relevant 503(b)(9) Claimant or Lien Claimant shall be entitled to file a proof of claim with respect to its alleged 503(b)(9) Claim or Lien Claim by the later of (a) 30 days following notice of such reinstatement or (b) the general bar date.

5. The Debtors are hereby authorized, but not directed, before issuing payment to a 503(b)(9) Claimant or Lien Claimant, to obtain written verification that such 503(b)(9) Claimant or Lien Claimant will comply with paragraph 3 above and continue to provide goods or services to the Debtors on the Customary Trade Terms for the remaining term of such 503(b)(9) Claimant's or Lien Claimant's agreement with the Debtors; *provided, however*, that the absence of such written verification shall not limit the Debtors' rights hereunder.

6. All banks and financial institutions are authorized and required to receive, process, honor and pay any and all checks and other transfer requests with respect to payments made by the Debtors pursuant to this Order, whether presented before, on or after the Petition Date. However, a bank or other financial institution is not required to honor any such check or transfer request if insufficient funds are on deposit to cover the requested payment.

7. All banks and financial institutions are authorized to rely on the representations of the Debtors and their agents as to whether a particular payment is authorized to be paid pursuant to this Order. The banks and financial institutions subject to this Order shall have no liability in connection with honoring any prepetition checks or transfer requests contemplated by this Order.

8. The Debtors are authorized, but not directed, in their sole discretion, to issue new postpetition checks, or effect new transfers, on account of the 503(b)(9) Claims or the Lien Claims, to replace any prepetition checks or transfer requests issued that are dishonored or rejected as a result of the commencement of these chapter 11 cases.

9. The Debtors shall maintain a matrix/schedule of all amounts directly or indirectly paid under the terms of this Order (the "***Claimant Matrix***"), including the following information: (a) the category of claim paid, applied, or set off; (b) the amount of the payment, application, or setoff by category; (c) the Debtor(s) that made the payment, application, or setoff; (d) the identity

of the recipient of the payment, application, or setoff; and (e) the date of the payment, application, or setoff. Within 20 days after the end of each month, commencing with the first full month after entry of this Order, the Debtors shall provide a copy of the Claimant Matrix to the U.S. Trustee, and on a confidential and professional eyes' only basis (or on such other terms as mutually agreed) to counsel to the First Lien Noteholder Group, and on terms to be mutually agreed with counsel to any statutory committee appointed in these chapter 11 cases. The Debtors shall not be required to file or publish the Claimant Matrix.

10. Notwithstanding the relief granted in this Order, all authorizations herein and all payments and actions pursuant thereto shall be subject to each interim and final order entered by the Court in respect of the Debtors' *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors To (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Granting Adequate Protection to Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* filed contemporaneously herewith (collectively, such interim and final orders, the "**DIP Order**"), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order or the DIP Documents (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Order, the terms of the DIP Order shall control.

11. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing contained in the Motion or this Order (nor any actions or payments pursuant to the relief granted herein) shall constitute, nor is it intended to constitute: (a) an implication, admission, concession or finding as to the validity, priority, amount, basis for, or secured status of any particular claim against any Debtor, including priority under section 503(b)(9); (b) a waiver of the Debtors' or other party in interest's right to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) a waiver of any claim or cause of action

that any Debtor or other party in interest may have against any entity; (e) a ratification, adoption, rejection or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code; (f) a waiver or limitation of any Debtor's or other party in interest's rights under any agreement, the Bankruptcy Code or other applicable law; or (g) an implication, admission, concession or finding (i) that any particular claim is of a type specified or defined in this Order or the Motion or (ii) that any lien, security interest, other encumbrance on property of any Debtor or right of setoff is valid, enforceable or perfected (and the Debtors and all other parties in interest expressly reserve and preserve their rights to contest or to seek avoidance of the same). Any payment made pursuant to this Order should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

12. Nothing herein shall impair or prejudice the rights of the U.S. Trustee, any statutory committee appointed in these chapter 11 cases or any other party in interest, which are expressly reserved, to object to any payment made pursuant to this order to or for the benefit of to an insider (as such term is defined in section 101(31) of the Bankruptcy Code), or an affiliate of an insider, of the Debtors. To the extent the Debtors intend to make a payment pursuant to this Order to or for the benefit of an insider or an affiliate of an insider of the Debtors, the Debtors shall first obtain the prior written consent of the Required Purchasers (as defined in the DIP Order) and, to the extent reasonably practicable, provide three (3) business days' advance notice to, and opportunity to object by the U.S. Trustee, the First Lien Noteholder Group and any statutory committee appointed in these chapter 11 cases; *provided*, that if any party objects to the payment, the Debtors shall not make such payment without further order of the Court; *provided, further*, that with respect to any payment made to a Lien Claimant through a payment processor (consistent with past practice) shall only constitute a payment to an insider to the extent that such Lien Claimant is an insider.

13. Notwithstanding entry of this Order, the Debtors' rights to seek enforcement of the automatic stay provisions of section 362(a) of the Bankruptcy Code with respect to any creditor

that demands payment of their prepetition debts as a condition to doing business with the Debtors postpetition are preserved.

14. Notwithstanding Bankruptcy Rule 6004(h) or any other provision of the Bankruptcy Rules or Local Rules, the terms of this Order shall be immediately effective and enforceable upon its entry.

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

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

Signed: June 01, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of Texas

In re:
Wesco Aircraft Holdings, Inc.
Debtor

Case No. 23-90611-drj
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Jun 01, 2023

User: ADIuser
Form ID: pdf002

Page 1 of 2
Total Noticed: 7

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jun 03, 2023:

Recip ID	Recipient Name and Address
db	+ Wesco Aircraft Holdings, Inc., 2601 Meacham Blvd., Suite 400, Fort Worth, TX 76137-4213
aty	+ Adam M Lavine, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Darryl G Stein, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Igor M Margulyan, 800 Third Avenue, New York, NY 10022-7649
aty	+ John G Conte, 800 Third Avenue, New York, NY 10022-7649
aty	+ Michael S Brasky., Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775
aty	+ Zachary D Rosenbaum, Kobre & Kim LLP, 800 Third Avenue, New York, NY 10022-7775

TOTAL: 7

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
intp		Ad Hoc 2024/2026 Noteholder Group
intp		BANK OF AMERICA, N.A.
sutr		BOKF, NA
cr		Carlyle Global Credit Investment Management, LLC
intp		First Lien Noteholder Group
cr		Langur Maize, L.L.C.

TOTAL: 6 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 03, 2023

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on June 1, 2023 at the address(es) listed below:

Name	Email Address
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District/off: 0541-4
Date Rcvd: Jun 01, 2023

User: ADIuser
Form ID: pdf002

Page 2 of 2
Total Noticed: 7

Andrew Jimenez	on behalf of U.S. Trustee US Trustee andrew.jimenez@usdoj.gov aubrey.thomas@usdoj.gov;Omar.E.Jones@usdoj.gov
Andrew I Silfen	on behalf of Successor Trustee BOKF NA andrew.silfen@afslaw.com, lisa.indelicato@afslaw.com
Charles A Beckham, Jr	on behalf of Debtor Wesco Aircraft Holdings Inc. charles.beckham@haynesboone.com, kenneth.rusinko@haynesboone.com
Christopher Darnell Porter	on behalf of Plaintiff Wesco Aircraft Holdings Inc. chrisporter@quinnemanuel.com
Christopher Darnell Porter	on behalf of Debtor Wesco Aircraft Holdings Inc. chrisporter@quinnemanuel.com
Jason S Brookner	on behalf of Creditor Carlyle Global Credit Investment Management LLC jbrookner@grayreed.com, lwebb@grayreed.com
Jayson B. Ruff	on behalf of U.S. Trustee US Trustee jayson.b.ruff@usdoj.gov
John F Higgins, IV	on behalf of Interested Party First Lien Noteholder Group jhiggins@porterhedges.com emoreland@porterhedges.com;eliana-garfias-8561@ecf.pacerpro.com;mwebb@porterhedges.com
John P Melko	on behalf of Interested Party Ad Hoc 2024/2026 Noteholder Group jmelko@foley.com rdiep@foley.com;john-melko-2781@ecf.pacerpro.com;docketflow@foley.com
Kelli S. Norfleet	on behalf of Debtor Wesco Aircraft Holdings Inc. kelli.norfleet@haynesboone.com, kenneth.rusinko@haynesboone.com
Mark F Hebbeln	on behalf of Interested Party Ad Hoc 2024/2026 Noteholder Group mhebbeln@kobrekim.com james.r.lewis@wellsfargo.com;mark-hebbeln-5273@ecf.pacerpro.com
Robert Bernard Bruner	on behalf of Interested Party BANK OF AMERICA N.A. bob.bruner@nortonrosefulbright.com
US Trustee	USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 13