

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

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

WIND DOWN DEBTOR’S SEVENTH
OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM
(AMENDED CLAIMS, RECLASSIFIED CLAIMS, DUPLICATE CLAIM, AND
PARTIALLY SATISFIED CLAIMS)

This is an objection to your claim. This objection asks the Court to disallow the claim that you filed in this bankruptcy case. If you do not file a response within 30 days after the objection was served on you, your claim may be disallowed without a hearing.

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 thirty days from the date this objection was filed. If you do not have electronic filing privileges, you must file a written response that is *actually received* by the clerk within thirty days from the date this objection 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 April 15, 2025 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

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>.



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.

This Objection seeks to disallow certain proofs of claim. Claimants receiving this Objection should locate their names and claims on Schedules 1-4 to the Order attached to this Objection.

The above-captioned wind-down debtor (the “Wind-Down Debtor” and prior to the Effective Date,² the “Debtor”) represents as follows in support of this omnibus claims (the “Objection”), and submits the *Declaration of Susanne Edwards in Support of the Wind-Down Debtors’ Seventh Omnibus Objection to Certain Proofs of Claim (Amended Claims, Reclassified Claims, Duplicate Claim, and Partially Satisfied Claims)* attached hereto as **Exhibit A** (the “Edwards Declaration”):

Relief Requested

1. The Wind-Down Debtor seeks entry of the proposed order (the “Order”), pursuant to § 502(b) of the Bankruptcy Code (defined herein), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Objection Procedures (as defined herein):

- i. disallowing each proof of claim identified in the “Claims to be Disallowed” row on **Schedule 1** to the Order (collectively, the “Amended Claims”) because the Wind-Down Debtor has determined that each Amended Claim has been amended and replaced by the corresponding proof of claim identified as the “Remaining Claims” on **Schedule 1** (the “Remaining Amended Claims”);
- ii. reclassifying each proof of claim identified on **Schedule 2** to the Order (collectively, the “Reclassified Claims”) because the Wind-Down Debtor has determined that each Reclassified Claim should be reclassified, in whole or in part, as a general unsecured

² Capitalized terms used but not defined herein have the meanings given to them in the Plan (defined below).

claim as set forth in the “Modified Claims” column on **Schedule 2** (the “Corrected Reclassified Claims”);

- iii. disallowing the proof of claim identified on **Schedule 3** to the Order (the “Duplicate Claim”) because such claim is a duplicate of the corresponding proof of claim identified on **Schedule 3** (the “Remaining Duplicate Claim”); and
- iv. modifying the proofs of claim identified on **Schedule 4** to the Order (collectively, the “Partially Satisfied Claims”) because the Wind-Down Debtor has determined the Partially Satisfied Claims were satisfied in part during the chapter 11 cases in accordance with the Bankruptcy Code, applicable rules, or an order of the Court, or in the ordinary course of business and in the manner set forth on **Schedule 4**.

2. In support of this Objection to the Amended Claims, Reclassified Claims, and Duplicate Claim (each, an “Objected Claim” and collectively, the “Objected Claims”), the Wind-Down Debtor submits the Edwards Declaration.

Jurisdiction and Venue

3. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Wind-Down Debtor confirms its consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The bases for the relief requested herein are sections 105(a) and 502(b) of title 11 of the United States Code (the “Bankruptcy Code”), Bankruptcy Rule 3007, and rules 3007-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

Background

6. On January 31, 2023 (the “Petition Date”), the Debtor and each of its affiliates (collectively, the “Debtors,” and after the Effective Date, the “Wind-Down Debtors”) filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, commencing the above captioned, jointly administered chapter 11 cases.

7. 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* [Docket. No. 222]³ (the “Bar Date Order”), establishing the following deadlines: (i) May 1, 2023, as the deadline for filing proofs of claim (the “General Bar Date”); and (ii) July 31, 2023, as the deadline for claims asserted by governmental units (the “Governmental Bar Date” and together with the General Bar Date, the “Bar Date”). Written notice of the Bar Dates was mailed to, among others, to all creditor and other known holders of claims against the Debtors, to all parties requesting notice in these bankruptcy cases, and all entities that filed a Proof of Claim in these Cases as of the date of the Bar Date Order.

8. On March 31, 2023, each of the Debtors filed its respective Schedule of Assets and Liabilities and Statement of Financial Affairs, as each may have been amended from time to time [Docket Nos. 292–318].

9. 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*

³ Unless otherwise indicated, all docket references in this Objection refer to the docket of *In re IEH Auto Parts Holding, LLC*, et al., Case No. 23-90054 (Jointly Administered) (Bankr. S.D. Tex.) (CML).

and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the “Confirmation Order”) [Docket No. 749], confirming the Debtors’ *Amended Chapter 11 Plan* (the “Plan”) [Docket No. 738]. On October 6, 2023, the Plan went effective (the “Effective Date”). Pursuant to the Plan, the Debtors shall continue in existence for the purpose of resolving Claims that are not General Unsecured Claims and otherwise administering the Plan. Plan, Art. IV.A.2.

10. On August 10, 2023, the Court also entered the *Order (I) Approving Omnibus Claims Objection Procedures and (II) Authorizing the Debtors to File Substantive Omnibus Objections to Claims Pursuant to Bankruptcy Rule 3007* (the “Objection Procedures”) [Docket No. 850]. The Order authorizes Debtors to file certain objections to claims in an omnibus format. Objection Procedures, ¶ 1.

11. In the ordinary course of business, the Debtors maintained books and records that reflect the Debtors’ liabilities and amounts owed to their creditors. The books and records were subsequently maintained after the commencement of these Cases. The Debtors and their financial advisors (collectively, the “Reviewing Parties”) analyzed their books and records to determine the validity of the proofs of claim. In addition to reviewing the Debtors’ books and records, the Reviewing Parties have been working diligently to review the proofs of claim, including any supporting documentation.

12. Based on examination of the claims, their supporting documentation, and the Claims Register, the Wind-Down Debtor believes the Objected Claims described in this Objection should be disallowed or modified as set forth herein.

Objection

13. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows: “[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed

allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). Section 502 also provides that “if such objection is made, the court . . . shall determine the amount of such claim . . . and shall allow such claim in such amount, except to the extent that such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law” 11 U.S.C. § 502(b).

14. Bankruptcy Rule 3007 provides certain grounds upon which “objections to more than one claim may be joined in an omnibus objection,” which include when “the objections are based solely on the grounds that the claims should be disallowed, in whole or in part, because . . . they have been satisfied or released during the case in accordance with the Code, the applicable rules, or a court order.” Fed. R. Bankr. P. 3007(d).

15. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes prima facie evidence of the validity and the amount of the claim under section 502(a) of the Bankruptcy Code. *See, e.g., In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010). A proof of claim loses the presumption of prima facie validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that are essential to the claim’s legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988).

16. Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* Despite this shifting burden during the claim objection process, “the ultimate burden of proof always lies with the claimant.” *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep’t of Rev.*, 530 U.S. 15 (2000)).

The Amended Claims

17. As set forth in the Edwards Declaration, the Reviewing Parties thoroughly reviewed the Wind-Down Debtor’s books and records and support provided by the Wind-Down Debtor,

including the relevant company databases, the claims register, the Amended Claims, and any documents filed in support therewith, if any, and believe that the Amended Claims were amended and replaced by the Remaining Amended Claims identified on **Schedule 1** to the Order. The Wind-Down Debtor does not believe that the Wind-Down Debtor, the Debtors, or their estates are liable for both the Amended Claims and the Remaining Amended Claims. To allow both the Amended Claims and the Remaining Amended Claims to remain on the claims register would lead to multiple recoveries on a single claim. The Wind-Down Debtor requests that the Court enter an order disallowing the Amended Claims identified in the “Claims to be Disallowed” row on **Schedule 1** to the Order.

The Reclassified Claims

18. As set forth in the Edwards Declaration, the Reviewing Parties have thoroughly reviewed the Wind-Down Debtors’ books and records, the claims register, the Reclassified Claims, and any documents filed in support therewith, if any, and determined that each Reclassified Claim, as filed, does not accurately reflect the correct classification or priority, in part or in full, under applicable law for each Reclassified Claim, as further explained on **Schedule 2** attached to the Order.

19. Specifically, as annotated in the column entitled “Reason for Modification” on **Schedule 2** to the Order, the asserted priority in each of the Reclassified Claims is not supported under the Bankruptcy Code because the Reclassified Claims improperly assert (a) section 507(a)(2), (b) section 507(a)(4) priority claims, (c) section 507(a)(7) priority claims, or (d) section 507(a)(8) priority claims.

20. **Reclassified Claims Filed as 507(a)(2) Priority.** Reclassified Claim number 442, filed by Peerless Chain Company asserts an administrative amount under section 507(a)(2) of the

Bankruptcy Code. Bankruptcy Code section 507(a)(2) grants priority to administrative expenses allowed under section 503(b) of the Bankruptcy Code. Based on a review of the Reclassified Claim, the documents attached thereto, a reasonable review of the Wind-Down Debtors' books and records, the Wind-Down Debtor believes the Reclassified Claim improperly asserts a claim under section 503(b)(9) of the Bankruptcy Code because the Reclassified Claim relates to goods sold to the Debtors prepetition. Section 503(b)(9) of the Bankruptcy Code provides administrative priority status to claims for "the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor's business." 11 U.S.C. § 503(b)(9). As further explained on **Schedule 2**, the Reclassified Claim, as filed, is not entitled to administrative claim status because the goods were not received within the 20-day period prior to the Petition Date as required by section 503(b)(9). To the extent the Claimant ultimately asserts it benefits from a different subsection of 503(b), the Wind-Down Debtor reserves all rights to object to such assertion on any and all bases.

21. **Reclassified Claims Filed as 507(a)(4) Priority.** Under section 507(a)(4) of the Bankruptcy Code, fourth priority is available for unsecured claims for wages, salaries and commissions, including vacation, severance, and sick leave pay earned by an individual or sales commissions earned by an individual, or a corporation with only one employee, acting as an independent contractor in the sale of goods or services for the Debtor in the ordinary course of the Debtors' businesses. *See* 11 U.S.C. 507(a)(4). As further explained on **Schedule 2**, certain of the Reclassified Claims improperly assert priority under section 507(a)(4) of the Bankruptcy Code because the applicable claim (a) is not for wages, salaries, or commissions earned by an individual that was an employee of the Debtors; (b) was not asserted by an individual or by a corporation

with only 1 employee acting as an independent contractor in the sale of goods or services *for* the Debtors or Wind-Down Debtors in the ordinary course of the Debtors' or Wind-Down Debtors' business; and/or (c) otherwise does not satisfy the requirements by which priority status can be granted under the Code. Instead, the applicable Reclassified Claims are for services performed for the Debtors by third parties in the ordinary course of the applicable claimant's business

22. Reclassified Claims Filed as 507(a)(7) Priority. Section 507(a)(7) of the Bankruptcy Code provides priority status to individuals "arising from the deposit, before the commencement of the case, of money in connection with the purchase, lease, or rental of property, or the purchase of services for the personal, family or household use of such individuals, that were not delivered or provided." 11 U.S.C. 507(a)(7). As further explained on Schedule 2, certain of the Reclassified Claims improperly assert priority under section 507(a)(7) of the Bankruptcy Code because the claim, on its face, states that it is a claim for prepetition snow plowing services and not a claim for a deposit.

23. Reclassified Claims Filed as 507(a)(8) Priority. Section 507(a)(8) of the Bankruptcy Code provides priority status to governmental units for certain taxes. As further explained on Schedule 2, certain of the Reclassified Claims improperly assert priority under section 507(a)(8) of the Bankruptcy Code because the claim was not asserted by a governmental unit.

24. The Reviewing Parties believe that the asserted classification or priority of such Reclassified Claims as identified in the column titled "Claim as Filed" should be modified, in part or in full, to the Corrected Reclassified Claims. Based on the Wind-Down Debtors' books and records, the Reclassified Claims, and applicable law, the Reviewing Parties believe that such Corrected Reclassified Claims represent the appropriate classification and priority for each

respective Proof of Claim. Failure to reclassify the Reclassified Claims could result in an improper recovery on account of the Reclassified Claims. Therefore, the Wind-Down Debtor seeks entry of an order reclassifying the Reclassified Claims identified on **Schedule 2** to the Corrected Reclassified Claims.

25. This Objection does not seek to allow the Corrected Reclassified Claims identified on **Schedule 2**, and the Wind-Down Debtor and/or GUC Trustee, as applicable, reserves the right to object to the Corrected Reclassified Claims on any grounds whatsoever.

The Duplicate Claim

26. As set forth in the Edwards Declaration, the Reviewing Parties reviewed the Wind-Down Debtors' books and records, the claims register, the Duplicate Claim identified on **Schedule 3**, and any documents filed in support therewith, if any, and believe the Duplicate Claim is substantively duplicative of the claim identified in the column entitled "Remaining Claim" on **Schedule 3** to the Order. Specifically, the Duplicate Claim asserts the same liabilities asserted in the Remaining Duplicate Claim filed by the same claimant.

27. The Duplicate Claim is therefore duplicative of the Remaining Duplicate Claim. The Wind-Down Debtor does not believe that it is liable for both the Duplicate Claim and the Remaining Duplicate Claim. To allow both the Duplicate Claim and the Remaining Duplicate Claim to remain on the claims register would lead to multiple recoveries on a single claim. The Wind-Down Debtor requests that the Court disallow the Duplicate Claim identified on **Schedule 3** to the Order.

28. This Objection does not affect the Remaining Duplicate Claim identified on **Schedule 3**, and the Wind-Down Debtor reserves the right to object to the Remaining Duplicate Claim on any grounds whatsoever.

Partially Satisfied Claims

29. As set forth in the Edwards Declaration, the Reviewing Parties thoroughly reviewed the Wind-Down Debtors' books and records and support provided by the Wind-Down Debtors, the claims register, the Partially Satisfied Claims, and any documents filed in support therewith, if any, and believe that the Partially Satisfied Claims have been partially paid during these chapter 11 cases in accordance with the Bankruptcy Code, any applicable rules, Court orders, including the *Order (I) Authorizing the Payment of Certain Prepetition Taxes and Fees, and (II) Granting Related Relief* (the "Tax Order") [Docket No. 43], or in the ordinary course of the Wind-Down Debtor's business. Specifically, the Partially Satisfied Claims were partially satisfied by the Debtors in the amount on the date and in the manner set forth on **Schedule 4**.

30. Accordingly, a portion of each Partially Satisfied Claim no longer represents a valid, outstanding, prepetition claim, and should be reduced to the amount set forth in the column entitled "Modified Claim." The Reviewing Parties believe that such "Modified Claim" amount represents the appropriate amount for the Satisfied Proofs of Claim (collectively, the "Corrected Partially Satisfied Claims") as reflected in the Wind-Down Debtors' books and records. Failure to modify the Partially Satisfied Claims could result in a greater than 100% recovery on account of the Partially Satisfied Claims. Therefore, the Wind-Down Debtor requests that the Court enter an order reducing the Partially Satisfied Claims identified on **Schedule 4** to the Order to the amounts set forth in the column entitled "Modified Claim."

31. This Objection does not seek to allow the Corrected Partially Satisfied Claims identified on **Schedule 4** to the Order, and the Wind-Down Debtor and/or GUC Trustee, as applicable, reserve the right to object to the Corrected Partially Satisfied Claims on any applicable grounds.

Reservation of Rights

32. This Objection is limited to the grounds stated herein. It is without prejudice to the rights of the Wind-Down Debtor or any other party with standing to object to any claim—including by the GUC Trustee, as defined in the Plan—to further object to any claim, including the Remaining Amended Claims, Corrected Reclassified Claims, Remaining Duplicate Claim, or Corrected Partially Satisfied Claims (collectively, the “Surviving Claims”), on any grounds whatsoever. **The unsecured amounts listed on Schedules 1–4, whether they are modified or not, shall not be deemed Allowed as a result of the relief requested in the Objection. Notwithstanding this Objection or any order entered thereon, or any attachments or schedules thereto, all General Unsecured Claims in these cases remain subject to further review and objection by the GUC Trustee in every respect.**

33. The Wind-Down Debtor expressly reserves all further substantive or procedural objections. Nothing contained herein or any actions taken pursuant to such relief is intended or should be construed as: (a) an admission as to the validity of any claim against a Debtor or Debtor entity, including the Surviving Claims; (b) a waiver of the Wind-Down Debtor’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Objection or any order granting the relief requested by this Objection; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Wind-Down Debtor’s rights under the Bankruptcy Code or any other applicable law.

Separate Contested Matter

34. To the extent that a response is filed regarding any Objected Claim and the Wind-Down Debtor is unable to resolve any such response, each such Objected Claim, and the

Objection as it pertains to such Objected Claim, will constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Further, the Wind-Down Debtor requests that any order entered by the Court regarding an objection or other reply asserted in response to this Objection be deemed a separate order with respect to each proof of claim.

Notice

35. The Wind-Down Debtor will provide notice of this Objection to: (a) the United States Trustee for the Southern District of Texas; (b) counsel to the GUC Trustee; (c) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (d) the affected claimants (and their counsel, where available). In light of the nature of the relief requested, no other or further notice need be given.

The Wind-Down Debtors request that the Court enter the Order granting the relief requested herein and such other and further relief as is just and equitable.

Houston, Texas

Dated: February 28, 2025

/s/ Veronica A. Polnick

JACKSON WALKER LLP

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Counsel to the Wind-Down Debtor

Certificate of Service

I hereby certify that on February 28, 2025, a true and correct copy of the foregoing Objection was served via the Court's Electronic Case Filing system for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Veronica A. Polnick

Veronica A. Polnick

Exhibit A

Edwards Declaration

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

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)
)	

**DECLARATION OF SUSANNE EDWARDS IN SUPPORT OF THE WIND-DOWN
DEBTOR'S SEVENTH OMNIBUS OBJECTION TO CERTAIN PROOFS OF
CLAIM (AMENDED CLAIMS, RECLASSIFIED CLAIMS, DUPLICATE CLAIM, AND
PARTIALLY SATISFIED CLAIMS)**

I, Susanne Edwards, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I was an Assistant Vice President of Finance for Debtor IEH Auto Parts, LLC prior to the Debtors' wind down pursuant to these chapter 11 cases. I have been retained by the Wind-Down Debtor to assist with the claims reconciliation process. I have more than 25 years of experience as a certified public accountant.

2. In my role as Assistant Vice President of Finance, I became familiar with the Debtors' day-to-day operations, financing arrangements, business affairs, and accounting software that reflects, among other things, the Debtors' liabilities. I have read the *Wind-Down Debtor's Seventh Omnibus Objection to Certain Proofs of Claim (Amended Claims, Reclassified Claims,*

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Duplicate Claim, and Partially Satisfied Claims) (the “Objection”)² and I have reviewed the related schedules.

3. I believe that the assertions made in the Objection are accurate. In evaluating the Objected Claims, the Reviewing Parties reviewed the Wind-Down Debtors’ books and records and the relevant proofs of claim, as well as the supporting documentation provided by each claimant, and determined that each Objected Claim should be disallowed or modified. As such, I believe that the disallowance or modification of the Objected Claims on the terms set forth in the Objection is appropriate.

I. Amended Claims

4. Each Amended Claim was amended and replaced by the proof of claim identified in the row titled “Remaining Claims” identified on Schedule 1 to the Order. I do not believe that the Wind-Down Debtor, the Debtors, or their estates are liable for both the Amended Claims and the Remaining Amended Claims. I believe that disallowing the Amended Claims will prevent those claimants from receiving multiple recoveries on a single claim. I believe that the disallowance of the Amended Claims on the terms set forth in the Objection and in Schedule 1 is appropriate.

II. Reclassified Claims

5. Each Reclassified Claim listed on Schedule 2 to the Order does not accurately reflect the correct classification or priority under the Bankruptcy Code and the Wind-Down Debtor does not believe it is liable for the Reclassified Claims as currently filed. I do not believe that the Reclassified Claims are entitled to the asserted classification or priority as detailed in the Objection and the column “Reason for Modification” on Schedule 2 to the Order.

² Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Objection.

6. The Reclassified Claims should be modified and reclassified as set forth in the “Modified Claim” column on **Schedule 2**. As such, I believe that the reclassification of each Reclassified Claim on the terms set forth in the Objection and **Schedule 2** is appropriate.

III. Duplicate Claim

7. The Duplicative Claim substantively duplicates another proof of claim identified as the “Remaining Claim” on **Schedule 3** to the Order, filed on behalf of the same claimant with respect to the same liabilities. I believe that the disallowance of the Duplicate Claim on the terms set forth in the Objection and **Schedule 3** to the Order is appropriate as the claimant that filed the Duplicative Claim is not entitled to payment on both claims.

IV. Partially Satisfied Claims

8. To the best of my knowledge, information, and belief, the Reviewing Parties determined that the Partially Satisfied Claims listed on **Schedule 4** to the Order was partially paid during these chapter 11 cases in accordance with the Bankruptcy Code, any applicable rules, a Court order, or in the ordinary course of business on the date and in the manner set forth on **Schedule 4**. Failure to reduce the Partially Satisfied Claims could result in a greater than 100% recovery on account of the Partially Satisfied Claims. As such, I believe that the reduction of the Partially Satisfied Claims on the terms set forth in the Objection and **Schedule 4** is appropriate.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information and believe as of the date hereof.

Dated: February 28, 2025

/s/ Susanne Edwards
Susanne Edwards

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

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)
	)	Re: Docket No. ____

**ORDER SUSTAINING THE WIND DOWN DEBTOR'S
SEVENTH OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM
(AMENDED CLAIMS, RECLASSIFIED CLAIMS, DUPLICATE CLAIM, AND
PARTIALLY SATISFIED CLAIMS)**

Upon the objection (the "Objection")² of the above-captioned Wind-Down Debtors, seeking entry of an order (the "Order") sustaining the *Wind-Down Debtor's Seventh Omnibus Objection to Certain Proofs of Claim (Amended Claims, Reclassified Claims, Duplicate Claim, and Partially Satisfied Claims)*, all as more fully set forth in the Objection; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and this Objection in this district is permissible pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Objection is in the best interests of the Wind-Down Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Wind-Down Debtors' notice of the Objection and opportunity for

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² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Objection.

a hearing on the Objection were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Objection; and this Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; 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. Each Amended Claim identified in the “Claims to be Disallowed” row on **Schedule 1** attached to this Order is disallowed; *provided* that this Order will not affect the Remaining Amended Claims identified on **Schedule 1** attached hereto.

2. Each Reclassified Claim identified on **Schedule 2** attached to this Order is modified and reclassified to the extent provided in the column titled “Modified Claim” on the **Schedule 2** attached hereto; *provided* that this Order does not Allow the Corrected Reclassified Claims identified on **Schedule 2**.

3. Each Duplicate Claim identified on **Schedule 3** attached to this Order is disallowed in its entirety and replaced by the applicable “Remaining Claim” identified on **Schedule 3**; *provided* that nothing herein affects the Remaining Duplicate Claim identified on **Schedule 3**.

4. Each Partially Satisfied Claim identified on **Schedule 4** attached to this Order is reduced to reflect the amount set forth in the column titled “Modified Claim” to the extent set forth on **Schedule 4** attached hereto; *provided* that this Order does not Allow the Corrected Partially Satisfied Claims.

5. Nothing in this Order affects the Wind-Down Debtor’s and/or GUC Trustee’s rights to object to any Surviving Claim on any applicable grounds.

6. Verita Global, as claims, noticing, and solicitation agent, is authorized and directed to update the claims register maintained in these chapter 11 cases to reflect the relief granted in this Order.

7. To the extent a response is filed regarding any Objected Claim, each such Objected Claim, and the Objection as it pertains to such Objected Claim, will constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. This Order will be deemed a separate order with respect to each Objected Claim.

8. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any claim, including the Surviving Claims, against a Debtor entity; (b) a waiver of the Wind-Down Debtor's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Objection or any order granting the relief requested by this Objection; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Wind-Down Debtor's rights under the Bankruptcy Code or any other applicable law.

9. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall prejudice to the rights of the Wind-Down Debtor or the GUC Trustee, as defined in the Plan, to object to any claim, including the Surviving Claims, on any grounds whatsoever. The Wind-Down Debtor specifically and expressly reserves for all purposes the GUC Trustee's right and ability to object to any and all general unsecured claims notwithstanding the relief granted in this Order, whether such claims are reclassified or otherwise modified under this Order, and this Order does not in any manner whatsoever inhibit, modify or otherwise limit the GUC Trustee's right to object to any general unsecured claim for any reason

whatsoever, including without limitation to hereafter object to a general unsecured claim to the extent (i) such claim should properly be classified as an administrative claim pursuant to Section 503(b)(9) or otherwise and (ii) such claim is reclassified from a Section 503(b)(9) claim to a general unsecured claim pursuant to this Order. The Wind-Down Debtor's and/or Plan Agent's beliefs and allegations with respect to any claims affected by the Objection or this Order, whether general unsecured claims or otherwise, shall not be binding on or otherwise prejudice the Plan Agent in any respect, irrespective of whether the GUC Trustee challenged those beliefs or allegations as set forth in the Objection.

10. The Wind-Down Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Objection.

11. This Order is immediately effective and enforceable upon its entry.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2025

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Amended Claims

Admin: \$ -

Auto Plus Auto Sales LLC

7th Omnibus Objection - Amended Claims

Basis for Objection: See Paragraph 17

Name	Date Filed	Case Number / Debtor	Claim #	Claimed Amounts
Claim to be Disallowed				
City of Fredericksburg, Virginia	2/27/2023	IEH Auto Parts Holding LLC 23-90054		Secured: \$ - Admin: \$ -
PO Box 267 Fredericksburg, VA 22404			71	Priority: \$ 168.76 Unsecured: <u>15.46</u> Total: \$ 184.22
Remaining Claim				
City of Fredericksburg, Virginia	6/20/2023	IEH Auto Parts Holding LLC 23-90054		Secured: \$ - Admin: \$ -
PO Box 267 Fredericksburg, VA 22404			652	Priority: \$ 1,273.10 Unsecured: \$ - Total: \$ 1,273.10
Claim to be Disallowed				
Department of Treasury - Internal Revenue Service	3/9/2023	IEH Auto Parts LLC 23-90057		Secured: - Admin: -
P.O. Box 7346 Philadelphia, PA 19101-7346			111	Priority: 140,760.95 Unsecured: - Total: \$ 140,760.95
Remaining Claim				
Department of Treasury - Internal Revenue Service	9/24/2024	IEH Auto Parts LLC 23-90057		Secured: \$ - Admin: \$ -
P.O. Box 7346 Philadelphia, PA 19101-7346			767	Priority: \$ 22,000.00 Unsecured: \$ - Total: \$ 22,000.00
Claim to be Disallowed				
Massachusetts Department of Revenue	6/15/2023	IEH Auto Parts LLC 23-90057		Secured: \$ - Admin: \$ -
P.O. Box 7090 Boston, MA 02204-7090			663	Priority: 607,394.21 Unsecured: <u>121,478.84</u> Total: \$ 728,873.05
Remaining Claim				
Massachusetts Department of Revenue	7/17/2023	IEH Auto Parts LLC 23-90057		Secured: \$ - Admin: \$ -
P.O. Box 7090 Boston, MA 02204-7090			692	Priority: \$ 1,491,578.45 Unsecured: \$ - Total: \$ 1,491,578.45
Claim to be Disallowed				
Massachusetts Department of Revenue	7/17/2023	IEH Auto Parts LLC 23-90057		Secured: - Admin: -
P.O. Box 7090 Boston, MA 02204-7090			692	Priority: 1,491,578.45 Unsecured: <u>264,650.33</u> Total: \$ 1,756,228.78
Claim to be Disallowed				
Massachusetts Department of Revenue	11/28/2023	IEH Auto Parts LLC 23-90057		Secured: \$ - Admin: \$ -
P.O. Box 7090 Boston, MA 02204-7090			750	Priority: \$ 1,340,762.47 Unsecured: <u>\$ 248,942.86</u> Total: \$ 1,589,705.33
Remaining Claim				
Massachusetts Department of Revenue	6/6/2024	IEH Auto Parts LLC 23-90057		Secured: \$ - Admin: \$ -
P.O. Box 7090 Boston, MA 02204-7090			765	Priority: \$ 1,005,326.37 Unsecured: <u>\$ 174,204.29</u> Total: \$ 1,179,530.66
Claim to be Disallowed				
New York State Department of Taxation & Finance	2/21/2023	IEH BA LLC 23-90059		Secured: - Admin: -
PO Box 5300 Albany, NY 12205			50	Priority: 824.57 Unsecured: <u>7,000.00</u> Total: \$ 7,824.57

Auto Plus Auto Sales LLC

7th Omnibus Objection - Amended Claims

Basis for Objection: See Paragraph 17

Name	Date Filed	Case Number / Debtor	Claim #	Claimed Amounts
Remaining Claim				
New York State Department of Taxation & Finance PO Box 5300 Albany, NY 12205	4/3/2023	Acquisition Company New York L 23-90056	283	Secured: \$ - Admin: \$ - Priority: \$ 43,365.49 Unsecured: \$ 10,360.20 Total: \$ 53,725.69
Claim to be Disallowed				
State of New Jersey Division of Taxation Bankruptcy Section 3 John Fitch Way Trenton, NJ 08695-0245	4/26/2023	IEH Auto Parts Holding LLC 23-90054	457	Secured: - Admin: - Priority: 27,117.99 Unsecured: - Total: \$ 27,117.99
Claim to be Disallowed				
State of New Jersey Division of Taxation Bankruptcy Section 3 John Fitch Way Trenton, NJ 08695-0245	7/19/2023	IEH Auto Parts Holding LLC 23-90054	695	Secured: - Admin: - Priority: 25,000.00 Unsecured: - Total: \$ 25,000.00
Remaining Claim				
State of New Jersey Division of Taxation Bankruptcy Section 3 John Fitch Way Trenton, NJ 08695-0245	3/28/2024	IEH Auto Parts Holding LLC 23-90054	760	Secured: \$ - Admin: \$ - Priority: \$ 6,620.00 Unsecured: \$ - Total: \$ 6,620.00
Claim to be Disallowed				
State of New Jersey Division of Taxation Bankruptcy Section 3 John Fitch Way Trenton, NJ 08695-0245	4/26/2023	IEH Auto Parts LLC 23-90057	460	Secured: - Admin: - Priority: 68,330.14 Unsecured: - Total: \$ 68,330.14
Remaining Claim				
State of New Jersey Division of Taxation 3 John Fitch Way Trenton, NJ 08695-0245	5/16/2024	IEH Auto Parts LLC 23-90057	764	Secured: \$ - Admin: \$ - Priority: \$ 18,186.83 Unsecured: \$ - Total: \$ 18,186.83

Schedule 2

Reclassified Claims

Auto Plus Auto Sales LLC

7th Omnibus Objection - Reclassified Claims

Basis for Objection: See Paragraphs 18-25

Name	Date Filed	Case Number / Debtor	Claim #	Claim As Filed	Modified Claim	Reason for Modification
Allegiance Staffing 5726 Root Rd Spring, TX 77389	2/16/2023	IEH Auto Parts LLC 23-90057	29	Secured: \$ - Admin: - Priority: 44,862.89 Unsecured: 11,797.96 Total: \$ 56,660.85	Secured: \$ - Admin: - Priority: - Unsecured: 56,660.85 Total: \$ 56,660.85	Claim asserts an administrative priority for \$41,138.47 under 11 U.S.C. § 507(a)(4) (which grants priority for certain wages and benefits earned by an individual employee or independent contractor of the debtor) and \$3,724.42 under 11 U.S.C. § 507(a)(8) (which grants priority for claims of governmental units for certain taxes). However, the claim is for services of a staffing agency and the claimant is not an individual nor a government unit. Therefore, the claim is not eligible for priority treatment under either § 507(a)(4) or § 507(a)(8) and should be reclassified to a General Unsecured Claim.
Edward Stolarcyk, Mike Stolarcyk PO Box 736 Whitney Point, NY 12862	4/25/2023	IEH Auto Parts Holding LLC 23-90054	430	Secured: - Admin: - Priority: UNLIQUIDATED Unsecured: - Total: \$ -	Secured: \$ - Admin: - Priority: - Unsecured: UNLIQUIDATED Total: \$ -	Claim asserts an unliquidated administrative priority under 11 U.S.C. § 507(a)(7) (which grants priority for deposits toward purchase, lease, or rental of property or services for personal, family, or household use). However, the claim is related to a commercial lease and therefore does not qualify for priority under § 507(a)(7). Thus, this claim should be reclassified to a General Unsecured Claim.
J AND J BAUMHARDT AGGREGATES INC W3998 HWY 45 EDEN, WI 53019	3/22/2023	IEH Auto Parts LLC 23-90057	170	Secured: \$ - Admin: - Priority: 2,000.00 Unsecured: - Total: \$ 2,000.00	Secured: \$ - Admin: - Priority: - Unsecured: 2,000.00 Total: \$ 2,000.00	Claim asserts an administrative priority for \$2,000 under 11 U.S.C. § 507(a)(7) (which grants priority for deposits toward purchase, lease, or rental of property or services for personal, family, or household use). However, the claim is for snow plowing services provided by claimant in 2021-2022, which is not a deposit and does not qualify for priority under § 507(a)(7). Thus, this claim should be reclassified to a General Unsecured Claim.
Peerless Chain Company 1416 East Sanborn St. Winona, MN 55987	4/25/2023	IEH Auto Parts LLC 23-90057	442	Secured: \$ - Admin: 8,137.58 Priority: - Unsecured: 140,388.69 Total: \$ 148,526.27	Secured: \$ - Admin: - Priority: - Unsecured: 148,526.27 Total: \$ 148,526.27	Claim asserts an administrative priority for \$8,137.58 under 11 U.S.C. § 507(a)(2) (which grants priority for administrative expense claims allowed under 11 U.S.C. § 503(b)). The invoices attached to the proof of claim are for goods that were received more than 20 days prior to the Petition Date and therefore not allowed as an administrative claim under 503(b)(9). The Wind-Down Debtor does not believe this claim qualifies under any other subsection of 503(b), as the invoices are all prepetition and relate to goods sold to the Debtors. Therefore, the claim is not eligible for administrative priority under § 507(a)(2).
Town and Country Building Services PO Box 7067 Lees Summit, MO 64064	3/15/2023	IEH Auto Parts Holding LLC 23-90054	122	Secured: \$ - Admin: \$ - Priority: \$ 950.00 Unsecured: - Total: \$ 950.00	Secured: \$ - Admin: - Priority: - Unsecured: 950.00 Total: \$ 950.00	Claim asserts an administrative priority for \$950 under 11 U.S.C. § 507(a)(4) (which grants priority for certain wages and benefits earned by an individual employee or independent contractor of the debtor). However, the claim is for janitorial services rendered by a third party. Therefore, the claim is not eligible for priority treatment under § 507(a)(4) and should be reclassified to a General Unsecured Claim.

Schedule 3

Duplicate Claim

Auto Plus Auto Sales LLC

7th Omnibus Objection - Duplicate Claim
 Basis for Objection: See Paragraphs 26-28

Name	Date Filed	Case Number / Debtor	Disallowed	Claim As Filed		Remaining Claim	Remaining Claim	
			Claim #			#		
Stacy Heins	3/17/2023	IEH Auto Parts Holding LLC 23-90054		Secured:	-		Secured:	-
				Admin:	-		Admin:	-
			140	Priority:	1,258.71	213	Priority:	1,258.71
				Unsecured:	-		Unsecured:	-
				Total:	\$ 1,258.71		Total:	\$ 1,258.71

Schedule 4

Partially Satisfied Claims

Auto Plus Auto Sales LLC

Omnibus 7 - Partially Satisfied Claims

Basis for Objection: See Paragraphs 29-31

Name	Date Filed	Case Number / Debtor	Claim #	Claim As Filed	Modified Claim	Reason for Modification
Charles Rigby ██████████ ██████████	2/27/2023	IEH Auto Parts Holding LLC 23-90054	68	Secured: \$ - Admin: - Priority: 15,150.00 Unsecured: 56,983.00 Total: \$ 72,133.00	Secured: \$ - Admin: - Priority: - Unsecured: 56,983.00 Total: \$ 56,983.00	Claimant was terminated prepetition and was entitled to \$72,133.00 of severance, of which \$15,150 was entitled to priority. The claimant previously received a payment on account of their severance in the amount of \$5,961.54. The the Wind-Down Debtor is paying the the difference of \$9,188.46 contemporaneously with the filing of this objection satisfying the priority amount of this claim. The Wind-Down Debtor requests that the priority amount be reduced to \$0.
Garrison, Ephraim S ██████████ ██████████	5/2/2023	Auto Plus Auto Sales LLC 23-90055	608	Secured: \$ - Admin: - Priority: 15,150.00 Unsecured: 57,879.00 Total: \$ 73,029.00	Secured: \$ - Admin: - Priority: - Unsecured: 57,879.00 Total: \$ 57,879.00	Claimant was terminated postpetition and was entitled to \$70,092.60 in severance payments. The claimant previously received a payment on account of their severance in the amount of \$64,370.75. The the Wind-Down Debtor is paying the the difference of \$5,721.85 contemporaneously with the filing of this objection satisfying the priority amount of this claim. The Wind-Down Debtor requests that the priority amount be reduced to \$0.
Insight Global, LLC PO Box 11569 Atlanta, GA 30355	3/27/2023	Auto Plus Auto Sales LLC 23-90055	249	Secured: \$ - Admin: - Priority: 13,470.75 Unsecured: 52,776.79 Total: \$ 66,247.54	Secured: \$ - Admin: - Priority: 3,906.34 Unsecured: 52,776.79 Total: \$ 56,683.13	The Debtors paid \$9,564.41 via ACH to claimant on April 6, 2023 in the ordinary course of business. As such, the Wind-Down Debtor believes the administrative priority amount should be reduced to reflect such payment.
Jason R. Warner ██████████ ██████████	5/5/2023	IEH Auto Parts Holding LLC 23-90054	616	Secured: \$ - Admin: - Priority: 15,150.00 Unsecured: 1,785.41 Total: \$ 16,935.41	Secured: \$ - Admin: - Priority: - Unsecured: 1,785.41 Total: \$ 1,785.41	Claimant was terminated postpetition and was entitled to \$30,060.00 in severance payments. The claimant previously received a payment on account of their severance in the amount of \$26,052.00. The the Wind-Down Debtor is paying the the difference of \$4,008.00 contemporaneously with the filing of this objection satisfying the priority amount of this claim. The Wind-Down Debtor requests that the priority amount be reduced to \$0.
Life Insurance Company of North America 51 Madison Avenue New York, NY 10010	4/26/2023	IEH Auto Parts LLC 23-90057	471	Secured: \$ - Admin: 196,272.35 Priority: 111,644.00 Unsecured: 123,120.60 Total: \$ 431,036.95	Secured: \$ - Admin: - Priority: - Unsecured: 123,120.60 Total: \$ 123,120.60	This proof of claim has been satisfied through various payments in 2023 and 2024, with final payment being made in March of 2024. The Reviewing Parties reached out to claimant's counsel who confirmed all administrative and priority claims have been paid.
Rhode Island Division of Taxation 1 Capitol Hill Providence, RI 02908	7/3/2023	IEH Auto Parts LLC 23-90057	673	Secured: \$ - Admin: - Priority: 3,119.35 Unsecured: 700.00 Total: \$ 3,819.35	Secured: \$ - Admin: - Priority: - Unsecured: 700.00 Total: \$ 700.00	The filed claim is an estimated amount. The actual tax liability is \$3,796 based on correspondence with the taxing authority. The actual tax liability was paid prior to the Petition Date. As such, the priority amount should be reduced to \$0.
State of Florida - Department of Revenue PO Box 6668 Tallahassee, FL 32314	2/21/2023	IEH Auto Parts LLC 23-90057	34	Secured: \$ - Admin: - Priority: 3,433,049.37 Unsecured: 631,482.00 Total: \$ 4,064,531.37	Secured: \$ - Admin: - Priority: - Unsecured: 631,482.00 Total: \$ 631,482.00	The filed claim is an estimated amount. The actual tax liability is \$1,207,061.74 based on correspondence with the taxing authority. The Debtors paid \$1,207,061.74 on 3/30/2023 in accordance with the Tax Order. As such, the priority amount should be reduced to \$0.