

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

In re:

AUTO PLUS AUTO SALES LLC,¹

Wind-Down Debtors.

Chapter 11

Case No. 23-90055 (CML)²

(Formerly Jointly Administered under
Lead Case IEH Auto Parts Holding LLC,
Case No. 23-90054)

**STIPULATION AND AGREED ORDER BETWEEN THE WIND-DOWN DEBTORS
AND INTERSTATE BATTERIES, INC.**

The above-captioned wind-down debtors (collectively, the “Debtors”) and Interstate Batteries, Inc., (“Interstate Batteries,” and together with the Debtors, the “Parties,” and each, a “Party”), enter into this stipulation (“Stipulation”) and consent to entry of the agreed order below (“Order”), as follows:

BACKGROUND

1. 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.
2. Interstate Batteries and one or more of the Debtors are party to certain vendor agreements, pursuant to which Interstate Batteries sold certain goods to one or more of the Debtors.
3. An Official Committee of Unsecured Creditors (the “Committee”) was formed in the Debtors’ chapter 11 cases. Interstate Batteries served as one of the creditors on the Committee.

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.kcellc.net/autoplus>.

² On January 16, 2024, the Court entered a *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 23-90054, Docket No. 1043] closing each Debtor’s chapter 11 case except the case of Auto Plus Auto Sales LLC. The Wind-Down Debtor’s service address is 5330 Caramel Crest Lane, Charlotte, NC 28226.



4. To resolve disputes between the Debtors, American Entertainment Properties Corp, The Pep Boys-Manny, Moe & Jack Holding Corp., the Committee, and collectively the members of the Committee (the “Committee Members”), the Debtors reached a comprehensive settlement (the “Plan Settlement”) with AEP, the Committee and the Committee Members. On May 2, 2023, the Court entered an Order approving the Plan Settlement under Bankruptcy Rule 9019 [Docket. No. 469] (the “9019 Order”). The 9019 Order is attached as Exhibit B to the Plan (defined below), and the 9019 Order and the Plan Settlement are incorporated by reference into the Plan. *See Plan* at 5, Art. I.A.3.

5. 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] confirming the Debtors’ *Combined Plan and Disclosure Statement* attached thereto as Exhibit A (the “Plan”) [Docket No. 738].³

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

7. On April 24, 2023, Interstate Batteries filed Proof of Claim No. 422 (the “Claim”), \$514,337.30 of which was asserted as a § 503(b)(9) administrative priority claim (the “503(b)(9) Claim”) for goods provided to one or more of the Debtors in the ordinary course of business in the twenty-day period preceding the Petition Date.⁴

³ Capitalized terms not defined herein shall have the meanings provided in the Plan unless otherwise noted.

⁴ Interstate Batteries also asserted a general unsecured portion of its Claim (the “GUC Claim”). For purposes of clarity, this Stipulation resolves only the portion of the Claim asserted as an administrative expense claim under 11 U.S.C. § 503(b)(9).

8. The Debtors have asserted that Interstate Batteries owes funds to the Debtor on account of vendor support funds and other unapplied cash which should be set off against the 503(b)(9) Claim (the “Setoff”).

9. Upon a reconciliation of the 503(b)(9) Claim, and arms’ length, good faith negotiations, the Debtors and Interstate Batteries have agreed to fully and finally compromise and settle the 503(b)(9) Claim to avoid further litigation and intend for this Stipulation to dispose of the entirety of the 503(b)(9) Claim, with the remainder of the 503(b)(9) Claim to be disallowed in full.

10. The GUC Claim is subject to the terms of the Plan Settlement and the Plan and shall remain unaffected by this Stipulation. Interstate Batteries and the GUC Trustee reserve all rights under the Plan or the Plan Settlement with respect to the GUC Claim, and nothing contained in this Stipulation shall impair or otherwise affect any rights of Interstate Batteries or the GUC Trustee under the Plan or the Plan Settlement.

11. Further, the Debtors agree that Interstate Batteries retains the remaining balance of the deposit that is on file with Interstate Batteries and by entering into this Stipulation, Interstate Batteries does not waive its entitlement to the full amount of the deposit.

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. Interstate Batteries has an allowed administrative expense claim pursuant to section 503(b)(9) in the amount of \$150,000.00 (the “Allowed 503(b)(9) Claim”). For the avoidance of doubt, the portion of the Claim allowed administrative priority treatment in this case is capped at \$150,000.00.

3. The remainder of the 503(b)(9) Claim, that is the 503(b)(9) Claim less the Allowed 503(b)(9) Claim, totaling \$364,337.30 shall be disallowed in full.

4. The Claims and Noticing Agent is authorized and directed to update the Claims Register to reflect the changes to the Claim set forth herein.

5. The Debtors shall pay the full amount of the Allowed 503(b)(9) Claim to Interstate Batteries as soon as practicable within fourteen (14) 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 503(b)(9) Claim and the Setoff.

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

7. The Stipulation and this Order are 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).

8. The Stipulation and this Order constitute the entire agreement between the Parties with respect to the 503(b)(9) Claim and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

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

IT IS SO ORDERED.

Dated: _____

Christopher M. Lopez
United States Bankruptcy Judge

AGREED TO ON JUNE 3, 2025 BY:

/s/ Zachary McKay

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