

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,
THE AUTO PARTS GUC TRUST, AND CONTINENTAL BATTERY COMPANY**

The above-captioned wind-down debtors (collectively, the “Debtors”), Michael D. Warner, solely in his capacity as trustee (the “GUC Trustee”) of the Auto Parts GUC Trust (the “GUC Trust”), and Continental Battery Company, (“Continental,” and together with the Debtors and the GUC Trust, the “Parties,” and each, a “Party”), enter into this stipulation (“Stipulation”) and consent to entry of the agreed order below (“Order”), as follows:

RECITALS

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

B. Continental and one or more of the Debtors were party to certain vendor agreements, pursuant to which Continental sold certain goods to one or more of the Debtors.

C. On June 16, 2023, the Court entered its *Order* [Case No. 23-90054, Dkt. No. 749] confirming the *Third Amended Combined Disclosure Statement and Joint Plan of Liquidation of*

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>.

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.

IEH Auto Parts Holding LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the “Plan”) [Case No. 23-90054, Dkt. No. 738].³

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

E. On April 20, 2023, Continental filed Proof of Claim No. 411 (“Claim No. 411”) in the total amount of \$5,493,043.45, of which (i) \$1,989,433.00 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, and (ii) \$3,503,610.45 was asserted as a non-priority general unsecured claim (the “GUC Claim”). Continental has since asserted that its claim as reflected in Claim No. 411 should have been filed as a 503(b)(9) Claim in the amount of \$496,441.25 and a GUC Claim in the amount of \$4,996,602.20.

F. The Debtors have asserted that, as of the Petition Date, Continental owes the Debtors no less than \$794,447 on account of vendor support funds which should be set off against the 503(b)(9) Claim (the “VSF Setoff”). The Debtors have further asserted that Continental is liable pursuant to certain causes of action (the “Causes of Action”) related to the Debtors’ allegation that Continental collected certain funds from third parties totaling at least \$142,518 that were owed to and should have been paid to the Debtors.

G. The GUC Trustee disputes the amount of Continental’s GUC Claim asserted in Claim No. 411.

H. The Parties have engaged in arms’ length, good faith negotiations and, in order to avoid further litigation, the Parties have agreed to fully and finally compromise and settle Continental’s 503(b)(9) Claim and GUC Claim on the terms set forth herein.

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

NOW, THEREFORE, THE PARTIES HEREBY STIPULATE AND AGREE, AND UPON APPROVAL AND ENTRY OF THIS STIPULATION BY THE BANKRUPTCY COURT, IT IS HEREBY ORDERED AS FOLLOWS:

1. The above recitals are fully incorporated into and made part of this Stipulation and Order.

2. The Parties' Stipulation is approved on the terms set forth herein.

3. Claim No. 411 filed by Continental shall be allowed as an administrative expense claim pursuant to § 503(b)(9) of the Bankruptcy Code in the reduced amount of \$42,000.00 (the "Allowed 503(b)(9) Claim"). For the avoidance of doubt, the portion of Claim No. 411 that is allowed administrative priority treatment in this case is capped at \$42,000.00.

4. Claim No. 411 filed by Continental shall be allowed as a non-priority general unsecured claim in the reduced amount of \$1,200,000.00 (the "Allowed GUC Claim", and collectively with the Allowed 503(b)(9) Claim, the "Allowed Claim"). For the avoidance of doubt, the portion of Claim No. 411 that is entitled to treatment as a Class 2 General Unsecured Claim is hereby capped at \$1,200,000.00. Continental's Allowed GUC Claim shall be treated as a Class 2 General Unsecured Claim and paid in accordance with the terms of the Plan.

5. Any claims of Continental and/or its affiliates (as defined in section 101(2) of the Bankruptcy Code, "Affiliates") listed on the Debtors' Schedules of Assets and Liabilities [Case No. 23-90054, Dkt. Nos. 292-304] (as each may have been amended) are hereby disallowed in their entirety and shall be expunged from the Claims Register.

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

7. The Debtors shall pay the full amount of the Allowed 503(b)(9) Claim to Continental 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.

8. Other than the Allowed Claim, Continental and its Affiliates shall not file or assert any further Claims against the Debtors, the Wind-Down Debtors, the Debtors' bankruptcy estates, or the GUC Trust. Continental represents and warrants that: (a) it has authority to bind its Affiliates; (b) Claim No. 411, as settled in the Allowed Claim, is the only Claim Continental holds or asserts against the Debtors, the Wind-Down Debtors, the Debtors' bankruptcy estates, or the GUC Trust; (c) Continental has not transferred or assigned Claim No. 411 to any third party; and (c) none of Continental's Affiliates hold any Claim against the Debtors, the Wind-Down Debtors, the Debtors' bankruptcy estates, or the GUC Trust.

9. Upon entry of an order approving this Stipulation, including the Allowed Claim, and after arms' length, good faith negotiations, the Parties have agreed to fully and finally compromise and settle Claim No. 411, VSF Setoff, and Causes of Action together with all other claims or actions (the "Settled Matters") that (1) Continental may hold against the Debtors, the GUC Trust, Wind-Down Debtors, and the Debtors' bankruptcy estates and (2) the Debtors, the GUC Trust, Wind-Down Debtors, and the Debtors' bankruptcy estates may hold against Continental. For the avoidance of doubt, the Parties intend for this Stipulation to dispose of the entirety of the Settled Matters.

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

11. This Stipulation and 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 under applicable law).

12. The Stipulation and this Order constitutes the entire agreement between the Parties with respect to Claim No. 411 and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

13. 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.

Signed: _____, 2026

Christopher Lopez
United States Bankruptcy Judge

AGREED AS TO FORM AND CONTENT:

Dated: January 8, 2026

/s/ Zachary McKay

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