

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

In re

WESCO AIRCRAFT HOLDINGS, INC.¹

Reorganized Debtor.

Case No. 23-90611 (MI)

Chapter 11

(Jointly Administered)

**REORGANIZED DEBTORS' OBJECTION TO
PROOF OF CLAIM #2069 FILED BY DEPARTMENT
OF TREASURY - INTERNAL REVENUE SERVICE**

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.

¹ The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.



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The above-captioned reorganized debtor (the “*Reorganized Debtor*”² or “*Incora*” and, together with its affiliated former debtors and their successors, as applicable, the “*Reorganized Debtors*”) respectfully state as follows.

RELIEF REQUESTED

1. By this objection (the “*Objection*”), Incora seeks entry of the proposed order (the “*Order*”), disallowing proof of claim number 2069 (the “*Amended Claim*”) filed by the Department of Treasury - Internal Revenue Service (the “*IRS*”).

2. The principal bases for this Objection are sections 105(a), 501(a), 502(a), and 502(b) of title 11 of the U.S. Code (the “*Bankruptcy Code*”), Rules 3001 and 3007 of the Federal Rules of Bankruptcy Procedures (the “*Bankruptcy Rules*”), and Rules 3007-1 and 9013-1 of the Bankruptcy Local Rules of the U.S. Bankruptcy Court for the Southern District of Texas (the “*Local Rules*”), and the Court’s *Order Approving Claim Objection and Settlement Procedures* [Dkt. No. 1354] (the “*Claims Procedures Order*”). This Objection is supported by the *Declaration of Christopher Kelly in Support of the Reorganized Debtors’ Objection to Proof of Claim #2069 Filed by Department of Treasury - Internal Revenue Service* (the “*Kelly Declaration*”), attached to this Objection as **Exhibit A**.

3. If the IRS files and properly serves a timely response to this Objection, Incora will request the Court to schedule a hearing on that response.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This Motion is a core proceeding under 28 U.S.C. § 157(b). Venue in the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² A detailed description of the now-Reorganized Debtors and their businesses is set forth in the *Declaration of Raymond Carney in Support of Chapter 11 Petitions and First Day Motions* (the “*First Day Declaration*”) [Dkt. No. 13], filed with the Debtors’ voluntary petitions for relief filed under title 11 of the United States Code (the “*Bankruptcy Code*”), on June 1, 2023 (the “*Petition Date*”).

BACKGROUND

5. On September 11, 2023, the Court entered the *Order (i) Setting Bar Dates for Filing Proofs of Claim, (ii) Approving the Form of Proofs of Claim and the Manner of Filing, (iii) Approving Notice of Bar Dates, and (iv) Granting Related Relief* [Dkt. No. 750], which established, among other things, that governmental entities may file a proof of claim against any of the Debtors for any prepetition claim, including claims for unpaid taxes, whether such claims arise from prepetition tax years or periods or prepetition transactions to which any of the Debtors were a party, so that it is actually received on or before November 28, 2023 (the “**Governmental Bar Date**”).

6. On January 4, 2024, the IRS filed proof of claim number 2058 (the “**Initial Claim**”), which asserted de minimis estimated liabilities in connection with corporate income taxes from the tax periods ending on January 31, 2021, and January 31, 2022, respectively. On January 23, 2024, the IRS filed the Amended Claim, which asserts no estimated liabilities, also in connection with corporate income taxes from the tax periods ending on January 31, 2021, and January 31, 2022, respectively.

7. On June 12, 2024, the Debtors objected to the Initial Claim in the *Debtors’ Third Omnibus Objection to Claims* [Dkt. No. 1818] on the grounds that it was amended by the Amended Claim. On July 22, 2024, the Initial Claim was disallowed in its entirety for all purposes in these chapter 11 cases pursuant to the *Order Sustaining the Debtors’ Third Omnibus Objection to Claims* [Dkt. No. 1933].

BASIS FOR RELIEF

8. Section 501(a) of the Bankruptcy Code provides, in pertinent part, that “[a] claim or interest, proof of which is filed under § 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502. Section 502(b)(9) provides that a court shall not allow a claim if “proof of such claim is not timely filed” *See* 11 U.S.C. § 502(b)(9). Section 502(b)(9)(A) provides that “a claim of a governmental unit shall be timely filed if it is filed before

180 days after the date of the order for relief or such later time as the Federal Rules of Bankruptcy Procedure may provide” *See* 11 U.S.C. § 502(b)(9)(A).

9. 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.*, 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). 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)).

10. As set forth herein and in the Kelly Declaration, the Reorganized Debtors and their advisors conducted a robust review of their accounting records, the claims register, the Initial Claim, and the Amended Claim and determined that both the Initial Claim and the Amended Claim were (i) subject to the Governmental Bar Date and (ii) filed after the Governmental Bar Date. Moreover, the Reorganized Debtors and their advisors understand that notice of the Governmental Bar Date was provided to the IRS at the address the IRS specified in connection with both the Initial Claim and Amended Claim, as set forth in the *Certificate of Service* [Dkt. No. 779] filed by the Reorganized Debtors’ claims and noticing agent. Indeed, that same address has been used to provide the IRS with notices throughout the case. It was first listed on the *Master Service List as of June 2, 2023* [Dkt. No. 146], which was filed the day after the Petition Date.

11. Accordingly, the Reorganized Debtors seek to disallow the Amended Claim in its entirety. Furthermore, recent communications with the IRS suggest that the IRS may wish to pursue certain additional claims in connection with pre-petition tax periods, including in connection with the tax periods ending on September 30, 2016, and September 30, 2019, respectively, none of which were fairly suggested by the Initial Claim or the Amended Claim.

Because both the Initial Claim and the Amended Claim were themselves untimely, there is no need for the Court to determine whether a future amendment properly relates back to a timely proof of claim. Instead, the Court should simply clarify in the Order that any further amendments to the Initial Claim or the Amended Claim will share the same untimeliness defect that ails the Initial Claim and the Amended Claim. For the avoidance of doubt, the Reorganized Debtors seek that any subsequent attempts to amend either the Amended Claim or the Initial Claim shall also be disallowed in their entirety, along with any proofs of claim filed by the IRS after the date any Order is entered, given that the Governmental Bar Date is long past.

RESERVATION OF RIGHTS

12. Incora reserves the right to modify, supplement, or amend this Objection as it pertains to any portion of the Initial Claim or the Amended Claim. Nothing in this Objection shall be understood as (a) an admission as to the validity of any claim against any of the Reorganized Debtors, (b) a waiver of the right of the Reorganized Debtors to dispute any claim against any of the Reorganized Debtors on any grounds whatsoever at a later date, (c) a promise by any of the Reorganized Debtors to pay any claim, or (d) a waiver of any rights of the Reorganized Debtors under the Bankruptcy Code or other applicable law.

NOTICE

13. Pursuant to Article XII.C of the *Further Modified Second Amended Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc.* [D.I. 2517] (the “*Plan*”),³ the Claims Procedures Order, and Rule 3007 of the Bankruptcy Rules, notice of this Objection will be provided (a) by filing on the Court’s Electronic Court Filing system, (b) by mail, to the Office of the U.S. Trustee, and (c) by email, to counsel to the General Unsecured Claims Observer, the First Lien Noteholder Group, and those parties that, following the Effective Date, have filed renewed requests for notices

³ Capitalized terms used but not defined in this Objection have the meanings ascribed to them in the Plan.

pursuant to Bankruptcy Rule 2002, and this Objection will be served on the IRS. The Reorganized Debtors respectfully submit that no further notice is required under the circumstances.

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Upon the foregoing Objection, the Reorganized Debtors respectfully request that the Court
(a) enter an order sustaining this Objection, substantially in the form attached to this Objection and
(b) grant such other relief as is just and proper.

Dated: April 4, 2025

Respectfully submitted,

/s/ Charles A. Beckham, Jr.

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Counsel to the Reorganized Debtor

CERTIFICATE OF SERVICE

I certify that, on April 4, 2025, a true and correct copy of the foregoing document was served through the Electronic Case Filing system of the United States Bankruptcy Court for the Southern District of Texas, and will be served as set forth in the Affidavit of Service to be filed by the Reorganized Debtors' noticing agent.

/s/ Charles A. Beckham, Jr.

Charles A. Beckham, Jr.

EXHIBIT A
TO THE REORGANIZED DEBTORS' OBJECTION
TO PROOF OF CLAIM #2069 FILED BY DEPARTMENT
OF TREASURY - INTERNAL REVENUE SERVICE

CHRISTOPHER KELLY DECLARATION

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

In re

WESCO AIRCRAFT HOLDINGS, INC.¹

Reorganized Debtor.

Case No. 23-90611 (MI)

Chapter 11

(Jointly Administered)

**DECLARATION OF CHRISTOPHER
KELLY IN SUPPORT OF THE REORGANIZED
DEBTOR'S OBJECTION TO PROOF OF
CLAIM #2069 FILED BY DEPARTMENT
OF TREASURY - INTERNAL REVENUE SERVICE**

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I, Christopher Kelly, make this declaration pursuant to 28 U.S.C. § 1746 and state as follows:

BACKGROUND

1. I am a Managing Director with Alvarez & Marsal North America, LLC (together with its wholly-owned subsidiaries and independent contractors and also with employees of its professional service provider affiliates, all of which are wholly-owned by its parent company and employees, “**A&M**”), a restructuring advisory services firm with multiple offices throughout the country. Since 1983, A&M has been a global provider of turnaround advisory services to companies in crisis or those in need of performance improvement in specific financial and operational areas. A&M’s debtor advisory services have encompassed a wide range of activities targeted at stabilizing and improving a company’s financial position, including developing and validating forecasts and business plans; monitoring and managing cash, cash flow, and supplier relationships; assessing and recommending cost reduction strategies; and designing and negotiating financial restructuring packages.

2. I received a Bachelor’s Degree in Commerce from the McIntire School of Commerce at the University of Virginia and a Masters of Business Administration from Columbia University. I have more than 17 years of restructuring experience. I specialize in the development, evaluation and execution of restructuring plans; cash flow forecasting and liquidity management; and operational performance improvement. I have assisted clients across a variety of industries, including financial services, government contracting, transportation and logistics, manufacturing, business services, and retail and apparel.

3. In addition to acting as the financial advisor to the Reorganized Debtors in these cases, some of my other most notable publicly disclosed restructuring assignments include Anna Holdings Inc. (Acosta), Arcapita Investments, Intelsat S.A., and Lehman Brothers Holdings Inc.

4. I am a senior member of the A&M team advising the Reorganized Debtors. I have worked closely with the Reorganized Debtors’ management and other professionals with respect to the Reorganized Debtors’ restructuring efforts, including assisting the Reorganized

Debtors in preparing cash flow projections, budgets, and other financial information. I am generally familiar with the Reorganized Debtors' day-to-day operations, financing arrangements, business affairs, and accounting records that reflect, among other things, the Reorganized Debtors' liabilities and the amount thereof owed to their creditors as of the Petition Date. I have read the *Reorganized Debtors' Objection to Proof of Claim #2069 Filed by Department of Treasury - Internal Revenue Service* (the "**Objection**"),² and exhibits attached thereto and I submit this declaration in support thereof.³

5. To the best of my knowledge, information, and belief, and after investigation and review, the assertions made in the Objection are accurate.

**CLAIM #2069 FILED BY DEPARTMENT
OF TREASURY - INTERNAL REVENUE SERVICE**

6. I do not believe the Reorganized Debtors are liable for the Amended Claim. Following a robust review of their accounting records, the claims register, the Initial Claim, and the Amended Claim, the Reorganized Debtors and their advisors determined that both the Initial Claim and the Amended Claim were (i) subject to the Governmental Bar Date and (ii) filed after the Governmental Bar Date. Moreover, to the best of my knowledge, the IRS was provided timely and adequate notice of the Governmental Bar Date.

7. For the foregoing reasons, I believe that disallowance of the Initial Claim and the Amended Claim is appropriate.

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

³ Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at A&M and are based on information provided by them.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: April 4, 2025

/s/ Christopher Kelly

Christopher Kelly

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

In re

WESCO AIRCRAFT HOLDINGS, INC.¹

Reorganized Debtor.

Case No. 23-90611 (MI)

Chapter 11

(Jointly Administered)

**ORDER SUSTAINING THE
REORGANIZED DEBTORS' OBJECTION TO
PROOF OF CLAIM #2069 FILED BY DEPARTMENT
OF TREASURY - INTERNAL REVENUE SERVICE**

¹ The captioned Reorganized Debtor is Incora Intermediate II LLC, the successor by merger to Wesco Aircraft Holdings, Inc. Its employer identification number is 33-2921953. Its principal office address and service address in this case is 2601 Meacham Blvd., Ste. 400, Fort Worth, TX 76137.

Upon the *Reorganized Debtors' Objection to Proof of Claim #2069 Filed by Department of Treasury - Internal Revenue Service* (the “**Objection**”);² and the Court having jurisdiction to decide the Objection and to enter this Order pursuant to 28 U.S.C. § 1334; and consideration of the Objection 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 Objection 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 Reorganized Debtors' estates; it is hereby **ORDERED** that:

1. The claim filed as proof of claim number 2069 (the “**Amended Claim**”) filed by the IRS, and any amendments thereto, is disallowed in its entirety for all purposes in these chapter 11 cases.

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

3. The Reorganized Debtors and their agents are authorized to take all steps necessary or appropriate to carry out this Order, which shall include an update of the claims register to reflect the relief granted by this Order.

4. Except as provided in this Order, nothing in this Order shall be deemed (a) a finding as to the validity of any claim against any of the Reorganized Debtors, (b) a waiver of the right of the Reorganized Debtors to dispute any claim against any of the Reorganized Debtors on any grounds whatsoever at a later date, (c) a requirement for any of the Reorganized Debtors to pay any claim, or (d) a waiver of any rights of the Reorganized Debtors under the Bankruptcy Code or other applicable law.

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

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

Dated: _____
Houston, Texas

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE