Docket #1168 Date Filed: 01/04/2024

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

In re:	Chapter 11
WESCO AIRCRAFT HOLDINGS, INC, et al.,	Case No. 23-90611 (MI)
Debtors[1]	(Jointly Administered)

RESERVATION OF RIGHTS OF UMB BANK, N.A., AS SUCCESSOR INDENTURE TRUSTEE FOR THE 8.5% NOTES DUE 2024 AND 9.0% NOTES DUE 2026, TO THE DEBTORS' MOTION FOR ENTRY OF AN ORDER APPROVING DISCLOSURE STATEMENT, APPROVING SOLICITATION AND VOTING PROCEDURES, APPROVING FORMS OF BALLOTS, SCHEDULING A CONFIRMATION HEARING, AND ESTABLISHING NOTICE AND OBJECTION PROCEDURES

[1]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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UMB Bank, N.A., as successor indenture trustee for the 2024 and 2026 Notes described more fully below (the "2024/2026 Notes Trustee") respectfully submits this statement and reservation of rights to the *"Debtors' Motion for Entry of an Order (I) Approving the Disclosure Statement, (II) Approving Solicitation and Voting Procedures, (III) Approving Forms of Ballots, (IV) Scheduling a Confirmation Hearing, and (V) Establishing Notice and Objection Procedures"* [Docket No. 964] (the "Disclosure Statement Motion") and the related *"Disclosure Statement for the Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc. et al."* [Docket No. 963] (the "Disclosure Statement") and *"Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc. et al."* [Docket No. 962] (the "Plan") as each has been and may be amended and modified.

BACKGROUND

The Debtors' obligations in these proceedings include more than $530 million in principal under 8.5% notes due 2024 and 9.0% notes due 2026 (collectively, the "2024 and 2026 Notes") together with interest. expenses and other related amounts. The 2024 and 2026 Notes were issued pursuant to Indentures dated as of November 27, 2019, as amended and supplemented, between Wolverine Escrow, LLC and The Bank of New York Mellon Trust Company, N.A. as original indenture trustee. A pending adversary proceeding involving the 2024 and 2026 Notes (among other obligations) under the caption *"Wesco Aircraft Holdings, Inc., et al. v. SSD Investments LTD, et al."* Adv. Pro. No. 23-03091 (the "Adversary Proceeding") has been and remains a major feature of these chapter 11 cases. The Adversary Proceeding involves a broad array of allegations surrounding the validity and effect of a March 2022 transaction on, among other obligations, the 2024 and 2026 Notes (the "2022 Transaction"). The 2024/2026 Notes Trustee was appointed as successor indenture trustee for the 2024 and 2026 Notes in September 2023, after these chapter 11 cases were filed.

RESERVATION OF RIGHTS

The Disclosure Statement Motion, Disclosure Statement and Plan suggest that the Debtors will attempt to use the plan confirmation process as a second front to resolve the Adversary Proceeding in the Debtors' favor as it relates to the 2024 and 2026 Notes. If the Plan is confirmed and then implemented on its present terms, the Plan terms state, for example and without limitation, that all claims based on the 2024 and 2026 Notes would be treated as general unsecured claims, the documents evidencing the 2024 and 2026 Notes would be generally cancelled, claims held by the Debtors and any "Releasing Parties" regarding the 2022 Transaction would be released, and a broad Plan injunction would enjoin parties from taking action "to interfere with the implementation or consummation of [the] Plan." *See* Plan Art. VIII.G. Given the contested and unresolved status of the 2022 Transaction in the Adversary Proceeding, the Debtors have "put the cart before the horse" with these and related Plan terms and while these are issues for confirmation, the 2024/2026 Notes Trustee notes and reserves all rights in relation to these matters. The 2024/2026 Notes Trustee has also raised concerns with the Debtors over apparent iniquities in how obligations to otherwise equally situated "Prepetition Agents" (as defined in the Plan), including rights to compensation and reimbursement, are handled under the Plan. The 2024/2026 Notes Trustee otherwise continues to analyze and review the Disclosure Statement and the Plan. The 2024/2026 Notes Trustee similarly reserves all rights in connection with confirmation of the Plan as to these additional matters.

The 2024/2026 Notes Trustee submits this Reservation of Rights without prejudice to, and with a full reservation of, (i) any positions asserted by holders of the 2024 and 2026 Notes, and (ii) all rights of the 2024/2026 Note Trustee to supplement or amend the foregoing in advance of, or in connection with, any hearing to approve the Disclosure Statement and/or confirmation of the Plan. Nothing herein is intended to be a waiver by the 2024/2026 Notes Trustee of any right,

objection, argument, claim, or defense with respect to any matter, including matters involving the Disclosure Statement and the Plan, all of which are hereby expressly reserved.

Dated: January 4, 2024

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY, AND POPEO, PC

/s/ Nathan F. Coco
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Counsel to UMB Bank, N.A., as successor indenture trustee

Certificate of Service

I certify that on January 4, 2024, I caused a copy of the foregoing document to be served via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas and upon those parties identified in the "*Notice of Rescheduled Hearing on Debtors' Motion for Entry of an Order (I) Approving the Disclosure Statement, (II) Approving Solicitation and Voting Procedures, (III) Approving Forms of Ballots, (IV) Scheduling a Confirmation Hearing, and (V) Establishing Notice and Objection Procedures*."

By: */s/ Nathan F. Coco*
Nathan F. Coco

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