Docket #1741 Date Filed: 05/08/2024

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

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

JOINT OBJECTION OF PRECISION ENTITIES TO DEBTORS' PROPOSED CURE CLAIM AMOUNT

Avibank Mfg., Inc., Avibank Services, LLC, SPS Technologies, LLC (d/b/a Cherry Aerospace), Designed Metal Connections, Inc. (d/b/a Permaswage USA), Fatigue Technology, Inc., SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom), SPS Technologies Limited, and SPS Technologies, LLC (Jenkintown) (together, the "Precision Entities"), by and through their undersigned counsel, hereby file this Objection (the "Objection") to the proposed cure amount provided in the *Modified First Amended Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc. et al.* [Docket No. 1223] (the "Plan"). In support of the Objection, the Precision Entities respectfully state as follows:

SUMMARY OF OBJECTION

1. In the Plan, the above-captioned debtors and debtors-in-possession (the "Debtors") incorrectly assert that the Allowed Cure Claim[2] for each Executory Contract is $0.00. Contrary to

[1] The Debtors operate under the trade name Incora and have previously used the trade names Wesco, Pattonair, Haas, and Adams Aviation. 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.

[2] Capitalized terms not defined in this Objection have the meanings given to such terms in the Plan.

the proposed cure amount provided for in the Plan, there are amounts outstanding that are owed to the Precision Entities by the Debtors, as fully demonstrated in **Exhibit A** attached hereto.

2. The outstanding amounts due under the Precision Entities' Executory Contracts must be cured.

3. Accordingly, by this Objection, the Precision Entities request that the Court establish that the total amount necessary to cure defaults under each Executory Contract is as provided for in **Exhibit A**.

BACKGROUND

4. On June 1, 2023 (the "Petition Date"), the Debtors each filed a voluntary petition for bankruptcy relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court").

5. On January 12, 2024, the Debtors filed the Plan.

6. With respect to its treatment of Executory Contracts, Article V.A of the Plan provides:

> Each Executory Contract . . . shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date, pursuant to section 365 of the Bankruptcy Code, unless such Executory Contract . . . (a) was previously assumed or rejected; (b) previously expired or was terminated pursuant to its own terms; (c) is the subject of a motion to reject, assume, or assume and assign filed on or before the Effective Date; or (d) is designated specifically as an Executory Contract . . . on the Schedule of Rejected Executory Contracts.

7. Concerning its treatment of Cure Claims, Article V.B.1 of the Plan provides:

> The Allowed Cure Claim for each Executory Contract and/or Unexpired Lease shall be $0.00, unless (a) the Debtors (with consent of the Required Consenting 1L Noteholders) affirmatively propose to Allow a Cure Claim for an Executory Contract and/or Unexpired Lease in a different amount by listing it on the Schedule of Assumed Executory Contracts and Unexpired Leases, (b) a Final Order is entered

> Allowing a Cure Claim in a different amount, or (c) the Debtors (with consent of the Required Consenting 1L Noteholders) or Reorganized Debtors, as applicable, otherwise agree with the applicable party or parties to an Executory Contract and/or Unexpired Lease to Allow a Cure Claim in a different amount.

8. According to Article V.B.1 of the Plan, all objections to any Cure Claim "must be filed with the Bankruptcy Court on or before the Confirmation Objection Deadline." However, the Plan further provides:

> [A]n objection seeking a Cure Claim for a default under an Executory Contract . . . that arises after the date of the otherwise applicable Cure Claim objection deadline (other than in respect of any asserted default arising as a result of Consummation of the Plan) may be filed at any time within 90 days after the Effective Date.

Plan, Article V.B.1.

9. Each Precision Entity is a counterparty to an Executory Contract with the Debtors.

10. As of this Objection's filing date, the Debtors have not filed a Schedule of Assumed Executory Contracts and Unexpired Leases. Accordingly, pursuant to the Plan, the proposed cure amount for the Precision Entities' Executory Contracts is $0.00.

11. On February 13, 2024, the Debtors filed their *First Omnibus Motion for Entry of an Order Authorizing and Approving Assumption and Assignment of Certain Purchase Orders to Gulfstream* (the "Assumption Motion") [Docket No. 1414]. The Assumption Motion sought entry of an order authorizing Incora to assume certain purchase orders and to assign them to Gulfstream Aerospace Corporation ("Gulfstream"), subject to each supplier's right to opt out of the assignment. Assumption Motion, ¶ 1. If a supplier opts out of the assignment, then that supplier's purchase orders will remain with Incora, and Incora will continue to receive the supplier's shipments and deliver goods onward to Gulfstream. Assumption Motion, ¶¶ 4, 13.

12. The following Precision Entities opted out of the assignment on March 4, 2024: Avibank Mfg., Inc., Designed Metal Connections, Inc. (d/b/a Permaswage USA), Fatigue

Technology, Inc., SPS Technologies, LLC (d/b/a Cherry Aerospace), SPS Technologies Limited, and SPS Technologies, LLC (Jenkintown).[3]

13. On March 6, 2024, the Court entered an *Order Authorizing and Approving Assumption and Assignment of Certain Purchase Orders to Gulfstream* (the "Assumption Order") [Docket No. 1506].

OBJECTION

14. The Bankruptcy Code generally authorizes a debtor, with bankruptcy court approval, to assume an executory contract. Section 365(a) provides, in relevant part, that "the trustee, subject to the court's approval, may assume or reject any executory contract." 11 U.S.C. § 365(a).

15. Section 365(b)(1)(A) and (B) of the Bankruptcy Code require a trustee or debtor to "cure" defaults as a condition to the assumption of an executory contract. *See* 11 U.S.C. § 365(b)(1)(A)-(B).

16. As the Fifth Circuit has declared, a debtor generally is required "to cure *all* defaults before it may assume a pre-petition executory contract." *Elec. Reliability Council of Tex., Inc. v. May (In re Tex. Commer. Energy)*, 607 F.3d 153, 160 (5th Cir. 2010) (emphasis added) (internal quotations omitted).

17. Article V.B.1 of the Plan provides that the Allowed Cure Claim for each Executory Contract is $0.00. However, as of the Confirmation Objection Deadline,[4] there are amounts outstanding with respect to the Precision Entity Executory Contracts listed in **Exhibit A** attached

[3] SPS Technologies, LLC (d/b/a Air Industries Company), SPS Technologies, LLC (d/b/a Shur-Lok Company), and SPS Technologies, LLC (Santa Ana) also opted out of the assignment.

[4] The Debtors granted the Precision Entities a three-business-day extension to object to Cure Claims. Accordingly, the Confirmation Objection Deadline with respect to this Objection is May 8, 2024.

hereto. The Table below provides a summary of amounts outstanding between each counterparty relationship.

Precision Entity Counterparty	Debtor Counterparty	Total Cure Amount (USD)
Avibank Mfg., Inc.	INCORA (FORMER WESCO AIRCRAFT HARDWARE CORP.)	$23,274.81
Avibank Services, LLC	INCORA	$73,261.83
Avibank Services, LLC	PATTONAIR USA INC. DBA INCORA	$1,875.00
Avibank Services, LLC	WESCO AIRCRAFT HARDWARE CORP. DBA INCORA	$1,096.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR DBA INCORA	$38,745.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR LTD (INCORA)	$30,535.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	$103,771.60
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	PATTONAIR USA INC. DBA INCORA	$4,529.04
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	$39,064.37
Fatigue Technology, Inc.	Incora – Wesco Aircraft Hardware Corp.	$119,774.27
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	$37,610.98
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR LIMITED	$8,416.79
SPS Technologies, LLC (Jenkintown)	Pattonair Derby	$2,600.00

SPS Technologies, LLC (Jenkintown)	Pattonair US	$32,097.89
SPS Technologies, LLC (Jenkintown)	Wesco	$1,457.00
SPS Technologies Limited	Pattonair (Derby) Ltd	$189,555.00
TOTAL:		**$707,664.58**

18. Those amounts are likely to increase or decrease after the date hereof based on the timing of when amounts invoiced fall due and whether the Debtors timely pay such amounts. The Debtors must cure all defaults that exist as of the Confirmation Objection Deadline.

RESERVATION OF RIGHTS

The Precision Entities reserve the right to amend or supplement this Objection, including (a) with respect to the Cure Claim amounts at any time prior to any assumption or assignment of the Executory Contracts, to assert additional non-monetary defaults, and (b) with respect to additional amounts as permitted under the Plan, to assert any further objections as they deem necessary or appropriate and as the evidence may allow at any hearing thereon.

CONCLUSION

WHEREFORE, the Precision Entities respectfully request that this Court enter an order (i) sustaining this Objection; (ii) establishing the total amount necessary to cure the defaults under the Executory Contracts as provided for in **Exhibit A**; and (iii) granting the Precision Entities such other relief as is appropriate.

Dated: May 8, 2024
Houston, Texas

Respectfully submitted,

REED SMITH LLP

/s/ Paul D. Moak

Paul D. Moak (Texas Bar No. 00794316)
1221 McKinney Street, Suite 2100
Houston, TX 77010
Telephone: (713) 469-3800
Facsimile: (713) 469-3899
E-mail: pmoak@reedsmith.com

Counsel for the Precision Entities

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of May, 2024, a true and correct copy of the foregoing *Joint Objection of Precision Entities to Debtors' Proposed Cure Claim Amount* was served electronically through the Court's ECF transmission facilities on all parties registered to receive ECF notice in the above-captioned chapter 11 cases.

/s/ Paul D. Moak
Paul D. Moak (Texas Bar No. 00794316)
REED SMITH LLP

EXHIBIT A

Outstanding Amounts of Precision Entity Executory Contracts

(Attached)

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
Avibank Mfg., Inc.	INCORA (FORMER WESCO AIRCRAFT HARDWARE CORP)	9230190	$6,116.31
Avibank Mfg., Inc.	INCORA (FORMER WESCO AIRCRAFT HARDWARE CORP)	9235145	$17,158.50
Avibank Services, LLC	INCORA	SI-66882	$3,810.00
Avibank Services, LLC	INCORA	SI-66884	$5,570.22
Avibank Services, LLC	INCORA	SI-67067	$49,006.89
Avibank Services, LLC	INCORA	SI-67068	$14,874.72
Avibank Services, LLC	PATTONAIR USA INC DBA INCORA	SI-66935	$1,875.00
Avibank Services, LLC	WESCO AIRCRAFT HARDWARE CORP DBA INCORA	SI-66990	$1,096.00

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR DBA INCORA	471862	$28,314.85
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR DBA INCORA	472086	$10,430.15
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR LTD (INCORA)	465320	$5,663.70
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR LTD (INCORA)	467975	$5,602.80
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR LTD (INCORA)	470651	$11,690.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	PATTONAIR LTD (INCORA)	471510	$7,578.50
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	1001841713334058	$19,275.66
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	100184171220WESC	$69,116.75

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	467227	$5,057.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	467304	$450.00
SPS Technologies, LLC (d/b/a Cherry Aerospace)	WESCO AIRCRAFT DBA INCORA	1001841732924ACH	$9,872.19
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	PATTONAIR USA INC. DBA INCORA	553293	$1,873.64
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	PATTONAIR USA INC. DBA INCORA	553294	$2,054.96
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	PATTONAIR USA INC. DBA INCORA	553295	$600.44
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	525292	$1,017.39
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	533902	$256.62

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	534002	$17,250.88
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	534066	$1,177.08
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	542332	$5,560.00
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	543993	$12,852.00
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	544304	$578.40
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	546389	$122.00
Designed Metal Connections, Inc. (d/b/a Permaswage USA)	WESCO AIRCRAFT HARDWARE CORP.	547668	$250.00
Fatigue Technology, Inc.	Incora - Wesco Aircraft Hardware Corp.	466813	$58,944.27

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
Fatigue Technology, Inc.	Incora - Wesco Aircraft Hardware Corp.	466814	$60,830.00
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000117528	$26.00
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000125396	$30.00
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000126440	$20,953.74
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000126700	$1,218.00
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134328	$915.20
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134721	$1,177.12
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134724	$173.33

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134727	$225.47
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134728	$2,489.24
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134729	$361.34
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134732	$159.23
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134735	$394.70
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134738	$197.44
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134741	$7,090.03
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134744	$1,729.28

Precision Entity Counterparty	Debtor Counterparty	Invoice Number	Amount Outstanding (USD)
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR (Derby) LTD	B00000134799	$470.85
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR LIMITED	B00000126345	$3,173.91
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR LIMITED	B00000126347	$2,064.42
SPS Aerostructures Limited (trading as PCC Aerostructures United Kingdom)	PATTONAIR LIMITED	B00000126456	$3,178.46
SPS Technologies, LLC (Jenkintown)	Pattonair Derby	QN 211385432	$2,600.00
SPS Technologies, LLC (Jenkintown)	Pattonair US	980744903	$32,097.89
SPS Technologies, LLC (Jenkintown)	Wesco	980744690	$1,457.00
SPS Technologies Limited	Pattonair (Derby) Ltd	IN0000275030	$189,555.00