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

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

LIMITED OBJECTION OF AKZO NOBEL COATINGS INC. D/B/A POWDER COATINGS, INTERNATIONAL PAINT LLC, AKZO NOBEL AEROSPACE COATINGS LTD., AKZO NOBEL CAR REFINISHES BV, MAPAERO SAS, AND CERTAIN AFFILIATES, TO DEBTORS' PROPOSED CURE AMOUNTS UNDER THE MODIFIED FIRST AMENDED JOINT CHAPTER 11 PLAN OF WESCO AIRCRAFT HOLDINGS, INC., *ET AL*.

Akzo Nobel Coatings Inc. d/b/a Powder Coatings, International Paint LLC, Akzo Nobel Aerospace Coatings Ltd., Akzo Nobel Car Refinishes BV, Mapaero SaS, and certain affiliates (collectively, "Akzo"), by their undersigned attorneys, hereby submits this limited objection (this "Objection")[2] out of an abundance of caution to the proposed cure amounts set forth in the *Modified First Amended Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc*. et al. [Docket No. 1223] (as such may be further amended or modified, the "Plan"), and the *Schedule of Assumed Executory Contracts and/or Unexpired Leases* included as Exhibit B to the *Notice of Filing of Amended Plan Supplement* [Docket No. 1564] (as such may be further amended or modified, the "Plan Supplement").[3] In support of this Objection, Akzo states the following:

[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] Counsel for the Debtors provided an extension to file the Objection through May 8, 2024.

[3] Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Plan or Plan Supplement, as applicable.

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I. Background

1. On June 1, 2023 (the "Petition Date"), the above-captioned debtors (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. Prior to the Petition Date, Akzo provided goods and/or services to the Debtors pursuant to certain purchase orders (the "Purchase Orders") that may constitute executory contracts as well as that certain Distribution Agreement dated as of May 4, 2022 (as same may be amended from time to time, the "Distribution Agreement" and collectively with the Purchase Orders, the "Akzo Executory Contracts") among Akzo Nobel Car Refinishes BV, Mapaero SaS and Akzo Nobel Aerospace Coatings Ltd. (collectively, "AkzoNobel EU")[4] on the one hand and Wesco Aircraft EMEA, Ltd. and Haas Group International Sp., on the other hand.

3. On or about July 20, 2023, Akzo and the Debtors entered into a Vendor Payment Agreement wherein the Debtors agreed, *inter alia*, to pay certain debts owing to Akzo, including certain prepetition debts.

4. Akzo continues to provide goods and services postpetition to the Debtors under the Akzo Executory Contracts.

5. On November 17, 2023, the Debtors filed the *Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc*. et al. [Docket No. 962], which was subsequently amended on January 12, 2024 [Docket No. 1223].

6. Article V, B. 1 of the Plan provides that "[t]he Allowed Cure Claim for each Executory Contract and/or Unexpired Lease shall be $0.00" unless the Debtors list a different Cure

[4] AkzoNobel EU also includes Mapaero UK Ltd.

Amount on a Schedule of Assumed Executory Contracts and Unexpired Leases, a final order is entered allowing a Cure Claim in a different amount, or the Debtors otherwise agree to a Cure Claim in a different amount. *See*, Plan, Art. V.B.1.

7. On March 20, 2024, the Debtors filed the Plan Supplement, which at Exhibit B included a *Schedule of Assumed Executory Contracts and/or Unexpired Leases*, and which did not specifically include the Akzo Executory Contracts but states, "this Exhibit B sets forth the Executory Contracts and Unexpired Leases that the Debtors propose to assume under the Plan for which the Debtors propose a Cure Claim greater than $0.00." *See* Plan Supplement, p. 11.

II. Limited Objection

8. Section 365(b)(1)(A) of the Bankruptcy Code requires that the Debtors cure or promptly cure outstanding balances due under the Akzo Executory Contracts upon assumption or on the Effective Date of the Plan.

9. Under the Plan, the Debtors propose to assume the Akzo Executory Contracts and pay Akzo a cure in the amount of $0.00.

10. Akzo's supply relationship with the Debtors is large and spans numerous entities and involves various Debtors. Akzo is in the process of reviewing its books and records to reconcile the various payments made pursuant to the Vendor Payment Agreement with respect to the Akzo Executory Contracts as well as certain post-petition amounts under such contracts. Out of an abundance of caution, Akzo therefore disputes the $0.00 cure amounts proposed by the Debtors to the extent such amounts do not reflect the correct amounts due and owing to Akzo for prepetition or post-petition charges under the Akzo Executory Contracts.

11. Akzo remains in steady contact with the Debtors who understand Akzo is in the process of reconciling any outstanding amounts owed.

12. Akzo reserves the right to amend this Objection as necessary to include any additional or unknown amounts.

13. Further, in addition to the cure amounts asserted herein, new purchase orders may be issued as the Debtors place future orders. Amounts due under newly issued postpetition purchase orders will constitute part of the cure amounts that the Debtors must pay at the time of assumption.

III. Conclusion

14. For the foregoing reasons, and any additional reasons stated at a hearing on this matter, (i) the Debtors should be required to fully cure all amounts due and owing to Akzo under the Akzo Executory Contracts, and (ii) the Court should grant Akzo such other and further relief as is just and proper.

Dated: May 8, 2024

/s/ Sean A. Gordon

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CERTIFICATE OF SERVICE

I, Sean Gordon, hereby certify that, on this 8th day of May 2024, I caused a true and correct copy of the foregoing ***Limited Objection of Akzo Nobel Coatings Inc. d/b/a Powder Coatings, International Paint LLC, Akzo Nobel Aerospace Coatings Ltd., Akzo Nobel Car Refinishes BV, Mapaero SaS, and certain affiliates to Debtors' Proposed Cure Amounts under Modified First Amended Joint Chapter 11 Plan of Wesco Aircraft Holdings, Inc., et al.*** to be served via CM/ECF on all parties who have registered for electronic service in these cases.

Dated: May 8, 2024

/s/ Sean Gordon