Case 23-03091 Document 1235 Filed in TXSR on 05/01/2/1 Page 1 of 11 Docket #1235 Date Filed: 5/1/2024

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

In re:

WESCO AIRCRAFT HOLDINGS, INC., et al.,

Debtors.<sup>1</sup>

WESCO AIRCRAFT HOLDINGS, INC., et al.,

Plaintiffs,

ν

SSD INVESTMENTS LTD., et al.,

Defendants.

SSD INVESTMENTS LTD., et al.,

Counterclaim Plaintiffs,

v.

WESCO AIRCRAFT HOLDINGS, INC., et al.,

Counterclaim Defendants.

Chapter 11

Case No. 23-90611 (MI)

(Jointly Administered)

Adv. Pro. No. 23-03091 (MI)

# MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO FILE UNDER SEAL ITS OBJECTION TO PLATINUM'S EMERGENCY MOTION TO EXCLUDE THE TESTIMONY OF JOSEPH DENHAM

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this motion was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing. Represented parties should act through their attorney.

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.



The undersigned counsel, on behalf of the Official Committee of Unsecured Creditors (the "Committee") of Wesco Aircraft Holdings, Inc., and the other above-captioned debtors in possession (collectively, the "Debtors"), hereby submits this *Motion for Entry of an Order Authorizing the Official Committee of Unsecured Creditors to File Under Seal its Objection to Platinum's Emergency Motion to Exclude the Testimony of Joseph Denham* (this "Motion"). In support thereof, the Committee respectfully states as follows:

#### RELIEF REQUESTED

2. Pursuant to Section 107(b) of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 9037-1 of the Local Rules for the Bankruptcy Court for the Southern District of Texas (the "Local Rules"), and the Stipulated Protective Order, Main Case, ECF No. 724 (the "Protective Order"), 2 the Committee respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit A, authorizing it to file under seal its Objection to Platinum's Emergency Motion to Exclude the Testimony of Joseph Denham (Docket No. 1234) (the "Objection"). The Objection contains or reflects information that the Debtors and other parties have designated as confidential or highly confidential under the Protective Order or under the confidentiality restrictions in the Committee's bylaws (the "Committee Bylaws"). The Committee will provide unsealed copies of

<sup>&</sup>lt;sup>2</sup> Capitalized terms used but not defined have the meaning given to them in the Protective Order.

the Objection to the Court, all parties to this adversary proceeding, and any other party as shall be ordered by the Court.

### **JURISDICTION AND VENUE**

- 2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b).
  - 3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
- 4. This Motion is brought pursuant to sections 105(a) and 107(b) of the Bankruptcy Code, Bankruptcy Rule 9018, and Local Rule 9037-1.

#### **BACKGROUND**

- 5. On June 1, 2023 (the "<u>Petition Date</u>"), each Debtor commenced a voluntary case under chapter 11 (the "<u>Chapter 11 Cases</u>") of the Bankruptcy Code in this Court. The Chapter 11 Cases are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Local Rules. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
- 6. On June 16, 2023, pursuant to section 1102 of the Bankruptcy Code, the Office of the United States Trustee for Region 7 (Southern and Western Districts of Texas) (the "<u>U.S.</u> <u>Trustee</u>") appointed the Committee. The Committee entered into the Committee Bylaws which, among other things, imposes certain confidentiality obligations on the Committee members as to confidential information about the Debtors provided to the Committee.
- 7. On September 6, 2023, the Court entered the Order Granting Expedited Motion of the Official Committee of Unsecured Creditors of Wesco Aircraft Holdings, Inc. et al. For Entry of an Order Pursuant to Federal Rule of Civil Procedure 24 and Federal Rule of Bankruptcy

Procedure 7024 Authorizing Intervention in Adversary Proceeding [Docket No. 237 of Adv. Pro. No. 23-03091].

- 8. On September 6, 2023, the Court entered the Protective Order. The Committee is a signatory to the Protective Order. The Protective Order provides that parties may designate Discovery Material as Confidential or Highly Confidential Professionals' Eyes-Only Information. Discovery Material designated as such may only be disclosed to specific persons as specified in the Protective Order. Protective Order ¶¶ 5.2, 5.3. Anything filed with the Court that contains this type of information must be redacted or filed under seal pursuant to the Court's rules governing sealed documents. Protective Order ¶ 4.2.
- 9. The Objection contains references to the rough deposition transcript of Joseph Denham, which, pursuant to Paragraph 4.2(d) of the Protective Order, is automatically designated as Highly Confidential Professionals' Eyes Only, because fewer than ten days have elapsed since Mr. Denham's deposition. As such, the Committee requests to file the Objection under seal to comply with its obligations under the Protective Order.
- 10. Contemporaneously with the filing of this Motion, the Committee is filing a sealed version of the Objection. The Committee will provide an unredacted version of the Objection to all parties in this adversary proceeding.

#### BASIS FOR RELIEF REQUESTED AND APPLICABLE AUTHORITY

- 11. Bankruptcy Code section 105(a) codifies the inherent equitable powers of the Court and empowers the Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. §105(a).
- 12. Bankruptcy Code section 107(b) further provides that "[o]n request of a party in interest, the bankruptcy court shall . . . protect an entity with respect to a trade secret or confidential

research, development, or commercial information," *See* 11 U.S.C. § 107(b)(1); *In re Gen. Homes Corp.*, 181 B.R. 898, 903 (Bankr. S.D. Tex.) 1995. Indeed, pursuant to Bankruptcy Rule 9018, "the court may make any order which justice requires . . . to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information . . ." Fed. R. Bankr. P. 9018.

- 13. Both Bankruptcy Code section 107(b) and Bankruptcy Rule 2018 were designed "to protect business entities from disclosure of information that could reasonably be expected to cause the entity commercial injury," and to prevent competitors from gaining an unfair advantage. *In re Global Crossing Ltd.*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003); *In re Faucett*, 438 B.R. 564, 567 (Bankr. W.D. Tex. 2010). Indeed, Bankruptcy Code section 107(b) *requires* a Court to seal such information. *In re Northstar Energy, Inc.*, 315 B.R. 425, 429 (Bankr. E.D. Tex. 2004); *see also Video Software Delers Ass'n v. Orion Pictures Corp.* (*In re Orion Pictures Corp.*), 21 F.3d 24, 27 (2d Cir. 1994).
- 14. Furthermore, Rule 9037-1 of the Local Rules states that a "document may initially be filed under seal if the filing party simultaneously files a motion requesting that the document be maintained under seal." L.R. 9037-1. "In some instances, it may be practicable to redact relevant confidential information from a document, and to file the redacted document in the public record. In those instances, (i) a redacted document should be filed, not under seal; and (ii) the unredacted document should simultaneously be filed, under seal." *Id.* The Committee is filing a version of the Objection.
- 15. Because the Objection is, or contains information from, documents that have been designated as Highly Confidential Professionals' Eyes Only, the Committee is required to file its Objection in redacted form or "under seal pursuant to the Court's rules governing sealed

documents," pursuant to the Protective Order. Protective Order ¶ 4.2(E). The Committee therefore seeks permission to file the Objection under seal for the purpose of complying with its obligations under the Protective Order and the Committee Bylaws.

16. Accordingly, the Committee respectfully requests that the Court enter an order authorizing it to file the Objection under seal.

### **RESERVATION OF RIGHTS**

17. The Committee reserves all rights to amend this Motion prior to or during any hearing on this Motion.

WHEREFORE, the Committee respectfully requests that the Court enter the order, substantially in the form hereto as **Exhibit A**, authorizing the Committee to file the Objection under seal, and granting such other and further relief as the Court deems just and proper.

[Remainder of page intentionally left blank]

Dated: May 1, 2024

Respectfully submitted,

#### MCDERMOTT WILL & EMERY LLP

#### /s/ Charles R. Gibbs

Charles R. Gibbs
Texas State Bar No. 7846300
Jack G. Haake
Texas State Bar No. 24127704
2501 North Harwood Street, Suite 1900
Dallas, TX 75201-1664

Telephone: (214) 295-8000 Facsimile: (972) 232-3098 Email: crgibbs@mwe.com jhaake@mwe.com

*- and –* 

Kristin K. Going (admitted *pro hac vice*)
Darren Azman (admitted *pro hac vice*)
Deanna Boll (admitted *pro hac vice*)
One Vanderbilt Avenue

New York, NY 10017-5404 Telephone: (212) 547-5400 Facsimile: (212) 547-5444 Email: kgoing@mwe.com

dazman@mwe.com dboll@mwe.com

#### MORRISON & FOERSTER LLP

Lorenzo Marinuzzi (admitted *pro hac vice*)
Theresa A. Foudy (admitted *pro hac vice*)
Michael Birnbaum (admitted *pro hac vice*)
Benjamin Butterfield (admitted *pro hac vice*)
Raff Ferraioli (admitted *pro hac vice*)
250 West 55th Street
New York, NY 10019-9601

Facsimile: (212) 468-7900 Email: lmarinuzzi@mofo.com tfoudy@mofo.com mbirnbaum@mofo.com bbutterfield@mofo.com

rferraioli@mofo.com

Telephone:(212) 468-8000

Counsel to the Official Committee of Unsecured Creditors of Wesco Aircraft Holdings, Inc., et al.

# **CERTIFICATE OF SERVICE**

I certify that, on May 1, 2024, a true and correct copy of the foregoing document was served through the Court's Electronic Case Filing System of the United States Bankruptcy Court of the Southern District of Texas, which will send a notification of such filing to all counsel of record

By: /s/ Charles R. Gibbs\_

Charles R. Gibbs

# Exhibit A

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

In re:

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Debtors.<sup>1</sup>

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SSD INVESTMENTS LTD., et al.,

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Upon the Motion for Entry of an Order Authorizing the Official Committee of Unsecured Creditors to File Under Seal its Objection to Platinum's Emergency Motion to Exclude the Testimony of Joseph Denham (the "Motion");<sup>2</sup> and any objections thereto; and the Court having jurisdiction over the Motion pursuant to 28 U.S. § 1334; this Court having found that venue for this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409;

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

and due and proper notice of the Motion having been provided; and this Court having determined

that the bases set forth in the Motion establish cause to grant the requested relief, it is hereby:

1. ORDERED that the Motion is GRANTED; and it is further

2. ORDERED that the Committee is authorized to file under seal its Objection

pursuant to Sections 105(a) and 107(b) of the Bankruptcy Code; Rule 9018 of the Federal Rules

of Bankruptcy Procedure; and Rule 9037-1 of the Local Rules; and it is further

3. ORDERED that the terms and conditions of this Order shall be immediately

effective and enforceable upon its entry; and it is further

4. ORDERED that the Committee is authorized to take all actions necessary to

effectuate the relief granted in this Order in accordance with the Motion; and it is further

5. ORDERED that the Court retains jurisdiction with respect to all matters arising

from or related to the implementation of this Order.

DATED:	, 2024	
		THE HONORABLE MARVIN ISGUR
		UNITED STATES BANKRUPTCY JUDGE

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DATED:, 2024	
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	UNITED STATES BANKRUPTCY JUDGE