

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**
: :
PARAGON OFFSHORE PLC, et al., : **Case No. 16-_____ (___)**
: :
: **Joint Administration Requested**
: :
Debtors.¹ : **Hearing Date: TBD**
: **Objection Deadline: TBD**
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**MOTION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING DEBTORS
TO FILE PORTIONS OF THEIR CREDITOR MATRIX CONTAINING
CERTAIN EMPLOYEE INFORMATION UNDER SEAL**

Paragon Offshore plc and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (this “**Motion**”):

Relief Requested

1. 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**”), and Rule 9018-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042.



Rules”), the Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), authorizing the Debtors to file under seal portions of their creditor matrix, filed contemporaneously herewith (the “**Creditor Matrix**”), containing information regarding the Debtors’ employees.

Jurisdiction

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013–1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3. On the date hereof (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. 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. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

4. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

5. Additional information regarding the circumstances leading to the commencement of these chapter 11 cases and information regarding the Debtors’ business and capital structure is set forth in the Declaration of Ari Lefkovits in Support of the Debtors’

Chapter 11 Petitions and Related Requests for Relief (the “**Lefkovits Declaration**”) and the Declaration of James A. Mesterharm in Support of the Debtors’ Chapter 11 Petitions and Related Requests for Relief (the “**Mesterharm Declaration**”), both of which have been filed contemporaneously herewith.

6. Contemporaneously herewith, the Debtors filed the Creditor Matrix. The version of the Creditor Matrix on the Court’s docket redacted the home addresses of certain of the Debtors’ (i) current and former officers and directors and (ii) current and former employees ((i) through (ii) collectively, the “**Employees**”) listed therein. Specifically, rather than listing the home address of the Employees, the Debtors inserted the notation “Address Redacted” in the column titled “Address1”.

Basis For Relief Requested

7. Pursuant to section 107(b) of the Bankruptcy Code, the Court may authorize the Debtors to file portions of the Creditor Matrix under seal. Section 107(b) provides:

On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court’s own motion, the bankruptcy court may–

- (1) protect an entity with respect to a trade secret or confidential research, development, or commercial information; or
- (2) protect a person with respect to scandalous or defamatory matter contained in a paper filed in a case under this title.

11 U.S.C. § 107(b).

8. Bankruptcy Rule 9018 sets forth the procedure by which a party in interest may obtain a protective order authorizing the filing of a document under seal. Bankruptcy Rule 9018 provides, in relevant part:

On motion or on its own initiative, with or without notice, the court may make any order which justice requires (1) to protect the estate or any entity in respect of a trade secret or other confidential

research, development, or commercial information, (2) to protect any entity against scandalous or defamatory matter contained in any paper filed in a case under the Code, or (3) to protect governmental matters that are made confidential by statute or regulation.

Fed. R. Bankr. P. 9018.

9. Once the court determines that a party in interest is seeking protection of information that falls within one of the categories enumerated in section 107(b) of the Bankruptcy Code, “the court is required to protect a requesting interested party and has no discretion to deny the application.” *Video Software Dealers Ass’n v. Orion Pictures Corp. (In re Orion Pictures Corp.)*, 21 F.3d 24, 27 (2d Cir. 1994). Courts have held that protection under section 107(b) must be granted if the information sought to be protected is commercial information, and significantly, that commercial information need not rise to the level of a trade secret to be entitled to protection. *Id.* at 28 (finding that the use of the disjunctive in section 107(b)(1) “neither equates ‘trade secret’ with ‘commercial information’ nor requires the latter to reflect the same level of confidentiality as the former”). Rather, a party seeking the protection of section 107(b) need only demonstrate that the information is “confidential” and “commercial” in nature. *Id.* at 27; *see also In re Global Crossing Ltd.*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003) (recognizing that the purpose of Bankruptcy Rule 9018 is to “protect business entities from disclosure of information that could reasonably be expected to cause the entity commercial injury”).

10. Sufficient cause exists here for the Court to grant the relief requested. The Debtors believe it would be imprudent to release home addresses and other sensitive information concerning the Employees. As redacted, the Creditor Matrix lists the names of the Employees while protecting their home address information. The Debtors believe shielding the Employees

from the publication of their home addresses is appropriate and necessary to safeguard their privacy.

11. Accordingly, the Debtors believe that the information relative to the Employees redacted in the Creditor Matrix is highly confidential information that should be protected, and that cause therefore exists under section 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 for the Debtors to file such documents under seal.

12. The relief requested is similar to the relief granted in other chapter 11 cases filed in this District and others.²

Notice

13. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Motion shall be given to (i) the Office of the U.S. Trustee; (ii) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (iii) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Sandeep Qusba, Esq., Kathrine A. McLendon, Esq., and Morris J. Massel, Esq.), counsel to JPMorgan Chase Bank, N.A. (a) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014 (the "**Revolver Agent**"), and (b) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014 (the "**Collateral Agent**"); (iv) Landis Rath & Cobb LLP, 919 Market Street, Wilmington, DE 19801 (Attn: Adam

² See, e.g., *In re Mail Systems Liquidation, Inc.*, Case No. 11-11187 (PJW) (Bankr. D. Del. June 2, 2011) (order granting debtors' motion to seal certain employee information listed in their schedules); *In re Stallion Oilfield Serv. LTD.*, Case No. 09-13562 (BLS) (Bankr. D. Del. Dec. 3, 2009) (order granting debtors' motion to file certain portions of their schedules and related affidavits of service relating to customers under seal); *In re Masonite Corp.*, Case No. 09-10844 (PJW) (Bankr. D. Del. May 29, 2009) (same); *In re Landsource Communities Dev. LLC*, Case No. 08-11111 (KJC) (Bankr. D. Del. Oct. 10, 2008) (order granting debtors' motion to file certain portions of debtors' schedules and statements which contain personal information of individuals under seal); see also *In re Muzak Holdings, LLC*, Case No. 09-10422 (KJC) (Bankr. D. Del. Mar. 17, 2009) (order granting debtors' motion to file certain portions of the creditor matrix, schedules, statements and certificates and affidavits of service under seal); *In re TOUSA, Inc.*, Case No. 08-10928 (Bankr. S.D. Fla. Oct. 24, 2008) (same); *In re WorldCom, Inc.*, Case No. 02-13533 (Bankr. S.D.N.Y. Oct. 29, 2002) (order granting debtors' motion to file certain portions of schedules, statements and certificates and affidavits of service under seal).

G. Landis, Esq. and Kerri Mumford, Esq.), co-counsel to the Revolver Agent and the Collateral Agent; (v) Kaye Scholer LLP, 250 West 55th Street, New York, NY 10019 (Attn: Mark F. Liscio, Esq. and Scott D. Talmadge, Esq.), counsel to (a) Cortland Capital Market Services LLC, as administrative agent (the “**Term Loan Agent**”), and (b) the ad hoc committee of lenders (the “**Ad Hoc Term Lenders**”), under the Senior Secured Term Loan Agreement, dated as of July 18, 2014; (vi) Potter Anderson & Coroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, DE 19801 (Attn: Jeremy W. Ryan, Esq.), co-counsel to the Term Loan Agent and the Ad Hoc Term Lenders; (vii) Morgan, Lewis, & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: James O. Moore, Esq., Glenn E. Siegel, Esq., and Joshua Dorchak, Esq.), counsel to Deutsche Bank Trust Company Americas as trustee under the Senior Notes Indenture, dated as of July 18, 2014, for the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (viii) Paul, Weiss, Rifkind, Wharton, & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Andrew N. Rosenberg, Esq. and Elizabeth R. McColm, Esq.), counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (ix) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Pauline K. Morgan, Esq.), co-counsel to certain holders of the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (x) the Securities and Exchange Commission; (xi) the Internal Revenue Service; (xii) the United States Attorney’s Office for the District of Delaware; and (xiii) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002.

No Previous Request

14. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 14, 2016
Wilmington, Delaware

/s/ Mark D. Collins

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Proposed Attorneys for the Debtors
and Debtors in Possession

Exhibit A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
PARAGON OFFSHORE PLC, et al.,	:		Case No. 16-_____ (____)
	:		
Debtors.¹	:		Joint Administration Requested
	:		
	:		Re: Docket No. ____
	X		

**ORDER AUTHORIZING DEBTORS TO FILE PORTIONS
OF THEIR CREDITOR MATRIX AND RELATED DOCUMENTS
CONTAINING CERTAIN EMPLOYEE INFORMATION UNDER SEAL**

Upon the Debtors’ motion (the “**Motion**”)² for entry of an order (this “**Order**”), pursuant to section 107(b) of the Bankruptcy Code, Bankruptcy Rule 9018, and Local Rule 9018-1, authorizing the Debtors to file under seal those portions of the Creditor Matrix that contain confidential employee information, as more fully set forth in the Motion; and upon due and sufficient notice of the Motion having been provided under the particular circumstances, and it appearing that no other or further notice need be provided; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042. The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042.

² Capitalized terms used but not defined in this Order have the meanings used in the Motion.

1334; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and this Court's entry of a final order being consistent with Article III of the United States Constitution; and venue being proper before this Court under 28 U.S.C. §§ 1408 and 1409; and a hearing having been scheduled and, to the extent necessary, held to consider the relief requested in the Motion (the "**Hearing**"); and upon the record of the Hearing (if any was held) and all of the proceedings before the Court; and the Court having determined that the relief requested in the Motion to be in the best interests of the Debtors, their estates and creditors, and any parties in interest, and the legal and factual bases set forth in the Motion and at the Hearing (if any was held) having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized to file under seal those portions of the Creditor Matrix that contain the home addresses of the Employees.
3. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
4. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2016
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE