

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

CBC RESTAURANT CORP., et al.,¹

Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

**MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER: (I)
AUTHORIZING THE DEBTORS TO (A) FILE AND MAINTAIN
CONSOLIDATED CREDITOR LISTS, AND (B) MODIFY CERTAIN PERSONAL
IDENTIFICATION INFORMATION FOR EMPLOYEES; AND (II) GRANTING
RELATED RELIEF**

CBC Restaurant Corp. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, “Corner Bakery” or the “Debtors”),² respectfully state the following in support of this motion (this “Motion”).

RELIEF REQUESTED

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”): (a) authorizing the Debtors to: (i) file a single, consolidated list of creditors, maintain a single, consolidated mailing matrix (the “Creditor Matrix”), and file a single, consolidated list of the Debtors’ 30 largest unsecured creditors, in lieu of filing and maintaining separate creditor lists and mailing matrices for each Debtor; and (ii) modify certain personal

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

² Detailed descriptions of the Debtors and their business and the facts and circumstances supporting this Motion and the Debtors’ chapter 11 cases are set forth in detail in the *Declaration of Jay Pandya, Chief Executive Officer and Chief Operating Officer of CBC Restaurant Corp. in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed on February 23, 2023.



identification information for the Debtors' current and former employees; and (b) granting related relief.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over 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 (Sleet, C.J.).

3. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), 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 in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BASIS FOR RELIEF

5. The bases for the relief requested in this Motion are sections 105(a), 107(c)(1), and 521 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"); Bankruptcy Rules 1007(a) and (d) and 9036; and Local Rules 1001-1(c), 1007-1, 1007-2, 2002-1, and 9013-1(m).

BACKGROUND AND AUTHORITIES

I. The Business and Events Leading to These Bankruptcy Filings

6. Corner Bakery is a fast-casual restaurant serving kitchen-crafted breakfast, lunch, and dinner and catering to guests. Its restaurants have been a neighborhood favorite since the brand

was established in 1991. The original American Italian bakery cafe was founded on a philosophy of creating a warm and comfortable place for people to relax with friends, family, and neighbors. Today, the restaurant features artisan-inspired, seasonal menu options made with fresh ingredients, while delivering a premier bakery cafe experience in the heart of neighborhoods and urban markets across California, Texas, Pennsylvania, Illinois, Virginia, Maryland, and the District of Columbia.

7. On the February 22, 2023 (the “Petition Date”), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

II. Request to File a Consolidated List of Creditors.

8. The Local Rules set forth several requirements regarding the filing and maintenance of creditor lists. Section 521 of the Bankruptcy Code, Bankruptcy Rule 1007(c)(1), and Local Rule 1007-2(a) require that a debtor in a voluntary chapter 11 case “file with the petition a list containing the name and complete address of each creditor in such format as directed by the Clerk’s Office Procedures.” Local Rule 2002-1(f)(v) requires each debtor, or its duly retained agent, in jointly administered cases to maintain a separate creditor mailing matrix.

9. Local Rule 1001-1(c) permits modification of the Local Rules by the Court “in the interest of justice.” The Debtors submit that permitting them to file and maintain a single consolidated list of creditors (the “Creditor Matrix”), in lieu of filing and maintaining separate creditor lists and mailing matrices for each Debtor, is warranted. Requiring the Debtors to segregate and convert their computerized records to a Debtor-specific creditor matrix format would result in a significant waste of estate resources and the needless creation of duplicate mailings.

10. The Debtors, in consultation with Kurtzman Carson Consultants LLC ("KCC"), their proposed claims and noticing administrative agent,³ have determined that greater efficiencies can be obtained for the estate by using the Debtors' existing records to generate a consolidated Creditor Matrix and a consolidated list of the Debtors' 30 largest unsecured creditors. KCC will continue to maintain a separate claims register for each of the Debtors' cases, thus ensuring that the creditors' substantive rights will not be impaired by the relief requested herein. In addition, the Debtors submit that if either of these chapter 11 cases converts to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor will file its own creditor mailing matrix.

11. Courts in this district have routinely approved relief similar to that requested herein since the modifications to Local Rule 2002-1(f)(v) took effect. *See, e.g., In re Clovis Oncology*, No. 22-11292 (JKS) (Bankr. D. Del. Dec. 14, 2022) (authorizing a consolidated creditor matrix and list of largest unsecured creditors); *In re Vesta Holdings LLC*, No. 22-11019 (LSS) (Bankr. D. Del. Nov. 1, 2022) (same); *In re 24 Hour Fitness Worldwide, Inc.*, No. 20-11558 (KB) (Bankr. D. Del. June 16, 2020) (same); *In re Charming Charlie Holdings, Inc.*, No. 19-11534 (CSS) (Bankr. D. Del. July 12, 2019) (same); *In re Cloud Peak Energy, Inc.*, No. 19-11047 (KG) (Bankr. D. Del. May 14, 2019) (same).⁴

12. Accordingly, the Debtors respectfully request that the Court authorize the Debtors to file and maintain a single, consolidated Creditor Matrix in these cases and to file a single, consolidated list of their 30 largest unsecured creditors.

³ Contemporaneously with the filing of this Motion, the Debtors are filing an application seeking the appointment of KCC as their claims and noticing agent pursuant to 28 U.S.C. § 156(c).

⁴ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

III. Request to Modify Certain Personally Identifiable Information for Employees.

13. Section 105(a) of the Bankruptcy Code provides that “[t]he court may 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). Further, section 107(c)(1) of the Bankruptcy Code provides that the Court “for cause, may protect an individual, with respect to the following types of information to the extent the court finds that disclosure of such information would create undue risk of identity theft or other unlawful injury to the individual or the individual’s property[:] . . . [a]ny means of identification . . . contained in a paper filed, or to be filed in a case under” the Bankruptcy Code. *See* 11 U.S.C. § 107(c)(1). “Means of identification” is defined under 28 U.S.C. § 1028(d)(7) as:

any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual, *including any*— (A) name, social security number, date of birth, official State or government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number...

28 U.S.C. §1028(d)(7).

14. While transparency is important to the bankruptcy process, by enacting section 107(c)(1) of the Bankruptcy Code, Congress provided an exception to protect innocent individuals from foreseeable injury. Moreover, the language of both statutes indicates that Congress intended for additional information not specifically enumerated to be subject to protection. Specifically, section 107(c)(1)(B) of the Bankruptcy Code allows for “other information” apart from “means of identification” as defined in 28 U.S.C. § 1028(d)(7). Further, Congress specifically included the phrase “including any” in 28 U.S.C. § 1028(d)(7) to illustrate the non-exhaustive nature of the list of items that follows. Accordingly, while an individual employee’s home address is not explicitly listed in the definition of “means of identification,” it is covered by the expansive language of both section 107(c)(1)(B) of the Bankruptcy Code and 28 U.S.C. § 1028(d)(7).

15. Pursuant to Local Rule 1007-1(a), the Debtors seek authority to redact from the Creditor Matrix and any other papers filed with the Court in these chapter 11 cases (collectively, the “Case Filings”) the home addresses of the Debtors’ current and former employees. Instead, in all Case Filings, the Debtors will list (a) the Debtors’ corporate address as the current employees’ mailing addresses and (b) former employees’ mailing addresses as “redacted.” If the Debtors terminate any current employee during the pendency of these chapter 11 cases, the Debtors will amend the publicly filed Creditor Matrix to update such employee’s service address from the Debtors’ corporate address to “redacted.” Notwithstanding the publicly filed Creditor Matrix, the Debtors, with KCC's assistance, will serve all required notices on current employees at their home addresses and on former employees at their last known home addresses. In addition, the Debtors will distribute to their employees at their current or last known addresses, as applicable, any notices that are received at the Debtors’ corporate headquarters in connection with these chapter 11 cases and that are addressed to an employee. The Debtors will also provide the current or last known home addresses of these employees to the United States Trustee for the District of Delaware, any official committee of unsecured creditors appointed in these chapter 11 cases, and the Court. And upon receiving a request that is reasonably related to the administration of these chapter 11 cases, or further order of this Court, the Debtors will provide employee home addresses to any other party in interest.

16. The Debtors respectfully submit that it is appropriate to authorize them to redact current and former employees’ home addresses from Case Filings. Such information could be used, among other things, to perpetrate identity theft or seek to locate targets and survivors of domestic violence, harassment, or stalking. This risk is not merely speculative. *See e.g., In re Charming Charlie Holdings Inc.*, No. 19-11534 (CSS) (Bankr. D. Del. July 11, 2019) [Docket No.

4] (describing that in at least one recent chapter 11 case, the abusive former partner of a debtor's employee exploited the publicly accessible creditor and employee information filed in the chapter 11 case to track the employee to her new address—which had not been publicly available until then—forcing the employee to change her addresses again for her safety).

17. The risk of identity theft or injury to innocent individual employees outweighs the presumption in favor of public access to judicial records and papers. There is minimal, if any, benefit to the public disclosure of the Debtors' employees' personal home addresses in these chapter 11 cases. Moreover, the Debtors will instruct their noticing agent to serve the employees at their current or last known home addresses so that employees will receive the same notice in these chapter 11 cases without the unnecessary public disclosure of their personal information.

18. Courts in this district have routinely granted similar relief in other chapter 11 cases. Recently, in *In re Promise Healthcare Group, LLC*, Case No. 18-12491 (CSS) (Bankr. D. Del. Dec. 4, 2018), the Court authorized the debtors to seal their employees' home addresses, noting:

The issue is not one of morale; it is one of protection and protecting the identity of the employees.... [I]t becomes a balancing act: what are we trying to protect versus what are we trying to preserve. And certainly, preserving the transparency of a bankruptcy and the identity of the creditors being revealed is part of that.... [T]he other side of that, the risk to those employees, is quite high.

See Transcript of Dec. 4, 2018 Hearing [Dkt. No. 228] 2 at 18:5–7, 19:7–10, 19:14–15.⁵

19. Separately, in *In re L.K. Bennett U.S.A., Inc.*, Case No. 19-10760 (KG) (Bankr. D. Del. Apr. 9, 2019), the Court reiterated the balancing act noted in *Promise Healthcare*, finding that “privacy concerns win out in this particular circumstance” and authorizing the debtor to redact employee addresses from its creditor matrix. *See* Transcript of Dec. 4, 2018 Hearing [Dkt. No.

⁵ Because of the voluminous nature of the filings in this matter, this transcript is not attached to this motion. A copy of the transcript is available upon request to the Debtors' proposed counsel.

228] 2 at 18:5–7, 19:7–10, 19:14–15;⁶ *see also, e.g., In re 24 Hour Fitness Worldwide, Inc.*, No. 20-11558 (KB) (Bankr. D. Del. June 16, 2020) (authorizing the redaction of personally identifiable information for individual creditors); *In re Loot Crate, Inc.*, No. 19-11791 (BLS) (Bankr. D. Del. Oct. 1, 2019) (authorizing filing of customer names and addresses under seal and maintaining such seal for schedules and claims); *In re Charming Charlie Holdings, Inc.*, No. 19-11534 (CSS) (Bankr. D. Del. July 12, 2019) (authorizing redaction of personally identifiable information of current and former employees); *In re Achaogen, Inc.*, No. 19-10844 (BLS) (Bankr. D. Del. May 20, 2019) (authorizing the debtor to file under seal portions of its creditor matrix containing certain individual creditor information and to list on the creditor matrix the debtor’s corporate mailing address instead of home addresses for current employees).

20. In *Dex Media*’s chapter 11 case, the U.S. Trustee objected to the debtors’ request to redact employees’ addresses, arguing that there was no basis for treating employees differently from other creditors absent specific identifiable harm. Judge Gross rejected this argument, recognizing the importance of protecting individuals from unnecessary security risk:

I think, that in the present day, with the abuse of private information, that these addresses ought to be redacted, and so, you know, I just think that individuals whose only position is to have been former employees, for example, ought not to have their home addresses listed publicly. I think that that is -- creates a possibility of abuse and so, I am going to grant the order [to seal].

Hr’g Tr. at 21:13–21, *In re Dex Media, Inc.*, No. 16-11200 (KG) (Bankr. D. Del. May 18, 2016)

21. Accordingly, cause exists to authorize the Debtors to redact the known home addresses of current and former employees from Case Filings. Absent such relief, the Debtors could unnecessarily render employees more susceptible to identity theft and could jeopardize the

⁶ Because of the voluminous nature of the filings in this matter, this transcript is not attached to this motion. A copy of the transcript is available upon request to the Debtors’ proposed counsel.

safety of individuals who, unbeknownst to the Debtors, are targets or survivors of domestic violence, harassment, or stalking.

THE REQUIREMENTS OF BANKRUPTCY RULES 6003 ARE SATISFIED

22. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” For the reasons discussed above, authorizing the relief requested in this Motion is integral to Corner Bakery's ability to transition its operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt its operations at this critical juncture. For the reasons discussed herein, the relief requested in this Motion is necessary in order for Corner Bakery to operate its business in the ordinary course and preserve the ongoing value of its operations and maximize the value of its estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

NOTICE

23. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) SSCP Restaurant Investors LLC (“SSCP”), the Debtor's prepetition lender, Ken Schwab (kschwab@sscpmanagement.com), and counsel to SSCP, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, TX. 75201, Attn: Holland N. O'Neil (honeil@foley.com), Mark C. Moore (mmoore@foley.com), and Stephan A. Jones (sajones@foley.com) and Ashby & Geddes, P.A, 500 Delaware Avenue, 8th Floor, P.O. Box 1150, Wilmington, DE. 19899, Attn: Ricardo Palacio (RPalancio@ashbygeddes.com); (d) the United

States Attorney's Office for the District of Delaware, Attn: Linda Casey (Linda.Casey@usdoj.gov); (f) the Internal Revenue Service; (g) the office of the attorneys general for the states in which the Debtors operate; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, the Debtors will serve copies of this Motion and any order entered on this Motion as required by Local Rule 9013-1(m). Corner Bakery submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

24. No prior request for the relief sought in this Motion has been made by the Debtors to this or any other court.

WHEREFORE, Corner Bakery respectfully requests that the Court enter an Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: March 1, 2023
Wilmington, Delaware

/s/ Mette H. Kurth

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Proposed Counsel to the Debtors and Debtors In Possession

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

CBC RESTAURANT CORP., et al.,¹

Debtors.

Chapter 11

Case No. 23-10245 (KB)

(Jointly Administered)

Re: D.I. No. [●]

**ORDER AUTHORIZING THE DEBTORS TO: (A) FILE AND MAINTAIN
CONSOLIDATED CREDITOR LISTS; AND (B) MODIFY CERTAIN PERSONAL
IDENTIFICATION INFORMATION FOR EMPLOYEES**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) authorizing the Debtors to: (a) file a single, consolidated list of creditors, maintain a single, consolidated mailing matrix (the “Creditor Matrix”), and file a single, consolidated list of the Debtors’ 30 largest unsecured creditors, in lieu of filing and maintaining separate creditor lists and mailing matrices for each Debtor, and (b) modify certain personal identification information for the Debtors’ current and former employees; and upon the Supplemental First Day Declaration; and this Court having jurisdiction over 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 *Amended Standing Order of Reference* from the United States District Court

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

for the District of Delaware, dated February 29, 2012 (Sleet, C.J.); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; 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 requirements of Local Rule 1007-2(a) and Local Rule 2002-1(f)(v) that separate mailing matrices be submitted for each Debtor are permanently waived, and the Debtors are authorized to submit a consolidated list of creditors; *provided* that if either of these chapter 11 cases converts to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor shall file its own creditor mailing matrix.
3. The Debtors are authorized to submit a consolidated list of their 30 largest unsecured creditors; *provided* that if either of these chapter 11 cases converts to a case under chapter 7 of the Bankruptcy Code, the applicable Debtor shall file a list of its own top 20 unsecured creditors.

4. The Debtors shall cause the Creditor Matrix to be made available in readable electronic format (or a non-electronic format at the requesting party's sole cost and expense) upon reasonable request by parties in interest.

5. The Debtors are authorized to redact the home addresses of their current and former employees from the Creditor Matrix. The Debtors shall file under seal with the Court an unredacted version of the Creditor Matrix and shall provide such unredacted Creditor Matrix to the Debtors' claims and noticing agent, the U.S. Trustee, any official committee of unsecured creditors appointed in these chapter 11 cases, and the Court. The Debtors, or their duly retained claims and noticing agent, and where applicable, the Clerk of the Court, shall serve all requisite notices on current and former employees at their home addresses or last known home addresses, as applicable.

6. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules and the Local Rules are satisfied by such notice.

7. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

9. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

[Provide 4" blank space on last page for judge's signature]