

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Dynamic Aerostructures LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 25-10292 (LSS)

(Jointly Administered)

Hrg. Date: March 25, 2025 @ 11:00 (ET)

Obj. Due: March 18, 2025 @ 4:00 p.m. (ET)

DEBTORS' MOTION TO FILE UNDER SEAL

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**” or the “**Company**”) hereby move for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), pursuant to sections 105 and 107 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “**Bankruptcy Code**”), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 9018-1(d) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), authorizing the Debtors to file under seal the 9019 Motion (as defined below), together with the exhibit thereto, and in support, state as follows:

JURISDICTION AND VENUE

1. 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 the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors’ service address is 27756 Avenue Mentry, Valencia, California 91355.



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to 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to Local Rule 9013-f, to the entry of a final order by the Court in connection with this motion.

2. The legal predicates for the relief requested herein are sections 105 and 107 of title 11 of the United States Code (the “**Bankruptcy Code**”), Bankruptcy Rule 9018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Local 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 Rules**”).

BACKGROUND

3. On February 25 and 26, 2025 (the “**Petition Dates**”), the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Debtors’ chapter 11 cases (the “**Chapter 11 Cases**”) are jointly administered.

5. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committee of unsecured creditors has been appointed in these chapter 11 cases.

6. The Debtors are a leading manufacturer and supplier of parts and assemblies in the aerospace and defense industry. The Debtors specialize in producing large structural airframe and wing components from various materials, including ceramics, stainless steel, titanium, and aluminum. Additional factual background regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the filing of these chapter 11 cases, is set forth in detail in the *Declaration of Eric N. Ellis in Support of First Day Pleadings* [Docket No. 2] (the “**Ellis Declaration**”) and the *Declaration of Rory Keenan in Support of the*

Motion Pursuant to Sections 105, 363 and 365 for Entry of Orders (A)(I) Approving Bidding Procedures for the Sale of Debtors' Assets, (II) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (III) Scheduling Bid Deadlines and an Auction, (IV) Approving the Form and Manner of Notice Thereof, (V) Approving Assumption and Assignment Procedures for Executory Contracts and Unexpired Leases, (VI) Authorizing and Approving the Debtors' Entry Into the Stalking Horse Apa, (VII) Authorizing and Approving Bid Protections, and (VIII) Granting Related Relief and (B)(I) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (II) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (III) Granting Related Relief [Docket No. 17] (the “**Keenan Declaration**” and, together with the Ellis Declaration, the “**First Day Declarations**”), both of which are incorporated herein by reference.

REQUEST FOR RELIEF

8. By this motion, the Debtors request authorization to file under seal the NGSC Settlement attached as an exhibit to the Debtors' *Motion for Entry of Order Approving Settlement with Northrop Grumman Systems Corporation* (the “**9019 Motion**”),² pursuant to Bankruptcy Code sections 105 and 107, Bankruptcy Rule 9018, and Local Rule 9018-1(d).

BASIS FOR RELIEF

9. The 9019 Motion seeks approval of a settlement between the Debtors and Northrop Grumman Systems Corporation (“**NGSC**”), one of the Debtors' key customers. As explained in greater detail in the 9019 Motion, the settlement includes, *inter alia*, an agreement by NGSC, subject to certain conditions described in the 9019 Motion, to consent to the assumption and assignment of the parties' numerous executory agreements and purchase orders to the Debtors'

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the 9019 Motion.

proposed stalking horse purchaser, an agreement to certain favorable pricing adjustments on a go-forward basis, and agreed resolutions of various claims by the parties under the contracts and purchase orders, including both ordinary course overpayment and similar contract adjustment claims and other claims. By its terms, the settlement is highly confidential, and the Debtors are obligated thereunder to seek permission to file it under seal.

10. 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). Moreover, section 107(b)(1) of the Bankruptcy Code provides, in relevant part:

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 . . .

11 U.S.C. § 107(b)(1) (emphases added).

11. Bankruptcy Rule 9018 provides, in relevant part, that “[o]n 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 . . .” Fed. R. Bankr. P. 9018. The purpose of Bankruptcy Rule 9018 is “to protect business entities from disclosure of information that could reasonably be expected to cause the entity injury.” *In re Global Crossing Ltd.*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003).

12. Unlike its counterpart in Rule 26(c) of the Federal Rules of Civil Procedure, section 107(b) of the Bankruptcy Code does not require a party seeking protection thereunder to demonstrate “good cause.” *See, e.g., In re Transbrasil S.A. Linhas Aereas*, 644 F. App’x 959, 962 (11th Cir. 2016) (“Section 107(b), however, does not require the bankruptcy court to find a compelling interest or even good cause.”); *Video Software Dealers Ass’n v. Orion Pictures Corp.*

(*In re Orion Pictures Corp.*), 21 F.3d 24, 28 (2d Cir. 1994). Instead, the movant need only demonstrate that the material sought to be protected satisfies one of the categories identified in Bankruptcy Code section 107(b) and, if successfully demonstrated, “the court is required to protect a requesting party and has no discretion to deny the application.” *Orion Pictures*, 21 F.3d at 27 (emphasis in original); *In re 50-Off Stores, Inc.*, 213 B.R. 646, 655–56 (Bankr. W.D. Tex. 1997) (“The statute, on its face, states that the bankruptcy court is required to protect such an entity on request of a party in interest.”) (emphasis in original). *In re Altegrity, Inc.*, No. 15-10226, 2015 WL 10963572, at *3 (Bankr. D. Del. July 6, 2015) (“[I]f it is established that the documents sought to be sealed fall within the enumerated statutory exception, the court must grant the requested relief (or such other relief that protects the moving party).”). The burden of proof is “on the moving party to establish that the information is of the type that falls within the statutory exception.” *In re Anthracite Capital, Inc.*, 492 B.R. 162, 177 (Bankr. S.D. N.Y. 2013).

13. Moreover, courts have determined that confidential commercial information need not rise to the level of a trade secret to be protected under Bankruptcy Code Section 107(b). *See, e.g., Altegrity*, 2015 WL 10963572, at *3; *In re Orion Pictures*, 21 F.3d at 28 (finding that the use of the disjunctive in Bankruptcy Code 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”). Instead, a party seeking the protection of Bankruptcy Code section 107(b) need only demonstrate that the information is “confidential” and “commercial” in nature. *Orion*, 21 F.3d at 28; *see also Altegrity*, 2015 WL 10963572, at *3; Commercial information is “information which would result in an ‘an unfair advantage to competitors by providing them information as to the commercial operations of the debtor.’” *In re Alterra Healthcare Corporation*, 353 B.R. 66, 75 (Bankr. D. Del. 2006); *In re Transbrasil S.A. Linhas Aereas*, 644 F. App’x 959, 962 (11th Cir.

2016) (“‘Confidential’ is an adjective at the beginning of the series and appears to apply to all three items in the list. Had Congress intended to limit research and development to commercial research and development, it could have done so by moving the word ‘commercial’ next to the word ‘confidential’. The plain language of the statute does not limit subsection (b)(1) to commercial information. . .”).

14. The key aspects of the NGSC Settlement are highly confidential commercial information, including confidential customer pricing terms, and resolution of claims information. The disclosure of the terms of the NGSC Settlement could unfairly benefit the Debtors’ competitors or reveal sensitive proprietary commercial information capable of injuring the Debtors, including compromising confidential pricing information, thereby potentially reducing the value of the Debtors’ executory contracts and other assets. Moreover, because the Debtors’ relationship with NGSC relates to national defense, the NGSC Settlement contains information that, by its very nature, is highly confidential and that could be detrimental the Debtors and NGSC if disclosed. The NGSC Settlement thus constitutes precisely the type of information that section 107 of the Bankruptcy Code is designed to protect. *See, e.g., In re Alterra Healthcare Corp.*, 353 B.R. 66, 75 (Bankr. D. Del. 2006) (“commercial information” under section 107(b) includes “information which would result in ‘an unfair advantage to competitors by providing them information as to the commercial operations of the debtor.’”); *see also In re Global Crossing, Ltd.*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003) (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”); *In re Altegrity, Inc.*, No. 15-10226, 2015 WL 10963572, at *4 (Bankr. D. Del. July 6, 2015) (customer lists constitute trade secrets). Accordingly, the NGSC Settlement

should be protected and sealed by the Court pursuant to section 107(b)(1) of the Bankruptcy Code and Bankruptcy Rule 9018.

15. Similar relief requested herein has been granted in other cases in this District. *See In re FTX Trading Ltd., et al.*, No. 22-11068 (JTD) (Bankr. D. Del. Dec.4, 2024) (authorizing debtors to file under seal certain confidential settlement agreement information); *In re CMC II, LLC, et al.*, No. 21-10461 (JTD) (Bankr. D. Del. Oct. 6, 2021) (authorizing debtors to file under seal confidential settlement agreement terms); *In re Never Slip Holdings, Inc.*, No. 24-10663 (LSS) (Bankr. D. Del. May 8, 2024) (authorizing Debtors to seal customer identities and contact information); *see also In re Loot Crate, Inc.*, No. 19-11791 (BLS) (Bankr. D. Del. Oct. 1, 2019) (authorizing debtors to file lists of customer creditors under seal).

16. The Debtors will, of course, file the NGSC Settlement under seal on the docket, and will share unsealed copies with the Court, and, on an attorneys'-eyes only basis, the United States Trustee and counsel for any official committee of creditors that may be appointed in the Chapter 11 Cases.

17. For all of the foregoing reasons, the Debtors respectfully submit that cause exists to grant the relief requested herein.

NO PRIOR REQUEST

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

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: March 4, 2025
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

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

In re:

Dynamic Aerostructures LLC, *et al.*,

Debtors.³

Chapter 11

Case No. 25-10292 (LSS)

(Jointly Administered)

Related Docket No. ____

**ORDER AUTHORIZING DEBTORS TO FILE 9019 MOTION AND NGSC
SETTLEMENT UNDER SEAL**

Upon the Debtors' motion (the "Seal Motion")⁴ for entry of an order (this "Order") authorizing the Debtors to file the 9019 Motion and NGSC Settlement under seal, all as more fully set forth in the Seal Motion; and the 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; and the matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and venue of this proceeding and the Seal Motion in this District being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court being able to issue a final order consistent with Article III of the United States Constitution; and due and sufficient notice of the Seal Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and it appearing that the relief requested in the Seal Motion is in the best interests of the Debtors, their estates, their creditors,

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⁴ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Seal Motion and 9019 Motion, as applicable.

and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Seal Motion is GRANTED, as set forth herein.
2. The Debtors are authorized to file the NGSC Settlement under seal.
3. To the extent not already filed, the Debtors are directed to file a redacted version of the 9019 Motion (without the NGSC Settlement) within the applicable time periods prescribed by the Bankruptcy Rules and Local Rules; *provided, however*, that the Debtors shall provide an unredacted version of the 9019 Motion, including the NGSC Settlement to (a) the Court, (b) the U.S. Trustee, and (c) on an attorneys eyes only basis, to counsel for any official committee that may be appointed in the Chapter 11 Cases, and counsel for the DIP Agent.
4. The Debtors are authorized to take all actions necessary to implement the relief granted in this Order.
5. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

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

In re:

Dynamic Aerostructures LLC, *et al.*,
Debtors.¹

Chapter 11

Case No. 25-10292 (LSS)

(Jointly Administered)

Hearing Date: 3/25/25 @ 11:00 a.m. (ET)

Objection Deadline: 3/18/25 @ 4:00 p.m. (ET)

NOTICE OF DEBTORS' MOTION TO FILE UNDER SEAL

PLEASE TAKE NOTICE that on March 4, 2025, the above-captioned debtors and debtors-in-possession (the “**Debtors**”) filed the attached *Debtors’ Motion to File Under Seal* (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that responses, if any, to the relief requested by the Motion, must be filed on or before **March 18, 2025, at 4:00 p.m. (ET)** (the “**Objection Deadline**”) with the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that at the same time, you must serve a copy of the response on: (i) proposed co-counsel to the Debtors, Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Gregg M. Galardi; email: gregg.galardi@ropesgray.com) and Chipman Brown Cicero & Cole LLP, 1313 N. Market Street, Suite 5400, Wilmington, DE 19801 (Attn: Mark L. Desgrosseilliers and Robert A. Weber; email: desgross@chipmanbrown.com and weber@chipmanbrown.com) and Chipman Brown Cicero & Cole LLP, 501 5th Ave., 15th Floor, New York, NY 10017 (Attn: Daniel G. Egan; email: egan@chipmanbrown.com); (ii) counsel to the DIP Lender, King & Spalding LLP, 1100 Louisiana St., Suite 4100, Houston, TX 77002 (Attn: Michael Fishel; email: mfishel@kslaw.com) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Kenneth J. Enos; email: kenos@ycst.com); (iii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lock Box 35, Wilmington, DE 19801 (Attn: Rosa Sierra-Fox; email: Rosa.Sierra-Fox@usdoj.gov); and (iv) counsel for any statutory committee appointed in these chapter 11 cases, so as to be received on or before the Objection Deadline.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Dynamic Aerostructures LLC (3076); Dynamic Aerostructures Intermediate LLC (9800); and Forrest Machining LLC (3421). The Debtors’ service address is 27756 Avenue Mentry, Valencia, California 91355.

PLEASE TAKE FURTHER NOTICE that a hearing on the relief requested by the Motion will be held on **March 25, 2025, at 11:00 a.m. (ET)** before the Honorable Laurie Selber Silverstein, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE RELIEF REQUESTED BY THE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE BID PROCEDURES RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: March 4, 2025
Wilmington, Delaware

CHIPMAN BROWN CICERO & COLE, LLP

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Proposed Counsel to the Debtors and Debtors in Possession