Case 23-03091 Document 1388 Filed in TXSR on 06/17/2/ Page 1 of 11 Docket #1388 Date Filed: 6/17/2024

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF TEXAS **HOUSTON DIVISION**

In re

Case No. 23-90611 (MI)

WESCO AIRCRAFT HOLDINGS, INC., et al., ¹

Chapter 11

Debtors.

(Jointly Administered)

WESCO AIRCRAFT HOLDINGS, INC., et al.,

Plaintiffs,

ν.

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

SSD INVESTMENTS, LTD., et al.,

Defendants.

SSD INVESTMENTS LTD., et al.,

Counterclaim Plaintiffs,

WESCO AIRCRAFT HOLDINGS, INC., et al.,

Counterclaim Defendants.

COUNTERCLAIM DEFENDANTS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE FILING UNDER SEAL OF CERTAIN DEPOSITION DESIGNATIONS AND AN EXHIBIT RELATED THERETO FOR THE ADVERSARY PROCEEDING TRIAL

(Related to ECF Nos. 1386, 1387)

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at https://ecf.txsb.uscourts.gov/ within twenty-one days from the date this motion was filed. If

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.



you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

Wesco Aircraft Holdings, Inc. and its debtor affiliates (collectively, in their capacity as debtors in possession, the "*Debtors*," and in their prepetition capacity, the "*Company*"), together with the undersigned Non-Debtor Defendants in the above-captioned adversary proceeding (collectively, "*Movants*"), respectfully submit this Motion to Seal (the "*Motion*") and state as follows:

I. JURISDICTION & VENUE

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II. SUMMARY

2. The Counterclaim Defendants seek an order authorizing the sealing of Exhibits 1 through 4 (the "Sealed Exhibits") to the Counterclaim Defendants' Notice of Filing of Certain Deposition Designations (the "Notice") (ECF No. 1387) and directing that the exhibits remain under seal and not be made publicly available.

III. BACKGROUND

- 3. On June 1, 2023, the Debtors filed for relief under Chapter 11.
- 4. On June 1, 2023, the Debtors initiated this Adversary Proceeding (ECF. No. 1).

- 5. On July 9, 2023, the Debtors filed their *First Amended Complaint and Counterclaim Answer* (ECF No. 63).²
- 6. On July 31, 2023, the Parties (as defined in the Scheduling Order) to this Adversary Proceeding, including the Debtors, the Non-Debtor Counterclaim Defendants, the Defendants, the Counterclaim Plaintiffs (other than Defendants), and the Official Committee of Unsecured Creditors (the "*UCC*") entered into the *Stipulated Comprehensive Scheduling Order* ("*Scheduling Order*") (ECF No. 141). Under the Scheduling Order, the Parties were permitted to file motions for summary judgment (including for partial summary judgment) not later than August 23, 2023. (ECF No. 141 at 10).
- 7. On September 9, 2023, the Court entered the Stipulated Protective Order (Main Case ECF No. 724) (the "*Protective Order*"), which governs the exchange and disclosure of "Confidential Information" or "Highly Confidential Professionals' Eyes Only Information," as defined therein, in these chapter 11 cases.³
 - 8. On January 25, 2024, trial began in this Adversary Proceeding.

IV. BASIS FOR RELIEF

9. Pursuant to section 107(b) of the Bankruptcy Code, the Court is authorized to issue orders to protect entities with respect to certain confidential information. *See* 11 U.S.C. § 107(b). Additionally, section 105(a) of the Bankruptcy Code, which codifies the Bankruptcy Court's

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed in Debtors' First Amended Complaint, ECF No. 63 (the "*Debtors' First Amended Complaint*"), as applicable. Unless otherwise indicated, citations to the electronic case filing docket, ECF, are to the docket of this Adversary Proceeding.

The parties to this Adversary Proceeding executed and filed the Protective Order on July 31, 2023. (See Main Case ECF No. 724).

inherent equitable powers, 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).

- 10. Bankruptcy Rule 9018 implements section 107(b) of the Bankruptcy Code and provides in pertinent 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" Fed. R. Bankr. P. 9018.
- 11. There is a strong presumption in favor of public access to court records. *See Nixon* v. Warner Commc'ns, Inc., 435 U.S. 589, 598, 602 (1978).
- 12. However, sections 105(a) and 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018 authorize this Court to limit public access under certain circumstances. *Accord Jones v. RealPage, Inc.*, 2021 WL 268824, at *2 (N.D. Tex. Jan. 27, 2021) (quoting *Rodriguez v. United Rentals (N. Am.), Inc.*, 2018 WL 4184321, at *1 (S.D. Miss. Aug. 31, 2018)) ("Federal courts routinely limit the public's access to commercially sensitive and proprietary information.").
- 13. The Protective Order requires that all documents filed with the Court containing "Confidential Information" or "Highly Confidential Professionals' Eyes Only Information" "be redacted" or "filed under seal." (Main Case ECF No. 724 at 7-8).
- 14. Because the Sealed Exhibits have been marked "Confidential" and rely on information that has been designated as "Confidential Information" pursuant to the terms of the Protective Order, the Protective Order requires the filing of the Sealed Exhibits to the Notice under seal. Accordingly, the Debtors and Non-Debtor Defendants seek an order authorizing the filing of the Sealed Exhibits under seal.

15. The Notice is filed on the docket. *See* ECF No. 1387. The Debtors and Non-Debtor Defendants will furnish an unredacted copy of the Sealed Exhibits to the Court and the parties to this Adversary Proceeding.

V. CONCLUSION

WHEREFORE, the Debtors and Non-Debtor Defendants respectfully request that this Court enter an order that: (a) grants the Motion; and (b) grants all other relief that this Court deems just and proper.

Respectfully submitted this 17th day of June, 2024.

By: /s/ Benjamin F. Heidlage

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CERTIFICATE OF SERVICE

I hereby certify that on June 17, 2024, a copy of the foregoing Motion to Seal was served through the Court's CM/ECF notification system to all parties who have appeared in this case through counsel or who have submitted a request for service by CM/ECF.

/s/ John F. Higgins
John F. Higgins

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

ORDER GRANTING THE COUNTERCLAIM DEFENDANTS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE FILING UNDER SEAL OF CERTAIN DEPOSITION DESIGNATIONS AND AN EXHIBIT RELATED THERETO FOR THE ADVERSARY PROCEEDING TRIAL

(Related to ECF No. ____)

Upon consideration of the Debtors' and Non-Debtor Defendants' Motion to Seal (the "Motion"), the Court having jurisdiction to consider this matter and relief requested therein

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.

pursuant to 28 U.S.C. § 1334; consideration of this Motion being a core proceeding pursuant to 28 U.S.C. § 157; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing; it is hereby:

- 1. ORDERED that the Debtors and Non-Debtor Defendants are authorized to file under seal a certain exhibit on the Witness and Exhibit List filed at ECF No. 1170; it is further
- 2. ORDERED that the Debtors and Non-Debtor Defendants are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; it is further
- 3. ORDERED that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

SIGNED:

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE