IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Supply Source Enterprises, Inc., et al.,1	Case No. 24-11054 ()
Debtors.	(Joint Administration Requested)

DEBTORS' MOTION FOR ENTRY OF
AN ORDER (I) AUTHORIZING REDACTION OF CERTAIN
PERSONAL IDENTIFYING INFORMATION WITHIN THE
CONSOLIDATED LIST OF CREDITORS AND OTHER FILINGS,
(II) AUTHORIZING SERVICE TO INTERNATIONAL
VENDORS VIA E-MAIL, AND (III) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "<u>Debtors</u>") seek entry of an order, substantially in the form attached hereto as <u>Exhibit A</u> (the "<u>Proposed Order</u>") (a) authorizing the Debtors to redact certain personal identifying information within the consolidated list of creditors (the "<u>Consolidated Creditor Matrix</u>") and any other filing within these Chapter 11 Cases that may contain personal identifying information, (b) authorizing service to international vendors via e-mail, and (c) granting related relief.² In support of this motion (this "Motion"), the Debtors respectfully state as follows:

¹ The Debtors in these chapter 11 proceedings, together with the last four digits of each Debtor's federal tax identification number, are: Supply Source Enterprises, Inc. (0842); SSE Intermediate, Inc. (1772); SSE Buyer, Inc. (5901); Impact Products, LLC (7450); and The Safety Zone, LLC (4597). The Debtors' headquarters are located at 385 Long Hill Road, Guilford, Connecticut 06437.

² Concurrently with this Motion, the Debtors filed an application with the Court seeking to appoint Kurtzman Carson Consultants LLC as its claims and noticing agent. Pursuant to Local Rule 1007-2, which states that "[i]n all such voluntary cases with multiple debtors and that are subject to the requirement of Local Rule 2002-1(f) to retain a claims and noticing agent, the debtors may file consolidated lists of creditors for the lists required in Bankruptcy Rule 1007," the Debtors will file a Consolidated Creditor Matrix and consolidated list of the Debtors' 30 largest unsecured creditors in these chapter 11 cases (the "Consolidated Top 30 Creditors List"). Upon request of a party in interest, the Debtors will provide a non-consolidated list of creditors.

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 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)(2).
- 2. The Debtors confirm their consent, pursuant to 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.
 - 3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
- 4. The statutory bases for the relief requested herein are sections 105(a), 107(c), and 521 of title 11 of the United States Code (the "<u>Bankruptcy Code</u>"), rules 1007, 2002, 9007, and 9018 of the Federal Rules of Bankruptcy Procedure (the "<u>Bankruptcy Rules</u>"), and Local Rules 1001-1(c), 1007-1, 1007-2, 2002-1, and 9013-1(m).

BACKGROUND

5. On the date hereof (the "<u>Petition Date</u>"), each of the Debtors filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Debtors have also filed a motion requesting joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for the

appointment of a trustee or examiner has been made, and no official committees have been appointed in these Chapter 11 Cases.

- 6. The Debtors are leading distributors of branded and private label personal protective equipment and janitorial, safety, hygiene, and sanitation products. The Debtors' key products fall into the categories of gloves, core cleaning, safety, and food service. Working directly with suppliers and vendors in the United States and Asia, the Debtors source, supply, and ship their products to a diverse customer base, including janitorial and sanitation providers, supply distributors, safety products resellers and wholesalers, and food service and food processing distributors and retailers. Additionally, the Debtors offer advanced customization capabilities, hot stamping, pad printing, and silk-screening labeling services for unique design, logo, or packaging specification requested by customers.
- 7. 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 the *Declaration of Thomas Studebaker in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), which is incorporated herein by reference.³

RELIEF REQUESTED

8. The Debtors seek entry of the Proposed Order pursuant to sections 105(a), 107(c), and 521 of the Bankruptcy Code, Bankruptcy Rules 1007, 2002, 9007, and 9018, and Local Rules 1001-1(c), 1007-1, 1007-2, and 2002-1 authorizing the Debtors to (a) redact certain personal identifying information within the Consolidated Creditor Matrix and the Debtors' schedules of assets and liabilities and statements of financial affairs (the "Schedules"), affidavits of service, and

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

any other filing within these Chapter 11 Cases that may contain personal identifying information, (b) provide service to certain parties via e-mail, and (c) granting such other relief that is just and proper.

BASIS FOR RELIEF

- I. Certain Personal Identifying Information Contained in the Consolidated Creditor Matrix and Other Pleadings Should be Redacted.
 - 9. Although the public has a common law "right of access to judicial proceedings and records," *Goldstein v. Forbes (In re Cendant Corp.)*, 260 F.3d 183, 192 (3d Cir. 2001), the Bankruptcy Code permits courts, in appropriate circumstances, to protect individuals from an undue risk of identity theft or other unlawful injury by limiting the public's access, placing papers under seal, or otherwise entering orders to prohibit the dissemination of sensitive information. 11 U.S.C. § 107(c); *see also Cendant*, 260 F.3d at 194 (noting the public's right of access "is not absolute") (citation and internal quotation marks omitted); *Leucadia, Inc. v. Applied Extrusion Tech., Inc.*, 998 F.2d 157, 165 (3d Cir. 1993) ("Although the right of access is firmly entrenched, so also is the correlative principle that the right is not absolute.") (citation and internal quotation marks omitted).
 - 10. Specifically, section 107 of the Bankruptcy Code enables a court to issue orders that protect parties from the potential harm that could result from disclosing confidential information. Section 107(b) of the Bankruptcy Code provides, in pertinent part, as follows:

On the request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, the bankruptcy court may ... protect an entity with respect to a trade secret or confidential research, development, or commercial information[.]

- 11 U.S.C. § 107(b)(1); see also Fed. R. Bankr. P. 9018 (same).
 - 11. Additionally, section 107(c) of the Bankruptcy Code provides:

The bankruptcy 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) Any means of identification (as defined in section 1028(d) of title 18 [of the United States Code]) contained in a paper filed, or to be filed, in a case under [the Bankruptcy Code].
- (B) Other information contained in a paper described in subparagraph (A).

11 U.S.C. § 107(c)(1).

- 12. The Debtors respectfully submit that it is appropriate to authorize the Debtors to redact from any paper filed or to be filed with the Court in these Chapter 11 Cases the personal identifying information—including e-mail addresses and home addresses—of any of the Debtors' individual equity security holders and creditors—including the Debtors' board members and current and former employees—to the extent applicable, because such information could be used by third parties, among other things, to perpetrate identity theft or locate survivors of domestic violence, harassment, or stalking who have otherwise taken steps to conceal their whereabouts. This risk is not merely speculative. 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 addresses again for her safety.⁴
- 13. The disclosure of the unredacted home addresses of individual creditors is not necessary for the purpose of the relevant parties reviewing the amounts owed to those individuals

⁴ The incident, which took place during the first Charming Charlie chapter 11 proceedings in 2017, is described in the "creditor matrix motion" filed in *In re Charming Charlie Holdings, Inc.*, Case No. 19-11534 (CSS) (Bankr. D. Del. Jul. 11, 2019) [Docket No. 4].

as part of the chapter 11 process, and redaction would be a less intrusive way of achieving this purpose. The right of individual creditors not to have their unredacted home addresses disclosed would also override the legitimate interest of disclosing them to assist with these Chapter 11 Cases.

- 14. The Debtors propose to provide an unredacted version of the Consolidated Creditor Matrix and any other redacted, applicable filings to this Court, the Office of the United States Trustee (the "<u>U.S. Trustee</u>"), counsel to any statutory committee appointed in these Chapter 11 Cases, and other parties in interest upon reasonable request (e-mail being sufficient) to the Debtors or this Court that is reasonably related to these Chapter 11 Cases or as otherwise ordered by the Court.
- 15. Courts in this district have stressed the importance of authorizing debtors to redact individual creditors' personally identifiable information, including home addresses in particular. In overruling an objection by the U.S. Trustee in *Art Van Furniture* to relief similar to that which is being requested herein, the Court noted that the proposed redaction is not a "burden of proof" issue so "much as a common sense issue." Hr'g Tr. at 25:6–7, *In re Art Van Furniture, LLC*, No. 20-10553 (CSS) (Bankr. D. Del. Mar. 10, 2020) [Docket No. 82]. The Court found that "at this point and given the risks associated with having any kind of private information out on the internet, [redaction] has really become routine [and] I think obvious relief." *Id.* at 25:13-16. Similarly, in *Clover Technologies*, the Court overruled the U.S. Trustee's objection, noting that:

⁵ Similarly, the Court previously overruled the U.S. Trustee's objection to the redaction of individuals' information and found that "it's just plain common sense in 2019—soon to be 2020—to put as little information out as possible about people's personal lives to present [sic] scams . . . [Identity theft] is a real-life issue, and, of course, the issue of domestic violence is extremely important." Hr'g Tr. at 48:20–22, 49:3–5, *In re Anna Holdings*, No. 19-12551 (CSS) (Bankr. D. Del. Dec. 3, 2019) [Docket No. 112]. Because of the voluminous nature of the transcripts cited herein, such transcripts have not been attached to this Motion. Copies of these transcripts are available upon request to the Debtors' proposed counsel.

Notably, the Court acknowledged that "the world is very different from [the 1980s] when you and I started practice with the problems of identity theft" and that his perspective had evolved in that he was not previously aware of "the dangers with this kind of information becoming public." *See* Hr'g Tr. at 45:25-46:2, 47:22–24. The Debtors reserve the right to supplement the record with respect to such risks insofar as they are not self-evident in this instance.

To me it is common sense. I don't need evidence that there is, at best, a risk of identity theft and worse a risk of personal injury from listing someone's name and address on the internet by way of the court's electronic case filing system and, of course, the claims agent's website. . . . The court can completely avoid contributing to the risk by redacting the addresses. And while there is, of course, an important right of access we routinely redact sensitive and confidential information for corporate entities and redact individual's home addresses.

Hr'g Tr. at 24:21-25, 25:9-10, *In re Clover Techs. Grp., LLC*, No. 19-12680 (KBO) (Bankr. D. Del. Jan. 22, 2020) [Docket No. 146]. And, in *Forever 21*, in overruling the U.S. Trustee's objection, the Court found that "[w]e live in a new age in which the theft of personal identification is a real risk, as is injury to persons who, for personal reasons, seek to have their addresses withheld." Hr'g Tr. at 60:22–25, *In re Forever 21, Inc.*, No. 19-12122 (KG) (Bankr. D. Del. Dec. 19, 2019) [Docket No. 605].

- Chapter 11 Cases. *See, e.g., In re Ambri, Inc.*, No. 24-10952 (LSS) (Bankr. D. Del. May 7, 2024) (authorizing the debtor to redact the e-mail and home addresses of individual creditors and interest holders on its creditor matrix and any other papers filed with the court); *In re Restoration Forest Prod. Group, LLC*, No. 24-10120 (KBO) (Bankr. D. Del. Feb. 22, 2024) (authorizing the debtors to redact the home and e-mail addresses of individuals listed on the creditor matrix, schedules and statements, and other documents filed with the court); *In re Humanigen, Inc.*, No. 24-10003 (BLS) (Bankr. D. Del. Jan. 29, 2024) (same); *In re The Rockport Co., LLC*, No. 23-10774 (BLS) (Bankr. D. Del. July 18, 2023) (same); *In re DeCurtis Holdings LLC*, No. 23-10548 (JKS) (Bankr. D. Del. May 2, 2023) (same).
- 17. For these reasons, the Debtors respectfully submit that cause exists to authorize the Debtors to seal, pursuant to 11 U.S.C. § 107(c)(1), personal identifying information—including e-

mail addresses and home addresses—in respect of individuals who are listed on the Consolidated Creditor Matrix or any other document filed with this Court by the Debtors. Absent such relief, the Debtors would unnecessarily render individuals more susceptible to identity theft and could jeopardize the safety of individuals by publishing their home addresses.

II. Request for Authority to Provide Service to Certain Foreign Vendors Via E-Mail Is Appropriate and Should be Approved.

- 18. Although the Bankruptcy Rules generally require notices to be served on creditors at their addresses, they give significant latitude to bankruptcy courts for modifying the general rule. See Fed. R. Bankr. P. 2002(m) & 9007. Bankruptcy courts have explicit authority to modify the manner in which notice is given. Fed. R. Bankr. P. 2002(m); *see In re Cred Inc.*, Case No. 20-12836 (JTD) (Bankr. D. Del. Nov. 10, 2020) (authorizing debtor to serve creditors via e-mail); *In re Boxed, Inc.*, Case No. 23-10397 (BLS) (Bankr. D. Del. Apr. 6, 2023) (authorizing the debtors to serve certain customers via e-mail and notice on the debtors' website).
- 19. As further described in the First Day Declaration, nearly all of the Debtors' inventory is sourced by purchasing directly from manufacturing vendors. The Debtors have relationships with over 200 vendors throughout China, Indonesia, Sri Lanka, and the United States, with the substantial majority of the Debtors' vendors mainly based in China (the "International Vendors"). The Debtors have historically had strong relationships with their International Vendors and, given the distance and language barrier, primarily communicate with them via e-mail.
- 20. Accordingly, the Debtors request authority to serve the International Vendors, who may also be creditors, by e-mail, where an e-mail account is available to the Debtors. In the unusual instance that an e-mail is not available for a certain International Vendor, the Debtors will serve such International Vendor in accordance with the applicable Bankruptcy Rules, Local Rules, and federal law.

- 21. Not only is this likely the most efficient and cost-effective manner by which service of all interested parties can be completed, it is also the most likely to facilitate responses because the Debtors exclusively contact their International Vendors via e-mail. In addition, given the distance and language barrier, notices and pleadings sent via first-class mail to International Vendors will neither be delivered in a timely fashion nor beneficial. Finally, service via e-mail will help alleviate administrative burdens and costs on the Debtors' estates as serving physical papers internationally is quite costly.
- 22. The Debtors submit that implementation of the procedures requested herein are appropriate in these Chapter 11 Cases and well within the Court's equitable powers under section 105(a) of the Bankruptcy Code.

Compliance with Local Rule 9018-1(d)(iv)

23. Under the circumstances, and given the nature of the relief requested herein, the Debtors have not been able to confer with the individuals whose information is requested to be sealed and, accordingly, the Debtors submit that there is cause to excuse the Debtors from the meet and confer obligations under Local Rule 9018-1(d).

NOTICE

24. Notice of this Motion will be provided to the following parties or their respective counsel: (a) the Office of the United States Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) the DIP Lender; (d) the Prepetition Secured Parties; (e) the Internal Revenue Service; (f) the United States Attorney's Office for the District of Delaware; (g) the state attorneys general for all states in which the Debtors conduct business; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, within forty-eight (48) hours of the entry of an

order with respect to this Motion, the Debtors will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtors respectfully submit that, in light of the nature of the relief requested, no further notice is necessary.

CONCLUSION

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 relief as the Court deems appropriate under the circumstances.

Dated: May 21, 2024

Wilmington, Delaware

Respectfully submitted,

/s/ Katelin A. Morales

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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:	Chapter 11
Supply Source Enterprises, Inc., et al.,1	Case No. 24-11054 ()
Debtors.	(Joint Administration Requested)
	Re: Docket No

ORDER (I) AUTHORIZING REDACTION OF CERTAIN PERSONAL IDENTIFYING INFORMATION WITHIN THE CONSOLIDATED LIST OF CREDITORS AND OTHER FILINGS, (II) AUTHORIZING SERVICE TO INTERNATIONAL VENDORS VIA E-MAIL, AND (III) GRANTING RELATED RELIEF

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") for authority to (i) redact certain personal identifying information within the Consolidated Creditor Matrix and other filings within these Chapter 11 Cases, (ii) provide service to international vendors via e-mail, and (iii) granting related relief, all as more fully set forth in the Motion; and upon the 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, and that this Court 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 relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the

¹ The Debtors in these chapter 11 proceedings, together with the last four digits of each Debtor's federal tax identification number, are: Supply Source Enterprises, Inc. (0842); SSE Intermediate, Inc. (1772); SSE Buyer, Inc. (5901); Impact Products, LLC (7450); and The Safety Zone, LLC (4597). The Debtors' headquarters are located at 385 Long Hill Road, Guilford, Connecticut 06437.

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

circumstances and no other notice need be provided; and this Court having reviewed the Motion and having considered the admissible evidence at a hearing before this Court; 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 Debtors are authorized to redact the e-mail addresses and home addresses, but not the names, of the Debtors' employees, equity holders, customers, board members, and creditors who are individual persons from the Consolidated Creditor Matrix, the Debtors' Schedules, affidavits of service, or any other document filed by the Debtors with this Court in these Chapter 11 Cases; *provided, that* the Debtors shall file unredacted versions of all such documents under seal with the Court, within three business days of the date of this Order and shall provide an unredacted version of the Consolidated Creditor Matrix, Schedules, and (if requested) affidavits of service to the U.S. Trustee, any official committee of unsecured creditors appointed in these Chapter 11 Cases, the Debtors' court-appointed claims and noticing agent, any subsequently appointed trustee, and any party in interest upon the execution of an appropriate confidentiality agreement reasonably acceptable to the Debtors, or alternatively entry of an order granting a written motion to the Court for cause shown.
- 3. When serving any notice in these Chapter 11 Cases on the Debtors' employees, equity holders, customers, board members, and creditors who are individual persons, the Debtors' claims and noticing agent, and, where applicable, the Clerk of the Court, shall use the home address or such address that the Debtors have on file for such individual, which address shall not be the Debtors' general mailing addresses.

- 4. The service requirements of Bankruptcy Rule 2002(g) hereby are modified to permit service to International Vendors by e-mail, where an e-mail account is available to the Debtors. If no e-mail address is available for any International Vendor, the service requirements of Bankruptcy Rule 2022(g) will not be modified for such International Vendor.
- 5. Nothing in this Order shall waive or otherwise limit the service of any document upon or the provision of any notice to any individual solely because such individual's personally identifiable information is sealed or redacted pursuant to this Order. Service of all documents and notices upon individuals whose personally identifiable information is sealed or redacted pursuant to this Order shall be confirmed in the corresponding certificate of service. The Debtors shall provide the personally identifiable information to any party in interest upon the execution of an appropriate confidentiality agreement reasonably acceptable to the Debtors, or alternatively entry of an order granting a written motion to the Court that indicates the reason such information is needed (*e.g.*, to serve the employees with notice). Alternatively, the Debtors are authorized to facilitate service of process through the Debtors' claims and noticing agent for any party in interest required to serve a creditor whose information has been redacted pursuant to this Order and arrange for reimbursement of expenses on account of such service with said party in interest.
- 6. Nothing in this Order authorizes the redaction of any information required to be provided on the Consolidated Top 30 Creditors List.
- 7. Nothing in this Order shall abrogate the rights, duties, and obligations found under or pursuant to 11 U.S.C. § 107(c)(3).
- 8. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

9. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.