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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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In re Chapter 11

COYNE INTERNATIONAL ENTERPRISES Case No. \_\_\_\_\_  
CORP.,

Debtor.<sup>1</sup>

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**MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTOR TO REDACT (I) CERTAIN SUPPLEMENTS TO THE DEBTOR’S STATEMENTS OF FINANCIAL AFFAIRS AND SCHEDULES OF ASSETS AND LIABILITIES, AND (II) CONTACT INFORMATION FOR THE DEBTOR’S CUSTOMERS**

Coyne International Enterprises Corp., the above-captioned debtor and debtor in possession (the “Debtor”), by its proposed counsel, Herrick, Feinstein LLP, as and for its motion (the “Motion”) authorizing the Debtor to redact (i) certain supplements to the Debtor’s

<sup>1</sup> The last four numbers of the Debtor’s taxpayer identification number are 0758. The Debtor’s address is 140 Cortland Avenue, Syracuse, New York 13202.

Statements of Financial Affairs and Schedules of Assets and Liabilities (collectively, the “Schedules”), and (ii) contact information for the Debtor’s customers with which it has customer accounts (the “Customers,” and “Customer Accounts”), respectfully represents as follows:

### **INTRODUCTION**

1. On July 31, 2015 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court, and an order for relief under section 301 of the Bankruptcy Code was entered in this case.

2. The Debtor has been authorized to remain in possession of its property and to continue in the operation and management of its businesses as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. No official committee of unsecured creditors has been appointed by the Office of the United States Trustee for the Northern District of New York (the “U.S. Trustee”) in the Debtor’s chapter 11 case.

4. The Debtor is one of the largest privately owned commercial laundry companies in the United States. It is a leading route-based service provider, selling and renting a wide variety of work garments, shop towels, floor mats, dust mops, and other accessories in the eastern half of the United States.

5. Founded by J. Stanley Coyne, the Debtor has been family owned and operated since 1929. The Debtor serves customers in 24 states through nine commercial laundry plants and 16 service centers. Coyne’s plants are located at Bristol, Tennessee; Buffalo, New York; Cleveland, Ohio; Greenville, South Carolina; London, Kentucky; New Bedford, Massachusetts; Richmond, Virginia; Syracuse, New York; and York, Pennsylvania.

6. Additional information about the Debtor's businesses and the events leading up to the Petition Date can be found in the Affidavit of the Debtor's Chief Executive Officer, Mark Samson (the "Samson Affidavit"), filed on the Petition Date, and incorporated herein by reference.

### **JURISDICTION AND VENUE**

7. The Court has jurisdiction to hear this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue in this District is proper under 28 U.S.C. §§ 1408 and 1409.

8. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

### **BACKGROUND**

9. The Debtor has a strong share in the market for heavily soiled commercial garments, which it is able to launder efficiently using proprietary cleaning techniques. The Debtor has over 10,000 Customers, over three quarters of which are parties to five-year contracts. These Customers represent the Debtor's primary source of revenues. Accordingly, in the Debtor's competitive business, Customer and Customer Account information are commercially sensitive information that will be harmful to the Debtor's business if disclosed. Moreover, any future acquirer of the Debtor's business under the Debtor's contemplated asset sales will insist that Customer and Customer Account information remain undisclosed in order to preserve the value of such acquirer's newly acquired asset.

10. The Asset Purchase Agreements and notice provisions of the Bankruptcy Code require that Customers receive notice of certain requests for relief sought by the Debtor, including authorization to sell assets. In this regard, the certificate of service evidencing the Debtor's service of pleadings will include sensitive Customer information.

11. Moreover, section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 require that a debtor file its Schedules with the Court. Customer Account information

necessarily is included in the Schedules, because, for example, Customers are counterparties to service contracts with the Debtor. Therefore, under the Bankruptcy Code and the Bankruptcy Rules, absent specific relief, the Debtor may be required to make publicly known commercially sensitive Customer information on its Schedules.

### **RELIEF REQUESTED**

12. In order to comply with the terms of the asset purchase agreements for the sale of the Debtor's businesses, and to prevent the negative business impact and loss of value associated with public disclosure, while at the same time ensuring appropriate disclosure to key parties in interest in the chapter 11 case, the Debtor files this Motion seeking limited relief to redact commercially sensitive Customer information in filed documents.

13. Specifically, the Debtor seeks a determination that, under the particular circumstances of this chapter 11 case and the facts relating to the competitive nature of the Debtor's business and the commercially sensitive nature of Customer information, the Debtor may redact: (i) Customer information on the publicly-filed version of the Debtor's Schedules and supplements to the Schedules, and (ii) Customer contact information on any pleading, including any certificate of service, that relates directly or indirectly to Customers.

### **GROUND FOR RELIEF REQUESTED**

14. Public disclosure of Customer information would provide the Debtor's competitors, and importantly, competitors of the acquirer of the Debtor's assets, access to a valuable asset in this industry, resulting in an unfair competitive disadvantage. Moreover, disclosure would cause the Debtor to breach one more asset purchase agreements with stalking horse bidders for the Debtor's assets.

15. Accordingly, the Debtor proposes to redact the above information, and provide such information to key parties in interest or their counsel, including the Debtor's prepetition secured lenders, the Committee, the U.S. Trustee, and qualified bidders for the Debtor's assets who have signed nondisclosure agreements.

16. Section 107(b) of the Bankruptcy Code provides courts with the power to issue orders that will protect entities from potential harm that may result from the disclosure of certain confidential information. This section 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). Bankruptcy Rule 9018 provides, in relevant part:

On motion or 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.

17. Importantly, 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), "the court is required to protect a requested interested party and has no discretion to deny the application." *Video Software Dealers Ass'n v. Orion Pictures Corp.*, 21 F.3d 24, 27 (2d Cir. 1994); *see also In re Global Crossing*, 295 B.R. 720, 725 (Bankr. S.D.N.Y. 2003). Courts have defined commercial information as "information which would result in an 'unfair advantage to competitors by providing them with information as to the commercial operations of the debtor.'" *In re Alterra Healthcare Corp.*, 353 B.R. 66, 75 (Bankr. D. Del. 2006) (quoting *Orion Pictures*

*Corp.*). Commercial information does not need to rise to the level of a trade secret, merely that it is confidential and commercial in nature, to be protected under section 107(b). *Orion Pictures Corp.*, 21 F.3d at 28.

18. The Customer and Customer Account information falls within the scope of commercial information that is protected under section 107(b)(1) of the Bankruptcy Code. Customers are the lifeblood of the Debtor's operations, and are the primary source of the Debtor's revenues. This is true for the Debtor's competitors in the industry, and the disclosure of Customer and Customer Account information would result in an unfair advantage to competitors by providing them with information that would allow them to attract Customers away from the Debtor. Moreover, certain of the potential acquirers of the Debtor's assets have required the Debtor to keep this commercial sensitive information from disclosure in order to protect the very assets they are seeking to acquire.

19. Notice of this Motion has been provided to (i) Office of the United States Trustee, (ii) the Debtor's prepetition secured creditors, and (iii) the holders of the twenty (20) largest unsecured claims against the Debtor by CM/ECF, facsimile, e-mail, telephone, or overnight courier. In light of the nature of the relief requested herein, the Debtor submits that no other further notice is necessary.

20. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests that the Court enter the Order, substantially in the form annexed hereto as Exhibit A, granting the relief requested herein, and for such other and further relief the Court deems just and proper.

Dated: New York, New York  
July 31, 2015

HERRICK, FEINSTEIN LLP  
*Proposed Attorneys for the Debtor and  
Debtor-in-Possession*

By: /s/ Robert L. Rattet

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**EXHIBIT A**

**PROPOSED ORDER**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

COYNE INTERNATIONAL ENTERPRISES  
CORP.,

Case No. \_\_\_\_\_

Debtor.

-----X

**ORDER AUTHORIZING THE DEBTOR TO FILE UNDER SEAL (I) CERTAIN  
SUPPLEMENTS TO THE DEBTOR'S STATEMENTS OF FINANCIAL  
AFFAIRS AND SCHEDULES OF ASSETS AND LIABILITIES, AND  
(II) CONTACT INFORMATION FOR THE DEBTOR'S CUSTOMERS**

Upon the motion (the "Motion")<sup>1</sup> of Coyne International Enterprises Corp. (the "Debtor"), by its proposed counsel, Herrick, Feinstein LLP, seeking authorization to redact certain customer and customer account information in the Debtor's statements of financial affairs and schedules of assets and liabilities (collectively, the "Schedules") as well as in pleadings in the Debtor's chapter 11 case, including certificates of service, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon consideration of all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the

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<sup>1</sup> All capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

Debtor, its estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient case appearing therefore, it is hereby

**ORDERED** that the Motion is hereby granted to the extent provided herein; and it is further

**ORDERED** that the Debtor is authorized to redact identifying information relating to its Customers and Customer Accounts on its Schedules or any supplement to the Schedules; and it is further

**ORDERED** that the Debtor is authorized to redact identifying information relating to its Customers and Customer Accounts in any pleading in the Debtor's chapter 11 case, including certificates of service; and it is further

**ORDERED** that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 4001(d) and 6004(a) and (h) are waived; and it is further

**ORDERED** that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Syracuse, New York  
\_\_\_\_\_, 2015

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UNITED STATES BANKRUPTCY JUDGE