

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:

TSI Holdings, LLC¹ et al.,

DEBTORS.

CASE NO. 17-30132

CHAPTER 7
Jointly Administered

**JOINT MOTION OF TRUSTEE AND METROPOLITAN LIFE INSURANCE
COMPANY AND MSI FINANCIAL SERVICES, INC. FOR PROTECTIVE ORDER**

Joseph W. Grier, III, the interim trustee in the above-captioned case (the “Trustee”), through counsel, and Metropolitan Life Insurance Company (“MetLife”) and MSI Financial Services, Inc. (“MSI”), through counsel, hereby jointly bring this *Joint Motion of Trustee and Metropolitan Life Insurance Company and MSI Financial Services, Inc. for Protective Order* as follows:

1. On January 27, 2017 (the “Petition Date”), an involuntary bankruptcy petition (D.E. 1) pursuant to chapter 7 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “Code”), was filed against TSI Holdings, LLC, the debtor (the “Debtor”) in this case (this “Case”).

2. On February 2, 2017, the Court held an emergency hearing on the petitioning creditors’ emergency motion to appoint an interim trustee for the Debtor in this Case (D.E. 5) (the “Motion”).

3. During the hearing on the Motion, the Court granted the petitioning creditors’ request for an interim trustee and appointed the Trustee in that role. On February 8, 2017, the Court entered its *Order Requiring Appointment of Interim Trustee* (D.E. 17).

¹ These jointly administered cases are those of the following debtors: TSI Holdings, LLC, Case No. 17-30132, WSC Holdings, LLC Case No. 17-30338, SouthPark Partners, LLC Case No. 17-30339 and Sharon Road Properties, LLC Case No. 17-30363.

4. On or about June 5, 2017, the Trustee served MetLife and MSI subpoenas (“Subpoenas”) seeking documentation and information related to insurance policies and investments.

5. MetLife has advised the Trustee that some of the information requested by the subpoena constitutes nonpublic personal identifying and financial information of individuals who are neither Debtors in these cases nor are they related to or affiliated with any of the Debtors or with Richard M. Siskey. MetLife is a “financial institution” within the meaning of 15 U.S.C.A. §6809(3)(A) and 12 U.S.C.A. §1843(k)(4)(B) and is also an “insurance institution” within the meaning of N.C. Gen. Stat. §58-39-10(11). As such, it is subject to and must act in accord with a complex and detailed web of both federal and state statutory provisions with respect to the circumstances under which it may disclose the personal identifying and financial information of its insureds, policyholders, and policy beneficiaries without their express written authorization, the persons to whom any such disclosures may be made, the purposes for which any such disclosures may be made, and the uses to which such information may be put by the parties to whom disclosure is made. See, *e.g.*, 15 U.S.C.A. §6802 *et seq.* (Gramm-Leach-Bliley Act, Title V); N.C.Gen.Stat. §58-39-1 *et seq.* (North Carolina Insurance Information and Privacy Protection Act).²

6. MetLife is permitted to disclose otherwise confidential personal and identifying financial information in response to a judicial subpoena. 15 U.S.C.A. §6802(e)(8); N.C. Gen. Stat. §58-39-75(8). MetLife submits, and the Trustee concurs, that the provisions of the proposed Protective Order will serve to keep all parties mindful of the protections required for

² The provisions of 11 U.S.C. §107 are not implicated at this point. The present Motion seeks only a protective order with respect to the disclosure of information to the Trustee and the use of that information by the Trustee; it does not address information submitted to or filed with the Court. The Protective Order does, however, contain a mechanism by which the parties may bring before the Court any issues they believe must be considered under 11 U.S.C. §107 before information subject to the Protective Order is actually filed with the Court.

such nonpublic personal identifying and financial information and the limits on its use and further disclosure, will protect against inadvertent and unintended disclosures to unauthorized third parties in the course of administration and compliance with the subpoena, and will evidence the parties' intent to comply fully with the requirements of the applicable statutes and regulations relating to such nonpublic personal identifying and financial information.

7. The proposed Protective Order does not speak to or attempt to direct the circumstances under which or the manner in which documents or testimony may be submitted to the Court under seal.

8. Therefore, in conjunction with the Subpoenas, the Trustee and MetLife and MSI propose, subject to this Court's approval, and after notice and a hearing, entry of a "Protective Order by Consent", a true copy of which is attached hereto as "Exhibit A" and incorporated herein by reference.

WHEREFORE, the Trustee and MetLife and MSI respectfully pray that the Court approve the Protective Order by Consent; and grant such further relief as is just and proper.

This is the 5th day of July, 2017.

GRIER FURR & CRISP, PA

/s/Anna S. Gorman

Joseph W. Grier, III (NC State Bar No. 7764)

Anna S. Gorman (NC State Bar No. 20987)

Michael L. Martinez (N.C. State Bar No. 39885)

101 N. Tryon St., Ste. 1240

Charlotte, NC 28246

Telephone: (704) 375-3720

Facsimile: (704) 332-0215

agorman@grierlaw.com

Counsel for the Trustee

PARKER POE ADAMS & BERNSTEIN, LLP

/s/ Charles E. Raynal IV

Daniel G. Clodfelter (NC State Bar No. 7661)

Charles E. Raynal IV (NC State Bar No. 32310)

PNC Plaza

301 Fayetteville Street, Suite 1400

Raleigh, North Carolina 27601

Telephone: (704) 372-9000

Facsimile: (704) 334-4706

danclodfelter@parkerpoe.com

Counsel for Metropolitan Life Insurance

Company and MSI Financial Services

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:

TSI HOLDINGS, LLC,

Debtor.

Case No. 17-30132
Chapter 7
(Jointly Administered)

PROTECTIVE ORDER BY CONSENT

Pursuant to Rule 26(c) of the Federal Rules of Civil Procedure and Bankruptcy Rule 7026, upon motion of the Trustee for TSI Holdings, LLC, WSC Holdings, LLC, Sharon Road Properties, LLC, and SouthPark Partners, LLC (collectively the “Debtors”) and Metropolitan Life Insurance Company (“MetLife”) and MSI Financial Services, Inc. (“MSI”) (collectively, the “Producing Non-parties”), through counsel, for a protective order as to certain information to be provided in this action pursuant to subpoenas issued to non-parties, MetLife and MSI, on behalf of Joseph W. Grier, III, the Trustee for the Debtors (the “Trustee”) in the above referenced matter(the “Protective Order”), it is hereby ordered that:

1. (a) Any document, or portion thereof, and any other form of evidence or discovery produced pursuant to Rule 45 of the Federal Rules of Civil Procedure which, in the good faith opinion of either or both of the Producing Non-parties contains any (i) customer account information for former or current customers of the Producing Non-parties, (ii) sensitive

financial information for former or current customers or employees of the Producing Non-parties, or (iii) confidential, proprietary or otherwise commercially sensitive information of the Producing Non-parties may be designated by the Producing Non-parties as “Confidential Information.”

(b) Except as otherwise provided by this Protective Order, Confidential Information designated as such in accordance with this Order may be disclosed or made available only to persons specified in paragraphs 3 and 4 herein.

(c) Confidential Information designated as such may include, without limitation: (i) all documents, and all extracts from and summaries thereof, that contain or reflect Confidential Information; (ii) deposition, hearing or trial testimony and the portions of transcripts and exhibits that contain or reflect Confidential Information; and (iii) the portions of briefs, memoranda, or other writings filed with the Court and exhibits thereto that contain or reflect Confidential Information.

(d) Confidential Information that is made available to the Trustee pursuant to this Protective Order may be received and used by the Trustee and his counsel, agents, and employees only for the purpose of carrying out the Trustee’s responsibilities with regard to the Chapter 7 cases that are being administered jointly in connection with the above-captioned proceeding and for no other purpose, and said persons and entities shall thereafter safeguard and retain custody and/or control of all documents and things that contain, embody or reflect the Confidential Information.

2. Confidential Information as defined in paragraph 1(a) above may be designated by one or more of the Producing Non-parties as subject to this Protective Order as follows:

(a) With respect to documents or copies provided by the Producing Non-parties to the Trustee, by marking the initial page with the legend “CONFIDENTIAL UNDER METLIFE/MSI PROTECTIVE ORDER in Bankr. Case No. 17-30132 (W.D.N.C. Bankr.)”

(b) Transcripts, if any, containing testimony or exhibits designated as containing Confidential Information shall be designated as Confidential Information by either indicating on the record at any deposition, hearing or other court proceeding the specific testimony which contains Confidential Information that is to be made subject to the provisions of this Order or by marking the initial page of the deposition with the legend “CONFIDENTIAL UNDER METLIFE/MSI PROTECTIVE ORDER in Bankr, Case No. 17-30132 (W.D.N.C. Bankr.)”.

(c) Notwithstanding the foregoing, if any person who is not qualified to receive Confidential Information under paragraphs 3 and 4 herein attends a deposition, hearing or other court proceeding at which such Confidential Information is disclosed, then in such event the Trustee and/or Producing Non-party must designate the specific testimony or information containing Confidential Information by indicating on the record at the deposition, hearing or other court proceeding that such Confidential Information is subject to the provisions of this Order. The Trustee and/or Producing Non-parties shall have the right to exclude such persons from the deposition, hearing or court proceeding during the period any Confidential Information is disclosed or discussed.

(d) If affidavits, briefs, memoranda or other papers are expected to be filed with this Court containing Confidential Information, the Trustee shall notify the Producing Non-parties as provided in Paragraph 5 below and the Producing Non-parties shall receive the opportunity to object to the disclosure and to be heard before any such papers are filed. Upon

any filing of papers that may occur, such information contained therein must be designated Confidential Information by prominently marking such paper “CONFIDENTIAL UNDER METLIFE/MSI PROTECTIVE ORDER in Bankr. Case No. 17-30132 (W.D.N.C. Bankr.)”

3. Except as otherwise provided by this Protective Order, Confidential Information shall not be made available to, or be disclosed to, any person except:

(a) the Court, which includes judges and associated judicial officers and personnel;

(b) the Trustee and his counsel in this action;

(c) certified court reporters taking testimony involving Confidential Information and their support personnel;

(d) independent experts and their support personnel, in accordance with the provisions of paragraph 4 of this Protective Order;

(e) such other persons as the Producing Non-parties consent to in writing; and

(f) third-parties shown on the face of such documents to be senders or recipients of the document.

4. (a) Confidential Information may be disclosed to independent experts who are retained by the Court and/or by the Trustee to furnish expert services or to give expert testimony with regard to this action.

(b) Upon disclosure of Confidential Information to such independent experts, the Trustee, or counsel for the Trustee shall inform the expert that the information is subject to this Protective Order, shall inform the expert that such information is not to be disclosed except for purposes of this litigation, shall use their best efforts to prevent the information from being disclosed by said expert, and shall use their best efforts to require all information, subject to this

Protective Order, is returned by said expert to counsel for the producing party in accordance with paragraph 14 of this Protective Order.

5. In the event that the Trustee deems it necessary to disclose any Confidential Information of either of the Producing Non-parties to any person not specified in paragraph 3 herein as qualified to receive such information or not covered by paragraph 4 herein, the Trustee shall notify counsel for the Producing Non-parties in writing of (a) the information or documents to be disclosed, and (b) the person(s) to whom such disclosure is to be made, and shall attempt to reach agreement regarding such disclosure. If agreement cannot be reached, the Trustee shall make an appropriate motion with this Court, and the Producing Non-Parties shall be provided with a reasonable opportunity to object to the disclosure and to be heard before any Confidential Information is produced or ordered to be produced. In the event of such motion, this Court shall rule as to whether such disclosure may be made and whether any restrictions or limitations should be placed on such disclosure.

6. If any document or thing containing or embodying Confidential Information is to be filed with the Court, the Trustee shall notify counsel for the Producing Non-parties in writing of the information or documents to be filed with the Court and shall attempt to reach agreement with the Producing Non-parties regarding such filing. If agreement cannot be reached, the Trustee must make an appropriate motion with this Court, and the Producing Non-Parties shall be provided with a reasonable opportunity to object to the filing and to be heard before any Confidential Information is filed. In the event of such motion, this Court shall rule as to whether such filing may be made and whether any restrictions or limitations should be placed on such filing, including whether such filing must be made under seal.

7. Nothing in this Protective Order shall prevent the Trustee from discovering documents or Confidential Information or from using any such Confidential Information at trial, during a hearing, or on appeal, subject to the Federal Rules of Evidence and Federal Rules of Civil Procedure.

8. Confidential Information obtained from the Producing Non-parties pursuant to a subpoena in this action may be used, disclosed or filed only for purposes of the Trustee carrying out the Trustee's responsibilities with regard to the Chapter 7 cases that are being administered jointly in connection with the above-captioned proceeding (Bankr. Case No. 17-30132 (W.D.N.C. Bankr.)). No party or any other person or entity shall make any other use of any such Confidential Information except as permitted by Order of the Court.

9. The Producing Non-parties may redact from documents they produce any confidential information consisting of personal identifying information of third parties, including social security numbers, tax identification numbers, account numbers, telephone numbers and addresses. Should the Trustee require access to redacted personal identifying information for purposes of the Trustee carrying out the Trustee's responsibilities with regard to this action, the Trustee may, upon request, review such information in the offices of counsel for the Producing Non-parties or in such other manner as the Trustee and the Producing Non-parties agree.

10. (a) The restrictions set forth in this Protective Order shall not apply to Confidential Information that:

(i) is lawfully acquired by the Trustee from a third party having the right to disclose such information, or

(ii) was lawfully possessed by the Trustee prior to the entry of this Order.

(b) Should a dispute arise as to whether any specific Confidential Information is within paragraph 10(a) of this Protective Order;

(i) the Trustee and the Producing Non-parties shall first attempt to dispose of such dispute in good faith on an informal basis;

(ii) if the dispute cannot be resolved on an informal basis, counsel for the Trustee or counsel for the Producing Non-parties may seek appropriate relief from this Court.

11. Nothing in this Protective Order shall be construed as an agreement or admission: (a) that any information or document designated as Confidential Information is in fact confidential; or (b) with respect to the competency, relevance, admissibility or materiality of any such information or document.

12. The Trustee shall not be obliged to challenge the propriety of a Confidential Information designation at the time made, and a failure to do so shall not preclude a subsequent challenge thereto. In the event that the Trustee disagrees at any point in these proceedings with the designation by the Producing Non-parties of any information as Confidential Information, the Trustee shall first attempt to dispose of such dispute in good faith on an informal basis with counsel for the Producing Non-parties. If the dispute cannot be resolved, the Trustee may seek appropriate relief from this Court, and the Producing Non-parties asserting confidentiality shall have a reasonable opportunity to be heard and shall have the burden of proving the same.

13. The inadvertent or unintentional failure by the Producing Non-parties to designate specific documents or materials as containing Confidential Information shall not be deemed a waiver in whole or in part of the Producing Non-parties' claim of confidentiality as to such documents or materials. Upon notice to the receiving party of such failure to designate, the

receiving party shall cooperate to restore the confidentiality of any inadvertently disclosed Confidential Information.

14. Nothing in the Protective Order shall prevent disclosure of Confidential Information beyond the terms of this Order if the Producing Non-parties of Confidential Information consents in writing to such disclosure, or if the Court, after notice to all affected parties and an opportunity for the Producing Non-parties to be heard, orders such disclosure.

15. (a) Within sixty (60) days of the Court's closure of the above-referenced matter all Confidential Information designated as such, and all reproductions thereof, shall be returned to the Producing Non-parties or shall be destroyed, at the option of the Producing Non-parties; except counsel for the Producing Non-parties and counsel for the Trustee may retain copies of such documents or information, provided all documents and other materials produced or designated as Confidential Information shall remain subject to the conditions of this Order.

(b) Insofar as the provisions of this and any other Protective Order entered in this proceeding restrict the communication and use of information produced thereunder, such Order shall continue to be binding after the conclusion of this action, except that a party may seek the written permission of the Producing Non-parties or further Order of the Court with respect to dissolution or modification of any such Protective Order.

(c) Confidential Information that is used during a hearing, trial, and/or appeal does not become part of the public domain. Rather, the protections of paragraph 8 of this Order shall continue to apply thereto. After such hearing, trial, or appeal, or at the conclusion of this action, the Producing Non-parties and/or Trustee may work with the Clerk of Court to seal any exhibit or other evidence containing Confidential Information under the provisions of paragraph 6 of this Order.

16. Neither the entry of this Protective Order nor the designation of any information or document as Confidential Information, nor the failure to make such designation, shall constitute evidence with respect to any issue in this proceeding.

17. If a party in other litigation, another court, or an administrative agency, issues a discovery request, a subpoena or process or order for the production of any Confidential Information that the Trustee or persons designated in Paragraph 3 obtained under the terms of this Protective Order, such party or person shall promptly notify counsel for the Producing Non-parties of the pendency of such discovery request, subpoena or Order, shall furnish counsel for the Producing Non-parties with a copy of said discovery request, subpoena or order, and shall cooperate with respect to any procedure sought to be pursued by the Producing Non-parties. Before the Trustee or other persons designated in Paragraph 3 may produce Confidential Information to any third party, the Producing Non-parties shall receive at least fourteen (14) days in which to object to such production and/or to seek other protection from this Court or other appropriate court. The person or party receiving the discovery request, subpoena, process or order shall be entitled to comply with it except to the extent that the Producing Non-parties are successful in obtaining an order modifying or quashing it.

18. This Protective Order is without prejudice to the rights of the Trustee or the Producing Non-parties to seek relief from the Court, upon good cause shown, from any of the restrictions provided above or to impose additional restrictions on the disclosure of any information or material produced.

19. Notices under this Protective Order shall be provided as follows, unless this paragraph 17 is modified by the Trustee or the Producing Non-parties in writing and filed with this Court: notice to the Producing Non-parties shall be to Charles Raynal of Parker Poe Adams

& Bernstein, LLP and notice to the Trustee shall be to Joseph W. Grier, III of Grier Furr & Crisp P.A., at their respective addresses of record filed with the Court for this action.

20. The Court retains jurisdiction even after termination of this action to enforce this Protective Order and to make such amendments, modifications, deletions and additions to it as the Court may from time to time deem appropriate.

This Order has been signed electronically. The Judge's signature and Court's seal appear at the top of the Order.

United States Bankruptcy Court

CONSENTED AND AGREED TO:

Parker Poe Adams & Bernstein, LLP

Grier Furr & Crisp P.A.

Daniel G. Clodfelter
N.C. State Bar No. 7661
Charles E. Raynal IV
N.C. State Bar No. 32310
Parker Poe Adams & Bernstein, LLP
PNC Plaza
301 Fayetteville Street, Suite 1400
Raleigh, North Carolina 27601
Telephone: (704) 372-9000
Facsimile: (704) 334-4706
Counsel for Metropolitan Life Insurance Company and MSI Financial Services

Joseph W. Grier, III
N. C. State Bar No. 7764
Grier Furr & Crisp, P.A.
101 N. Tryon Street, Suite 1240
Charlotte, NC 28246
jgrier@grierlaw.com
Telephone: (704) 332-0201
Facsimile: (704) 332-0215
Counsel for Trustee for TSI Holdings, LLC, WSC Holdings, LLC, Sharon Road Properties, LLC, and SouthPark Partners, LLC

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:

TSI Holdings, LLC³ et al.,

DEBTORS.

CASE NO. 17-30132

CHAPTER 7

Jointly Administered

NOTICE OF HEARING

You are hereby notified that, on **July 24, 2017 at 9:30 A.M.** in Bankruptcy Courtroom 1-4 at 401 West Trade Street, Charlotte, North Carolina, the Court will conduct a hearing on the *Joint Motion of Trustee and Metropolitan Life Insurance Company and MSI Financial Services, Inc. for Protective Order* (the "Motion") filed in this case. A copy of the Motion is available from the undersigned, from <https://tsiholdings.wordpress.com>, or from the Bankruptcy Court's web site at: <http://www.ncwb.uscourts.gov>. In the Motion, the Trustee and Metropolitan Insurance Company and MSI Financial Services, Inc. jointly ask the Court to enter a protective order regarding anticipated documentation and information to be produced to the Trustee pursuant to subpoenas.

YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THIS BANKRUPTCY CASE. (IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.)

IF YOU DO NOT WANT THE COURT TO GRANT THE RELIEF REQUESTED IN THE MOTION, OR IF YOU WANT THE COURT TO CONSIDER YOUR VIEWS ON THE MOTION, THEN ON OR BEFORE **July 19, 2017**, YOU OR YOUR ATTORNEY MUST:

(1) File a written objection with the Bankruptcy Court by electronic means through the Court's website at www.ncwb.uscourts.gov under the case name and number shown above or by mail at:

Clerk, United States Bankruptcy Court
401 West Trade Street
Charlotte, NC 28202

(2) Serve a copy of your written objection or response upon the parties shown below and any other parties as required by law or orders of the Court on or before the date set out

³ These jointly administered cases are those of the following debtors: TSI Holdings, LLC, Case No. 17-30132, WSC Holdings, LLC Case No. 17-30338, SouthPark Partners, LLC Case No. 17-30339 and Sharon Road Properties, LLC Case No. 17-30363.

above:

Joseph W. Grier, III
Grier Furr & Crisp, PA
101 N. Tryon Street, Suite 1240
Charlotte, NC 28246
Fax: 704-332-0215

(3) Attend the hearing scheduled for **July 24, 2017 at 9:30 a.m.** or as soon thereafter as the matters can be heard in the Bankruptcy Courtroom 1-4 at 401 West Trade Street, Charlotte, North Carolina. You should attend this hearing if you file an objection or response.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief requested in the Motion and may enter an order granting the relief.

This is the 5th day of July, 2017.

/s/ Anna S. Gorman
Anna S. Gorman (N.C. State Bar No. 20987)
Grier Furr & Crisp PA
101 North Tryon Street, Suite 1240
Charlotte, North Carolina 28246
Telephone: 704/375.3720; Fax: 704/332.0215
mmartinez@grierlaw.com

Attorneys for the Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division**

In re:

TSI Holdings, LLC,

Debtor.

Case Number: 17-30132

Chapter 7

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the *Joint Motion of Trustee and Metropolitan Life Insurance Company and MSI Financial Services, Inc. for Protective Order and Notice of Hearing* were served on all parties requesting notice through the Court's electronic noticing system, on Investors via electronic mail and by posting on the website being maintained by the Trustee regarding these Cases at <https://tsiholdings.wordpress.com>.

This is the 5th day of July, 2017.

/s/ Anna S. Gorman

Anna S. Gorman

Grier Furr & Crisp, PA

101 North Tryon Street, Suite

Charlotte, NC 28246