

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re: :
: :
Application for Exemption from the Electronic : General Order M-619
Public Access Fees by Jihye Jang, :
: :
: :
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This matter is before the Court upon the application and request by Jihye Jang (the "Applicant") for exemption from the fees imposed by the Electronic Public Access Fee Schedule adopted by the Judicial Conference of the United States Courts.

The Court finds, based upon the attached letter received on October 30, 2023, that the Applicant has demonstrated that an exemption is necessary in order to avoid unreasonable burdens and to promote public access to information.

Accordingly, the Applicant shall be exempt from the payment of fees for access via PACER to the electronic case files maintained in this Court to the extent such use is incurred in connection with the project described in the attached letter and application. The Applicant shall not be exempt from the payment of fees incurred in connection with other uses of the PACER system in this Court.

Additionally, the following limitations apply:

- 1. This fee exemption applies only to the Applicant, and is valid only for the purposes stated above.
- 2. This fee exemption applies only to the electronic case files of this Court that are available through the PACER system;
- 3. By accepting this exemption, the Applicant agrees not to sell for profit any data obtained as a result of receiving this exemption.
- 4. This exemption is valid from October 30, 2023, through October 31, 2024.

This exemption may be revoked at the discretion of the Court at any time. A copy of this Order shall be sent to the PACER Service Center.

Dated: November 6, 2023
New York, NY

/s/ Martin Glenn
MARTIN GLENN
Chief United States Bankruptcy Judge

**Application for Multi-Court Exemption from the
Judicial Conference's Electronic Public Access (EPA) Fees**

1.) I am requesting an exemption from fees for public access to electronic case records for the courts selected below:

Courts of Appeal

- | | |
|---|---|
| <input type="checkbox"/> All Courts of Appeal | <input type="checkbox"/> Seventh Circuit |
| <input type="checkbox"/> First Circuit | <input type="checkbox"/> Eighth Circuit |
| <input type="checkbox"/> Second Circuit | <input type="checkbox"/> Ninth Circuit |
| <input type="checkbox"/> Third Circuit | <input type="checkbox"/> Tenth Circuit |
| <input type="checkbox"/> Fourth Circuit | <input type="checkbox"/> Eleventh Circuit |
| <input type="checkbox"/> Fifth Circuit | <input type="checkbox"/> D.C. Circuit |
| <input type="checkbox"/> Sixth Circuit | <input type="checkbox"/> Federal Circuit |

Bankruptcy Appellate Panels (BAP)

- | |
|--|
| <input checked="" type="checkbox"/> First Circuit - BAP |
| <input checked="" type="checkbox"/> Sixth Circuit - BAP |
| <input checked="" type="checkbox"/> Eighth Circuit - BAP |
| <input checked="" type="checkbox"/> Ninth Circuit - BAP |
| <input checked="" type="checkbox"/> Tenth Circuit - BAP |

District Courts

- | | | | |
|---|---|---|---|
| <input type="checkbox"/> All District Courts | | | |
| <input type="checkbox"/> Alabama Middle | <input type="checkbox"/> Illinois Northern | <input type="checkbox"/> Nebraska | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> Alabama Northern | <input type="checkbox"/> Illinois Central | <input type="checkbox"/> Nevada | <input type="checkbox"/> South Carolina |
| <input type="checkbox"/> Alabama Southern | <input type="checkbox"/> Illinois Southern | <input type="checkbox"/> New Hampshire | <input type="checkbox"/> South Dakota |
| <input type="checkbox"/> Alaska | <input type="checkbox"/> Indiana Northern | <input type="checkbox"/> New Jersey | <input type="checkbox"/> Tennessee Eastern |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> Indiana Southern | <input type="checkbox"/> New Mexico | <input type="checkbox"/> Tennessee Middle |
| <input type="checkbox"/> Arkansas Eastern | <input type="checkbox"/> Iowa Northern | <input type="checkbox"/> New York Eastern | <input type="checkbox"/> Tennessee Western |
| <input type="checkbox"/> Arkansas Western | <input type="checkbox"/> Iowa Southern | <input type="checkbox"/> New York Northern | <input type="checkbox"/> Texas Eastern |
| <input type="checkbox"/> California Central | <input type="checkbox"/> Kansas | <input type="checkbox"/> New York Southern | <input type="checkbox"/> Texas Northern |
| <input type="checkbox"/> California Eastern | <input type="checkbox"/> Kentucky Eastern | <input type="checkbox"/> New York Western | <input type="checkbox"/> Texas Southern |
| <input type="checkbox"/> California Northern | <input type="checkbox"/> Kentucky Western | <input type="checkbox"/> North Carolina Eastern | <input type="checkbox"/> Texas Western |
| <input type="checkbox"/> California Southern | <input type="checkbox"/> Louisiana Eastern | <input type="checkbox"/> North Carolina Middle | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> Louisiana Middle | <input type="checkbox"/> North Carolina Western | <input type="checkbox"/> Vermont |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> Louisiana Western | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Virgin Islands |
| <input type="checkbox"/> Delaware | <input type="checkbox"/> Maine | <input type="checkbox"/> Northern Mariana Islands | <input type="checkbox"/> Virginia Eastern |
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Maryland | <input type="checkbox"/> Ohio Northern | <input type="checkbox"/> Virginia Western |
| <input type="checkbox"/> Florida Middle | <input type="checkbox"/> Massachusetts | <input type="checkbox"/> Ohio Southern | <input type="checkbox"/> Washington Eastern |
| <input type="checkbox"/> Florida Northern | <input type="checkbox"/> Michigan Eastern | <input type="checkbox"/> Oklahoma Eastern | <input type="checkbox"/> Washington Western |
| <input type="checkbox"/> Florida Southern | <input type="checkbox"/> Michigan Western | <input type="checkbox"/> Oklahoma Northern | <input type="checkbox"/> West Virginia Northern |
| <input type="checkbox"/> Georgia Northern | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Oklahoma Western | <input type="checkbox"/> West Virginia Southern |
| <input type="checkbox"/> Georgia Middle | <input type="checkbox"/> Mississippi Northern | <input type="checkbox"/> Oregon | <input type="checkbox"/> Wisconsin Eastern |
| <input type="checkbox"/> Georgia Southern | <input type="checkbox"/> Mississippi Southern | <input type="checkbox"/> Pennsylvania Eastern | <input type="checkbox"/> Wisconsin Western |
| <input type="checkbox"/> Guam | <input type="checkbox"/> Missouri Eastern | <input type="checkbox"/> Pennsylvania Middle | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> Missouri Western | <input type="checkbox"/> Pennsylvania Western | |
| <input type="checkbox"/> Idaho | <input type="checkbox"/> Montana | <input type="checkbox"/> Puerto Rico | |

Bankruptcy Courts

- All Bankruptcy Courts
- Alabama Middle Illinois Northern Nebraska Rhode Island
- Alabama Northern Illinois Central Nevada South Carolina
- Alabama Southern Illinois Southern New Hampshire South Dakota
- Alaska Indiana Northern New Jersey Tennessee Eastern
- Arizona Indiana Southern New Mexico Tennessee Middle
- Arkansas Eastern Iowa Northern New York Eastern Tennessee Western
- Arkansas Western Iowa Southern New York Northern Texas Eastern
- California Central Kansas New York Southern Texas Northern
- California Eastern Kentucky Eastern New York Western Texas Southern
- California Northern Kentucky Western North Carolina Eastern Texas Western
- California Southern Louisiana Eastern North Carolina Middle Utah
- Colorado Louisiana Middle North Carolina Western Vermont
- Connecticut Louisiana Western North Dakota Virgin Islands
- Delaware Maine Northern Mariana Islands Virginia Eastern
- District of Columbia Maryland Ohio Northern Virginia Western
- Florida Middle Massachusetts Ohio Southern Washington Eastern
- Florida Northern Michigan Eastern Oklahoma Eastern Washington Western
- Florida Southern Michigan Western Oklahoma Northern West Virginia Northern
- Georgia Northern Minnesota Oklahoma Western West Virginia Southern
- Georgia Middle Mississippi Northern Oregon Wisconsin Eastern
- Georgia Southern Mississippi Southern Pennsylvania Eastern Wisconsin Western
- Guam Missouri Eastern Pennsylvania Middle Wyoming
- Hawaii Missouri Western Pennsylvania Western
- Idaho Montana Puerto Rico

National Courts

- Judicial Panel on Multidistrict Litigation
- U.S. Court of Federal Claims
- U.S. Court of International Trade

2.) I am an individual associated with Cornell University

3.) Please summarize why the case information from the Public Access to Court Electronic Records (PACER) service is needed and how it will be used. Also, please explain why an exemption from the courts identified is necessary. If you need more space, please provide in an attachment.

The answer is provided in an attachment.

4.) In support of this application, I affirm the following:

a) An exemption from the Judicial Conference's EPA Fee is necessary in order to avoid unreasonable burdens and to promote public access to information.

b) That the exemption will be for a definitive period of time:

c) I understand that this fee exemption will apply only to me, will be valid only for the purposes stated above, and will apply only to the electronic case files of the court(s) indicated above that are available through the PACER service.

d) I agree that any data received through this exemption will not be sold for profit, will not be transferred, will not be used for commercial purposes, and will not be redistributed via the Internet.

Declaration: I declare that all the above information is true and understand that a false statement may result in termination of my exempt access and an assessment of Electronic Public Access usage fees. (The box must be marked or your request will not be considered)

Applicant's Printed Name

Applicant's Title

Applicant's Signature

Applicant's Phone Number

Applicant's email address

Applicant's Mailing Address

City

State

Zip Code

Date

Please submit your completed, signed request via email to Multi-CourtExemptions@ao.uscourts.gov or by mail to:

Attention: Multi-Court Exemptions
Court Programs Division
DPS-CSO-PRGD
One Columbus Circle, N.E.
Washington, DC 20544

**** Requests sent through the US mail may take up to two weeks to clear security.****

3.) Please summarize why the case information from the Public Access to Court Electronic Records (PACER) service is needed and how it will be used. Also, please explain why an exemption from the courts identified is necessary. If you need more space, please provide in an attachment.

I am a fourth-year PhD student at Cornell University, specializing in corporate finance and currently working on a research project related to bankruptcy for my dissertation.

I am formally requesting access to PACER to study approximately 14,000 Chapter 11 cases filed by large public and private firms (with asset sizes exceeding \$100 million) between 2008 and 2023. My specific focus encompasses an examination of filings related to First Day motions, Critical Vendor motions, KERP/KEIP motions, and DIP loan motions. My intention is to compile data on the presence of Critical Vendor motions, KERP/KEIP motions, DIP loan motions, the outcomes of these motions, the duration for their approval, details regarding the involved stakeholders, plans, contracts, and, lastly, information about objections to these motions, including objecting parties and their reasoning. I will download the relevant motions and employ text analysis and manual reading methods to gather the required data.

Despite conducting extensive searches on platforms like Bloomberg Law and Lexis-Nexis over the past few weeks, I have encountered significant challenges in obtaining the necessary data without access to PACER. Due to budgetary constraints and the extended waiting times associated with external grants, I am compelled to request a PACER MultiCourt Exemption. With approximately 2.5 years remaining in my program, securing PACER access is critical for the progress of my dissertation. I respectfully seek a 3-year exemption period, which will enable me to complete my dissertation and successfully graduate.

My project encompasses three dimensions of Chapter 11 that require access to the Public Access to Court Electronic Records (PACER) service. In this letter, I will briefly describe my research questions, summarize the reasons for needing PACER case information and why an exemption from PACER fees is essential for my research.

I intend to look at approximately 14,000 cases of Chapter 11 bankruptcies for large firms whose nominal asset is above \$100 million from 2008-2023. The list of the cases is included in the application. Given resource and time constraints, I have limited my scope to these large firms, enabling a clearer understanding of the economic implications of bankruptcy.

1. Bankruptcy and propagation through supply chain

The first research question is the propagation of bankruptcy shock through the supply chain. Bankruptcy not only affects the bankrupt firms and their employees but many other stakeholders such as their creditors and trade partners. The Absolute Priority Rule (APR) in Chapter 11 refers to the underlying principle dictating the order of claims by which recoveries are distributed to creditors. Not surprisingly, general unsecured claims come after DIP loans (super priority), 1st and 2nd lien secured claims, and priority unsecured claims. Intuitively, unsecured creditors are one of the stakeholders that suffer the most from the bankruptcy of a firm. As the equity value of

the bankrupt firm is negative or close to zero, additional costs of financial distress are principally borne by the unsecured creditors of the firm (Iverson, 2018). Trade partners (suppliers) are the most common party for the largest unsecured creditors, and we expect they bear large loss from a firm's bankruptcy.

I will look at Official Form 201 for firm's basic information such as asset and liability size, concurrent bankruptcy cases with the EIN number, and look at Official Form 204 for the list of 20 largest unsecured claims to identify the suppliers that are affected the most. Most of Chapter 11 filings are from the private firms, whose information is completely unavailable publicly. We are in the process of applying for the U.S. Census Longitudinal Business Database and The Longitudinal Employer-Household Dynamics data, which is the data for all business units in the U.S., to assess what happens to the suppliers after a firm's bankruptcy. The complication is that, many suppliers submit the Critical Vendor motion to gain some protection from the loss. While Form 204 is more available through other platforms like Bloomberg Law, most of the motions are not available without paying a fee.

Through PACER account, I intend to look at filings related to Critical Vendor motion. I will identify the firms that file for critical vendor motion and the ones that are granted the critical vendor motion. While the existence of such motion is my priority, I also intend to identify the identity of the trade partners that are mentioned in the motion and the reasonings behind why they were chosen as the critical vendor. Lastly, I will check whether the critical vendor motion was filed and approved on an emergency basis as part of first day orders, to assess how the procedure of critical vendor motion affect the bankruptcy outcome and firm outcomes after reorganization.

2. Key Employee Retention Plans and Incentive Plans

The second research question involves studying the labor effects of bankruptcy, specifically related to Key Employee Retention Plans (KERPs) and Key Employee Incentive Plans (KEIPs). Managers and employees face high risk of turnover and termination of their labor contracts. Their interests can be strongly tied to the survival of the business because they often possess firm-specific human capital that can be easily lost if a bankrupt firm liquidates (Wang, 2021). These plans are designed to retain valuable talent during times of uncertainty and achieve specific performance goal, but there is a lack of research on their actual effectiveness due to the unavailability of employment data. I am currently in the process of obtaining access to employee-employer matched data through the U.S. Census, which will be essential for this aspect of my research.

Through PACER account, I intend to collect whether a firm files for a KERP/KEIP plan motion, whether it is granted, and a detailed KERP/KEIP plan information such as which employee the plan covers, how these employees are compensated, what the expectation/goal of such plan is. And such information is only collectable through a careful examination of the motions through text analysis and manual reading. The access to the PACER is crucial in obtaining these documents on the motions.

The novel contribution of this research is that I will merge this information to the proprietary U.S. Census data which allows me to track the employees who stay during and after the bankruptcy (stayer), the employees who leave before the bankruptcy (early leaver), during the bankruptcy (leaver), and newly employed during after the reorganization (newcomer). I will also examine their personal characteristics such as gender, education, work experience, etc. Our question is how the composition of these different groups of employees differ when bankrupt firms have filed for KERP/KEIP plan and with what kind of retention and/or incentive plan and how that ultimately affects the firm outcome.

3. Leverage Loan and Bankruptcy Outcome

The third research question of my project explores the interaction between leveraged loans and bankruptcy financing and how it affects bankruptcy outcomes. Leveraged loan is a type of loan extended to companies or individuals that have considerable amounts of debt or poor credit history, and it have become increasingly prevalent in the U.S.

The question of how the expansion of leveraged loan affect the likelihood and the process of Chapter 11 remains unclear. To investigate this, I plan to analyze the firms that obtained leveraged loans before filing for bankruptcy to understand their impact on firm's likelihood of applying for bankruptcy and various aspects of the bankruptcy process, such as filing pre-packaged bankruptcy, or applying for DIP loan, etc., and post-reemergence performance.

Leveraged loan market is increasingly occupied with institutional investors as opposed to traditional players such as banks. And there has been increasing evidence that the presence of institutional investors and the dynamics between the traditional creditors and institutional investors make the coordination difficult in times of financial distress and subsequent renegotiation. We intend to check whether the presence of leveraged loan and institutional investors lengthen the bankruptcy duration and process, and most importantly, increase difficulty for the bankrupt firms to obtain DIP loans due to objections, and affect who (traditional vs. non-traditional) funds DIP loans for the bankrupt firms.

We focus on DIP loan because of its close connection to the bankruptcy process and pre-bankruptcy capital structure and creditors. Many firms seek DIP financing from their existing senior creditors to fund the reorganization process, and the DIP-loan creditors exert significant influence over the bankruptcy process through the contract associated with the DIP loan. (Ayotte and Ellias, 2022) With the existing evidence that the loans from traditional bank lenders are significantly easier to restructure out of court than loans from institutional lenders (Demiroglu and James, 2015), we expect that the firms going into the Chapter 11 with the leveraged loan and institutional investors might have longer bankruptcy process, more bids/interests from the lenders to become the DIP lenders, and more objections to DIP loan motion from other creditors. And a longer, contentious bankruptcy process might in turn affect the bankruptcy and post-bankruptcy outcomes for the firms and employees.

Through PACER, I intend to collect data on whether firm files for DIP loan motion, whether they are granted with DIP loan, the identity of the creditor who's providing the loan, and most importantly, whether there is an objection to DIP loan motion.

Cornell University hosts one of the Federal Statistical Research Data Centers, which provides access to U.S. Census Bureau data for university affiliates. I believe that connecting the bankruptcy data collected from PACER with U.S. Census data has the potential to significantly advance our understanding of firm bankruptcies and their effects on the supply chain, labor market, distressed firm funding, and the broader economy.

Access to PACER is critical for my research to collect the necessary documents and data for a comprehensive analysis of these three significant aspects of bankruptcy. In view of the pivotal role that PACER plays in this research endeavor, I earnestly seek your understanding and support. I would like to express my deep gratitude for the time and attention you have dedicated to my request for an exemption.