

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

REDWOOD VILLA INTERFAITH
HOUSING CORPORATION, a California
non-profit public benefit corporation,

Plaintiff/Counter-Defendant,

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NATIONWIDE AFFORDABLE
HOUSING FUND 33, LLC, an Ohio
limited liability company, and SCDC,
LLC, an Ohio limited liability company,

Defendants/Counterclaimants,

and

REDWOOD VILLA SENIOR HOUSING
PARTNERS, L.P., a California limited
partnership,

Nominal Defendant.

Case No.: 24-cv-233-AJB-JLB

**ORDER RE SEALING DOCUMENTS
FILED IN CONNECTION WITH THE
PENDING MOTIONS FOR
SUMMARY JUDGMENT**

(Doc. No. 56)

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1 **I. BACKGROUND**

2 At issue is the permanent sealing of the nine exhibits containing documents and
3 testimony (collectively, the “Documents”) designated as confidential under the Protective
4 Order and related to the pending summary judgment motions. (Doc. No. 56 at 2.) The
5 Documents are listed below.

- 6 1. Ex. 64 to the Deposition of Aaron Reule – NAHF33_0001000
- 7 2. Ex. 81 to the Deposition of Robert McGehee – NAHF33_0003124 and its
8 attachments
- 9 3. Ex. 84 to the Deposition of Jeffrey Morgan – NAHF33_0007311
- 10 4. Ex. 85 to the Deposition of Jeffrey Morgan – NAHF33_0007272
- 11 5. Ex. 86 to the Deposition of Jeffrey Morgan – NAHF33_0007289
- 12 6. Ex. 87 to the Deposition of Jeffrey Morgan – NAHF33_0008697
- 13 7. Ex. 96 to the Deposition of Ryan Gaslin – NMIC_REDWOOD 0000132
- 14 8. Exs. 98 and 98A to the Deposition of Ryan Gaslin –
15 NMIC_REDWOOD0000111
- 16 9. Deposition of Ryan Gaslin at 48:7-50:2,61:11-20, 64:24-65:3, 66:9-67:8,
17 75:8-83:8, 84:6-85:1, 85:11-86:9, 86:6-93:19, 95:1-96:19, 97:22-106:10

18 (Doc. Nos. 57-1–57-9.)

19 Plaintiff/Counter-Defendant Redwood Village Interfaith Housing Corporation
20 (“Plaintiff”) and Defendants/Counterclaimants Nationwide Affordable Housing Fund 33,
21 LLC, and SCDC, LLC (“Defendants”) have conferred regarding the confidentiality of the
22 documents. (Doc. No. 56 at 4.) Plaintiff opposes permanent sealing. Defendants maintain
23 they should remain sealed. (*Id.*) The matter is fully briefed. (Doc. Nos. 66, 67.) For the
24 reasons stated below, the Court **DENIES** permanent sealing of the Documents.

25 **II. LEGAL STANDARD**

26 Courts have historically recognized a “general right to inspect and copy public
27 records and documents, including judicial records and documents.” *Nixon v. Warner*

1 *Communications, Inc.*, 435 U.S. 589, 597 & n.7 (1978). “Unless a particular court record is
2 one ‘traditionally kept secret,’ a ‘strong presumption in favor of access’ is the starting point.
3 *Kamakana v. City and Cnty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006) (quoting
4 *Foltz v. State Farm Mut. Auto. Ins. Co.*, 331 F.3d 1122, 1135 (9th Cir. 2003)). To overcome
5 this strong presumption, a party seeking to seal a judicial record must articulate
6 justifications for sealing that outweigh the public policies favoring disclosure. *See id.* at
7 1178–79. The showing required to satisfy this burden depends, not merely on whether the
8 motion to which the documents relate are dispositive or nondispositive, but rather, “whether
9 the motion is more than tangentially related to the merits of a case.” *Ctr. for Auto Safety v.*
10 *Chrysler Grp., LLC*, 809 F.3d 1092, 1101 (9th Cir. 2016). If the underlying motion is more
11 than tangentially related to the merits, the “compelling reasons” standard applies. *Id.* at
12 1096–98, 1102 (concluding that “the plaintiffs’ motion for preliminary injunction is more
13 than tangentially related to the merits”). If the underlying motion does not pass the “more
14 than tangentially related” threshold, the “good cause” standard applies. *Id.* at 1096–98.

15 **III. DISCUSSION**

16 Here, because the Documents to be sealed are filed in connection with the pending
17 motions for summary judgment, they are more than tangentially related to the merits of the
18 case. (Doc. No. 56 at 2.) Thus, the “compelling reasons” standard applies.¹ *See Ctr. for*
19 *Auto Safety*, 809 F.3d at 1102; *Kamakana*, 447 F.3d at 1179. This is so even if the
20 Documents “were previously filed under seal or protective order.” *Id.*

21 Compelling reasons sufficient to outweigh the public’s interest in disclosure and
22 justify sealing exist when the documents at issue may “become a vehicle for improper
23 purposes, such as the use of records to gratify private spite, promote public scandal,
24 circulate libelous statements, or release trade secrets.” *Id.* (internal quotation marks and
25 citation omitted).

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¹ The parties do not contend otherwise.

1 Upon review of Defendants' brief and declaration in support of permanent sealing,
2 the Court finds they have not met their burden to "articulate compelling reasons supported
3 by specific factual findings" which "outweigh the general history of access and the public
4 policies favoring disclosure, such as the public interest in understanding the judicial
5 process." *Id.* at 1178–79 (internal alterations, quotation marks, and citation omitted).

6 To begin, Plaintiff asserts that this case concerns matters of substantial public
7 interest and is one of many disputes nationwide in recent years concerning affordable
8 housing developed under the federal government's Low-Income Housing Tax Credit
9 program. (Doc. Nos. 56 at 3–4; 67 at 2.) The policy favoring disclosure of records that
10 promote understanding of the judicial process is therefore particularly present here. And
11 Defendants' proffered reasons to overcome the strong presumption of access fall short.

12 In support of their permanent sealing request, Defendants contend that the
13 Documents concern "confidential, proprietary, highly sensitive, non-public information
14 (including financial information)" and that the disclosure of the information would affect
15 Defendants' business strategy, finances, business transactions, future negotiations, and
16 transactions. (Doc. No. 66 at 7.) Aside from this conclusory assertion, however, Defendants
17 have not identified or explained what in the exhibits are non-public, proprietary, or highly
18 sensitive. *See Kamakana*, 447 F.3d at 1184 ("Simply mentioning a general category of
19 privilege, without any further elaboration or any specific linkage with the documents, does
20 not satisfy the burden.").

21 Nor have Defendants explained, with specific facts or examples, how their asserted
22 harms would result. *See, e.g., Beckman Indus., Inc. v. Int'l Ins. Co.*, 966 F.2d 470, 476 (9th
23 Cir. 1992) (holding that "broad allegations of harm, unsubstantiated by specific examples
24 or articulated reasoning" do not satisfy even the lower standard of good cause). The
25 Documents comprise nearly 200 pages. It is not the Court's job to comb through each page
26 in search of information that would be subject to improper use. And "the mere fact that the
27 production of records may lead to a litigant's embarrassment, incrimination, or exposure
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1 to further litigation will not, without more, compel the court to seal its records.” *Kamakana*,
2 447 F.3d at 1179.

3 For the foregoing reasons, the Court finds that Defendants have not met the “high
4 threshold” of showing that “compelling reasons” justify permanent sealing of the
5 Documents. *Kamakana*, 447 F.3d at 1180. In the absence of compelling reasons, the Court
6 cannot grant permanent sealing.

7 **IV. CONCLUSION**

8 Accordingly, for the reasons stated herein, the Court **DENIES WITHOUT**
9 **PREJUDICE** the request for permanent sealing of the Documents. Defendants may file a
10 renewed motion to seal, no later than August 14, 2025. The renewed motion must fully
11 address the “compelling reasons” standard—i.e., identify which lines, pages, or sections of
12 the Documents must be redacted, describe the sensitive nature of that material, and explain
13 how a specific harm would result from disclosure of each. The Court will consider a timely
14 renewed motion before a final ruling. If no renewed motion is timely filed, the Court will
15 instruct the Clerk to file Defendants’ unredacted Documents (Doc. No. 57) on the docket.

16 **IT IS SO ORDERED.**

17 Dated: August 7, 2025


18 Hon. Anthony J. Battaglia
19 United States District Judge