UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Sunlight Financial LLC et al.,

Plaintiffs,

–v–

Hinkle et al.,

Defendants.

21-cv-6680 (AJN)

ORDER

ALISON J. NATHAN, District Judge:

Plaintiffs filed a motion to file under seal the unredacted version of two exhibits attached to the Declaration of Christopher M. Padro in support of its Motion for Temporary Restraining Order and Motion for Preliminary Injunction and to redact confidential materials from its publicly filed version of the exhibits. Dkt. No. 17. The unopposed motion is hereby GRANTED.

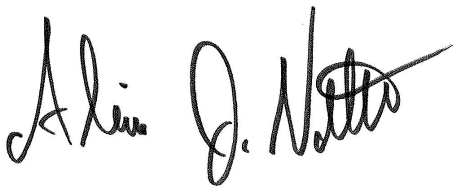
The Court grants Plaintiffs' motion after applying the three-part test articulated by the Second Circuit in *Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110 (2d Cir. 2006). Under this test, the Court must: (i) determine whether the documents in question are "judicial documents;" (ii) assess the weight of the common law presumption of access to the materials; and (iii) balance competing considerations against the presumption of access. *Id.* at 119-20. "[T]he mere existence of a confidentiality order says nothing about whether complete reliance on the order to avoid disclosure [is] reasonable." *Id.* at 126.

Nonetheless, having reviewed the proposed redactions, the Court finds that the requests are narrowly tailored to protect competitive business information. "Potential damage from [the] release of trade secrets is a legitimate basis for sealing documents." *See Encyclopedia Brown*

Productions, Ltd. v. Home Box Office, Inc., 26 F. Supp. 2d 606, 612-13 (S.D.N.Y. 1998). The exhibits contain Plaintiffs' customer lists, which constitute trade secrets under New York law because they have been "developed . . . through substantial effort," "kept in confidence," and are "not otherwise readily ascertainable." *N. Atl. Instruments, Inc. v. Haber*, 188 F.3d 38, 44 (2d Cir. 1999). As a result, the Court concludes that the sensitivity of this information outweighs the presumption of access contemplated in the third *Lugosch* factor.

SO ORDERED.

Dated: January 10, 2022
New York, New York



ALISON J. NATHAN
United States District Judge