

Matter of GNHC 1703-518 LLC v NHCALILLY, LLC

2022 NY Slip Op 32969(U)

September 5, 2022

Supreme Court, New York County

Docket Number: Index No. 651756/2022

Judge: Andrea Masley

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This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 48

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<p>IN THE MATTER OF THE APPLICATION OF GNHC 1703-518 LLC,</p> <p style="text-align: center;">Petitioner,</p> <p style="text-align: center;">- v -</p> <p>NHCALILLY, LLC, NHCAGILEAD, LLC, NHCABAYLASH, LLC, HEALTH CHOICE ALLIANCE, LLC, HEALTH CHOICE ADVOCATES, LLC, and HEALTH CHOICE GROUP, LLC,</p> <p style="text-align: center;">Respondents.</p>	<p>INDEX NO. <u>651756/2022</u></p> <p>MOTION DATE <u>N/A</u></p> <p>MOTION SEQ. NO. <u>004</u></p> <p style="text-align: center;">DECISION + ORDER ON MOTION</p>
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HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 004) 39, 40, 41, 42, 43, 44, 45, 46, 55

were read on this motion to/for SEAL.

In motion sequence number 004, petitioner GNHC 1703-518 LLC (GNHC) renews its motion to redact certain portions of NYSCEF Docs. No. (NYSCEF) 41 and 43 pursuant to Section 216.1 of the Uniform Rules for New York State Trial Courts. There is no indication that the press or public have an interest in this matter.

In August 2020, GNHC and respondents engaged in arbitration pursuant to the parties' Prepaid Forward Purchase Agreement (Purchase Agreement), and in April 2022, GNHC petitioned this court to confirm the final arbitration award. (See NYSCEF 1, Petition to Confirm Arbitration Award.) NYSCEF 41 is the final arbitration award and NYSCEF 43 is the Purchase Agreement. From the final arbitration award, GNHC seeks to redact pricing and tax information related to the parties' transaction, the disclosure of which GNHC contends would harm its competitive advantage in the litigation finance industry. GNHC also contends that the final arbitration award contains information

regarding the parties' internal finances, which does not concern the public, and refers to negotiated business terms with a nonparty to this action. GNHC seeks to seal from the Purchase Agreement the signatories' contact information, such as emails and telephone numbers, and also seeks to redact information regarding pricing and tax treatment in the parties' transaction. GNHC argues that the public has no interest in the signatories' private contact information and the disclosure of the specific pricing and tax terms in the Purchase Agreement would harm its competitive advantage.

Legal Standard

Section 216.1(a) of the Uniform Rules for Trial Courts empowers courts to seal documents upon a written finding of good cause. It provides:

“(a) [e]xcept where otherwise provided by statute or rule, a court shall not enter an order in any action or proceeding sealing the court records, whether in whole or in part, except upon a written finding of good cause, which shall specify the grounds thereof. In determining whether good cause has been shown, the court shall consider the interests of the public as well as the parties. Where it appears necessary or desirable, the court may prescribe appropriate notice and an opportunity to be heard.”

In the business context, courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage.” (*Mosalle v Berenson*, 76 AD3d 345, 350-351 [1st Dept 2010] [citations omitted].) Records concerning financial information may be sealed where there has not been a showing of relevant public interest in the disclosure of that information. (See *Dawson v White & Case*, 184 AD2d 246, 247 [1st Dept 1992].) A party “ought not to be required to make their private financial information public ... where no substantial public interest would be furthered by public access to that information” and that “sealing a court file may be appropriate to preserve the confidentiality of materials which involve the internal

finances of a party and are of minimal public interest.” (*D’Amour v Ohrenstein & Brown*, 17 Misc.3d 1130[A], 1130[A], 2007 NY Slip Op 52207[U], *20 [Sup Ct, NY County 2007] [citations omitted].)

Discussion

Here, GNHC has demonstrated that good cause exists to narrowly redact portions of the final arbitration award and the Purchase Agreement. The Purchase Agreement reveals the parties’ negotiated business terms, which contain financial information and contingency terms that could adversely harm or threaten GNHC’s standing in the industry. The final arbitration award makes references to some of the same negotiated business terms contained in the Purchase Agreement but also reveals dealings and specific business and financial terms with a nonparty to this action, information that was relevant to the arbitrator’s decision and highly detailed in the arbitrator’s written decision. Therefore, GNHC has shown that good cause exists to redact the confidential and proprietary information contained within the final arbitration award and the Purchase Agreement. (*Mosallem*, 76 AD3d at 350-53; see *Feffer v Goodkind, Wechsler, Labaton & Rudoff*, 152 Misc 2d 812, 815-816 [Sup Ct, NY County 1991].) Moreover, GNHC’s proposed redactions are narrowly tailored, effectively balancing its interest in keeping private its sensitive information between the respondents and nonparty and the interests of the public, if any. (See *Danco Lab Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 9 [1st Dept 2010].)

Accordingly, it is

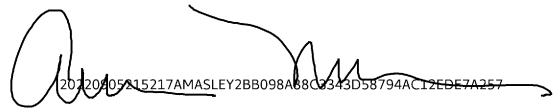
ORDERED that motion sequence number 004 is granted; and it is further

ORDERED that the County Clerk, upon service to him of this order, shall seal NYSCEF Docs. No. 41 and 43; and it is further

ORDERED that as redacted versions of NYSCEF Docs. No. 41 and 43 have already been filed publicly, petitioner need not re-file duplicates; and it is further

ORDERED the New York County Clerk shall restrict access to the sealed documents with access to be granted only to authorized court personnel and designees, the parties and counsel of record in the above-captioned action, and any representative of a party or of counsel of record upon presentation to the County Clerk of written authorization from counsel; and it is further

ORDERED that this order does not authorize sealing or redacting for purposes of trial.



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9/5/2022
DATE

ANDREA MASLEY, J.S.C.

CHECK ONE:

CASE DISPOSED
 GRANTED DENIED

NON-FINAL DISPOSITION
 GRANTED IN PART OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT REFERENCE