

<b>Coleman v Kasz Money, Inc.</b>
2020 NY Slip Op 33357(U)
October 9, 2020
Supreme Court, New York County
Docket Number: 651850/2020
Judge: Andrea Masley
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SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY

PRESENT: HON. ANDREA MASLEY PART IAS MOTION 48EFM

Justice

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INDEX NO. 651850/2020

JOSHUA COLEMAN,

MOTION DATE \_\_\_\_\_

Plaintiff,

MOTION SEQ. NO. 002

- v -

KASZ MONEY, INC. and PRESCRIPTION SONGS LLC,

DECISION + ORDER ON  
MOTION

Defendants.

-----X

MASLEY, J.:

The following e-filed documents, listed by NYSCEF document number (Motion 002) 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41

were read on this motion to/for SEAL

In motion sequence number 002, defendant Kasz Money, Inc. (KMI) moves to seal (1) contracts filed as NYSCEF Doc. Nos. 34, 35, 36, and 37 and (2) royalty statements filed as NYSCEF Doc. No. 38. KMI does not move to seal the memorandum of law that it submitted in support of this motion although it filed that court record under temporary seal. (*See* NYSCEF Doc. No. [NYSCEF] 39, "Memorandum of Law - Request To Seal".)

NYSCEF Doc. No. 34 is a January 1, 2017 contract between KMI and Fifth Harmony Music, Inc. "regarding production of the track entitled 'He Like That.'" (NYSCEF 32, Movit Aff ¶ 2.)

NYSCEF Doc. No. 35 is a January 1, 2017 contract between KMI and Fifth Harmony Music, Inc. "regarding production of the track entitled 'Down.'" (*Id.*)

NYSCEF Doc. No. 36 is a May 1, 2017 contract between KMI and Urban Cone AB “regarding production of the tracks entitled ‘Comfort Me’ and ‘Ikea.’” (*Id.*)

NYSCEF Doc. No. 37 is a July 17, 2018 contract between KMI and Chromeo Recording, Inc. “regarding production of the track entitled ‘Bedroom Calling 2.’” (*Id.*)

NYSCEF Doc. No. 38 are royalty statements from July 1, 2017 through March 31, 2020 “reflecting royalties and other funds collected ... and amounts paid to [Plaintiff] on a quarterly basis.” (*Id.*)

KMI argues that the contracts concern third parties and sensitive financial terms like compensation, royalties, and other fees that KMI would receive. Specifically, KMI seeks to redact terms concerning the producer fee and advance, the producer royalty, the royalty accountings and audit rights, the royalty calculation and payment, recoupment, percentage of performer royalties, and certain provisions concerning third parties. KMI asserts that the royalty statements contain the same non-public information, but that redaction is not feasible. KMI maintains that disclosure of this information could threaten its competitive advantage in the music industry.

The motion is unopposed. There is no indication in the record that the press or public are interested in this information at issue.

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.

(b) For purposes of this rule, 'court records' shall include all documents and records of any nature filed with the clerk in connection with the action. Documents obtained through disclosure and not filed with the clerk shall remain subject to protective orders as set forth in CPLR 3103 (a)."

Judiciary Law § 4 provides that judicial proceedings shall be public. "The public needs to know that all who seek the court's protection will be treated evenhandedly," and "[t]here is an important societal interest in conducting any court proceeding in an open forum." (*Baidzar Arkun v Farman-Farma*, 2006 NY Slip Op 30724[U],\*2 [Sup Ct, NY County 2006] [citation omitted].) The public right of access, however, is not absolute. (*See Danco Lab, Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 8 [1st Dept 2000].)

The "party seeking to seal court records bears the burden of demonstrating compelling circumstances to justify restricting public access" to the documents. (*Mosallem v Berenson*, 76 AD3d 345, 348-349 [1st Dept 2010] [citations omitted].) Good cause must "rest on a sound basis or legitimate need to take judicial action." (*Danco Labs.*, 274 AD2d at 9.)

In the business context, courts have sealed records where trade secrets are involved or where the disclosure of documents "could threaten a business's competitive advantage." (*Mosallem*, 76 AD3d at 350-351 [citations omitted].) Additionally, the First Department has affirmed the sealing of records concerning financial information where there has not been a showing of relevant public interest in disclosure of the financing. (*See Dawson v White & Case*, 184 AD2d 246, 247 [1st Dept 1992].) For instance, in *Dawson v White & Case*, the First Department stated that the plaintiff-appellant failed to show "any legitimate public concern, as opposed to mere curiosity, to counter-balance

the interest of defendant's partners and clients in keeping their financial arrangement private." (*Id.* [internal quotation marks and citation omitted].)

Good cause exists to redact the financial and third-party terms as proposed by KMI from NYSCEF Doc. Nos. 34, 35, 36, and 37. KMI has demonstrated that disclosure of these terms may threaten its competitive advantage in the music industry.

(*Mosallem*, 76 AD3d at 350-351.) And, in any event, there is no public concern about these terms to counterbalance the interest of KMI in keeping its financial arrangements private. (*Dawson v White & Case*, 184 AD2d at 247.) Although KMI asserts that the royalty statements must be completely sealed, and not simply redacted like the contracts, the argument is unavailing. Certainly, there are financial terms in the royalty statements for which good cause exists to seal. But there are other terms that are patently not sensitive. Accordingly, redaction will "strike the proper balance." (*Danco Labs.*, 274 AD2d at 9.)

Lastly, KMI's memorandum of law filed under temporary seal does not quote the sensitive information at issue here. Therefore, good cause does not exist to seal it.

Accordingly, it is

ORDERED that the motion is granted as set forth above; and it is further

ORDERED that the County Clerk, upon service to him of this order, shall seal NYSCEF Doc. Nos. 34, 35, 36, 37 and 38; and it is further

ORDERED that within 10 days of this order being filed on NYSCEF, movant shall publicly file redacted versions of those court records; and it is further

ORDERED that the parties shall redact the financial terms at issue here from future filings; and it is further

ORDERED that until further order of the court, the County Clerk shall deny access to the sealed unredacted documents to anyone (other than the staff of the County Clerk or the court) except for counsel of record for any party to this case, a party, and any representative of counsel of record for a party upon presentation to the County Clerk of written authorization from the counsel; and it is further

ORDERED that the County Clerk is directed to unseal the memorandum of law filed on NYSCEF Doc. No. 39; and it is further

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

10/9/20  
DATE

CHECK ONE:

<input type="checkbox"/>	CASE DISPOSED	<input type="checkbox"/>	DENIED	<input checked="" type="checkbox"/>	NON-FINAL DISPOSITION	<input type="checkbox"/>	OTHER
<input type="checkbox"/>	GRANTED	<input type="checkbox"/>		<input checked="" type="checkbox"/>	GRANTED IN PART	<input type="checkbox"/>	
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER		<input type="checkbox"/>	SUBMIT ORDER	<input type="checkbox"/>	
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN		<input type="checkbox"/>	FIDUCIARY APPOINTMENT	<input type="checkbox"/>	REFERENCE

J.S.C.