

Byju's PTE. Ltd. v GLAS Trust Co. LLC

2024 NY Slip Op 31423(U)

April 11, 2024

Supreme Court, New York County

Docket Number: Index No. 652717/2023

Judge: Andrea Masley

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

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BYJU'S PTE. LTD., EPIC CREATIONS INC., GREAT LEARNING EDUCATION PTE. LTD., NEURON FUEL INC., TANGIBLE PLAY INC., and THINK & LEARN PRIVATE LIMITED.

Plaintiffs,

- v -

GLAS TRUST COMPANY LLC, REDWOOD MASTER FUND, LTD., REDWOOD DRAWDOWN MASTER FUND III, LP, and REDWOOD OPPORTUNITY MASTER FUND, LTD.,

Defendants.

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INDEX NO. 652717/2023

MOTION DATE -

MOTION SEQ. NO. 001 004

DECISION + ORDER ON MOTION

HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 15, 16, 17, 18, 38, 39

were read on this motion to/for SEAL

The following e-filed documents, listed by NYSCEF document number (Motion 004) 66, 67, 68, 69, 97, 98

were read on this motion to/for SEAL

In motion sequence 001, defendant GLAS Trust Company LLC (GLAS) moves, by order to show cause, pursuant to Section 216.1 of the Uniform Rules for the New York State Trial Courts, to seal exhibits 3-11 and 13 (NYSCEF Doc No. [NYSCEF] 23-31, 33) to Lamina Bowen's¹ affirmation in support of GLAS' motion to dismiss and for declaratory judgment on the grounds that these documents contain sensitive business information. GLAS's motion to dismiss and for declaratory judgment was not assigned a sequence number as it was returned for correction. (See NYSCEF 19, Notice of

¹ Bowen is GLAS' counsel. (NYSCEF 16, Bowen aff ¶ 1.)
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Motion No. 001 004

Motion.) These documents are Credit and Guaranty Agreement dated November 24, 2021 (NYSCEF 23 and 74, exhibit 3), Amendment No. 2 to Credit Agreement dated October 12, 2022 (NYSCEF 24 and 75, exhibit 4), Amendment No. 3 to Credit Agreement dated November 24, 2022 (NYSCEF 25 and 76, exhibit 5), Amendment No. 7 to Credit Agreement and Forbearance Agreement dated January 6, 2023 (NYSCEF 26 and 77, exhibit 6), Pledge Agreement dated November 24, 2021 (NYSCEF 27 and 78, exhibit 7), Security Agreement dated November 24, 2021 (NYSCEF 28 and 79, exhibit 8), plaintiff Think & Learn Private Limited's (T&L) Q3 FY 2021-22 unaudited quarterly financial statements (NYSCEF 29 and 80, exhibit 9), T&L's Q1 FY 2022-23 unaudited quarterly financial statements (NYSCEF 30 and 81, exhibit 10), GLAS' Revocation of Account Access notice (NYSCEF 31 and 82, exhibit 11), and First Limited Waiver of Credit Agreement dated April 5, 2022 (NYSCEF 33 and 84, exhibit 13).

In motion sequence 004, GLAS moves, by order to show cause, pursuant to Section 216.1 of the Uniform Rules for the New York State Trial Courts, to seal exhibits 3-11, 13, and 21 (NYSCEF 74-82, 84, 92) to Bowen's affirmation in support of GLAS' motion sequence 005, which is GLAS's subsequently filed motion to dismiss and for declaratory judgment. Exhibit 21 (NYSCEF 92) is an August 29, 2022 letter by Shearman & Sterling LLP. GLAS seeks to seal these documents on the grounds that they contain sensitive business information. The motions are unopposed. There is no indication that the press or public have an interest in this matter.

"Under New York law, there is a broad presumption that the public is entitled to access to judicial proceedings and court records." (*Mosallem v Berenson*, 76 AD3d 345, 348 [1st Dept 2010] [citations omitted].) The public's right to access is, however,

not absolute, and under certain circumstances, “public inspection of court records has been limited by numerous statutes.” (*Id.* at 349.) One of those statutes is section 216.1 (a) of the Uniform Rules for Trial Courts, which empowers courts to seal documents upon a written finding of good cause. It provides:

“Except 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 of the parties. Where it appears necessary or desirable, the court may prescribe appropriate notice and opportunity to be heard.”

The “party seeking to seal court records has the burden to demonstrate compelling circumstances to justify restricting public access” to the documents. (*Mosallem*, 76 AD3d at 349 [citations omitted].) Good cause must “rest on a sound basis or legitimate need to take judicial action.” (*Danco Lab Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 8 [1st Dept 2000] [internal quotation marks omitted].) Further, in the business context, courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage.” (*Mosallem*, 76 AD3d at 350 [citations omitted].)

The court finds that GLAS has demonstrated good cause to seal NYSCEF 23-31, 33, 74-82, 84, and 92, which contain sensitive business and financial information. Further, since these documents are clearly identified in this decision, the public and press can meaningfully challenge the seal designation, if they so desire.

Accordingly, it is

ORDERED that motion sequence number 001 is granted; and it is further

ORDERED that the County Clerk, upon service to him of this order, shall seal NYSCEF 23, 24, 25, 26, 27, 28, 29, 30, 31, and 33; and it is further

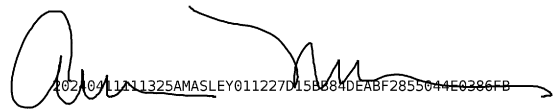
ORDERED that motion sequence number 004 is granted; and it is further

ORDERED that the County Clerk, upon service to him of this order, shall seal NYSCEF 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, and 92; and it is further

ORDERED the 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 movant shall serve a copy of this order on the County Clerk in accordance with the procedures set forth in the Protocol on Courthouse County Clerk Procedures for Electronically Filed Cases; and it is further

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



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4/11/2024

DATE

ANDREA MASLEY, J.S.C.

CHECK ONE:

CASE DISPOSED

NON-FINAL DISPOSITION

GRANTED

DENIED

GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE