

<b>Catalyst Inves. III, L.P. v We Co.</b>
2022 NY Slip Op 31582(U)
May 13, 2022
Supreme Court, New York County
Docket Number: Index No. 654377/2020
Judge: Joel M. Cohen
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SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 03M

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CATALYST INVESTORS III, L.P., CATALYST  
INVESTORS QP III, L.P., BLUE CLOUD VENTURES II  
LP, IGC FUND VI, L.P.

Plaintiffs,

- v -

THE WE COMPANY, ADAM NEUMANN, ARTHUR  
MINSON,

Defendants.

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INDEX NO. 654377/2020

MOTION DATE N/A

MOTION SEQ. NO. 009

**DECISION + ORDER ON  
MOTION**

HON. JOEL M. COHEN:

The following e-filed documents, listed by NYSCEF document number (Motion 009) 147, 148, 149, 150, 151, 152

were read on this motion to SEAL.

Plaintiffs Catalyst Investors III, L.P., Catalyst Investors QP III, L.P., Blue Cloud Ventures II LP, and IGC Fund VI, L.P., (collectively, “Plaintiffs”) move for an order sealing and/or redacting NYSCEF 127, and the Exhibits at NYSECF 129, 132, 134, and 136-44. This motion is filed pursuant to Plaintiffs’ Motion to Compel (Mot. Seq. 008), wherein Defendant filed their opposition papers and the accompanying exhibits under provisional seal (NYSECF127-144), noting that Plaintiffs and other non-parties had seven days to move to seal pursuant to the terms of the protective order entered in this action. No parties oppose this motion. For the reasons stated below, Plaintiffs’ motion is **granted**.<sup>1</sup>

Pursuant to § 216.1(a) of the Uniform Rules for Trial Courts, this Court may seal a filing “upon a written finding of good cause, which shall specify the grounds thereof. In determining

<sup>1</sup> The Court notes that the Order to Show Cause for this motion was inadvertently filed under Mot. Seq. 007 (NYSCEF 152).

whether good cause has been shown, the court shall consider the interests of the public as well as of the parties” (22 NYCRR § 216.1[a]).

The Appellate Division has emphasized that “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]). “Since the right [of public access to court proceedings] is of constitutional dimension, any order denying access must be *narrowly tailored to serve compelling objectives*, such as a need for secrecy that outweighs the public’s right to access” (*Danco Labs., Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 6 [1st Dept 2000] [emphasis added]; *see also, e.g. Gryphon Dom. VI, LLC v APP Intern. Fin. Co., B.V.*, 28 AD3d 322, 324 [1st Dept 2006]). “Furthermore, because confidentiality is the exception and not the rule, ‘the party seeking to seal court records has the burden to demonstrate compelling circumstances to justify restricting public access’” (*Maxim, Inc. v Feifer*, 145 AD3d 516, 517 [1st Dept 2016] [citations omitted]).

The Court has reviewed unredacted versions of Exhibits A, D, F, H, I, J, K, L, M, N, O, P (NYSCEF 129, 132, 134, and 136-144), which were provided to the Court for *in camera* review, as well as the proposed redactions in Defendant’s Memorandum of Law in Opposition (NYSCEF 127) that relate to the above exhibits and finds that they comport with the applicable sealing standards as laid out in *Mosallem*, 76 AD3d at 348-50, and its progeny. The Court finds good cause for sealing because these documents contain extensive sensitive non-public financial information including Catalyst’s finances, business strategy, fund performance, internal valuations, third party financial metrics, as well as nonpublic information of parties who are not parties to the instant case (*Mancheski v Gabelli Group Capital Partners*, 39 AD3d 499, 502 [2d

Dept 2007] [“disclosure could impinge on the privacy rights of third parties who clearly are not litigants herein”]).

Accordingly, it is:

**ORDERED** that Defendant’s Motions to Seal and/or Redact is **granted**; and Defendant shall file its Memorandum of Law in Opposition and Exhibits A, D, F, H, I, J, K, L, M, N, O, and P on NYSCEF in unredacted form with a request to seal; it is further

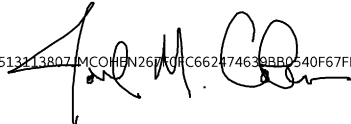
**ORDERED** that upon service of a copy of this Order upon the Clerk of the Court, the Clerk shall permit the documents identified as Defendant’s Memorandum of Law in Opposition and Exhibits A, D, F, H, I, J, K, L, M, N, O, P previously filed at NYSCEF 127, 129, 132, 134, and 136-144 to remain filed in a sealed and/or redacted form wherever they shall appear in connection with motion sequence 008 or 009. Until further Order of the Court, the Clerk of the Court shall deny access to the unredacted documents to anyone other than the staff of the Clerk or the court, counsel of record for any party to this case, and any party. Provided that: The Clerk of the Court shall not seal any documents not referenced in this Order or as otherwise described below; it is further

**ORDERED** that future submissions, made by any party, that contain subject matter that the court has authorized to be sealed by this Order may be filed in redacted form on NYSCEF, provided that an unredacted copy of any redacted document is contemporaneously filed under seal; it is further

**ORDERED** that the documents and exhibits filed in connection with Mot. Seq. 008 at NYSCEF 128, 130, 131, 133, 135, 145 that were filed under provisional seal and are not covered by this sealing order must be uploaded in unredacted form on NYSCEF within three business days; and it is further

**ORDERED** that nothing in this Order shall be construed as authorizing the sealing or redactions of any documents or evidence to be offered at trial.

This constitutes the decision and order of the Court.

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**JOEL M. COHEN, J.S.C.**

5/13/2022  
DATE

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