

**Success Academy Charter Schs., Inc. v Liberty Sq.  
Realty Corp.**

2022 NY Slip Op 32188(U)

July 7, 2022

Supreme Court, New York County

Docket Number: Index No. 654728/2018

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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SUCCESS ACADEMY CHARTER SCHOOLS, INC.,

Plaintiff,

- v -

LIBERTY SQUARE REALTY CORP., HENRY  
WEINSTEIN, and BENJAMIN KLEIN,

Defendants.

INDEX NO. 654728/2018

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

MOTION SEQ. NO. 011

**DECISION + ORDER ON  
MOTION**

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HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 011) 310, 311, 312, 313, 314, 315, 316, 317, 318, 319

were read on this motion to/for SEAL.

Upon the foregoing documents, it is

In motion sequence number 011, plaintiff Success Academy Charter Schools, Inc., (Success) moves under Section 216.1(a) of the Uniform Rules for Trial Courts, by Order to Show Cause, to seal and redact NYSCEF Docs. Nos. (NYSCEF) 288, 291, 293, 307, and 313 on the grounds that disclosure of plaintiff’s confidential financial information, proprietary business practices, strategies, and references to confidential terms are already subject to a sealing order. Plaintiff argues there is no showing of public interest that warrants the disclosure of the sensitive financial information. Plaintiff’s motion is unopposed. There is no indication that the press or public have an interest in this action.

NYSCEF 288 and 313 are the unredacted August 21, 2021 deposition transcript of Robert Price. According to plaintiff, portions of Price’s deposition transcript contain confidential financial information, including internal budgets, and Success Academy’s

financing strategies for the Bronx Courthouse project. This transcript contains quotes from and references to confidential terms of the lease already subject to a sealing order in this action. (See NYSCEF 221.) This transcript contains references to confidential terms exchanged as part of the parties' attempted renegotiation of the confidential lease.

NYSCEF 291 is the meeting minutes from plaintiff's October 17, 2017 Meeting of the Board of Directors. According to plaintiff, this document contains confidential financial information, including Success Academy's financing strategies for the Bronx Courthouse project, and confidential business strategy discussions, including Success Academy's strategies related to real estate acquisitions.

NYSCEF 293 and 307 are defendants' Memorandum of Law for motion sequence 010 with proposed redactions. According to plaintiffs, page 6 of defendants' Memorandum of Law contains confidential financial information, including Success Academy's internal budgets and a quote from the Meeting Minutes of Success Academy's Board of Directors, including confidential business strategy discussions.

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."

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], 2007 NY Slip Op 52207[U], \*20 [Sup Ct, NY County 2007] [citations omitted].)

NYSCEF 288, 293, 307, and 313 contain confidential financial information and terms of previously sealed lease agreements. Plaintiff’s tailored redactions, insofar as they discuss confidential and previously sealed information, effectively balances the interests of the public with the interest of the parties in keeping private their nonpublic and sensitive business and financial information. (See *Danco Lab, Ltd. v Chemical Works of Gedeon Richter, Ltd.*, 274 AD2d 1, 9 [1st Dept 2010].)

Plaintiff seeks to seal NYSCEF 291 in its entirety. While the court agrees that there is good cause to seal the portions of the Meeting of the Board of Directors minutes, which discuss confidential financial information and strategies, there is not good cause to seal the entire document. Plaintiff’s may redact this document in accordance with this decision and the court’s prior decision and e-file a copy of the redacted document.

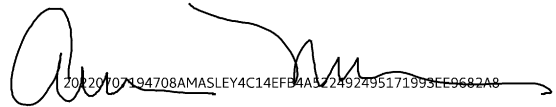
Accordingly, it is

ORDERED that the motion is granted. As redacted versions of NYSCEF 288, 293, 307, and 313 have already been filed publicly and unredacted copies under temporary seal, plaintiff need not re-file duplicates; however, plaintiff shall file a redacted copy of NYSCEF 291 by July 15, 2022; and if it further

ORDERED that the County Clerk, upon service to him of this order by movant, shall seal NYSCEF 288, 291, 293, 307, and 313; 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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7/7/2022  
DATE

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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