

GNHC 1703-518, LLC v Venari Partners, LLC

2023 NY Slip Op 30941(U)

March 26, 2023

Supreme Court, New York County

Docket Number: Index No. 651347/2022

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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GNHC 1703-518, LLC,

Plaintiff,

- v -

VENARI PARTNERS, LLC, SWEETBRIAR CAPITAL, LLC,
MIN-FAM-HOLDING, LLC, 110 PARTNERS LIMITED
LIABILITY COMPANY, UPTOWN INVESTORS L.P., JOHN
MININNO, BRAD J. BLASCHAK, JOSEPH P. RICCARDO,
PETER RICCARDO, MICHAEL CALLAGHAN, JEREMIAH
CALLAGHAN, DOES 1-25, NHCALILLY, LLC,
NHCAGILEAD, LLC, NHCABAYLASH, LLC, HEALTH
CHOICE ALLIANCE, LLC, HEALTH CHOICE
ADVOCATES, LLC, and HEALTH CHOICE GROUP, LLC,

Defendants.

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MOTION DATE _____

MOTION SEQ. NO. 012

**DECISION + ORDER ON
MOTION**

HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 012) 156, 157, 158, 159, 160, 161, 162

were read on this motion to/for SEAL.

In motion sequence number 012, defendants Venari Partners, LLC (Venari Partners), Min-Fam Holdings, LLC,¹ and John Mininno (Venari Defendants) move pursuant to Section 216.1(a) of the Uniform Rules for New York State Trial Courts to redact NYSCEF Doc. No. (NYSCEF) 108. The motion is unopposed and there is no indication that the press or public have taken an interest in this matter.

NYSCEF 108 is the April 14, 2021 deposition transcript of Brad Blaschak (Transcript). NYSCEF 108 was previously the subject of motion sequence number 007, wherein the court denied without prejudice the wholesale sealing of the entire 99-page

¹ The spelling of defendant Min-Fam Holding, LLC in the caption differs from the spelling by its counsel, Press Koral LLP, "Min-Fam Holdings, LLC."

Transcript. (NYSCEF 148, decision and order [mot. seq. no. 007].) In this motion, NYSCEF 108 was refiled as NYSCEF 161.²

The Venari Defendants now file this motion with more targeted, proposed redactions of the Transcript in accordance with the court's prior order. (NYSCEF 148, decision and order [mot. seq. no. 007] at 4 ["The Venari Defendants shall submit proposed redactions . . . consistent with New York law."].) The Venari Defendants explain that their proposed redactions will prevent the disclosure of sensitive business information about the Venari Defendants, including, (a) the identity of the third-party funder (TPF) who entered into a funding agreement with Venari Partners, (b) the identity of another potential provider of financing, (c) financial terms of business agreements with TPF and between investors of Venari Partners, (d) Venari Partners' 2017-2018 operational and business plans. The Venari Defendants contend that disclosure of this information would not only put their business at a competitive disadvantage as competitors could gain an unearned advantage but also compromise their ability to conduct business as third-party investors have an expectation of confidentiality associated with their transactions. (See NYSCEF 158, sealing chart.)

A court shall not enter an order sealing court records, in whole or part, except upon a written finding of good cause. (22 NYCRR § 216.1 [a].) "Since there is no absolute definition, a finding of good cause, in essence, 'boils down to . . . the prudent exercise of the court's discretion.'" (*Applehead Pictures LLC v Perelman*, 80 AD3d 181, 192 [1st Dept 2010], quoting *Mancheski v Gabelli Group Cap. Partners*, 39 AD3d 499, 502 [2d Dept 2007].) As stated in the court's prior order, it is the party "seeking to seal

² Unredacted copies of NYSCEF 108/161 are also filed at NYSCEF 92, 108, and 153.
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court records who bear the burden of demonstrating compelling circumstances to justify restricting public access.” (*Mosallem v Berenson*, 76 AD3d 345, 349 [1st Dept 2010] [citations omitted].) In the business context, courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage.” (*Id.* at 350-51.) 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].) As the public’s right to access 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 Laboratories, Ltd. v Chemical Works of Gedeon Richter, Ltd*, 274 AD2d 1, 6 [1st Dept 2000].)

Courts have recognized a compelling interest in sealing a third-party’s financial or private information as disclosure could imping upon the privacy rights of these nonparties. (See *Mancheski v Gabelli Group Capital Partners*, 39 AD3d 499, 502 [2d Dept 2007]; *Natixis Real Estate Capital Tr. 2007-HE2 v Natixis Real Estate Capital, Inc.*, 77 Misc 3d 1224 [A] [Sup Ct, NY County 2023].)

Here, the Venari Defendants have demonstrated good cause to permit the limited redaction of the identities of the TPF, potential investor, and their agents, and the financial terms of those investments.³ (See *Mancheski*, 39 AD3d at 502.) These targeted redactions effectively balance the interests of the public and press, if any, in

³ For the avoidance of doubt, this information is found on pages 26, 31, 40, 39, 42-43, 45, 47, 49, 50-55, 57-61, 63-64, 67-68 of the Transcript.

the matter. (See *Danco*, 274 AD2d at 9.) The Venardi Defendants shall also redact, from the index of the Transcript, consistently.

However, the Venari Defendants have not demonstrated good cause to permit the redaction of (a) the Venari Partner's 2017 and 2018 operation and business plans, information found on pages 36-37 and (b) the valuation figure found on page 48. The Venari Defendants have not provided an affidavit explaining how historical information would cause harm to its present-day business. (See *Mancheski*, 39 AD3d at 503 ["Indeed, the Supreme Court struck a balance by refusing to seal documents containing GGCP financial information that could not compromise its current business strategies, i.e., information historical in nature."].) The valuation figure that the Venari Defendants seek to redact suffer from the same defect: there is no affidavit from a person with knowledge explaining how a valuation figure would disclose proprietary information, especially given Blaschak's subsequent responses that he did not recall how he arrived at the valuation figure. (NYSCEF 161, Transcript at 48:7-22.) To the extent, however, that the Venari Defendants seek to minimally redact the names of the investors and their investment terms or amounts in pages 36-37 and 48, they have demonstrated good cause to redact only the investor identities and numerical figures discussed above.

Accordingly, it is

ORDERED that motion sequence number 012 is granted in part; and it is further

ORDERED that moving defendants shall file redactions of NYSCEF 108

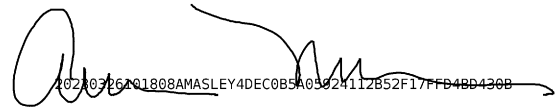
consistent with this decision within 10 days of the date of this decision and order; and it is further

ORDERED that the New York County Clerk, upon service to him of his order, shall permanently seal NYSCEF 92, 108, 153, and 161; and it is further

ORDERED that if any party seeks to redact identical information in future filings that the court is permitting to be redacted here, that party shall submit a proposed sealing order to the court (via SFC-Part48@nycourts.gov and NYSCEF) instead of filing another seal motion; 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 this order does not authorize sealing or redacting for purposes of trial.



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3/26/2023
DATE

ANDREA MASLEY, J.S.C.

CHECK ONE:

<input type="checkbox"/>	CASE DISPOSED	<input type="checkbox"/>	DENIED
<input type="checkbox"/>	GRANTED		
<input type="checkbox"/>	SETTLE ORDER		
<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN		

<input checked="" type="checkbox"/>	NON-FINAL DISPOSITION	<input type="checkbox"/>	OTHER
<input checked="" type="checkbox"/>	GRANTED IN PART		
<input type="checkbox"/>	SUBMIT ORDER		
<input type="checkbox"/>	FIDUCIARY APPOINTMENT	<input type="checkbox"/>	REFERENCE

APPLICATION:

CHECK IF APPROPRIATE: