

Youge Venture Capital LLP v Xueyuan Han

2023 NY Slip Op 32299(U)

July 6, 2023

Supreme Court, New York County

Docket Number: Index No. 654762/2022

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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YOUGE VENTURE CAPITAL LIMITED LIABILITY COMPANY, JIANZONG YANG, JINXIA LI, HONGHUA WEI, XIAOYUN ZHANG, BING LI, JI JIANG, HONGLIAN XU, SHUNQI LYU, JINGYUE MO, CHUNJI ZHONG, CHUNSHI ZHONG, LI NI, XIANGLING LI, XIAOCHEN JIANG, LILING CHI, FANG GAO, GUOFANG GU, HANYA CHEN, YING WANG, LIANG FANG, CHUNXIANG WANG, XUKUN WANG, DAMING YI, XICHAN CHEN, YANGYUAN SHI, JUAN LU, XIAOPING TANG, JIANMING YE, QINFANG HUA, HONG ZHANG, XUE WANG, QUNHUI PENG, JIE LIU, LIXIANG LUO, RONG FAN, JUAN NING, JINYING YANG, CHUNFENG ZHAO, JINGHUA CHEN, SHENGJUN HU, YUMEI HUANG, XIN HUANG, MENGXIA KAN, LIHUA SONG, LU ZHANG, YUAN XIE, HAO SUN, XIAOXU LI, RUI ZHANG, LEI ZHANG, YOU LU, YANJU SONG, XIN SUI, JUAN ZHU, XUE WANG, XUDONG SHEN, NING GE, PENG SONG, SHU TIAN, HONG CHANG, GUOQIANG WANG, MINQI ZHANG, PEIJUN YAO, LING LIU, FENGYUN GU, YUN YUN, CHENHONG LI, HUIMIN BIAN, WEIJUN WANG, ZHENWEI SU, BIN LIU, HUAMEI DU, KAIJING SHEN, XIHUA DU, LEI SUN, QUN ZHANG, YING MENG, YUBIN JIANG, PEIHUAN CAI, YIXING HUANG, GUIZHEN WANG, HAILONG LI, ZUNAN CAI, JIE PANG, LIJUN WANG, HAILING DING, YUMING ZHENG, HAIBIN SHANG, YANBING LI, GUOHUA ZHAO, SHUMIN SHAO, SHANDE LUO

INDEX NO. 654762/2022

MOTION DATE 04/21/2023

MOTION SEQ. NO. 001

**DECISION + ORDER ON
 MOTION**

Plaintiffs,

- v -

XUEYUAN HAN,

Defendant.

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HON. JOEL M. COHEN:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 81, 82, 83

were read on this motion to

SEAL

Plaintiffs move for an order (1) sealing and/or redacting certain portions of Exhibits E and G (filed at NYSCEF 49 and 51) to the Affirmation of Olivia Huang (“Huang Affirmation”);

and (2) unsealing certain documents classified by Defendant as confidential (NYSCEF 43, 44, 48, 49, 50, and 51). Defendant cross-moves for ordering sealing and/or redacting personal and sensitive information contained in the Plaintiffs' memorandum of law (NYSCEF 43) and the Huang Affirmation (NYSCEF 44) and requiring Plaintiff to file redacted versions of Exhibits E, F and G (NYSCEF 48, 49, and 50) to the Huang Affirmation.

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 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 the both Plaintiffs' and Defendant's proposed redactions of Exhibits E and G (filed at NYSCEF 61, 63, 70, and 72) as well as Defendant's proposed redactions of Plaintiffs' memorandum of law (NYSCEF 43, 68), the Huang Affirmation

(NYSCEF 44, 70) and Exhibit F (NYSCEF 50, 71) and finds that Defendant’s proposed redactions comport with the applicable sealing standards as laid out in *Mosallem*, 76 AD3d at 348-50, and its progeny, in that they contain personally identifying information and sensitive non-public financial information of Defendant as well as nonparties (22 NYCRR 214.12; *Mancheski v Gabelli Group Capital Partners*, 39 AD3d 499, 502 [2d Dept 2007] [“There was a compelling interest in sealing the third-party financial information since disclosure could impinge on the privacy rights of third parties who clearly are not litigants herein”]). While Plaintiff argues—and this Court agrees—that “wholesale sealing of the documents” is not warranted, Defendants have proposed and justified targeted redactions that satisfy the requirements of 22 NYCRR § 216.1 (a).¹

Defendant does not object to the unsealing of Exhibit D (NYSCEF 51) to the Huang Affirmation.

Accordingly, it is:

ORDERED that Plaintiffs’ Motion is **GRANTED IN PART**; it is further

ORDERED that Defendant’s cross-motion is **GRANTED**; it is further

ORDERED that the Clerk of the Court is directed, upon service on him of a copy of this order with notice of entry, to maintain NYSCEF Document Numbers 43, 44, 49, 50, 61, 63, 68, 69, 70, 71, and 72 under seal, so that the documents may only be accessible by the parties, their counsel, and authorized court personnel; it is further

¹ Plaintiffs are correct that the cross-motion does not follow Rule 1(c) of this Part’s Sealing Practices and Procedures, which requires an affidavit “attesting to the factual basis for sealing or redaction” to be included in the sealing motion, and a sealing chart to be attached as well as unredacted versions of the exhibits to be filed under seal. However, in the interest of deciding this motion on the merits, the Court does not find these failures to be fatal here. In the future, Defendant will be expected to comply with this Court’s Rules.

ORDERED that the Clerk of the Court shall unseal NYSCEF 51; it is further

ORDERED that Plaintiffs are directed to file the above-referenced redacted versions of Plaintiff’s memorandum of law (NYSCEF 68), the Huang Affirmation (NYSCEF 70), Exhibit E (NYSCEF 70) Exhibit F (NYSCEF 71), Exhibit G (NYSCEF 72) within five (5) days of the date of this Order; it is further

ORDERED as it related to future submissions, made by any party, that contain subject matter that the Court has authorized to be sealed by this Order, parties may file a joint stipulation, to be So Ordered, which will authorize the filing of such future submissions to be filed in redacted form on NYSCEF, provided that an unredacted copy of any redacted document is contemporaneously filed under seal; 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; and it is further

ORDERED that service upon the Clerk of the Court shall be made in accordance with the procedures set forth in the *Protocol on Courthouse and County Clerk Procedures for Electronically Filed Cases* (accessible at the “E-Filing” page on the court’s website)].

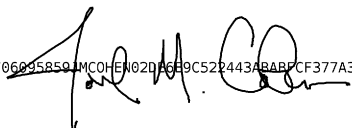
20230706095859 JMC0HE10207639C522443ABAPCF377A3ED3040

7/6/2023
DATE

CHECK ONE:

APPLICATION:

CHECK IF APPROPRIATE:


JOEL M. COHEN, J.S.C.

<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 checked="" type="checkbox"/> GRANTED IN PART	
<input type="checkbox"/> SETTLE ORDER		<input type="checkbox"/> SUBMIT ORDER	
<input type="checkbox"/> INCLUDES TRANSFER/REASSIGN		<input type="checkbox"/> FIDUCIARY APPOINTMENT	<input type="checkbox"/> REFERENCE