

VCV Digital Solutions LLC v Koning Corp.

2025 NY Slip Op 32041(U)

June 5, 2025

Supreme Court, New York County

Docket Number: Index No. 652933/2025

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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VCV DIGITAL SOLUTIONS LLC, Plaintiff, - v - KONING CORPORATION, LUTAO NING, and MATTHEW STACK, Defendants.	INDEX NO. <u>652933/2025</u> MOTION DATE <u>-</u> MOTION SEQ. NO. <u>001</u> DECISION + ORDER ON MOTION
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HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 7, 8, 9, 10, 11, 12, 13, 14, 15, 19
 were read on this motion to/for SEAL.

In motion sequence 001, plaintiff VCV Digital Solutions LLC (VCV) moves pursuant to the Uniform Rules for Trial Courts (22 NYCRR) § 216.1 to redact the complaint (NYSCEF 2). The motion is unopposed. There is no indication that the press or public have an interest in this matter.

Legal Standard

“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.) For example, §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.” (Uniform Rules for Trial Cts [22 NYCRR] § 216.1.)

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].)

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].) 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.” (*D’Amour v Ohrenstein & Brown*, 17 Misc 3d 1130[A], 2007 NY Slip Op 52207[U], *20 [Sup Ct, NY County 2007] [citations omitted].)

The court notes that a confidentiality agreement entered for purposes of exchanging information does not constitute good cause to seal. Rather, it demonstrates the steps taken to protect confidential information and can lend some support to an

argument for redacting. (See *Linkable Networks, v Mastercard Inc.*, 75 Misc 3d 1231[A], 2022 NY Slip Op 50706(U), *7 [Sup Ct, NY County 2022].) Parties may designate information as confidential, but it is another matter whether the information can be shielded from the public. In sum, a confidentiality agreement does not excuse a party from making a showing of good cause why certain information should be redacted. (See *Eccles v Shamrock Capital Advisors, LLC*, 2023 NY Slip Op 32730[U], *5 [Sup Ct, NY County 2023] [internal quotation marks omitted].)

Discussion

VCV seeks to redact the complaint to the extent it contains information that defendant Koning Corporation (Koning) claims is non-public and commercially sensitive information regarding its finances and business strategy. VCV further argues that the information at issue was exchanged on a confidential basis during business negotiations and is subject to a non-disclosure agreement which VCV signed.

While the non-disclosure agreement by itself is insufficient to demonstrate good cause to redact, here, the information pertains to Koning's business and financial projections. (See NYSCEF 10, Tang aff.) Disclosure of such information would threaten Koning's competitive advantage, and thus, VCV's limited proposed redactions are warranted. Moreover, there appears to be no relevant public interest in disclosure of Koning's financial information. The court notes that Koning was served in May and has yet to answer.

Accordingly, it is

ORDERED that this motion is granted; and it is further

ORDERED that the County Clerk, upon service of this order, is directed to seal NYSCEF 2; and it is further

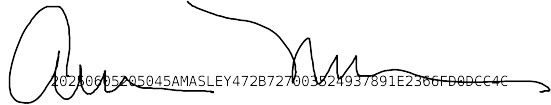
ORDERED that the County Clerk shall restrict access to the sealed documents with access to be granted only to authorized court personnel and designees, the parties and counsel of record in this action, and any representative of a party or of counsel of record upon presentation to the County Clerk of written authorization from counsel; and it is further

ORDERED that plaintiff 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 (accessible at the “E-Filing” page on the court’s website at the address www.nycourts.gov/supctmanh); and it is further

ORDERED that plaintiff shall file the complaint publicly with its proposed redactions within three days of the date of this decision and order and notify the court vis email upon filing (SFC-Part48@nycourts.gov and NYSCEF); 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 that this order does not authorize sealing or redacting for the purposes of trial or other court proceedings on the record, e.g. arguments on motions.



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6/5/2025

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