

Freepoint Commodities LLC v Monroe Energy, LLC

2025 NY Slip Op 32618(U)

July 14, 2025

Supreme Court, New York County

Docket Number: Index No. 659851/2024

Judge: Margaret A. Chan

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 49M

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FREEPOINT COMMODITIES LLC

Plaintiff,

- v -

MONROE ENERGY, LLC,

Defendant.

INDEX NO. 659851/2024

MOTION DATE 03/06/2025

MOTION SEQ. NO. 001 003 005
006

**DECISION + ORDER ON
MOTION**

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HON. MARGARET A. CHAN:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 36

were read on this motion to/for SEAL

The following e-filed documents, listed by NYSCEF document number (Motion 003) 43, 44, 45, 46, 47, 58

were read on this motion to/for SEAL

The following e-filed documents, listed by NYSCEF document number (Motion 005) 51, 52, 53, 54, 101

were read on this motion to/for SEAL

The following e-filed documents, listed by NYSCEF document number (Motion 006) 63, 64, 65, 94, 106

were read on this motion to/for SEAL

In this action arising from a commercial breach of contract, there are four motions (MS 001, MS 003, MS 005, and MS 006), by separate Orders to Show Cause (OSC), for a Temporary Restraining Order (TRO) and Permanent Order to seal various documents pursuant to Section 216.1 of the Uniform Rules for New York State Trial Courts. Plaintiff Freepoint Commodities LLC brings MS 001 and MS 005, and defendant Monroe Energy, LLC brings MS 003 and MS 006. The four motions are unopposed.

The parties' four motions, brought in a span of seven weeks, seek similar sealing and redactions of the parties' agreement and their respective briefs on defendant's motion to partially dismiss the Amended Complaint. Plaintiff's MS 001 and MS 005 will be addressed first followed by defendant's MS 003 and MS 006.

Under New York law, there is a presumption that the public is entitled to access judicial proceedings and court records (*see Mosallem v Berenson*, 76 AD3d 345, 348 [1st Dept 2010] citing *Mancheski v Gabelli Group Capital Partners*, 39 AD3d 499, 501 [2d Dept 2007]). The public right to access, however, is not absolute (*see Danco Labs v Chemical Works of Gedeon Richter*, 274 AD3d 1, 8 [1st Dept 2000]), and a court is empowered to seal or redact court records pursuant to section 216.1 (a) of the Uniform Rules for Trial Courts upon a showing of “good cause” (22 NYCRR 216.1 [a]).

At the same time, “[c]onfidentiality is clearly the exception, not the rule” (*Matter of Hoffman*, 284 AD2d 92, 93-94 [1st Dept 2001]), and the party seeking to seal court records has the burden to demonstrate compelling circumstances to justify restricting public access (*see Mancheski*, 39 AD3d at 502). Sealing has been found to be appropriate to preserve the confidentiality of materials which involve internal finances of a party which are of minimal public interest (*see D’Amour v Ohrenstein & Brown, LLP*, 2007 NY Slip Op 52207[U] [Sup Ct, NY County 2002]). In the business context, courts permit records to be sealed when trade secrets are involved or when disclosure of information contained in documents “could threaten a business’s competitive advantage” (*Mosallem*, 76 AD3d at 350-351). Moreover, sealing has been allowed in the absence of “any legitimate public concern, as opposed to mere curiosity, to counter-balance the interest of [a business’s] partners and clients in keeping their financial arrangement private” (*Dawson v White & Case*, 184 AD2d 246, 247 [1st Dept 1992]).

In MS 001, plaintiff Freepoint Commodities, LLC, seeks a TRO and permanent sealing order for the unredacted Product Purchase and Sale Agreement (PPSA) dated April 19, 2023, annexed as Exhibit A to the Verified Amended Complaint (NYSCEF # 10, PPSA). Plaintiff requests that only counsel for the parties and their authorized agents be permitted access to the unredacted PPSA, while a narrowly redacted version be publicly filed (NYSCEF # 18, Pltf’s mol 1–2). The proposed redacted version of the PPSA is filed as Exhibit 1 to the Affirmation of Jedidiah Houser in support of the motion (NYSCEF # 13).

Plaintiff’s Director, Jedidiah Houser, attests that the PPSA contains proprietary and commercially sensitive information—specifically pricing terms, product specifications, volume data, and contract duration—disclosure of which would cause irreparable competitive harm in a limited energy commodities market (NYSCEF # 12, Houser aff at 2–3, ¶¶ 6–8). Houser’s representation is corroborated by Matthew Nolan, defendant’s Chief Financial Officer, confirming that Schedule B § 21.1 of the PPSA expressly obligates the parties to maintain confidentiality except by court order or to designated advisors (NYSCEF # 14, Nolan aff at 2, ¶ 8). Plaintiff invokes the “good cause” standard of 22 NYCRR 216.1(a), demonstrating that the proposed redactions are narrowly tailored to protect trade secrets and commercially sensitive information without impeding public understanding of the dispute (NYSCEF # 18, Pltf’s mol at 3–4).

In MS 005, plaintiff seeks a temporary restraining order and permanent order to seal the unredacted Plaintiff’s Memorandum of Law (MOL) in Opposition to Defendant’s Motion to Dismiss (NYSCEF # 50, Pltf’s mol). Pursuant to 22 NYCRR 216.1 and Part 49 practices, plaintiff requests that a redacted version of its MOL be publicly filed and that the unredacted MOL remain permanently under seal, accessible only to the parties, their counsel, and authorized court personnel. In support, plaintiff relies on the affirmation of Ari M. Berman, which incorporates by reference the Houser and Nolan affirmations (NYSCEF

#s 12, 14), the Chart of Proposed Sealing (NYSCEF # 17), and its Memorandum of Law in Support of the Motion to Seal (NYSCEF # 18) (NYSCEF # 52, Berman aff at 1-2). The proposed redacted version of this document is attached Exhibit 1 to the Affirmation of Ari M. Berman (NYSCEF # 53).

Plaintiff asserts that the unredacted Opposition contains proprietary excerpts from the parties' PPSA that are commercially sensitive and that public disclosure would irreparably harm its competitive standing (*id.* at 2-3). Moreover, defendant's counsel has confirmed agreement that the specified portions of the Opposition warrant sealing (NYSCEF # 101, Kent aff ¶ 3).

Turning to defendant's motions, in MS 003, defendant also moves for a permanent order sealing the unredacted version of the PPSA and its own MOL in Support of its Motion to Partially Dismiss Plaintiff's Amended Complaint (NYSCEF # 41). Defendant requests that only the redacted versions, excising proprietary and commercially sensitive information, be publicly filed, while the full, unredacted materials remain under seal. The proposed redacted versions of these documents are attached to the Affirmation of Paris L. Kent (NYSCEF # 44), as Exhibits 1 and 2 (NYSCEF # 45 and 46, respectively). The proposed redactions to the PPSA offered by defendant differ from those requested by plaintiff, but no party to this action has opposed either set of proposed redactions.

In support, defendant argues that these narrowly tailored redactions pertain solely to internal pricing structures, strategic contract terms, and other competitively sensitive data, disclosure of which would substantially harm its market position, and that "good cause" for sealing exists under 22 NYCRR § 216.1 because defendant's legitimate confidentiality interests outweigh any marginal public benefit (NYSCEF # 44, Kent aff ¶ 3; NYSCEF # 58, Berman aff, Exh 2). Plaintiff has likewise consented to this relief (NYSCEF # 58, Berman aff ¶ 3).

In MS 6, defendant seeks a TRO and a permanent order, under 22 NYCRR § 216.1, directing that the unredacted version of Defendant's Reply in Further Support of Its Motion to Partially Dismiss Plaintiff's Amended Complaint (the Reply) (NYSCEF # 62) be filed under seal and remain sealed.

Defendant argues that sealing is warranted under 22 NYCRR § 216.1 because the Reply quotes proprietary pricing formulas and other commercially sensitive provisions of the parties' PPSA, the public disclosure of which would "cause significant harm to [plaintiff's] competitive standing in the marketplace" (NYSCEF # 64, Kent aff ¶¶ 3-5, 8-9). Defendant adds that the request is narrowly tailored: plaintiff will publicly file a redacted brief and lodge the unredacted version under seal, redacting only the specific contract language already covered by three earlier, still-pending sealing motions (NYSCEF #s 11-18, 43-46, 51-53, 63). Defendant also notes that plaintiff was consulted in advance and consented to the proposed redactions, and that plaintiff's counsel formally "supports Monroe's request to seal the Reply," thereby leaving the application unopposed (NYSCEF # 64, Kent aff ¶¶ 6-7; NYSCEF # 106, Berman aff ¶ 3).

Upon review of the documents, which pertain to sensitive confidential financial information and are of minimal public interest, the court finds that good cause exists to seal under 216.1 of the Uniform Rules of Trial Courts (*see Dawson v White & Case*, 184 AD2d

246, 247 [1st Dept 1992] [sealing is warranted in the absence of “any legitimate public concern, as opposed to mere curiosity, to counter-balance the interest [a business’] partners and clients have in keeping their financial arrangements private”]; *see also D’Amour v Ohrenstein & Brown, LLP*, 17 Misc 3d 1130[A], *20 [Sup Ct, NY County 2007] [“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”]).

Accordingly, it is hereby

ORDERED that MS 001 shall be held in abeyance until after plaintiff Freepoint Commodities, LLC and defendant Monroe Energy, LLC, file a single consolidated set of proposed redactions to the Product Purchase and Sale Agreement dated April 19, 2023, on NYSCEF by no later than 21 days of this Order; and it is further

ORDERED that that the motions to seal and redact in MS 003, MS 005 and MS 006 are granted; and it is further

ORDERED that for MS 003, defendant Monroe Energy, LLC shall file on NYSCEF a publicly available, redacted version of Defendant’s Memorandum of Law in Support of Its Motion to Partially Dismiss Plaintiff’s Amended Complaint in the form annexed as Exhibit 1 to the Affirmation of Paris L. Kent (NYSCEF # 45); and it is further

ORDERED that for MS 005, plaintiff Freepoint Commodities, LLC shall file on NYSCEF a publicly available, redacted version of Plaintiff’s Memorandum of Law in Opposition to Defendant Monroe Energy, LLC’s Motion to Partially Dismiss the Amended Complaint in the form annexed as Exhibit 1 to the Affirmation of Ari M. Berman (NYSCEF # 53); and it is further

ORDERED that for MS 006, defendant Monroe Energy, LLC shall file on NYSCEF a publicly available, redacted version of Defendant’s Reply in Further Support of Its Motion to Partially Dismiss Plaintiff’s Amended Complaint in the form annexed as Exhibit 1 to the Affirmation of Ari M. Berman (NYSCEF # 53); and it is further

ORDERED that the New York County Clerk shall accept for filing and permanently seal the unredacted Product Purchase and Sale Agreement dated April 19, 2023, filed as both Exhibit A to the Verified Amended Complaint, and Exhibit B to the Affirmation of Paris L. Kent (NYSCEF #s 10 and 42, respectively); Defendant’s Memorandum of Law in Support of Its Motion to Partially Dismiss Plaintiff’s Amended Complaint (NYSCEF # 41); Plaintiff’s Memorandum of Law in Opposition to Defendant Monroe Energy, LLC’s Motion to Partially Dismiss the Amended Complaint (NYSCEF # 50); and Defendant’s Reply in Further Support of Its Motion to Partially Dismiss Plaintiff’s Amended Complaint (NYSCEF # 62), which shall remain inaccessible to the public absent further order of this Court; and it is further

ORDERED that the Clerk of this Court and the New York County Clerk shall not permit any person other than the parties, their counsel, or authorized court personnel to copy, inspect, or otherwise review the following: the sealed unredacted Product Purchase and Sale Agreement dated April 19, 2023, filed as both Exhibit A to the Verified Amended Complaint, and Exhibit B to the Affirmation of Paris L. Kent (NYSCEF #s 10 and 42, respectively); Defendant’s Memorandum of Law in Support of Its Motion to Partially

Dismiss Plaintiff's Amended Complaint (NYSCEF # 41); Plaintiff's Memorandum of Law in Opposition to Defendant Monroe Energy, LLC's Motion to Partially Dismiss the Amended Complaint (NYSCEF # 50); and Defendant's Reply in Further Support of Its Motion to Partially Dismiss Plaintiff's Amended Complaint (NYSCEF # 62); and it is further

ORDERED that any future filings that reproduce, paraphrase, or otherwise disclose information previously ordered sealed by this court may be filed under seal in unredacted form, provided that the filing party simultaneously files a public, redacted version that removes all such sealed material; 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 at the address www.nycourts.gov/supctmanh).

7/14/2025

DATE



MARGARET A. CHAN, 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