

Matter of Interest Fin., LLC v Drivewealth, LLC

2025 NY Slip Op 33521(U)

September 17, 2025

Supreme Court, New York County

Docket Number: Index No. 651535/2025

Judge: Melissa A. Crane

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**SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY**

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

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IN THE MATTER OF THE APPLICATION INTEREST
FINANCIAL, LLC,

Plaintiff,

- v -

DRIVEWEALTH, LLC,

Defendant.

-----X

INDEX NO. 651535/2025

MOTION DATE 08/29/2025

MOTION SEQ. NO. 005

**DECISION + ORDER ON
MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 005) 71, 72, 73, 74, 75, 76, 77, 78, 79

were read on this motion to/for SEAL.

Upon the foregoing documents, it is

In motion Sequence No. 05, petitioner, moved to redact Exhibits 11 and 13. Petitioner’s motions is unopposed and is granted.

Pursuant to § 216.1 (a) of the Uniform Rules for Trial Courts, this Court may seal or redact a filing “upon a written finding of good cause, which shall specify the grounds thereof.”

“[T]he court shall consider the interests of the interests of the public as well as of the parties” in

determining whether there is good cause (22 NYCRR § 216 [a]). The Court must also balance

the risk of privacy concerns stemming from public access to the information against the

“compelling public interest in exposure of this information,” if any (see *MBIA Ins. Corp. v*

Countrywide Home Loans, Inc., 2013 WL 450030, *9 (Sup Ct, NY County Jan. 3, 2013).

The moving party has the burden to set forth compelling circumstances to justify restricting public access and must demonstrate “a sound basis or legitimate need to take judicial

action” (*Danco Labs., Ltd. v Chemical Works of Gedeon Richter*, 274 AD2d 1, 6 [1st Dept 2000]). “[T]here is a broad presumption that the public is entitled to access to . . . court records” (*Mosallem v Berenson*, 76 AD3d 345, 348-350 [1st Dept 2010]).

Good cause exists to seal a document when it contains “trade secrets, confidential business information, or proprietary information.” *Maxim, Inc. v. Feifer*, 145 A.D.3d 516, 517 (1st Dep’t 2016); see also *Natixis Real Est. Cap. Tr. 2007-HE2 v. Natixis Real Est. Cap., Inc.*, 2023 N.Y. Slip Op. 50027(U), at *1 (Sup. Ct. N.Y. Co. Jan. 12, 2023) (“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.’”). “Proprietary information, in the nature of current or future business strategies which are closely guarded by a private corporation, is akin to a trade secret, which, if disclosed, would give a competitor an unearned advantage.” *Mancheski v. Gabelli Grp. Cap. Partners*, 39 A.D.3d 499, 503 (2d Dep’t 2007).

Lastly, New York courts “have not hesitated to authorize sealing the records of Article 75 proceedings involving arbitrable disputes.” *Jetblue Airways Corp. v. Stephenson*, 31 Misc. 3d 1241(A), 1241(A) (Sup. Ct. N.Y. County 2010), *aff’d*, 931 N.Y.S.2d 284 (1st Dep’t 2011). In fact, New York courts have repeatedly held, and the First Department has repeatedly affirmed, that as to material produced in arbitration, there is “no hesitancy in sealing the file inasmuch as the material filed with the court belongs not in the court, but in the files of the arbitrating body before whom the arbitration is to be held.” *Feffer v. Goodkind, Wechsler, Labaton & Rudolf*, 152 Misc. 2d 812, 815 (Sup. Ct. N.Y. County 1991), *aff’d*, 584 N.Y.S.2d 56 (1st Dep’t 1992); see also *Cohen v. S.A.C. Cap. Advisors, LLC*, 11 Misc. 3d 1054(A), 1054(A) (Sup. Ct. N.Y. County 2006) (quoting *Feffer* and sealing arbitration records including “sensitive proprietary and business information”).

Here, movant has established good cause to redact Exhibits 11 and 13. That is, movant has demonstrated that these Exhibits contain commercially sensitive business information regarding petitioner's customer statistics, which could harm its competitive advantage if this information became public. Additionally, these documents contain language from the parties' Carrying Agreement which the Court already ordered be maintained under temporary restriction subject to respondent's submission of a motion to seal. Furthermore, movant has established that there is little to no public interest in this information.

Accordingly it is,

ORDERED that petitioner's unopposed motion to redact is granted; and it is further

ORDERED that upon service of a copy of this Order upon the Clerk of the Court, the Clerk shall permit the NYSCEF Docs 74 & 76 to be and remain redacted wherever they shall appear in connection with this action. In addition, Docs 75 and 77 (the court's confidential copies) shall remain sealed. Until further Order of the Court, the Clerk of the Court shall deny access to those unredacted and unsealed documents to anyone other than the Clerk's staff, authorized court personnel, counsel of record for any party to this case, and any party, provided that the clerk of the Court shall not seal or redact any documents not referenced in this Order, or otherwise as described below, or as set forth in another Order of this Court; 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 such service upon the County Clerk 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 – www.nycourts.gov/supctmanh).

9/17/2025

DATE


MELISSA A. CRANE, 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