

Colle Capital Partners I, L.P. v Automaton, Inc.

2025 NY Slip Op 34916(U)

December 18, 2025

Supreme Court, New York County

Docket Number: Index No. 659292/2024

Judge: Melissa A. Crane

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This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

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COLLE CAPITAL PARTNERS I, L.P., COLLE LOGISTICS ASSOCIATES LLC

Plaintiff,

- v -

AUTOMATON, INC.,

Defendant.

-----X

INDEX NO. 659292/2024
MOTION DATE 12/05/2025, 12/12/2025
MOTION SEQ. NO. 006 007

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 006) 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 131, 136, 137, 138 were read on this motion to/for SEAL

The following e-filed documents, listed by NYSCEF document number (Motion 007) 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 156 were read on this motion to/for SEAL

Upon the foregoing documents, it is

In MS # 06 and 07, defendant moves to seal and redact documents and information that the parties filed in connection with plaintiffs' order to show cause for a preliminary injunction (MS #05)]. Plaintiff opposes both motions.

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 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]).

The Court has reviewed the filings that defendants seek to redact.

MS #06

Preliminarily, the court struck defendant’s request to redact the parties’ legal memoranda when it signed the order to show cause. The court will not seal or redact the parties’ legal memoranda absent extraordinary circumstances that are not present here. However, defendant has established good cause for its requested redactions for various exhibits and affidavits. Defendants demonstrate that the requested information falls into the following qualifying categories: (1) sensitive financing terms; (2) nonparty investor identification information; and (3) information concerning defendant’s precarious valuation and liquidity. In commercial cases, the courts can permit parties to redact trade secrets or information that “could threaten a business’s competitive advantage” (*Mosallem*, 76 AD3d at 350-351). The court is satisfied that there is good cause to redact these documents, at least for now.

Defendant contends that the public has no interest in the redacted information. In opposition to MS #06, plaintiffs only half-heartedly address defendant’s showing of good cause. Rather, plaintiffs focus on defendant’s stakeholders and prospective investors. Plaintiffs assert that

“regardless of whether [defendant’s submissions] show good cause to conceal any judicial documents from the broad general public,[] they do not demonstrate good cause to conceal from **the Interested Stakeholders** any of the fourteen

documents that Automaton moves to be sealed, whether in whole (as Automaton requests) or by redactions”

(Doc 138 [pls’ mem opp] at 4 [footnote omitted and emphasis added] [further stating that “Automaton’s existing investors and prospective Series B investors are a subset of the public who clearly have substantial interests in the transparency . . .”]).

Finally, plaintiffs suggest that “the Court should condition sealing or redaction on Automaton’s (a) full distribution of all the filings in this action, without redactions, to all of the Interested Stakeholders” (*id.* at 5-6 and n4).

Even assuming that defendant’s stakeholders and prospective investors qualify as the public for the court’s inquiry on this motion to redact, plaintiffs only suggest a minimal public interest that does not outbalance the court’s finding of good cause for defendant’s narrow redactions. Accordingly, the court grants MS #06.

MS #07

In MS #07, defendant moves to seal seven documents. Again, defendant submits that the proposed redacted information falls into the same categories: (1) sensitive financing terms; (2) nonparty investor identification information; and (3) information concerning defendant’s precarious valuation and liquidity. Again, plaintiffs focus on defendant’s “existing investors and prospective Series B investors” (Doc 158 at 4). Plaintiffs contend these stakeholders and prospective investors “are a subset of the public who clearly have substantial interests in the transparency, at least for them, of this litigation” (*id.*).

The court denies defendant’s motion to the extent that defendant asks the court to permanently seal the 7 documents at issue. Instead, the court finds that defendant established good cause to **narrowly redact** the commercially sensitive financing terms, nonparty investor information, and information concerning defendant’s precarious financial condition and liquidity

issues (for the time being). As before, the court finds that defendant's investors and prospective investors may have in this information, is de minimis and does not outweigh the harm that will be caused without redactions. The court declines to condition this relief on defendant's "full distribution of all the filings in this action, without redactions, to all of the Interested Stakeholders" (pls' mem opp at 6).

The court has considered the parties' remaining contentions and finds them unavailing.

Accordingly, it is

ORDERED that motion seq. no. 06 is granted, and motion seq. no. 07 is granted in part, as set forth in this decision and order; and it is further

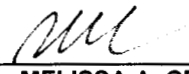
ORDERED that, upon proper service of a copy of this order with notice of entry, the Clerk shall permit the following documents to be and remain filed with the proposed redactions: NYSCEF Doc Nos. 106-112, 114-117, 143-149. The Clerk shall also permit the following documents to be and remain sealed as the court's confidential copies: NYSCEF Doc Nos. 80, 82-85, 87-88, 91, 94-95, 97, 123-129, 143-149, provided that the Clerk of the Court shall not seal or redact any documents not referenced in this Order, or as otherwise described below, or as set forth in another Order of this Court; and it is further

ORDERED that MS #06 is denied with respect to NYSCEF Doc Nos. 90 and 98. The court will not seal or redact the parties' legal memoranda absent extraordinary cause not present here; and it is further

ORDERED that any redacted document filed in the NYSCEF docket must be accompanied by an unredacted Court Copy (*see* Part Rule 42) at all times; 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 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).

<u>12/18/2025</u>						
DATE			MELISSA A. CRANE, J.S.C.			
CHECK ONE:	<input type="checkbox"/>	CASE DISPOSED	<input checked="" type="checkbox"/>	NON-FINAL DISPOSITION		
	<input type="checkbox"/>	GRANTED	<input type="checkbox"/>	DENIED	<input type="checkbox"/>	OTHER
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER	<input type="checkbox"/>	SUBMIT ORDER		
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN	<input type="checkbox"/>	FIDUCIARY APPOINTMENT	<input type="checkbox"/>	REFERENCE