

<b>Khan v 22 LF Capital LLC</b>
2026 NY Slip Op 32030(U)
May 10, 2026
Supreme Court, New York County
Docket Number: Index No. 650553/2026
Judge: Andrea Masley
Cases posted with a "30000" identifier, i.e., 2013 NY Slip Op <u>30001</u> (U), are republished from various New York State and local government sources, including the New York State Unified Court System's eCourts Service.
This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 48

-----X

RAZA KHAN,

Petitioner,

- v -

22 LF CAPITAL LLC (D/B/A DELTA CAPITAL),

Respondent.

INDEX NO. 650553/2026

MOTION DATE -

MOTION SEQ. NO. 005

**DECISION + ORDER ON  
MOTION**

-----X

HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 005) 50, 51, 52, 53, 56, 58, 59

were read on this motion to/for SEAL.

In motion sequence 005, petitioner Raza Khan moves pursuant to the Uniform Rules of the New York State Trial Courts (22 NYCRR) § 216.1 to seal/redact the following documents (see NYSCEF Doc. No. [NYSCEF] 58, Order to Show Cause):

1. Affidavit of Raza Khan sworn to January 29, 2026, in support of his Verified Petition (NYSCEF 3);
2. Funding Agreement between 22 LF Capital and Raza Khan dated April 20, 2020 (NYSCEF 4);
3. 22 LF Capital's Demand for Arbitration (NYSCEF 6);
4. Raza Khan's Answer to 22 LF Capital's Demand for Arbitration (NYSCEF 7);
5. 22 LF Capital's Withdraw of the Arbitration Demand (NYSCEF 8);
6. Notice of Default from 22 LF Capital (NYSCEF 9);
7. Affidavit of Raza Khan sworn to January 29, 2026 in support of his application for a temporary restraining order and preliminary injunction (NYSCEF 14);

8. Funding Agreement between 22 LF Capital and Raza Khan dated April 20, 2020 (NYSCEF 15);
9. 22 LF Capital's Demand for Arbitration (NYSCEF 17);
10. Raza Khan's Answer to 22 LF Capital's Demand for Arbitration (NYSCEF 18);
11. 22 LF Capital's Withdraw of the Arbitration Demand (NYSCEF 19);
12. Notice of Default from 22 LF Capital (NYSCEF 20);
13. Raza Khan's January 19, 2026 Response to 22 LF Capital's Notice of Default (NYSCEF 21);
14. The January 23, 2026 letter from 22 LF Capital's replying to Raza Khan's January 19, 2026 letter (NYSCEF 22);
15. Affirmation of Rachael Kierych dated January 30, 2026 for Emergency Relief (NYSCEF 23);
16. Funding Agreement between 22 LF Capital and Raza Khan dated April 20, 2020 (NYSCEF 31.)

Specifically, plaintiff argues that there is good cause to seal the documents because they contain financial terms, litigation pricing, information about settlement and arbitration proceedings. (NYSCEF 51, petitioner's MOL at 3.) This motion is unopposed.

### **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, empowers courts to seal documents only 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 [a].)

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 and citation omitted].)

## Discussion

### NYSCEF 4, 15 and 31

Petitioner argues that good cause exists to seal the Funding Agreement between the parties because it contains financial terms and discusses respondents’ pricing terms. (NYSCEF 53, Sealing Chart, at 3.) Further, petitioner argues that the parties agreed that the terms of the Funding Agreement (NYSCEF 4, 5, and 31) would be kept confidential. (NYSCEF 51, [petitioner’s MOL at 4.]) Courts have sealed records containing “sensitive proprietary and business information ... [when] [t]he parties had an interest in protecting these documents and there was no countervailing public interest that would be furthered by their disclosure.” (*Jetblue Airways Corp. v Stephenson*, 31

Misc 3d 1241[A], 2010 NY Slip Op 52405[U], \*7 [Sup Ct, NY County 2010], *affd* 88 AD3d 567 [1st Dept 2011]; *see also Dawson v White & Case*, 184 AD2d 246, 247 [1st Dept 1992].) Similarly, courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage.” (*Mosallem*, 76 AD3d at 350-351 [citations omitted].)

Here, the Funding Agreement appears to be a standard agreement between parties containing boilerplate clauses. Furthermore, the parties’ “designation of [] materials as confidential . . . is not controlling on the court’s determination whether there is good cause to seal.” (*Eusini v Pioneer Elecs. (USA), Inc.*, 29 AD3d 623, 626 [2d Dept 2006]; *see also In re Will of Hofmann*, 284 AD2d 92, 93-94 [1st Dept 2001] [“[c]onfidentiality is clearly the exception, not the rule, and the court is always required to make an independent determination of good cause.”]; *Abad v iAero Group Holdco 2 LLC*, 2022 NY Slip Op 32982[U], \*4 [Sup Ct, NY County 2022] [“a party’s reliance on the parties’ confidentiality provision is insufficient to support sealing of a document.”])

The fact that the parties agreed to keep the Funding Agreement confidential is irrelevant. Upon review of the Funding Agreement, only the Appendices of the Agreement contain financial terms and figures. (See generally NYSCEF 31, Funding Agreement at 43-54/54<sup>1</sup>.) Though courts have sealed records where the disclosure of documents “could threaten a business’s competitive advantage” (*Mosallem*, 76 AD3d at 350-351 [citations omitted]), wholesale sealing is generally disfavored. (See *Applehead Pictures LLC v Perelman*, 80 AD3d 181, 192 [1st Dept 2010] [citation omitted]). The law requires that “any order denying access must be narrowly tailored to serve compelling

---

<sup>1</sup> NYSCEF pagination.

objectives.” (*Danco Lab, Ltd.*, 274 AD2d at 6.) Thus, petitioner’s motion is denied without prejudice to file a new motion within 10 days to redact only those portions of the Funding Agreement that contain the financial terms. NYSCEF 4, 15 and 31 shall be unsealed if such a motion is not filed within 10 days.

NYSCEF 3 and 14

Petitioner argues that his affidavits contain information such as: (1) terms from the parties’ Funding Agreement, (2) confidential settlement terms, and (3) documents from a confidential arbitration. (NYSCEF 53, Sealing Chart at 3.) However, petitioner has not submitted any proposed redactions, leaving the court to guess what portion of the documents petitioner seeks to redact. Accordingly, the motion is denied as to NYSCEF 3 and 14 without prejudice to file a new motion within 10 days. Otherwise, NYSCEF 3 and 14 shall be unsealed.

NYSCEF 9, 20, 21 and 22

Petitioner argues that these documents should be partially redacted because they contain confidential terms from the Funding Agreement setting forth pricing. However, petitioner has not submitted any proposed redactions, leaving the court to guess the portion of the documents the petitioner seeks to redact. Accordingly, the motion is denied as to NYSCEF 9, 20, 21, and 22 without prejudice to file a new motion within 10 days. Otherwise, NYSCEF 9, 20, 21, and 22 shall be unsealed.

NYSCEF 6, 7, 17,18 and 19

Petitioner argues that these documents contain confidential information regarding the arbitration between the parties and thus should be sealed. (NYSCEF 53, Sealing Chart at 4.) New York courts will seal documents where “the matter properly belongs in

arbitration and the material filed with the court belongs not in the court, but in the files of the arbitrating body.” (*Jetblue Airways Corp v Stephenson*, 31 Misc. 3d 1241(A) at 3 (Sup. Ct. N.Y. Co. Nov. 22. 2010).) Further, courts have held that sealing is appropriate when “parties wish to maintain the confidentiality of the materials that for the most part involve the personal finances of a party and do not implicate matters of public interest.” (*Id.*) Petitioner has shown good cause for sealing these documents because they contain arbitration records and financial information. Accordingly, NYSCEF 6, 7, 17, 18 and 19 shall remain sealed.

### NYSCEF 23

Petitioner argues that NYSCEF 23 should be redacted because it contains the settlement terms agreed upon by the parties. However, petitioner has not submitted any proposed redactions leaving the court to guess what portion of the documents the petitioner seeks to redact. Accordingly, the motion is denied as to NYSCEF 23 without prejudice to file a new motion within 10 days. Otherwise, NYSCEF 23 shall be unsealed.

Accordingly, it is

ORDERED that motion sequence 005 is granted in part as to 6, 7, 17, 18 and 19; and it is further

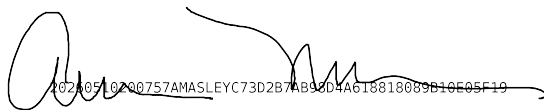
ORDERED that the County Clerk, upon service of this order, is directed to seal NYSCEF 6, 7, 17, 18 and 19; and it is further

ORDERED that petitioner may file a new motion indicating proposed redactions for NYSCEF 3, 4, 9, 14, 15, 20, 21, 22, 23 and 31 within 10 days of this decision during

which time the documents shall remain sealed. Otherwise, the documents shall be unsealed after May 22, 2026; 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 petitioner 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](http://www.nycourts.gov/supctmanh)).



20240510200757AMASLEYC73D2B74B93D46158186899B10E05F19

5/10/2026  
DATE

\_\_\_\_\_  
ANDREA MASLEY, J.S.C.

CHECK ONE:

CASE DISPOSED  
 GRANTED  DENIED

NON-FINAL DISPOSITION  
 GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE