

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA

**Aspalathos Investments, LLC v. Circle Internet Financial, LLC,
John Does 1–10, including John Doe, the current owner, operator, or
controller of Ethereum wallet address
0xf70da97812CB96acDF810712Aa562db8dfA3dbEF**

No. 25-cv-01320-GPC-DEB (S.D. Cal. Nov. 21, 2025) · No. 25-cv-01320-GPC-DEB · Decided November 21,
2025

SUMMARY

The United States District Court for the Southern District of California granted Circle Internet Financial, LLC’s motion to unseal the case and ordered that future filings would not be sealed absent a showing of compelling reasons. The court concluded that Circle had standing to seek unsealing and that the plaintiff had not established continuing compelling reasons to maintain the entire case under seal. The court took Circle’s request to lift the nondisclosure order under advisement and allowed the plaintiff an opportunity to identify specific information that should remain protected.

OPINION

1 2 3 4 5 6 7 8 UNITED STATES DISTRICT COURT 9 SOUTHERN DISTRICT OF
CALIFORNIA 10 11 ASPALATHOS INVESTMENTS, LLC, Case No.: 25-cv-01320-GPC-DEB
12 Plaintiff, ORDER GRANTING THIRD PARTY 13 v. CIRCLE INTERNET FINANCIAL,
LLC’S MOTION TO UNSEAL AND 14 JOHN DOES 1–10, including JOHN TAKING
CIRCLE’S MOTION TO DOE, the current owner, operator, or 15 LIFT THE
NONDISCLOSURE controller of Ethereum wallet address ORDER UNDER ADVISEMENT.

16 0xf70da97812CB96acDF810712Aa562d b8dfA3dbEF, 17 [ECF No. 47] Defendants. 18 19 On
October 17, 2025, Specially Appearing Third Party Circle Internet Financial, 20 LLC, (“Circle”)
filed a motion to unseal the case and lift the nondisclosure order as applied 21 to Circle. Plaintiff
responded in opposition to Circle’s motion on October 29, 2025.

On 22 November 5, 2025, the Court allowed a limited unsealing of the filings in this case as to 23
one party only: Relay. ECF No. 55. Now, considering the motion in its entirety, the Court 24
GRANTS Circle’s motion to unseal this case, and all future filings will be unsealed.

To the 25 extent that any third party requires access to previously filed documents in this case, it
may 26 make such a request of the Court. As to the Nondisclosure Order, the Court will allow 27

1 Plaintiff an opportunity to identify any specific information that it believes should remain 2 subject to the nondisclosure order.

Thus, Circle's motion to lift the nondisclosure order is 3 taken under advisement. 4 Background 5 Plaintiff filed suit against Defendants on May 28, 2025, following a cryptocurrency 6 "phishing" attack wherein approximately \$1 million in digital assets were stolen from 7 Plaintiff. See generally ECF No. 1.

On the same day Plaintiff filed its complaint, Plaintiff 8 filed a motion to seal the complaint and case documents to protect against (1) further 9 dissipation of Plaintiff's assets and (2) disclosure of Plaintiff's sensitive financial 10 information. ECF No. 2-2, at 2. Plaintiff's initial motion asked to seal the record for a 11 period of ninety days. Id. at 4.

On May 28, 2025, the Court granted Plaintiff's first motion 12 to seal. ECF No. 3. Plaintiff subsequently served the John Doe Defendants through on- 13 chain messages directly to Defendants' digital wallets and through a public post on X. ECF 14 No. 8, at 7; ECF No. 10-1, at 2-3. 15 Defendants have not made an appearance in this litigation, and the Court granted 16 default judgment in Plaintiff's favor on July 25, 2025.

ECF No. 19, 23. On July 31, 2025, 17 Plaintiff moved for a non-disclosure order directed at Circle. ECF No. 21. The Court 18 granted Plaintiff's motion, prohibiting Circle from disclosing to any person or entity the 19 contents of any filings or orders in this case or actions Circle might take in relation to the 20 case. ECF No. 27.

On August 8, 2025, Plaintiff moved to enforce the default judgment by 21 directing identified third parties—including Circle—to (1) freeze, blacklist, or otherwise 22 render inaccessible assets held in a particular digital wallet address, which Plaintiff asserted 23 belonged to Defendants, (2) reissue the equivalent of those assets to Plaintiff. ECF No. 26, 24 at 22.

On August 18, 2025, the Court granted Plaintiff's motion to enforce as to Circle and 25 one other company (the "Freeze Order"). ECF No. 31, at 14. 26 27 1 On August 25, 2025, Plaintiff moved to extend its initial request to seal the case for 2 another 90 days, asking that the case remain sealed "while enforcement is in progress." 3 ECF No. 32, at 2. Plaintiff alleged that it risked "irreparable harm" if the filings were made 4 public because the "assets subject to the Default Judgment Order may be irreversibly 5 transferred or converted, putting them forever out of reach." ECF No. 32, at 2.

The Court 6 granted Plaintiff's motion to extend seal on August 28, 2025. ECF No. 36. However, in 7 denying Plaintiff's subsequent motion to expedite these proceedings, the Court noted that 8 "there is no evidence at this point that Defendants intend on abandoning the wallet or 9 dissipating all assets in the wallet," and that "[i]f Defendants intended on moving the assets 10 beyond the

Court's reach, they would have done so four months ago, when Plaintiff first notified them of the litigation." ECF No. 42, at 4.

Circle has appeared before this Court to challenge the Freeze Order directing it to freeze assets in the cryptocurrency wallet identified by Plaintiff. ECF No. 34. To facilitate Circle's understanding of the proceedings, the Court granted a limited unsealing of the documents in this case as to Circle only. ECF No. 38.

The parties are currently litigating the procedural and substantive propriety of the Court's Freeze Order. While those issues remain pending before the Court, Circle has moved to unseal this case and lift the nondisclosure order directed towards it. ECF No. 47. Specifically, Circle alleges that the compelling reasons that may have initially existed to justify seal are no longer present in this case.

On November 5, 2025, the Court allowed a limited unsealing of the filings in this case as to one party only: Relay. The Court now considers Circle's motion as a whole. I. Legal Standard "Historically, courts have recognized a 'general right to inspect and copy public records and documents, including judicial records and documents.'" *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir.

2006) (quoting *Nixon v. Warner Commc'ns, Inc.*, 435 U.S. 589, 597 n.7 (1978)). Thus, "[u]nless a particular court record is one 'traditionally kept secret,' a 'strong presumption in favor of access is the starting point.'" *Id.* (citing *Foltz v. State Farm Mutual Auto. Insurance Company*, 331 F.3d 1122, 3 1135 (9th Cir. 2003)). A party seeking to seal a judicial record, therefore, must articulate 4 compelling reasons for doing so that "outweigh the general history of access and the public 5 policies favoring disclosure." *Id.* at 1178-79. "In addition, '[a]ny order sealing documents 6 should be narrowly tailored' to serve those compelling reasons." *Doe v. L. Offs. of Winn 7 & Sims*, No. 06-CV-00599-H-AJB, 2021 WL 9917688, at *1 (S.D.

Cal. June 21, 2021), as 8 modified (June 29, 2021). A court should only grant the sealing of an entire case file in 9 "extremely limited" circumstances, and the Judicial Conference of the United States has 10 discussed such a practice as "a last resort." *Low v. Bartolotti*, No. CV 18-00283 JMS-KJM, 11 2021 WL 2637318, at *2 (D. Haw. June 25, 2021) (internal quotation marks and citations 12 omitted).

13 When a party moves to unseal documents in a case, the party in favor of maintaining 14 the seal must "present articulable facts identifying the interests favoring continued secrecy" 15 and "show that these specific interests overcame the presumption of access." *Kamakana*, 16 447 F.3d at 1181 (internal quotation marks and citation omitted). 17 II. DISCUSSION 18 A. The Court will exercise its discretion to consider Circle's Motion despite procedural flaws.

19 Plaintiff first argues that the Court should not consider Circle's motion to unseal 20 because it is procedurally defective. Plaintiff is correct that Circle initially filed its motion 21 without first receiving a hearing date as mandated by this Court's Local Rules.

However, 22 upon receipt of the motion on October 17, 2025, the Court, despite the motion's procedural 23 deficiency, set a briefing schedule allowing Plaintiff time to respond and articulated its 24 intention to consider the motion at the previously scheduled October 31, 2025, hearing 25 between the parties. ECF No. 48. 26 27 1 Indeed, the parties held a call with chambers, during which chambers again 2 articulated its preference to address the motion alongside the other pending motions at the 3 October 31 hearing.

In response, Plaintiff requested a short extension to file its brief in 4 opposition, which the Court granted. See ECF Nos. 49, 51. 5 The Court sought to address all pending motions at the October 31 hearing in an 6 effort to increase the efficiency of the proceedings, particularly given Plaintiff's continued 7 insistence that the proceedings be expedited. See, e.g., ECF No. 7, 13, 25, 39 (motions for 8 an order shortening time).

Additionally, the Court ensured that Plaintiff was given an 9 opportunity to oppose Circle's motion prior to the hearing. See, e.g., ECF Nos. 48, 51. 10 Given that Plaintiff had notice of the Court's intent to consider the motion at the 11 hearing and was given adequate time to oppose Circle's motion, the Court finds that Circle 12 was not prejudiced by the motion's procedural deficiency.

The Court further finds that the 13 motion to unseal raises pressing questions regarding Circle's capacity to litigate its cause 14 and public access to court records and thus requires prompt consideration. Therefore, the 15 Court exercises its discretion under California Civil Procedure Code § 187 and this 16 District's Local Rule 1.1(d) to accept and consider the motion, despite its deficiencies, in 17 the interests of justice.

See Cal. Civ. Proc. Code § 187(a); CivLR 1.1(d). See also 21st 18 Century Fin. Servs., LLC v. Manchester Fin. Bank, No. 14MC0500, 2014 WL 7467806, at 19 *5 (S.D. Cal. Dec. 30, 2014). 20 B. Circle has standing to move to unseal the case documents 21 Plaintiff alleges that Circle lacks standing to move to unseal the documents in this 22 case, as "Circle is not a party and has no legally cognizable interest in the outcome." ECF 23 No. 53, at 5.

However, the Court is unpersuaded by this facet of Plaintiff's argument, given 24 that Plaintiff has asked the Court to compel Circle to satisfy Plaintiff's nearly \$3 million 25 judgment, which Circle alleges would necessarily come from its own resources. 26 27 1 "The 'irreducible constitutional minimum' of standing consists of three elements: 2 the party asserting the claim must have '(1) suffered an injury in fact, (2) that is fairly 3 traceable to the challenged conduct of the defendant,

and (3) that is likely to be redressed 4 by a favorable judicial decision.” In re Granick, 388 F. Supp. 3d 1107, 1115 (N.D.

Cal. 5 2019) (quoting *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016)). An injury in fact is “‘an 6 invasion of a legally protected interest’ that is ‘concrete and particularized’ and ‘actual or 7 imminent, not conjectural or hypothetical.’” Id. (quoting *Lujan v. Defenders of Wildlife*, 8 504 U.S. 555, 560 (1992)). 9 Plaintiff argues that Circle has not alleged an injury in fact related to the continued 10 sealing of this case.

ECF No. 53, at 5. Plaintiff is wrong. Indeed, Circle alleges that it is 11 has been placed at a disadvantage by being “forced to litigate in secret without the ability 12 to communicate with relevant third parties, such as the owner of the bridge address.” ECF 13 No. 47, at 3. Additionally, Circle cites the “concrete, practical burdens,” it faces due to the 14 sealed nature of the case.

Id. at 8-9. For instance, Circle must rely on Plaintiff’s counsel for 15 information, thereby requiring it to challenge the Freeze Order with a “limited access to 16 the record.” Id. 17 Circle has sufficiently alleged a “concrete and particularized” injury from the sealed 18 nature of the proceedings to establish standing. See, e.g., In re Granick, 388 F. Supp. 3d 19 at 1117 (“By articulating the harm to their ability to conduct research, Petitioners [a non- 20 party] have asserted a colorable claim of public access to sealed court records, which is not 21 merely conjectural or hypothetical, to establish standing.”).

The injury is further directly 22 tied to Plaintiff’s continued efforts to maintain the case under seal and is capable of being 23 redressed by this Court’s unsealing of the proceedings. Thus, Circle does not lack standing 24 to move to unseal the case. 25 The Court further notes that, aside from Circle’s current motion, the Court itself 26 retains a duty to ensure that any denial of public access to court records must “be no greater 27 1 than necessary to protect the interest justifying it.” *United States v. Brooklier*, 685 F.2d 2 1162, 1172 (9th Cir.

1982). Indeed, “[t]he strong presumption of public access forces 3 district courts to be cognizant of when the reasons supporting sealing in a specific 4 case... have either passed or weakened.” In re Cendant Corp., 260 F.3d 183, 196 (3d Cir. 5 2001). “Compelling reasons must continue to exist to keep judicial records sealed.” In re 6 Midland Nat. Life Ins.

Co. Annuity Sales Pracs. Litig., 686 F.3d 1115, 1119 (9th Cir. 2012). 7 Thus, a court must lift a seal “when the danger of prejudice has passed.” *Brooklier*, 685 8 F.2d at 1172; see also In re Cendant Corp., 260 F.3d at 196 (“Even if a sealing order was 9 proper at the time when it was initially imposed, the sealing order must be lifted at the 10 earliest possible moment when the reasons for sealing no longer obtain.”).

Here, as 11 explained below, the Court finds that Plaintiff has failed to articulate continuing compelling 12 reasons to justify keeping this case sealed in its entirety. Thus, the Court has a duty

to 13 unseal this this case regardless of whether Circle has standing to make their motion or, 14 indeed, whether Circle moved to unseal at all. 15 C. Compelling Reasons No Longer Justify Sealing This Case in its Entirety 16 Plaintiff initially sought to seal its complaint in this action because, (1) “[d]ue to the 17 nature of cryptocurrency, the Plaintiff’s solen assets... are at serious risk of being 18 dissipated or further obfuscated,” and (2), the complaint “exposes the Plaintiff’s sensitive 19 financial information.” ECF No. 2-2, at 2-4; ECF No. 47, at 3.

Circle now argues that the 20 circumstances that initially supported the sealing of this case are no longer relevant. 21 Defendants have been given notice of this case, and Plaintiffs acknowledge that 22 “Defendants now know their conduct has been identified, that freeze orders are being 23 pursued, and that time is running out.” ECF No. 43-1, at 3.

Thus, Circle argues, the 24 compelling reasons for sealing the case in its entirety have elapsed, and a more narrowly 25 tailored solution is required. 26 27 1 Plaintiff counters that “risk of dissipation is higher now than when filed.” ECF No. 2 53, at 2.

However, Plaintiff identifies no concrete reason why that might be the case other 3 than hypothesizing that the relevant bad actors might be “well-served to maintain a posture 4 of apparent inactivity until a freeze order or other enforcement becomes imminent, then 5 execute rapid, distributed transfers that place assets beyond recovery.” ECF No. 53, at 3. 6 Plaintiff’s concerns that Defendants’ will move funds from the cryptocurrency address that 7 Plaintiff’s refer to as “Defendants’ Wallet” are further undermined by the fact that Circle 8 has now presented facts suggesting that Defendants have never maintained control over the 9 wallet in question.

10 Plaintiff then alleges that the “on chain” notification provided to Defendants— 11 previously identified by Plaintiff as the “most effective means of communication” to 12 Defendants, ECF No. 7, at 7—was “merely procedural service of process that does not 13 equate to actual knowledge of the proceedings.” ECF No. 53, at 3.

Thus, Plaintiff argues 14 that unsealing this case would provide Defendants with information they do not currently 15 possess regarding the existence of this lawsuit. *Id.* This runs counter to Plaintiff’s previous 16 assertion that “Defendants now know their conduct has been identified [and] that freeze 17 orders are being pursued.” ECF No. 43-1, at 3. Further, Plaintiff does not address why it 18 believes Defendants may be more likely to learn of this case through the unsealing of the 19 proceedings—which would result in no outreach to Defendants—than through the direct 20 notification provided to Defendants at the time of service.

Additionally, Plaintiff has 21 already consented to the unsealing of these proceedings as to one entity—Relay—which 22 Plaintiff maintains is a bad actor. See, e.g., ECF No. 53, at 5 (describing Relay as playing 23 a role “in facilitating illegal, unlicensed money transmission.”).

Thus, the Court is not 24 persuaded by Plaintiff's arguments that an unsealing of the case would create any new risk 25 regarding Defendants' knowledge of this litigation or the dissipation of Plaintiff's assets. 26 27 1 Lastly, Plaintiff argues that public policy favors keeping the case sealed. ECF No. 2 53, at 4. Plaintiff alleges that the public has an interest in ensuring that courts can 3 effectively protect victims of emerging forms of cybercrime.

ECF No. 53, at 4. However, 4 the Court does not believe that unsealing this case undermines that interest. Indeed, this 5 Court has gone to great lengths to facilitate Plaintiff's recovery of its stolen assets. Further, 6 as noted above, Plaintiff has not shown by more than vague and conclusory statements why 7 the unsealing of this case would compromise Plaintiff's efforts to recover.

Thus, Plaintiff 8 has not demonstrated its alleged public policy concerns outweigh the "general history of 9 access and the public policies favoring disclosure." *Kamakana*, 447 F.3d at 1178-79. 10 Overall, Plaintiff has failed to put forth compelling reasons in favor of a continued 11 seal of the entire case. It has not "present[ed] articulable facts identifying the interests 12 favoring continued secrecy" nor "show[n] that these specific interests overc[o]me the 13 presumption of access." *Kamakana*, 447 F.3d at 1181 (internal quotation marks and citation 14 omitted).

Plaintiff has further failed to articulate how the continued seal of the entire case 15 is sufficiently "narrowly tailored" to serve Plaintiff's compelling reasons. *Doe v. L. Offs. 16 of Winn & Sims*, No. 06-CV-00599-H-AJB, 2021 WL 9917688, at *1 (S.D. Cal. June 21, 17 2021), as modified (June 29, 2021). 18 Accordingly, the Court GRANTS Circle's motion to unseal, and all future filings in 19 this case will not be sealed unless a party moves to do so and sufficiently demonstrates 20 compelling reasons to seal.

Any third party requiring access to previously filed documents 21 in this case should make such a request of the Court. 22 The Court is also prepared to lift the nondisclosure order directed to Circle, but not 23 before providing Plaintiff with an opportunity to identify what specific information it 24 believes should remain subject to such an order.

Accordingly, once Plaintiff obtains new 25 counsel, within two weeks of such counsel making an appearance in this case, Plaintiff 26 may file a motion to maintain specific information subject to a nondisclosure order.

In such 27 1 motion—which Plaintiff may move to file under seal—Plaintiff must articulate the 2 || compelling reasons for maintaining the nondisclosure order as to the specific information. 3 the event that Plaintiff files such a motion, Circle may respond within seven (7) days. 4 IT IS SO ORDERED. 5 Dated: November 21, 2025 2 sale Od 6 Hon. Gonzalo P. Curiel 7 United States District Judge 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 10 28 25-cv-01320-GPC-DEB

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