

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA

Petitt v. Exigency Healthcare Services, LLC

Case No. 21-cv-07639-VKD (N.D. Cal. Mar. 10, 2023) · No. 21-cv-07639-VKD · Decided March 10, 2023

SUMMARY

The United States District Court for the Northern District of California grants defendants’ administrative motion to seal financial documents filed in connection with approval of the parties’ settlement agreement. Applying the compelling-reasons standard, the court finds that the documents contain confidential financial, personal, payroll, tax, banking, and loan information whose disclosure could cause improper use or competitive harm.

OPINION

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PER CURIAM.

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4 UNITED STATES DISTRICT COURT

5 NORTHERN DISTRICT OF CALIFORNIA

6 SAN JOSE DIVISION

7 8 ANIETTA C. PETITT, Case No. 21-cv-07639-VKD 9 Plaintiff,

ORDER GRANTING

10 v. ADMINISTRATIVE MOTION TO

SEAL

11 EXIGENCY HEALTHCARE SERVICES,

LLC, et al., Re: Dkt. No. 35 12 Defendants. 13 14 In connection with plaintiff Anietta C. Petitt’s unopposed motion seeking approval of the 15 parties’ settlement agreement, defendants filed several pages of financial documents conditionally 16 under seal, accompanied by an administrative motion to consider whether the material should be 17 sealed pursuant to Civil Local Rule 79-5. The documents are comprised of 135 pages of financial 18 material, including tax returns, bank statements, and loan information, produced in discovery in 19 support of defendants’ assertion that “a large settlement sum could not be paid.” Dkt. No. 35-1 20 ¶ 4. The parties stipulated to filing these sensitive financial documents conditionally under seal, 21 and defendants request that the Court order the material sealed. Dkt. No. 35-1 ¶ 8; Ex. B at 2. 22 There is a strong presumption in favor of access by the public to judicial records and 23 documents accompanying dispositive motions that can be overcome only by a showing of 24 “compelling reasons supported by specific factual findings.” Kamakana v. City & Cnty. of 25 Honolulu, 447

F.3d 1172, 1178–79 (9th Cir. 2006) (internal quotation marks and citation omitted). 26 However, the presumption does not apply equally to a motion addressing matters that are only 27 “tangentially related to the merits of a case.” *Ctr. for Auto Safety v. Chrysler Grp., LLC*, 809 F.3d 1 38 (2016). A litigant seeking to seal documents or information in connection with such a motion 2 must meet the lower “good cause” standard of Rule 26(c) of the Federal Rules of Civil Procedure.

3 *Id.* at 1098–99; *Kamakana*, 447 F.3d at 1179–80.

4 As the material at issue was produced in support of the parties’ settlement negotiations, 5 and as approval of the settlement agreement is dispositive of the claims, the compelling reasons 6 standard set forth in *Kamakana* applies. See *Taylor v. AFS Techs., Inc.*, No. CV-092567-PHX- 7 DGC, 2010 WL 2079750, at *2 (D. Ariz. May 24, 2010) (applying compelling reasons standard to 8 motion to seal in connection with approval of FLSA settlement agreement). 9 Defendants address the compelling reasons standard in their motion. Dkt. No. 35 at 2. 10 Defendants argue that, under that standard, compelling reasons to seal the material exist because 11 “disclosure of these documents would result in the public obtaining sensitive financial and 12 personal information which could have series consequences, like identity theft.” Dkt. No. 35 at 2- 13 3. Defendants argue that these serious consequences outweigh the public’s interest in the 14 disclosure of these documents. *Id.* Defendants also argue that these documents contain 15 “proprietary information regarding defendants’ business,” which, if disclosed, could cause 16 defendants competitive harm. Finally, pursuant to Civil Local Rule 79-5 defendants state that 17 “redactions alone will not suffice to protect the privacy interests of defendants.” Dkt. No. 35-1 ¶ 18 7. 19 The Court agrees with defendants that compelling reasons exist to seal the material. The 20 Court observes that the material contains extensive confidential information, such as bank 21 statements, payroll information that includes employee names, and loan documents. The material 22 also contains tax statements and supporting profit/loss documentation. The Court finds that if this 23 material were disclosed it could be used for an improper purpose or cause defendants competitive 24 harm. *Kamakana*, 447 F.3d at 1179 (“In general, ‘compelling reasons’ sufficient to outweigh the 25 public’s interest in disclosure and justify sealing court records exist when such ‘court files might 26 have become a vehicle for improper purposes.’”) (quoting *Nixon v. Warner Commc’ns, Inc.*, 435 27 U.S. 589, 598 (1978)); see also *Exeltis USA Inc. v. First Databank, Inc.*, No. 17-CV-04810-HSG, 1 financial documents). The Court further finds that defendants’ interest in avoiding harm 2 || outweighs the public interest in disclosure. See *Transperfect Global, Inc. v. MotionPoint Corp.*,

3 No. 10-cv—02590-CW, 2014 WL 4950082, at *1 (N.D. Cal. Sept. 25, 2014) (granting motion to 4 seal documents containing confidential financial information). 5 Accordingly, the Court orders the material contained in Dkt. No. 35-3 sealed. No further 6 action is required from the parties. 7 IT IS SO ORDERED. 8 Dated: March 10, 2023 9 2 □ 10

VIRGINIA K. DEMARCHI

I United States Magistrate Judge 12 13 15 16 = 17 Z 18 19 20 21 22 23 24 25 26 27 28

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