

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Pessano v. Blue Cross of California

No. 1:24-cv-01189-JLT-EPG (E.D. Cal. Mar. 25, 2025) · No. 1:24-cv-01189-JLT-EPG · Decided March 26,
2025

SUMMARY

The United States District Court for the Eastern District of California partially granted Plaintiffs’ motion to seal documents in an ERISA action involving air ambulance coverage and a minor’s settlement. The Court found compelling reasons to seal settlement amounts and related information but declined to seal the remaining standard terms of a settlement agreement solely because the parties had agreed to confidentiality.

OPINION

Pessano v. Blue Cross of California

PER CURIAM.

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6 UNITED STATES DISTRICT COURT

7 EASTERN DISTRICT OF CALIFORNIA

8 9 EMILY PESSANO, individually and as Case No. 1:24-cv-01189-JLT-EPG guardian ad litem
for her minor daughter 10 Calliope Pessano-Maldonado, 11 Plaintiff, ORDER GRANTING
MOTION TO SEAL, IN
PART

12 v. (ECF No. 33)

13 BLUE CROSS OF CALIFORNIA,

14 Defendant. 15

16 This is an ERISA action, which seeks to compel Defendant Blue Cross of California to 17 pay
air ambulance transportation costs for Calliope Pessano-Maldonado under an insurance 18 policy.
The complaint, as amended, is brought by Emily Pessano on behalf of her minor daughter, 19
Calliope Pessano-Maldonado.1 Now before the Court is Plaintiffs’ motion to seal a settlement
agreement with a third- 20 party (REACH) and unredacted versions of supplemental filings in
support of Plaintiff’s petition 21 for approval of minor’s compromise. (ECF No. 33). For the
reasons given below, the Court will 22 grant the motion to seal, in part. 23

I. MOTION TO SEAL

24 In addition to the settlement agreement reached with Defendant, Plaintiffs reached a 25 second
settlement agreement to pay the outstanding bill of non-party REACH, which provided air 26

ambulance services in connection with the allegations in the complaint. Plaintiffs seek to seal this
27 1 Although only a minor's initials would typically be used under Federal Rule of Civil
Procedure 5.2(a)(3), 28 Plaintiff has waived such redaction protection under Rule 5.2(h). (ECF
No. 14). 1 agreement with REACH. Additionally, Plaintiffs ask to seal unredacted versions of
supplemental 2 filings in support of Plaintiffs' petition for approval of minor's compromise, which
filings reveal 3 the settlement information relating to REACH and the settlement amount reached
with 4 Defendant, which the Court has already determined should be sealed. (ECF No. 29). Lastly,
as part of the request to seal, Plaintiffs state that the amount of attorney fees paid by Plaintiffs 5
should be sealed as the amount of the fees is equal to the settlement amount with Defendant 6
minus the amount owed to REACH—meaning, that the confidential settlement amount with 7
REACH could otherwise be determined by subtracting the amount of the attorney fees request (if
8 not redacted) from the amount of the settlement agreement with Defendant. (ECF No. 33-1, p.
3). 9 Plaintiffs' motion to seal represents that Defendant has no opposition to the motion: 10
"Counsel for Anthem has communicated its non-opposition to this request without disclosure of
11 the confidential information to Anthem." (Id. at 2). The motion is supported by the declaration
of 12 Plaintiffs' counsel and a redacted copy of the settlement agreement with REACH. (ECF No.
32). 13 "Historically, courts have recognized a 'general right to inspect and copy public records 14
and documents, including judicial records and documents.'" *Kamakana v. City & Cnty. of* 15
Honolulu, 447 F.3d 1172, 1178 (9th Cir. 2006) (quoting *Nixon v. Warner Commc'ns, Inc.*, 435 16
U.S. 589, 597 & n.7 (1978)); see also Local Rule 141(a) ("Documents may be sealed only by 17
written order of the Court, upon the showing required by applicable law."). Unless a court record
18 is "traditionally kept secret,² a strong presumption in favor of access is the starting point." 19
Kamakana, 447 F.3d at 1178 (quotation marks and citation omitted). In order to overcome this 20
strong presumption, a party seeking to seal a judicial record bears the burden of articulating 21
compelling reasons, which are supported by specific facts, that outweigh the historical right of 22
access and the public policies favoring disclosure. Id. at 1178–79; see *M.P. ex rel. Provins v.* 23
Lowe's Companies, Inc., No. 2:11-CV-01985-GEB, 2012 WL 1574801, at *1 (E.D. Cal. May 3,
2012) (applying compelling reasons standard to request to seal documents in connection with 24
application for approval of minor's settlement). 25 The Court must "conscientiously balance[] the
competing interests of the public and the 26 27 2 "Thus far, we have identified two types of
documents as 'traditionally kept secret': grand jury transcripts 28 and warrant materials during the
pre-indictment phase of an investigation." *Kamakana*, 447 F.3d at 1185. 1 party" seeking to seal
the judicial record. *Kamakana*, 447 F.3d at 1179 (quotation marks citation 2 omitted). And "[a]fter
considering these interests, if the court decides to seal certain judicial 3 records, it must base its
decision on a compelling reason and articulate the factual basis for its 4 ruling, without relying on
hypothesis or conjecture." Id. The determination as to what is a "compelling reason" is within the
Court's "sound 5 discretion." *Center for Auto Safety v. Chrysler Group, LLC*, 809 F.3d 1092,
1097 (9th Cir. 2016) 6 (citation omitted). Examples of compelling reasons include where a record

might “become a 7 vehicle for improper purposes,” such as to “gratify private spite, promote public scandal, circulate 8 libelous statements, or release trade secrets.” *Kamakana*, 447 F.3d at 1179. However, “the mere 9 fact that the production of records may lead to a litigant’s embarrassment, incrimination, or 10 exposure to further litigation will not, without more, compel the court to seal its records.” *Id.* 11 Relevant here, Plaintiffs seek to seal the settlement agreement based on privacy concerns. 12 Plaintiffs have a legitimate and cognizable interest in being free from unwanted 13 annoyance, harassment, and potential contact concerning not only the amount of money she will receive from Anthem in settlement of the instant action, but also 14 the amount of money she will have to pay REACH and her attorneys out of those settlement proceeds distributed by Anthem. While it is in the Court’s interest to 15 receive that information for purposes of protecting plaintiff Calliope Pessano- Maldonado, a court order protecting the confidentiality of the same information 16 from the public also protects Plaintiffs from those who might gain access to the 17 Court’s public record regarding this case. 18 (ECF No. 33-1, p. 6). The Court notes that Plaintiffs also seek to seal their supplemental filings, 19 that, in addition to revealing the settlement amount with REACH, also reveal the settlement 20 amount with Defendant, which the Court has already ordered to be sealed in this case. (ECF No. 21 29). 22 The Court agrees with Plaintiffs, and other courts, that the amount a minor plaintiff receives in a settlement can be a compelling reason in a case to seal information, so as to avoid 23 the minor being subjected to unwanted attention based on the amount they received. See, e.g., 24 *Huff v. Thousandshores, Inc.*, No. 21-CV-02173-HSG, 2022 WL 547109, at *3 (N.D. Cal. Jan. 5, 25 2022) (agreeing to seal amount a minor would receive under settlement to avoid third parties from 26 targeting or soliciting the minor when they are old enough to control funds). Accordingly, it finds 27 compelling reasons to seal the settlement amount with REACH, which information could be used 28 1 to glean the amount of Plaintiffs’ settlement, and the Court will not require the parties to publicly 2 disclose the settlement amount. *Medina v. Cnty. of Monterey*, No. 24-CV-00053-BLF, 2024 WL 3 2112890, at *2 (N.D. Cal. Apr. 16, 2024) (“Under the circumstances of this case, the Court finds 4 compelling reasons to seal the settlement amounts based on the redactions proposed by Plaintiffs because the settlement amounts are highly sensitive and sealing them will protect the interests of 5 the parties, especially the minor plaintiff.”). 6 However, Plaintiffs have provided no justification to seal the other terms of the settlement 7 agreement with REACH. Generally, they argue that the agreement should be sealed as to all terms 8 because “confidentiality was a bargained for contractual term of the settlement between Plaintiffs 9 and REACH.” (ECF No. 33-1, p. 5). However, this is by itself an insufficient reason to seal the 10 entire agreement. See *Huff v. Thousandshores, Inc.*, No. 21-CV-02173-HSG, 2021 WL 6621065, 11 at *2 (N.D. Cal. Dec. 1, 2021) (noting that “the parties’ preference that their settlement remain 12 confidential does not outweigh the [public’s interest in disclosure]”); *Medina v. Cnty. of Monterey*, No. 24-CV-00053-BLF, 2024 WL 2112890, at *2 (N.D. Cal. Apr. 16, 2024) (“The 14 Court first notes that the fact that the parties have agreed to keep information confidential is not a

15 compelling reason to seal court records.”). Moreover, the terms other than the settlement amount, 16 which the Court has reviewed in an unredacted version of the agreement, reveal only standard 17 contract terms, like the timing of payment, rather than information like trade secrets. Thus, the 18 Court finds no potential prejudice to REACH or Plaintiffs from the disclosure of these additional 19 terms of their agreement. 20 Because the Court concludes that Plaintiffs have provided compelling reasons to seal only 21 the settlement amount with non-party REACH (and the already-sealed settlement amount with 22 Defendant) the Court will direct Plaintiffs to file sealed versions of the documents at issue as 23 specified below.3 \\\ 24 \\\ 25 26 3 Because disclosure of attorney fees would, at this juncture, reveal the settlement amount with REACH, 27 the Court will permit this information to remain redacted for now. However, the Court may revisit this issue in the future, especially if revelation of the amount of attorney fees would no longer reveal the 28 settlement amount with REACH.

1 I. CONCLUSION AND ORDER

2 Accordingly, IT IS ORDERED as follows: 3 1. Plaintiffs’ motion to seal the settlement amount is granted, in part. (ECF No. 33). 4 2. By no later than March 28, 2025, Plaintiffs shall file (1) a sealed and unredacted version 5 of their settlement agreement with REACH; and (2) a separate version of this same 6 agreement that redacts only the settlement amount but no other terms of the agreement. 7 3. By no later than March 28, 2025, Plaintiffs shall file under seal unredacted copies of their 8 (1) supplement in support of their petition for minor’s compromise and (2) supplemental 9 declaration of Raquel M. Busani. (ECF Nos. 31, 32).

4. Plaintiffs’ attention is directed to Local Rule 141(e)(2)(i) for the proper procedure on

8 filing a sealed document. 11 12 | IT IS SOORDERED. Dated: _March 25, 2025 [spe ey □□

14 UNITED STATES MAGISTRATE JUDGE

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