

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

**Taylor Smart and Michael Hacker v. National Collegiate Athletic
Association**

Smart · No. 2:22-cv-02125 WBS CSK · Decided March 28, 2025

SUMMARY

The United States District Court for the Eastern District of California grants plaintiffs’ request to seal the settlement agreement’s threshold percentage of opt-outs that would trigger its termination clause. The court finds compelling reasons to seal the information because disclosure could invite abuse by professional objectors, and orders defendants to file the unredacted settlement agreement under seal within five days.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	William B. Shubb
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	March 28, 2025
DOCKET	2:22-cv-02125 WBS CSK
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs sought to seal the settlement agreement's threshold percentage of opt-outs needed to trigger the agreement's termination clause, in connection with their pending motion for preliminary approval of a class action settlement.
STANDARD OF REVIEW	A party seeking to seal a judicial record must overcome a strong presumption of public access by articulating compelling reasons supported by specific factual findings that outweigh the public's interest in disclosure; the court balances the competing interests of public access and confidentiality.
PRECEDENTIAL VALUE	unknown

TOPICS

- class actions
- civil procedure

PRACTICE AREAS

civil procedure

class actions

sealing judicial records

QUESTIONS PRESENTED

1. Whether plaintiffs demonstrated compelling reasons sufficient to overcome the strong presumption of public access to judicial records and justify sealing the settlement agreement's opt-out termination threshold.

HOLDINGS

1. Plaintiffs established compelling reasons to seal the settlement agreement's opt-out termination threshold because the number was likely not important to individual class members' decisions whether to remain in or opt out of the class, while public disclosure created a potential for abuse by professional objectors.

KEY QUOTATIONS

“A party seeking to seal a judicial record bears the burden of overcoming a strong presumption in favor of public access.” (at 2)

“The party must “articulate compelling reasons supported by specific factual findings that outweigh the general history of access and the public policies favoring disclosure, such as the public interest in understanding the judicial process.”” (at 2)

“In ruling on a motion to seal, the court must balance the competing interests of the public and the party seeking to keep records secret.” (at 2)

“There are therefore compelling reasons to grant plaintiffs’ request.” (at 3)

FACTUAL BACKGROUND

Plaintiffs and the NCAA reached a proposed class action settlement containing a threshold percentage of opt-outs that would trigger the settlement agreement's termination clause. Plaintiffs sought to redact that threshold from the publicly filed settlement materials, asserting that disclosure could encourage abuse by professional objectors.

PROCEDURAL HISTORY

In the pending class action, plaintiffs filed a request to seal portions of the settlement agreement. The district court granted the request and ordered defendants to file the unredacted settlement agreement under seal within five days.

DISPOSITION

other

CASES CITED

- Kamakana v. City & County of Honolulu, 447 F.3d 1172, 1178-79 (9th Cir. 2006)
- Friedman v. Guthy-Renker, LLC, No. 2:14-cv-06009 ODW AGR, 2016 WL 5402170, at *2 (C.D. Cal. Sept. 26, 2016)
- In re Lyft Inc. Securities Litigation, No. 19-CV-02690 HSG, 2023 WL 2960006, at *2 (N.D. Cal. Mar. 16, 2023)
- In re Yahoo! Inc. Securities Litigation, No. 17-cv-00373-LHK, 2018 WL 11349976, at *2 (N.D. Cal. May 9, 2018)
- Thomas v. Magnachip Semiconductor Corp., No. 14-cv-01160 JST, 2016 WL 3879193, at *7 (N.D. Cal. July 18, 2016)

OPINION

Smart v. NCAA

PER CURIAM.

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8 UNITED STATES DISTRICT COURT

9 EASTERN DISTRICT OF CALIFORNIA

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12 TAYLOR SMART AND MICHAEL HACKER, No. 2:22-cv-02125 WBS CSK

Individually and on Behalf of 13 All Those Similarly Situated, 14 Plaintiffs, ORDER RE:
REQUEST TO SEAL 15 v.

16 NATIONAL COLLEGIATE ATHLETIC

ASSOCIATION, an unincorporated 17 association, 18 Defendant. 19 20 ----oo0oo---- 21 Plaintiffs have filed a request to seal in connection 22 with their pending motion for preliminary approval of a class 23 action settlement, seeking to redact the settlement agreement’s 24 threshold percentage of opt-outs needed to trigger the 25 agreement’s termination clause. (Docket No. 72.) 26 A party seeking to seal a judicial record bears the 27 burden of overcoming a strong presumption in favor of public 28 access. See Kamakana v. City & County of Honolulu, 447 F.3d 1 1172, 1178 (9th Cir. 2006). The party must “articulate 2 compelling reasons supported by specific factual findings that 3 outweigh the general history of access and the public policies 4 favoring disclosure, such as the public interest in understanding 5 the judicial process.” Id. at 1178-79 (citation omitted). In 6 ruling on a motion to seal, the court must balance the competing 7 interests of the public and the party seeking to keep records 8 secret. See id. at 1179. 9 As other courts have explained, a settlement 10 agreement’s opt-out threshold for termination is likely “not 11 important to any individual class members’ decision to either 12 remain in or opt out of the class,” while public revelation of 13 that number raises a “potential for abuse” by so-called 14 “professional objectors” (i.e., “attorneys for class members who 15 extort additional payments from the parties in exchange for not 16 delaying or tanking the whole settlement”). See Friedman v. 17 Guthy-Renker, LLC, No. 2:14-cv-06009 ODW AGR 2016 WL 5402170, at 18 *2 (C.D. Cal. Sept. 26, 2016); see also, e.g., In re Lyft Inc. 19 Sec. Litig., No. 19-CV-02690 HSG, 2023 WL 2960006, at *2 (N.D. 20 Cal.

Mar. 16, 2023); In re Yahoo! Inc. Sec. Litig., No. 17-cv- 21 00373-LHK, 2018 WL 11349976, at *2 (N.D. Cal. May 9, 2018); 22 Thomas v. Magnachip Semiconductor Corp., No. 14-cv-01160 JST, 23 2016 WL 3879193, at *7 (N.D. Cal. July 18, 2016). There are 24 therefore compelling reasons to grant plaintiffs’ request. 25 IT IS THEREFORE ORDERED that plaintiffs’ request to 26 seal (Docket No. 72) be, and the same hereby is, GRANTED. The 27 redacted version of the document has already been filed on the 28 publicly available docket. (See Docket No. 73-1 at 24-45.) ee nn ene nen ee nn nnn nen ne nen nnn nn ED OE 1 Defendants shall file the unredacted version of the settlement 2 agreement under seal within five days. 3 Dated: March 27, 2025 ' ~ ak. a bean, (hi.

‘ WILLIAM B. SHUBB

5 UNITED STATES DISTRICT JUDGE

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