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15 Attorneys for Defendant
16 Tesla, Inc.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

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19 SZ HUA HUANG, Individually and as
successor in interest to WEI LUN HUANG,
20 deceased; TRINITY HUANG, a minor;
TRISTAN HUANG, a minor,

21 Plaintiff,

22 vs.

23 TESLA, INC. dba TESLA MOTORS INC.
24 THE STATE OF CALIFORNIA, and DOES 1
through 10,

25 Defendants.
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) Case No. 19CV346663
) Assigned for trial to: Hon. Lori E. Pegg
) Dept. 5
) **TESLA, INC.’S MOTION TO SEAL**
) **SETTLEMENT AMOUNT STATED IN**
) **SETTLEMENT AMOUNT DECLARATION;**
) **MEMORANDUM OF POINTS AND**
) **AUTHORITIES; DECLARATION OF**
) **THOMAS P. BRANIGAN; [PROPOSED]**
) **ORDER**

) *[Filed concurrently with Application to Seal*
) *Settlement Amount Declaration]*

) Case Filed: April 26, 2019
) Trial Date: March 18, 2024

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 PLEASE TAKE NOTICE that on April __, 2024, at 9:00 a.m., or as soon thereafter as the matter
3 may be heard, in Department 5 of the above-entitled Court, located at 191 N. First Street, San Jose, CA
4 95113, defendant Tesla, Inc. (“Tesla”) will, and hereby does, Tesla, Inc. will move this Court for an
5 Order granting its application to seal the settlement amount listed in the Declaration of Thomas P.
6 Branigan regarding Settlement Amount (the “Settlement Amount Declaration”).

7 Tesla’s Motion to Seal Settlement Amount Declaration will be based upon this Notice of
8 Motion, the Memorandum of Points and Authorities submitted herewith, the Declaration of Thomas P.
9 Branigan in support of Tesla, Inc’s Motion for Determination of Good Faith Settlement, and exhibits
10 hereto, the records, papers and pleadings already on file in this action, and upon such other and further
11 evidence and oral argument as may be presented to the Court.

12 Dated: April 8, 2024

BOWMAN AND BROOKE LLP

13
14 /s/ Thomas P. Branigan

15 Thomas P. Branigan
16 Joel Smith

17 Daniel C. Posner #232009
18 Quinn Emanuel Urquhart & Sullivan, LLP

Attorneys for Defendant Tesla, Inc.

19 Lauren O. Miller #279448
20 Tesla, Inc.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 To ensure that the amount of the confidential settlement between defendant Tesla, Inc. (“Tesla”) and Sz Hua Huang, Trinity Huang (a minor), and Tristan Huang (a minor) (together, “Plaintiffs”) remains confidential pursuant to the parties’ agreement, Tesla requests (and all parties agree) that the Court seal the settlement amount referenced in the Settlement Amount Declaration pursuant to California Rule of Court 2.551. There is an overriding interest in protecting and encouraging settlement, as well as permitting parties to adhere to mandatory contractual obligations and protecting minors. Tesla and Plaintiffs would suffer great prejudice if the settlement amount is not sealed. Tesla’s request, to seal a single declaration containing a single number, is narrowly tailored, and Tesla’s requested relief cannot be achieved through less restrictive means.

12 **II. ARGUMENT**

13 The public’s “right to inspect and copy judicial records is not absolute.” (*Nixon v. Warner Commc’ns, Inc.* (1978) 435 U.S. 589, 598; see also *NBC Subsidiary, Inc. v. Superior Court* (1999) 20 Cal.4th 1178, 1207 (public’s “First Amendment right [of access to courts] is not absolute, and can be overcome”).) The California Rules of Court provide guidance on when, contrary to the general presumption of public access, court records may be sealed. A court may order that records be sealed if the court “expressly finds facts that establish: (1) [t]here exists an overriding interest that overcomes the right of public access to the record; (2) [t]he overriding interest supports sealing the record; (3) [a] substantial probability exists that the overriding interest will be prejudiced if the record is not sealed; (4) [t]he proposed sealing is narrowly tailored; and (5) [n]o less restrictive means exist to achieve the overriding interest.” (Cal. Rules of Court, rule 2.550(d).)

22 Tesla seeks to seal the settlement amount referenced in the Settlement Amount Declaration because the settlement amount is a bargained for confidential term of the settlement. (See Declaration of Thomas P. Branigan (“Branigan Decl.” at ¶ 2).) The confidential settlement between Plaintiffs and Tesla includes a critical and mutually negotiated term to maintain the confidentiality of the settlement terms. (*Id.*) The parties had to disclose the settlement amount to the Court and defendant Caltrans so

1 the Court can consider and resolve Tesla’s Motion for Determination of Good Faith Settlement, but
2 there is no need for it to become a matter of public record.

3 For the reasons stated below, it comes as no surprise that courts frequently seal similar
4 confidential agreements and references to amounts of settlement payments. (See, e.g., *Pruyn v.*
5 *Agricultural Ins. Co.* (1995) 36 Cal.App.4th 500, 512 at n. 11 (trial court sealed all good faith settlement
6 documents); *L. Offs. of Mathew Higbee v. Expungement Assistance Servs.* (2013) 214 Cal.App.4th 544,
7 549-50 (trial court sealed settlement documents); *Low v. Golden Eagle Ins. Co.* (2003) 110 Cal.App.4th
8 1532, 1537 (same); *Regents of Univ. of Cal. v. Sumner* (1996) 42 Cal.App.4th 1209, 1210 (avoiding
9 disclosure of confidential details of settlement agreement); *Universal City Studios, Inc. v. Superior Ct.*
10 (2003) 110 Cal.App.4th 1273, 1286 (noting that the normal course is to seal financial information that
11 “involves confidential matters relating to the business operations of defendant,” but declining to seal in
12 this case on the grounds that defendant had willingly divulged the information); *W. World Ins. Co. v.*
13 *Assoc. Indus. Ins. Co.* (2018) 2018 WL 11385459, at *1-2 (sealing settlement amount).)

14 Tesla therefore requests that this Court seal the Settlement Amount Declaration and also requests
15 that any orders the Court issues in connection with the Motion for Determination of Good Faith
16 Settlement be filed under seal to the extent such orders disclose the confidential settlement amount.

17 **A. Overriding Interests Overcome the Right of Public Access to the Settlement Amount**
18 **and Those Interests Will Be Irreparably Prejudiced if the Settlement Amount**
19 **Declaration Is Not Sealed**

20 The overriding interests of promoting settlements generally, upholding the non-disclosure
21 obligations in this settlement specifically, protecting Plaintiffs’ financial privacy, and protecting the
22 minor Plaintiff justify sealing the Settlement Amount Declaration, and those interests will be prejudiced
23 absent sealing.

24 The California Supreme Court has recognized that the enforcement of binding contractual
25 obligations to maintain the confidentiality of information constitutes an overriding interest sufficient to
26 justify sealing documents. (*NBC Subsidiary, Inc., supra*, 20 Cal.4th at 1222 n. 46.) As such, courts may
27 seal documents such as confidential settlement agreements that include a binding contractual obligation
28 not to disclose certain information. (*Ibid.*) Doing so not only protects the parties’ bargained-for

1 agreements, but also supports the well-established principle that the law favors settlements, which
2 oftentimes cannot, or will not, be effectuated absent confidentiality regarding some settlement terms.
3 (*Fisher v. Superior Court* (1980) 103 Cal. App. 3d 434, 440 (“The encouragement of settlements has
4 always been part of the strong public policy of our state.”); *Drulias v. 1st Century Bancshares, Inc.*
5 (2018) 30 Cal.App.5th 696 (discussing “this state’s strong public policy in favor of pretrial
6 settlements”); *McClure v. McClure* (1893) 100 Cal. 339, 343 (settlements “are highly favored as
7 productive of peace and goodwill in the community, and reducing the expense and persistency of
8 litigation.”).) The protection of minors may also be an overriding interest sufficient to justify sealing
9 documents. (*NBC Subsidiary, Inc., supra*, 20 Cal.4th at 1222 n. 46.)

10 Here, several overriding interests justify sealing the settlement amount, particularly because all
11 parties agree (as explicitly stated in the settlement agreement between Tesla and Plaintiffs), and in fact
12 desire, that the amount of the settlement remain confidential. Not only does confidentiality promote
13 Tesla’s interest in keeping from public view its decision-making in resolving lawsuits, but it also
14 promotes Plaintiffs’ constitutional right to financial privacy. (Cal. Const. art. I § 1; *Valley Bank of Nev.*
15 *v. Superior Ct.* (1975) 15 Cal.3d 562, 656-57; see also *Universal City Studios, Inc, supra*, 110
16 Cal.App.4th at 1286 (noting that the normal course is to seal financial information that “involves
17 confidential matters relating to the business operations of defendant,” but declining to seal in this case
18 on the grounds that defendant had willingly divulged the information).) Keeping settlement amounts
19 private is preferable given the concerns associated with identity theft and solicitors who may attempt to
20 take advantage of Plaintiffs should their financial information become public information. (Branigan
21 Decl. ¶ 3.) This is especially true with respect to Trinity Huang and Tristan Huang, who are both
22 minors. (*NBC Subsidiary, Inc., supra*, 20 Cal.4th at 1222 n. 46.) These important interests override the
23 public interest in access to the courts (a right which a sealing order would only curtail as to a single
24 number contained in a single declaration). This is especially true where, as here, the settlement is
25 between two private parties and does not concern how public funds are spent. (*Copley Press, Inc. v.*
26 *Superior Ct.* (1998) 63 Cal.App.4th 367, 376.) As such, several overriding interests justify sealing the
27 settlement amount.

1 relief—unopposed sealing of a single declaration containing a single number—that would honor the
2 terms of the settlement agreement and uphold the various overriding interests at play.

3 Therefore, to further the public interest and the interests of the litigants in this case, the Court
4 should seal the settlement amount referenced in the Settlement Amount Declaration.

5 **III. CONCLUSION**

6 For the foregoing reasons, Tesla, Inc. respectfully requests that the Court grant its motion to seal
7 the settlement amount as stated in the Settlement Amount Declaration.

8 Dated: April 8, 2024

BOWMAN AND BROOKE LLP

9
10 /s/ Thomas P. Branigan

Thomas P. Branigan

Joel Smith

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12 Daniel C. Posner #232009

Quinn Emanuel Urquhart & Sullivan, LLP

13 *Attorneys for Defendant Tesla, Inc.*

14 Lauren O. Miller #279448

15 Tesla, Inc.
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PROOF OF SERVICE

I am over 18 years of age, not a party to this action and employed in Plano, Texas at 5850 Granite Parkway, Ste. 900, Plano, Texas 75024. On the date indicated below, I served the foregoing documents **TESLA INC.'S MOTION TO SEAL SETTLEMENT AMOUNT STATED IN SETTLEMENT AMOUNT DECLARATION** on all interested parties, or through their attorneys of record, in the manner noted, addressed as follows:

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1 ___ VIA FIRST CLASS MAIL. I caused such envelope to be deposited in the mail at San Jose,
2 California, in a sealed envelope with postage fully prepaid thereof. I am readily familiar with the firm's
3 business practice for collection and processing of correspondence for mailing with the United States Postal
4 Service. The mail is deposited with the U.S. Postal Service on that same day in the ordinary course of
5 business. I am aware that on motion of the party served, service is presumed invalid if the postal
6 cancellation date or postage meter date is more than one day after the date of deposit for mailing in
7 affidavit.

8 ___ VIA OVERNIGHT DELIVERY SERVICE. The documents were enveloped, properly
9 labeled, and caused to be deposited into an overnight delivery (Federal Express, United Parcel Service,
10 etc.) receptacle or delivered to an authorized courier or driver authorized by the express service carrier to
11 receive documents, in an envelope or a package designated by the express service carrier with delivery
12 fees paid or provided for, addressed to the person on whom it is to be served, at the office address as last
13 given by that person on any document filed in the case and served on that person; otherwise, at that
14 person's place of residence.

15 X BY ELECTRONIC SERVICE. The document was served electronically, and the transmission
16 was reported as complete and without error. The document was served on the above parties in this action
17 by causing a true copy of said document to be transmitted by email pursuant to Emergency Rule 12 of
18 Appendix I of the California Rules of Court.

19 ___ VIA FACSIMILE TRANSMISSION. The document was served on the above party in this action by
20 causing a true copy of said document to be transmitted by facsimile to the number listed adjacent to the
21 name on this Proof of Service. The transmission was reported as complete and without error.

22 ___ VIA PERSONAL SERVICE. I caused such envelope(s) to be delivered by hand this date to the
23 offices of the addressee(s).

24 I declare under penalty of perjury under the laws of the State of California that the foregoing is true
25 and correct, and that this declaration was executed on April 8, 2024, at Plano, Texas.

26 /s/ Sara Margo
27 SARA MARGO

1 **DECLARATION OF THOMAS P. BRANIGAN**

2 I, Thomas P. Branigan, declare:

3 1. I am an attorney licensed to practice law before all of the courts of the States of Illinois,
4 Michigan and Ohio, have been admitted *pro hac vice* in this matter and, I am a partner with the law firm
5 of Bowman & Brooke LLP, and counsel of record for Defendant Tesla, Inc. (“Tesla”) in the above-titled
6 action. This declaration is based upon my personal knowledge, except as to those matters stated on
7 information and belief, and as to those matters, I believe them to be true: if called upon as a witness, I
8 could and would competently testify to the facts set forth therein.

9 2. Tesla seeks to seal the settlement amount referenced in the Settlement Amount
10 Declaration because the settlement amount is a confidential term of the settlement. The confidential
11 settlement between Plaintiffs and Tesla includes a critical and mutually negotiated term to maintain the
12 confidentiality of the settlement terms.

13 3. Keeping settlement amounts private is preferable given the concerns associated with
14 identity theft and solicitors who may attempt to take advantage of Plaintiffs should their financial
15 information become public information. This is especially true with respect to minor plaintiffs.

16 4. The confidentiality clause shielding the settlement amount from disclosure was an
17 integral, material term in inducing Tesla to move forward with this settlement.

18 5. Tesla entered into a settlement agreement with Plaintiffs to end years of litigation, but
19 other potential claimants (or the plaintiffs’ bar) may perceive the settlement amount as evidence of
20 Tesla’s potential liability for losses, which may have a chilling effect on settlement opportunity in
21 subsequent cases.

22 6. Tesla confidentially provided the settlement amount to counsel for Caltrans so it could
23 evaluate whether to object to the settlement. Tesla’s counsel requested that Caltrans stipulate to a good
24 faith settlement determination, but Caltrans informed Tesla’s counsel that it will oppose the motion for
25 good faith settlement determination, necessitating the filing of these motions.

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1 I declare under penalty of perjury under the laws of the State of California that the foregoing is
2 true and correct and that this declaration is executed on April 8, 2024, at San Jose, California .

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6 Thomas P. Branigan
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15 Attorneys for Defendant
16 Tesla, Inc.

17 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

18 COUNTY OF SANTA CLARA

19 SZ HUA HUANG, Individually and as) Case No. 19CV346663
successor in interest to WEI LUN HUANG,)
20 deceased; TESLA HUANG, a minor;) Assigned for trial to: Hon. Lori E. Pegg
TRISTAN HUANG, a minor; HSI KENG) Dept. 5
21 HUANG; and CHING FEN HUANG,)
) **[PROPOSED] ORDER GRANTING TESLA,**
22 Plaintiff,) **INC.'S MOTION TO SEAL SETTLEMENT**
) **AMOUNT DECLARATION**
23 vs.)
)
24 TESLA, INC. dba TESLA MOTORS INC.)
25 THE STATE OF CALIFORNIA, and DOES 1) Case Filed: April 26, 2019
through 100,) Trial Date: March 18, 2024
26)
Defendants.)
27 _____)
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1 The hearing on Tesla, Inc.'s Motion for and Order to Seal Settlement Amount came on for
2 hearing on _____, 2024. After consideration of the motion and argument made thereon,

3 **IT IS HEREBY ORDERED** that the motion to file under seal the settlement amount stated in
4 the Settlement Amount Declaration of Thomas P. Branigan lodged in support of Tesla, Inc.'s Motion for
5 Determination of Good Faith Settlement pursuant to Code of Civil Procedure section 877.6 is
6 GRANTED.

7
8 DATED: _____

_____ Honorable Lori E. Pegg