

**Kings Auto. Holdings, LLC v Brooklyn Store LLC**

2026 NY Slip Op 31078(U)

March 20, 2026

Supreme Court, Kings County

Docket Number: Index No. 501523/2026

Judge: Reginald A. Boddie

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This opinion is uncorrected and not selected for official publication.

At an IAS Commercial Part 12 of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, located at 360 Adams Street, Borough of Brooklyn, City and State of New York on the 20<sup>th</sup> day of March 2026.

PRESENT:  
Honorable Reginald A. Boddie  
Justice, Supreme Court

-----X  
KINGS AUTOMOTIVE HOLDINGS, LLC and SMG  
AUTOMOTIVE HOLDINGS LLC,

Plaintiffs,

Index No. 501523/2026

-against-

Cal. No. 11 MS 1

THE BROOKLYN STORE LLC,

**Decision and Order**

Defendant.

-----X  
The following e-filed papers read herein:  
MS 1

NYSCEF Doc Nos.  
8-19, 22-34

Plaintiffs' motion for a temporary restraining order and a *Yellowstone* injunction or, alternatively, a preliminary injunction, is decided as follows:

**Background**

This action arises out of defendant The Brooklyn Store, LLC ("Landlord")'s service of a notice of default and notice of intention to terminate the master lease and sublease based on alleged unauthorized changes in the ownership and guaranty structure of the tenant, Kings Automotive Holdings, LLC ("Kings"), and the subtenant, SMG Automotive Holdings LLC ("SMG").

On June 27, 2025, the Court issued a *Yellowstone* injunction against Landlord in a related action, *SMG Automotive Holdings LLC, et al. v. The Brooklyn Store LLC*, Index No. 524803/2024 (NYSCEF Doc No. 11). Thereafter, on October 14, 2025, the Court issued a temporary restraining

order against Landlord in another related action, *Kings Automotive Holdings LLC, et al. v. The Brooklyn Store LLC*, Index No. 535799/2025 (NYSCEF Doc No. 12). Plaintiffs allege, and defendant does not dispute, that Landlord withdrew its notice of default prior to the Court rendering a decision on the *Yellowstone* relief in that action.

Notwithstanding the foregoing, plaintiffs allege, and defendant does not dispute, that Landlord subsequently commenced a plenary action against plaintiffs, *The Brooklyn Store LLC v. SMG Automotive Holdings, LLC, et al.*, Index No. 535595/2025, seeking to void plaintiffs' leasehold interests based on the same allegations asserted in the October 2025 *Yellowstone* action and in the notice of default at issue herein. Plaintiffs contend that defendant's repeated issuance of notices of default, together with the commencement of the plenary action, constitutes a coordinated effort to evade its contractual obligation to sell the premises at issue pursuant to a purchase option exercised by SMG in February 2021. Additionally, a fifth action remains pending between the parties, *SMG Automotive Holdings LLC v. The Brooklyn Store LLC*, Index No. 502153/2022, in which SMG seeks to compel Landlord to honor that purchase option.

Plaintiffs now move by order to show cause for a temporary restraining order and a *Yellowstone* injunction or, alternatively, a preliminary injunction to toll the cure period and enjoin defendant from terminating the lease and sublease, commencing related proceedings, or issuing further default notices without court permission. Plaintiffs contend the alleged defaults based on purported unauthorized ownership and guarantor changes are factually and legally baseless and asserted in bad faith to avoid honoring the purchase option. Plaintiffs further assert that any defaults are curable, they are ready and able to cure, and absent relief they will suffer irreparable harm through loss of their leasehold interests and business.

In opposition, defendant argues the alleged defaults are material and incurable breaches concerning prior-consent requirements for ownership changes and guarantor continuity.

Defendant contends it learned through discovery that Kings and SMG made unauthorized ownership changes without consent, including the alleged removal of Alexander Boyko as a guarantor and the transfer of Alexander Landa's 49% interest in SMG to Zachary Schwebel and Blima Kirzner, and that plaintiffs failed to provide documentary proof of compliance. Defendant argues that these breaches cannot be cured retroactively, thus render Kings' 2022 lease renewal void ab initio and preclude plaintiffs from enforcing the purchase option.

### Discussion

"A *Yellowstone* injunction maintains the status quo so that a commercial tenant, when confronted by a threat of termination of its lease, may protect its investment in the leasehold by obtaining a stay tolling the cure period so that upon an adverse determination on the merits the tenant may cure the default and avoid a forfeiture of the lease (*JT Queens Carwash, Inc. v 88-16 N.-Blvd, LLC*, 101 AD3d 1089, 1089-90 [2d Dept 2012] [citation and internal quotation marks omitted]). "To obtain a *Yellowstone* injunction, the tenant must demonstrate that (1) it holds a commercial lease, (2) it received from the landlord either a notice of default, a notice to cure, or a threat of termination of the lease, (3) it requested injunctive relief prior to both the termination of the lease and the expiration of the cure period set forth in the lease and the landlord's notice to cure, and (4) it is prepared and maintains the ability to cure the alleged default by any means short of vacating the premises" (*id.* at 1090).

Here, it is undisputed that plaintiffs hold a commercial lease, received a notice of default threatening termination, and commenced this action prior to the termination date. Plaintiffs also expressly state their willingness and ability to cure any defaults should the Court determine that any exist.

In support of its argument that the alleged defaults are "incurable as a matter of law," defendant relies solely on two non-binding First Department decisions: *Artcorp Inc. v. Citirich*

*Realty Corp.*, 168 AD3d 515 [1st Dept 2019], and *Macklowe v. 42nd Street Dev. Corp.*, 170 AD2d 388 [1st Dept 1991], neither of which supports such proposition. To the contrary, *Artcorp* expressly recognizes that even where a tenant has effected an unauthorized transfer of ownership interests, a default may still be cured, since “it is not necessary, in order to cure, that a tenant show that it is able to erase the past, as long as it can show that it is able to bring itself into compliance with the lease without vacating the premises,” including by “seeking consent from the landlord,” which “could be obtained post-assignment” (*Artcorp. Inc. v Citirich Realty Corp.*, *supra*, at 516 [1st Dept 2019]). As to *Macklowe*, which does not arise in the *Yellowstone* context, the First Department merely holds that a breach of a covenant against assignment may give rise to “actual damages based on the written agreement,” and does not address, let alone foreclose, the availability of a cure or injunctive relief in this context (*see Macklowe v 42nd St. Dev. Corp.*, *supra*, at 388 [1st Dept 1991]).

Moreover, the record reflects substantial factual disputes concerning the existence and nature of the alleged defaults, including whether any ownership changes occurred in violation of the governing agreements, whether any guarantor was in fact released, and whether defendant’s consent was required under the master lease or the sublease. Such contested factual and legal issues cannot be resolved in this motion and are more appropriately addressed in the underlying action.

#### **Conclusion**

Based on the foregoing, plaintiffs’ motion is granted to the extent that a *Yellowstone* injunction is hereby issued, tolling the cure period and maintaining the status quo pending further order of the Court. The remainder of plaintiffs’ motion is denied.

It is further ORDERED that plaintiffs shall post an undertaking in the amount of \$5,000 with the Kings County Clerk within ten (10) days of entry of this Decision and Order.

Any arguments not expressly addressed herein were considered and deemed to be without merit or unnecessary to address given the court's determination.

ENTER:

*RES*

Honorable Reginald A. Boddie  
Justice, Supreme Court

HON. REGINALD A. BODDIE  
J.S.C.