Weiss v Jefferies Strategic Invs., LLC
2026 NY Slip Op 31097(U)
March 20, 2026
Supreme Court, New York County
Docket Number: Index No. 650560/2025
Judge: Phaedra F. Perry-Bond
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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. PHAEDRA F. PERRY-BOND, *Justice* — PART 35

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GEORGE WEISS,

Plaintiff,

- v -

JEFFERIES STRATEGIC INVESTMENTS, LLC, LEUCADIA ASSET MANAGEMENT HOLDINGS LLC

Defendant.

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INDEX NO. 650560/2025

MOTION DATE 03/12/2025

MOTION SEQ. NO. 001

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41
were read on this motion to/for DISMISS.

Upon the foregoing documents, Defendants' motion to dismiss Plaintiff's Complaint pursuant to CPLR 3211(a)(1), (a)(7), and (g) is granted.

I. Background

Plaintiff, an investment manager, claims he was defamed in early 2024 when Defendants spread false claims that Plaintiff misappropriated client funds for personal use. Plaintiff alleges the false claims were disseminated as part of a strategy to pressure him to personally pay corporate debts owed to Defendant Jefferies Strategic Investments, LLC ("Jefferies") by certain hedge funds affiliated with Plaintiff (the "Weiss Funds").

The Weiss Funds and Defendants were part of a joint venture arrangement since May 2018, where Defendants provided liquidity to the Weiss Funds and committed to bring in additional client accounts and in exchange the Weiss Funds would share a portion of the profits realized. This agreement was memorialized in a Strategic Relationship Agreement (the "First Agreement"). The Weiss Funds and Defendants subsequently entered a second set of agreements known as the Note

Purchase Agreements (the "Second Agreement") which comprised of three notes from Jeffries to the Weiss Funds worth $53 million. The First and Second Agreement allegedly contemplated Defendants bringing additional client accounts to the Weiss Funds, but allegedly Defendants were unable to perform this part of the bargain.

In 2023, allegedly due to Defendants' inability to procure further client accounts, the Weiss Funds ended the arrangement with Defendants and tried to find an alternative financier to buy out Defendants' notes and their interest in the Strategic Partnership Agreement. The replacement financier was identified in November 2023, and on December 10, 2023, the Weiss Funds hosted Defendants' officers to discuss a deal with the replacement financier. Allegedly, at this meeting, Defendants were told that once the Weiss Funds paid bonuses to their professionals, they would have little cash remaining unless a deal with the replacement financier was finalized.

On December 21, 2023, Jeffries allegedly submitted a redemption notice under the Second Agreement and demanded repayment of $53 million by December 31, 2023. On February 1, 2024, Defendants allegedly demanded the Weiss Funds provide them with veto power over the Weiss funds' 2023 bonus payments, which the Weiss Funds rejected. On February 11, 2024, the Weiss Funds advised Defendants that the bonuses were paid, at which point non-party Jeffries Financial Group's CEO, Richard Handler, accused Plaintiff of stealing and committing fraud. Defendants allegedly told the Weiss Funds' General Counsel that unless there was guaranteed repayment, and unless Plaintiff personally guaranteed the Weiss Funds' compliance with financial controls, then Defendants would sue Plaintiff. The demands were memorialized in a draft forbearance agreement sent by Defendants, which Plaintiff revised with a counter forbearance agreement.

As part of the pre-suit negotiations, on February 17, 2024, Defendants sent the Weiss Funds' President and General Counsel a draft complaint, which according to Plaintiff contained

false allegations, including that Plaintiff misappropriated money to fund private aircraft and his personal litigation against the internal Revenue Service. On March 26, 2024, a revised draft complaint was sent. The parties allegedly tried to continue negotiating repayment, but on April 29, 2024, the Weiss Funds filed for bankruptcy. On May 6, 2024, Defendants sued Plaintiff alleging his mismanaged or misused Defendants' funds (the "SDNY Action").[1]

Defendants obtained summary judgment against Plaintiff in the SDNY Action, wherein Hon. Alvin J. Hellerstein found Plaintiff was personally liable to Defendants for Plaintiffs' companies' debt (*see Jefferies Strategic Investments, LLC v Weiss*, 2025 WL 1445744 [SDNY 2025]). After the SDNY action was filed, Plaintiff filed this action, suing defendants for defamation *per se*. Defendants move to dismiss pursuant to CPLR 3211(a)(1), (a)(7), and (g). Defendants argue their statements are protected by the litigation privilege, are non-actionable opinion, and are barred by New York's anti-SLAPP statute. Plaintiff argues the litigation privilege does not apply because the statements were not pertinent to the SDNY Action. Plaintiff does not dispute that the speech falls within the ambit of the Anti-SLAPP statute, but he argues the Complaint passes the "substantial basis" standard.

II. Discussion

A. Standard

When reviewing a pre-answer motion to dismiss for failure to state a claim, the Court must give the Plaintiff the benefit of all favorable inferences which may be drawn from the pleadings (*Sassi v Mobile Life Support Services, Inc.*, 37 NY3d 236, 239 [2021]). However, conclusory allegations or bare legal conclusions with no factual specificity are insufficient (*Godfrey v Spano*, 13 NY3d 358, 373 [2009]). A motion to dismiss for failure to state a claim will be granted if the

[1] The case was initiated in New York State Court but was subsequently removed to the United States District Court for the Southern District of New York ("SDNY")

factual allegations do not allow for an enforceable right of recovery (*Connaughton v Chipotle Mexican Grill, Inc.*, 29 NY3d 137, 142 [2017]). A motion to dismiss based on documentary evidence is appropriately granted when the documentary evidence utterly refutes the plaintiff's factual allegations, conclusively establishing a defense as a matter of law (*Goshen v Mutual Life Ins. Co. of New York*, 98 NY2d 314 [2002]).

A motion to dismiss under CPLR 3211(g) shall be granted when the movant shows the action targets speech involving public petition and participation, as defined in Civil Rights Law § 76-a, unless the opposing party shows the action has a substantial basis (*see Gillespie v Kling*, 217 AD3d 566, 567 [1st Dept 2023]). An action involves public petition and participation if it is "any communication in a place open to the public or a public forum in connection with an issue of public interest" or if it is "any other lawful conduct in furtherance of the exercise of the constitutional right of free speech in connection with an issue of public interest" (*see* Civil Rights Law § 76-a[1][a]). In opposing a CPLR 3211(g) motion, a plaintiff must demonstrate that its claims have "a substantial basis" (*see Reeves v Found. for the Child Victims of the Family Courts*, --- N.Y.S.3d ----, 2026 N.Y. Slip Op. 00861 at *1 [1st Dept 2026]). The "substantial basis" standard is a "heightened burden" (*S.N. v Integral Yoga Institute, Inc.* 245 AD3d 536 [1st Dept 2026]). "Substantial basis," for purposes of a motion to dismiss, requires "such relevant proof as a reasonable mind may accept as adequate to support a conclusion or ultimate fact" (*see Smartmatic USA Corp. v Fox Corp.*, 213 AD3d 512 [1st Dept 2023]).

B. Anti-SLAPP Law

Plaintiff does not dispute that the anti-SLAPP law applies but instead argues that the Complaint is sufficient to withstand a CPLR 3211(g) motion. Therefore, the Court applies the more rigorous substantial basis standard.

C. Pre-Litigation and Litigation Privileges

The pre-litigation and litigation privileges bar this lawsuit. Statements that are pertinent to good faith anticipated litigation cannot serve as the basis for a defamation claim (*see Front, inc. v Khalil*, 24 NY3d 713, 719-720 [2015]). Similarly, there is absolute immunity from liability for defamation where written statements are made by attorneys in connection with a proceeding before a court and the allegedly defamatory statements are pertinent to the questions involved (*Gottwald v Sebert,* 40 NY3d 240, 253 [2023]). There is no "sham exception" to the litigation privilege nor is the issue of malice relevant to the application of the litigation privilege (*Gottwald, supra* at 253).

To the extent Plaintiff claims he was defamed by statements in the pre-litigation draft complaints, those claims are barred by the qualified pre-litigation privilege. The record on this motion reflects that the draft complaints were sent in an attempt to settle the parties' dispute prior to engaging in litigation, and once settlement negotiations failed, litigation was promptly commenced, with the complaint eventually filed being substantially similar to the prior circulated draft complaints (*see, e.g. Jones Lang Wootton USA v LeBoeuf, Lamb, Greene & MacRae*, 243 AD2d 168, 182 [1st Dept 1998] [statements made in the course of settlement negotiations are presumptively privileged]). The draft complaints sent, therefore, were pertinent to the litigation eventually filed (*see also Chutko v Ben-Ami*, 150 Ad3d 582, 582-583 [1st Dept 2017]; *see also Manhattan Sports Restaurants of America, LLC v Lieu*, 146 AD3d 727, 727-728 [1st Dept 2017] [for statements to be considered not "pertinent" to litigation they must be so outrageously out of context as to permit the conclusion that they were intended solely to defame]). The allegedly defamatory statements contained allegations that Plaintiff used the money owed Defendants for his own personal benefit and enrichment, which provided context and support for Defendants' claims of personal liability against Plaintiff.

The draft complaints were not in bad faith as once litigation was filed, Defendants succeeded in obtaining summary judgment against Plaintiff requiring Plaintiff to repay Defendants the debt owed. Based on the record here and the controlling precedent, Plaintiff fails to show his defamation claims arising from the pre-litigation draft complaints have a substantial basis.

To the extent Plaintiff claims he was defamed by statements in Defendants' Complaint, the absolute litigation privilege applies (*see generally Frechtman v Gutterman*, 115 AD3d 102, 106-107 [1st Dept 2014]). The statements about Plaintiff's alleged fraud and misappropriation of corporate funds were pertinent to explain the extent to which Weiss was involved with the allegedly owed funds and to provide context as to why Plaintiff would agree to personally guarantee repayment of those funds (*see Lewis v Pierce Bainbridge Beck Price & Hecht LLP*, 205 AD3d 618, 618-619 [1st Dept 2022]). Therefore, the Complaint is dismissed in its entirety (*see also Hadar v Pierce*, 111 AD3d 439, 440 [1st Dept 2013]).

Because Defendants succeeded on their CPLR 3211(g) motion to dismiss, they are entitled to attorneys' fees under Civil Rights Law § 70-a (*see Gillespie v Kling*, 217 AD3d 566, 567 [1st Dept 2023] citing *Aristocrat Plastic Surgery*, 206 AD3d 26, 32 [1st Dept 2022]). However, Plaintiff filed a notice of bankruptcy, and the automatic stay imposed by 11 U.S.C. § 362(a)(1)-(3) was lifted only to allow Plaintiff to prosecute this defamation action (*see* NYSCEF Doc. 45). Defendants therefore must obtain leave from the United States Bankruptcy Court of the Southern District of Florida, which is overseeing Plaintiff's bankruptcy case, to pursue attorneys' fees pursuant to Civil Rights Law § 70-a.

Accordingly, it is hereby,

ORDERED that Defendants' motion to dismiss is granted in its entirety, and the Complaint is hereby dismissed; and it is further

ORDERED that Defendants are entitled to attorneys' fees under Civil Rights Law § 70-a, and upon the lifting or modification of the automatic stay imposed by 11 U.S.C. § 362(a)(1)-(3), defendants shall submit a fee application so an award of fees may be issued; and it is further

ORDERED that within ten days of entry, counsel for Defendants shall serve a copy of this Decision and Order, with notice of entry, on all parties via NYSCEF.

This constitutes the Decision and Order of the Court.

3/20/26
DATE

HON. PHAEDRA F. PERRY-BOND, J.S.C.

CHECK ONE:	[x] CASE DISPOSED		[ ] NON-FINAL DISPOSITION		
APPLICATION:	[x] GRANTED	[ ] DENIED	[ ] GRANTED IN PART	[ ] OTHER
	[ ] SETTLE ORDER		[ ] SUBMIT ORDER		
CHECK IF APPROPRIATE:	[ ] INCLUDES TRANSFER/REASSIGN		[ ] FIDUCIARY APPOINTMENT	[ ] REFERENCE