

**800fund.com LLC v Webster Bank, N.A.**

2026 NY Slip Op 31116(U)

March 20, 2026

Supreme Court, New York County

Docket Number: Index No. 162973/2025

Judge: Paul A. Goetz

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This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. PAUL A. GOETZ PART 47

Justice

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800FUND.COM LLC,

Petitioner,

- v -

WEBSTER BANK, N.A., ROOTERMAN HARTFORD LLC,
AAA PLUMBING LLC, LISA ANN SHEL TZ,

Respondents.

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INDEX NO. 162973/2025

MOTION DATE 09/30/2025

MOTION SEQ. NO. 001

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25

were read on this motion to/for ENFORCE/EXEC JUDGMENT OR ORDER .

In this turnover proceeding, petitioner moves pursuant to CPLR § 5225(b) for an order directing respondent Webster Bank N.A. (Webster Bank) to turn over to petitioner funds held in one of its accounts to satisfy a judgment against respondents AAA Plumbing LLC (AAA) and Lisa Ann Sheltz; and respondent Rooterman Hartford LLC (Rooterman) cross-moves pursuant to CPLR § 3211(a)(8) to dismiss the petition and order to show cause.

BACKGROUND

On January 30, 2017, AAA, a Connecticut-based plumbing company owned by Sheltz and her domestic partner Daniel Allen, entered into a future receivables sale agreement with petitioner; Sheltz personally guaranteed the agreement (Index No 70140/2017, NYSCEF Doc No 4). When AAA and Sheltz defaulted on the amounts due thereunder, they executed affidavits of confession of judgment, and judgment was entered in favor of petitioner and against AAA and Sheltz in the amount of \$189,058 (NYSCEF Doc No 4 [the judgment]).

AAA dissolved on July 20, 2018 (NYSCEF Doc No 7). “After that, [Allen] went to work for a plumbing company called Innovative Air Conditioning” and remained there for approximately one year (NYSCEF Doc No 21, p. 2) before forming Rooterman, another plumbing company with the same business address as AAA, on August 23, 2019 (NYSCEF Doc No 8). Rooterman opened an account with Webster Bank ending in -3263 (the account), of which both Allen and Sheltz are authorized signatories (NYSCEF Doc No 1 [Petition] ¶¶ 6-7).

When AAA and Sheltz failed to satisfy the judgment, petitioner subpoenaed Webster Bank and discovered that “Sheltz uses account 3263 extensively to pay personal obligations” (*id.* ¶ 11 [documenting more than \$154,000 in payments from the account to Sheltz’s creditors]). As of September 30, 2025, when the instant proceeding was initiated, \$174,129.36 of the judgment remained outstanding, together with interest from December 7, 2017 (*id.* ¶ 3).

### DISCUSSION

Rooterman argues that the court lacks jurisdiction over it because: (a) the petition and OSC were improperly served on Rooterman, as it was delivered to Sheltz, who “is not a member, manager or agent authorized [] to receive process” on its behalf; and (b) Rooterman only operates within Connecticut, and “[t]he funds sought to be restrained and turned over thus have no nexus to the state of New York” (NYSCEF Doc No 20, pp. 3-4).

In opposition, petitioner argues that service was proper because “this is a CPLR 5225(b) turnover special proceeding, in which jurisdiction derives from the Court’s authority over the property held by the *garnishee*, not from in personam jurisdiction over the third-party respondent,” and therefore, since Webster Bank was properly served, “service upon Rooterman is immaterial” (NYSCEF Doc No 23, p. 9). Petitioner does not provide any support for this proposition. To the contrary, the court cannot order the turnover of funds in an account unless it

has jurisdiction over the account holder (*Matter of Centerpointe Corp. Park P'ship 350 v MONY*, 96 AD3d 1401, 1401 [4<sup>th</sup> Dept 2012] [stakeholders are necessary parties to turnover proceedings]; *Citibank (S.D.) N.A. v Island Fed. Credit Union*, 190 Misc 2d 694, 695 [App T 2<sup>nd</sup> Dept 2001] [“There is no question that the rights of the [account] owners in the instant case will be adversely affected by a judgment directing the turnover of funds in the [] accounts”]).

Petitioner argues that even if “personal jurisdiction over Rooterman were independently required, the Court may deem service sufficient where the respondent received actual notice and suffers no prejudice,” and here, “[t]he record conclusively establishes that Rooterman had prompt and complete notice of this proceeding” (NYSCEF Doc No 23, pp. 10-11). Again, petitioner does not provide support for this proposition. To the contrary, “actual notice of a [petition] will not cure improper service and confer personal jurisdiction” (*Sasscer v Kammerer*, 18 Misc 3d 128[A] [App T 2<sup>nd</sup> Dept 2007]; *Foley Machinery Co. v Amaco Constr. Corp.*, 126 AD2d 603, 604 [2<sup>nd</sup> Dept 1987] [“The fact the [respondent] acquired actual notice of the action by means other than those authorized by statute cannot serve to bring [it] within the jurisdiction of the court”]).

Lastly, petitioner argues that “personal jurisdiction is proper based on alter-ego and successor-liability principles,” as petitioner has alleged that Rooterman is the alter ego of AAA, which is properly before the court (NYSCEF Doc No 23, pp. 9-10). Petitioner alleges that: “The dissolution of AAA[,] followed by the formation of Rooterman [] at the same addresses and under the control of Sheltz and Allen, together with the use of Rooterman Hartford’s Webster account as Sheltz’s personal account, establishes that Rooterman [] is the alter ego and mere continuation of Sheltz and Allen, and was created to evade the obligations of AAA” (Petition ¶ 13). In opposition, Allen asserts that: Rooterman was formed more than a year after AAA was

dissolved; Sheltz has no legal interest in Rooterman and is not an employee; the funds in Rooterman's account "come solely from Rooterman's business operations; and though some funds paid Sheltz's creditors, those amounts were reimbursed (NYSCEF Doc No 21, pp. 2-3).

In determining whether a corporation is an alter ego of another, courts consider "whether there is an overlap in ownership, officers, directors and personnel, inadequate capitalization, a commingling of assets, or an absence of separate paraphernalia that are part of the corporate form" (*John John, LLC v Exit 63 Dev., LLC*, 35 AD3d 540, 541 [2<sup>nd</sup> Dept 2006] [internal quotation marks omitted]). While none of these factors are dispositive, the fact that AAA was dissolved more than a year before Rooterman was formed, and that Sheltz is not an employee, owner, or manager of Rooterman, weigh heavily against finding that it is AAA's alter ego (compare, *Commissioners of the State Ins. Fund v Ramos*, 80 AD3d 447, 447 [1<sup>st</sup> Dept 2011] [factors in favor of finding alter ego liability include "the use of essentially the same name, the fact that the judgment debtor was not formally dissolved, and the overlap of employees, ownership, physical plant and equipment"]). Here, "the record does not demonstrate conclusively" that Rooterman is the mere alter ego of AAA and Sheltz (*id.*).

Accordingly, the petition and OSC will be denied, and Rooterman's cross-motion to dismiss the petition and OSC will be granted.

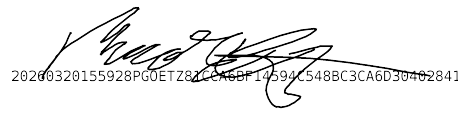
### CONCLUSION

Based on the foregoing, it is

ORDERED that the petition brought by OSC (MS #1) for the turnover of funds is denied; and it is further

ORDERED that Rooterman's cross-motion to dismiss the petition brought by OSC (MS #1) is granted; and the clerk is directed to enter judgement in favor of respondents as against

petitioner, mark the matter disposed, with costs and disbursements to respondents as taxed by the clerk.

  
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3/20/2026  
DATE

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PAUL A. GOETZ, J.S.C.

CHECK ONE:	<input checked="" type="checkbox"/>	CASE DISPOSED	<input type="checkbox"/>	NON-FINAL DISPOSITION
	<input type="checkbox"/>	GRANTED	<input type="checkbox"/> DENIED	<input checked="" type="checkbox"/> GRANTED IN PART
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER		<input type="checkbox"/> OTHER
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN	<input type="checkbox"/>	<input type="checkbox"/> FIDUCIARY APPOINTMENT
				<input type="checkbox"/> REFERENCE