

**Royalty Coffee Beans LLC v
H&H Coffee Group Export Corp.**

2024 NY Slip Op 32016(U)

June 11, 2024

Supreme Court, New York County

Docket Number: Index No. 655425/2023

Judge: Joel M. Cohen

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SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 03M

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ROYALTY COFFEE BEANS LLC	INDEX NO.	<u>655425/2023</u>
Petitioner,	MOTION DATE	<u>12/20/2023</u>
- v -	MOTION SEQ. NO.	<u>001</u>
H&H COFFEE GROUP EXPORT CORP.,		
Respondent.	DECISION + ORDER ON MOTION	

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HON. JOEL M. COHEN:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 7, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23

were read on this motion to CONFIRM ARBITRATION AWARD.

Royalty Coffee Beans LLC (“Royalty Coffee” or “Petitioner”) moves for an Order confirming the arbitration award (the “Award”) rendered in favor of Royalty Coffee on May 24, 2023 by a panel of three Green Coffee Association (“GCA”) arbitrators seated in New York, New York, in the amount of \$577,062.52, plus interest and costs as set forth therein, against Respondent H&H Coffee Group Export Corp. (“H&H” or “Respondent”), as affirmed and supplemented by an appeal award rendered on August 1, 2023 (the “Appeal Award”) by a panel of five GCA appeal arbitrators (the Award and the Appeal Award referred to herein as the “Final Award”); and directing the entry of judgment on the Final Award, pursuant to CPLR § 7514. H&H opposes this motion, and requests that the Final Award be vacated.¹ For the following reasons, Petitioner’s motion is granted.

¹ “After petitioner commenced the proceeding, respondent could oppose the award “either by motion ... to vacate or modify the award ... or by objecting to the award in opposition to an

CPLR 7510 provides that the court “shall confirm an award upon application of a party made within one year after its delivery to him, unless the award is vacated or modified upon a ground specified in section 7511” (*Bernstein Family Ltd. Partnership v Sovereign Partners, L.P.*, 66 AD3d 1, 3 [1st Dept 2009]). Here, the Award was delivered on May 25, 2023, and the Appeal Award was delivered on August 1, 2023 (NYSCEF 2, 3), thus the application is timely.

To vacate an award under New York and federal law, the “party moving to vacate an arbitration award has the burden of proof, and the showing required to avoid confirmation is very high” (*U.S. Elecs., Inc. v Sirius Satellite Radio, Inc.*, 17 NY3d 912, 915 [2011] [citation omitted]). “It is well settled that a court may vacate an arbitration award only if it violates a strong public policy, is irrational, or clearly exceeds a specifically enumerated limitation on the arbitrator’s power” (*In re Falzone (New York Cent. Mut. Fire Ins. Co.)*, 15 NY3d 530, 534 [2010] [citations omitted]). “Moreover, courts are obligated to give deference to the decision of the arbitrator. This is true even if the arbitrator misapplied the substantive law in the area of the contract” (*New York City Transit Auth v Transp. Workers’ Union of Am., Local 100, AFL-CIO*, 6 NY3d 332, 336 [2005] [citations and quotations omitted]). “[A]n arbitrator’s rulings, unlike a trial court’s, are largely unreviewable” (*Falzone*, 15 NY3d at 534).

Respondent contends that the Final Award should be vacated for indefiniteness or deficiency under CPLR 7511 because the Arbitration Panel failed to resolve Grand Master Brands, LLC’s (“Grand Master”) counterclaim against Royalty. “An award is deficient [for purposes of CPLR 7511(b)(1)(iii)] and subject to vacatur only if it leaves the parties unable to

application to confirm the award” (*Han v J.P. Morgan Sec., LLC*, 2024 NY Slip Op 02594 [1st Dept 2024]).

determine their rights and obligations, if it does not resolve the controversy submitted or if it creates a new controversy” (*Matter of Meisels v Uhr*, 79 NY2d 526, 536 [1992]).

Respondent’s arguments are unavailing for several reasons. First, this is the same argument upon which H&H based its arbitral appeal, which was rejected by the Appellate Panel (*see* NYSCEF 13 at 3 [“Grand Master filed an appeal, arguing that the Arbitration Panel erred by failing to rule on Grand Master’s counterclaim. . . . The Appellate Panel nevertheless affirmed the Arbitration Panel’s award.”]). Second, although H&H made a request either to substitute Grand Master in place of H&H or join Grand Master as a co-Respondent (*see* NYSCEF 6 at 3), there is no evidence that that the Arbitrators granted that request or that the GCA or the Arbitrators otherwise recognized Grand Master as a party to the Arbitration.² Furthermore, Grand Master has not sought to intervene here, and is not a party to this special proceeding. H&H has not cited any authority for the proposition that it would have standing to object to the Petition based on a purportedly unresolved claim asserted by a non-party to this proceeding. Third, the Final Award is clear and unambiguous, adjudging H&H’s liability in a sum certain, and clarifying the method of calculating interest due to Royalty Coffee on that sum.

The Final Award enables the parties to the arbitration “to determine their rights and obligations”: H&H must pay Royalty Coffee the amount awarded, plus interest calculated as described by the Final Award. The “controversy submitted” to the Arbitrators by the two parties to the Arbitration – *i.e.*, whether H&H was liable to refund the credit balance notwithstanding

² H&H and Grand Master have common management (*see* NYSCEF 6 at 3 n 1 [noting that “[t]here is overlap between H&H’s and Grand Master’s officer”]). Further, counsel for H&H submitted that if Grand Master was permitted to be made a party to the arbitration, it would represent Grand Master in place of H&H or jointly with H&H (*id.* at 4). It was further submitted that if Grand Master joined, Grand Master adopts or joins H&H in affirmative defenses and counterclaim submitted by H&H (*id.*).

Royalty Coffee’s election not to order more coffee from H&H or from its assignee, Grand Master – was unambiguously resolved in Royalty Coffee’s favor. The fact that the Final Award did not detail the rationale for the Arbitrators’ unanimous decision does not provide a ground for vacating the award (*Bay Ridge Med. Group v Health Ins. Plan of Greater New York*, 22 AD2d 807, 808 [2d Dept 1964]).

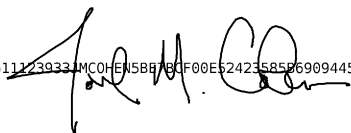
Accordingly, it is

ORDERED and ADJUDGED that the Petition is **GRANTED**, and the Final Award rendered in favor of the Petitioner is confirmed; it is further

ORDERED that Petitioner’s counsel shall serve a copy of this order with notice of entry on Respondent within five (5) days from the date of this Order; and it is further

ORDERED that Petitioner shall file a proposed judgment within seven (7) days of the date of this Order. Respondent may file objections to the proposed judgment within seven (7) days thereafter.

This constitutes the Decision and Order of the Court.

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JOEL M. COHEN, J.S.C.

6/11/2024

DATE

CHECK ONE:

CASE DISPOSED
 GRANTED DENIED

NON-FINAL DISPOSITION
 GRANTED IN PART OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT REFERENCE