

Enterprise v Shvo
2024 NY Slip Op 35320(U)
December 24, 2024
Supreme Court, New York County
Docket Number: Index No. 653221/2024
Judge: Andrea Masley
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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 48

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JENNIE ENTERPRISE, DANGENE ENTERPRISE, CORE
GLOBAL HOLDINGS LLC, CORE GLOBAL VENTURES
LLC, CORE 5TH AVENUE LLC, and CORE SF LLC,

Plaintiffs,

- v -

MICHAEL SHVO, SHVO CONCEPTS, LLC, SHVO
HOLDINGS INC., SHVO CAPITAL LLC, SHVO
DEVELOPMENT LLC, SHVO REALTY INVESTORS LLC,
SHVO, INC., SHVO ENTERPRISES LLC, SHVO
PROPERTY MANAGEMENT LLC, SHVO CARRY 711
LLC, SEREN MANAGING MEMBER 711 LLC, BH EJ
CORE LLC, 711 FIFTH AVE PRINCIPAL OWNER LLC,
BHSD TPC PROPCO LLC, DEUTSCHE FINANCE
AMERICA LLC, DEUTSCHE FINANCE GROUP,
UNIVERSAL INVESTMENT GESELLSCHAFT MBH,
UNIVERSAL INVESTMENT GROUP, and BAYERISCHE
VERSORGUNGSKAMMER,

Defendants.
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INDEX NO. 653221/2024

MOTION DATE --

MOTION SEQ. NO. 001

**ORDER - OTHER (MOTION
RELATED)**

HON. ANDREA MASLEY:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 34, 35, 44, 45, 46, 47, 98, 99, 100, 102, 103, 116, 133

were read on this motion to/for DISMISS.

Plaintiffs' former counsel Adam D. Glassman admittedly used artificial intelligence (AI) to prepare an opposition brief in this case (NYSCEF Doc. No. [NYSCEF] 46 [mot. seq. no. 001]) without checking it before submitting it to the court. (NYSCEF 143, Nov. 30, 2024 Glassman aff ¶¶2-3.) To name a few of his errors, some quotations did not appear in the cases cited or Glassman cited a case for a quotation, but the quote is from another case which was not cited or he cited a case for a legal principle for which the case does not stand. (NYSCEF 98, Defendants' Oct. 31, 2024 letter at 2-3/4.)

Such conduct is frivolous and therefore sanctionable under Rules of the Chief Administrator of the Courts (22 NYCRR) § 130-1.1. “[I]t is not necessarily the use of AI in and of itself that causes such offense and concern, but rather the attorney’s failure to review the sources produced by AI without proper examination and scrutiny.” (*Matter of Samuel*, 82 Misc 3d 616, 620 [Sur Ct, Kings County 2024] [striking pleading that contained “fictional and/or erroneous citations” evidently created by AI]; *see also Park v Kim*, 91 F4th 610, 616 [2d Cir 2024] [attorney who fabricated AI-generated case citation referred to court’s grievance panel and directed to send copy of decision to client].) The court rejects Glassman’s affidavit wherein he explains that his mistakes were harmless because, for example, the legal principles were correct. (NYSCEF 143, Glassman aff ¶¶7, 10, 13, 14.) Glassman overlooks that the need to proofread attorney work is not new. Likewise, an attorney’s failure to proofread its work when they have used AI is not new and has been widely reported as a sanctionable problem. (*Mata v Avianca, Inc.*, 678 F Supp 3d 443, 460 [SD NY 2023] [“The filing of papers ‘without taking the necessary care in their preparation’ is an ‘abuse of the judicial system’” (citation omitted)]; *see also United States v Cohen*, 724 F Supp 3d 251 [SD NY 2024].) Indeed, bar associations are very publicly focused on addressing the legal and ethical minefield created by AI. (See American Bar Association, *ABA forms task force to study impact of artificial intelligence on the legal profession* [Aug. 28, 2023], available at <https://www.americanbar.org/news/abanews/aba-news-archives/2023/08/aba-task-force-impact-of-ai/> [last accessed Dec. 12, 2024]; David Alexander, *New York State Bar Association Task Force To Address Emerging Policy Challenges Related to Artificial Intelligence* [July 17, 2023], available at <https://nysba.org/new-york-state-bar->

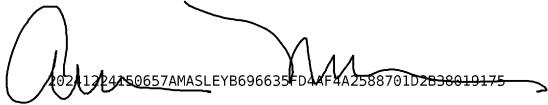
association-task-force-to-address-emerging-policy-challenges-related-to-artificial-intelligence/ [last accessed Dec. 12, 2024]). It is, thus, shocking that Glassman is just now, after being caught by two New York County Supreme Court judges, implementing an “enhanced verification procedures.” (NYSCEF 143, Glassman aff ¶¶3; see *Goodman v BSD 685 New York Propco LLC* [Sup Ct, NY County 2024] [Index No. 151991/2024, NYSCEF 30 at 7/8].) Therefore, as a sanction, Glassman shall reimburse movants for the legal fees incurred in preparing the reply brief to the motion and defendants’ communications regarding the improper use of AI.

The court relies on attorneys to do their jobs: advocate for their clients using law and facts—real law and real facts. Glassman failed causing the court and defendants extra work and expense. Glassman’s conduct cannot be countenanced.

Accordingly, it is

ORDERED that Adam D. Glassman, with no charge to the former clients, shall pay to movants the reasonable attorneys’ fees incurred by movants in preparing the reply brief and movants’ communications regarding the improper use of AI; and it is further

ORDERED that movants shall submit an affirmation of services, attorney biographies, and invoices within 10 days of the date of this decision and order. Adam D. Glassman may submit an opposition within 7 days of the submissions or otherwise waived.



12/24/2024				ANDREA MASLEY, J.S.C.	
DATE					
CHECK ONE:	☐	CASE DISPOSED	☒	NON-FINAL DISPOSITION	
	☒	GRANTED	☐ DENIED	☐ GRANTED IN PART	☐ OTHER
APPLICATION:	☐	SETTLE ORDER		☐ SUBMIT ORDER	
CHECK IF APPROPRIATE:	☐	INCLUDES TRANSFER/REASSIGN		☐ FIDUCIARY APPOINTMENT	☐ REFERENCE