

Katragadda v EIP Global Fund LLC

2025 NY Slip Op 31372(U)

April 2, 2025

Supreme Court, New York County

Docket Number: Index No. 655836/2024

Judge: Melissa A. Crane

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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

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DEVI P KATRAGADDA,

Plaintiff,

- v -

EIP GLOBAL FUND LLC,SHRIDAR CHITYALA

Defendant.

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INDEX NO. 655836/2024

MOTION DATE 11/04/2024

MOTION SEQ. NO. 001

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2, 7, 8, 9, 10, 11, 12, 13

were read on this motion to/for SUMMARY JUDGMENT(BEFORE JOIND)

Upon the foregoing documents, it is

Plaintiff Devi P Katragadda ("Katragadda") moves for Summary Judgement in Lieu of Complaint, pursuant to CPLR 3213. Defendants, EIP Global Fund LLC ("EIP"), and Shridar Chityala ("Chityala") oppose the motion.

CPLR 3213 provides for accelerated judgment where the instrument sued upon is for the payment of money only and the right to payment can be ascertained from the face of the document without regard to extrinsic evidence, "other than simple proof of nonpayment or a similar de minimis deviation from the face of the document" (Weissman v Sinorm Deli, Inc., 88 NY2d 437, 444 [1996]; see Arbor-Myrtle Beach PE LLC v Frydman, 2021 NY Slip Op. 30223[U], 2 [Sup Ct, NY County 2021], affd 2022 NY Slip Op. 00806 [1st Dept 2022]).

Pursuant to a Loan Agreement dated July 29, 2019 (EDOC. 10 [the Agreement]), Plaintiff agreed to lend Defendant \$1,000,00.00, and Defendant agreed to pay back the loan by January 31, 2020 (id.). Further, the Agreement provided that "[t]his loan is guaranteed by the personal assets of Sridhar Chityala" (id.). The Loan Agreement also states:

“Liability: Although this Agreement may be signed below by more than one person, each of the undersigned understands that they are each as individuals responsible. . .”

It is undisputed that both EIP and Chitayala have failed to make a repayment under the Loan Agreement (EDOC. 3 [Katragadda Aff.] at ¶¶ 11-12).

Defendants do not contest the validity of the principal amount owed or Plaintiff’s entitlement to the principal sum of \$1,000,00.00. Rather, Defendants assert that summary judgment is improper on three bases. Specifically, Defendants argue that: (1) the Court would have to resort to extrinsic evidence to decide Plaintiff’s claim; (2) Mr. Chityala did not sign agreement individually and therefore, is not a proper defendant; and (3) attorneys’ fees are unavailable to plaintiff, and the amount thereof is not stated.

Defendant asserts that extrinsic evidence is required because “neither the Agreement . . . nor Katragadda’s Affidavit . . . evince the parties’ agreement as to an absolute rate of interest that would putatively apply. Thus, to determine an amount of interest, ‘[] extrinsic evidence is required to determine the amount [] due . . .’” (EDOC. 8 [Defendants Mem. in Opp] at p. 4). This is simply incorrect.

“The contract rate of interest will be used to calculate interest on principal prior to loan maturity or a default in performance, and in the absence of a provision in the contract addressing the interest rate that governs after principal is due or in the event of a breach, New York’s statutory rate will be applied as the default rate” (*Ross v. Ross Metals Corp.*, 111 A.D.3d 695, 478, 488 [2nd Dep’t 2013]) (internal quotation marks and citations omitted). Thus, New York’s statutory rate applies as the default rate given the absence of a provision within the Agreement addressing the applicable interest rate. Therefore, Defendants’ assertion that extrinsic evidence is required to determine an amount of interest is erroneous.

Defendant further contends that Chityala did not sign the Agreement in his individual capacity and, therefore, his liability cannot be determined at this stage. This makes little sense. Defendants' interpretation that Chityala did not intend to be personally bound by the Guarantee would create the illogical circumstance where EIP Global Fund is guaranteeing its own indebtedness. This renders the Guaranty superfluous (see *PNC Capital Recovery v. Mech Parking Sys.*, 283 A.D.2d 268, 396 [1st Dep't 2001] [internal citation omitted]; *NCCMI, Inc. v. Bersin Properties, LLC*, 226 A.D.3d 88, 94-95 [1st Dep't 2024] [internal citation omitted]).

The Agreement clearly reflects that Chityala meant to bind himself personally. It contains a provision explicitly stating that "[t]his loan is guaranteed by the personal assets of Sridhar Chityala." Moreover, Chityala expressly recognized in the Agreement that he was individually liable: "each of the undersigned understands that they are each as individuals responsible." Thus, the guarantor provision is a stand-alone provision expressly providing for Chityala's liability in the event of default.

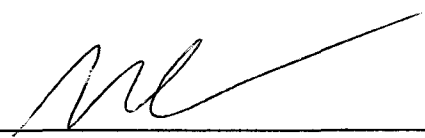
However, the court denies that part of the motion that seeks attorney's fees. There is no provision providing for the recovery of these fees within the agreement. "[A] prevailing party may not recover attorneys' fees from the losing party except where authorized by statute, agreement, or court rule" (*Agility Funding, LLC v. Loosch*, 108 A.D.3d 820, 210 [1st Dep't 2013]).

The Court has considered the parties' remaining contentions and finds them unavailing. Accordingly, it is

ORDERED that the motion for summary judgment in lieu of complaint is granted in part, and the Clerk is directed to enter judgment in favor of plaintiff and against defendant in the amount of \$1,000,00.00, together with interest at the statutory rate from January 31, 2020, as calculated by the Clerk of the court; and it is further

ORDERED that that part of the motion seeking attorneys' fees is denied; and it is further

ORDERED that there shall be no motions to renew or reargue without a pre-motion conference pursuant to Part Rule 10 (a).



MELISSA A. CRANE, JSC

DATE: 04/02/2025

Check One:

Case Disposed

Non-Final Disposition

Check if Appropriate:

Other (Specify

DECISION + ORDER ON MOTION)