

**Pursuit Credit Special Opportunity Fund, L.P. v  
KrunchCash, LLC**

2025 NY Slip Op 32430(U)

July 7, 2025

Supreme Court, New York County

Docket Number: Index No. 651070/2022

Judge: Joel M. Cohen

Cases posted with a "30000" identifier, i.e., 2013 NY Slip Op 30001(U), are republished from various New York State and local government sources, including the New York State Unified Court System's eCourts Service.

This opinion is uncorrected and not selected for official publication.

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

-----X

PURSUIT CREDIT SPECIAL OPPORTUNITY FUND, L.P.,

Plaintiff,

- v -

KRUNCHCASH, LLC, KC PCRD FUND, LLC, JEFFREY  
HACKMAN, KC CA FUND, LLC,

Defendants.

INDEX NO. 651070/2022

MOTION DATE 04/09/2025

MOTION SEQ. NO. 022

**SUPPLEMENTAL DECISION  
+ ORDER ON MOTION**

-----X

HON. JOEL M. COHEN:

The following e-filed documents, listed by NYSCEF document number (Motion 022) 739, 740, 741, 742, 743, 744, 745, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 763-1, 768-1, 773, 774, 776, 777

were read on this motion for CONTEMPT.

THIS MATTER having been brought before the Court by Plaintiff Pursuit, by Order to Show Cause, seeking to hold Defendants in civil contempt and for sanctions pursuant to CPLR 3126; and the Court having granted this motion in part finding that Defendants were in civil contempt of this Court’s orders requiring production of tax returns and that Plaintiff is entitled to its reasonable attorney’s fees and costs, but allowing Defendants to purge the contempt by producing the tax returns (including any applicable tax return schedules) of the corporate defendants subject to the Court’s review, and the Court having allowed the parties to submit supplemental submissions on the contempt issue as well as Plaintiff’s application for attorney’s fees (NYSCEF 748), and the parties having done so (NYSCEF 751-777), it is now therefore

**ORDERED** that Defendants have sufficiently purged the contempt (going forward) by producing what they represent are the tax returns in their possession<sup>1</sup>; the Court may conclude that further relief under CPLR 3126 is appropriate at trial depending on whether Plaintiff is prejudiced in its ability to prosecute its claims; it is further

**ORDERED** that for the reasons stated below Plaintiff's application for attorney's fees is **GRANTED IN PART**, and Plaintiff is entitled to \$50,851 in attorney's fees; Defendants' cross-motion for an Order referring this matter to a Special Referee to hear and report on the appropriate amount of attorneys' fees is **denied**; it is further

**ORDERED** that payment of \$50,851 in attorney's fees shall be delivered to counsel for Plaintiff and written proof of such payment shall be provided to the Clerk of Part 3 within 30 days after service of a copy of this order and the so-ordered stipulation together with notice of entry; and it is further

**ORDERED** that, in the event that timely payment is not made, the Clerk of the Court, upon service upon him of a copy of this order with notice of entry and an affirmation or affidavit reciting the fact of such non-payment, shall enter a judgment in favor of the Plaintiff and against Defendant in the aforesaid sum; and it is further

**ORDERED** that proof of payment shall be provided to the Clerk of the Part and such service upon the Clerk of the Court shall be made in accordance with the procedures set forth in

---

<sup>1</sup> While the Court recognizes that Defendants produced some of the tax documents a couple days after the deadline set by the Court, the Court accepts that tax returns that are over five years old may not have been readily available. Moreover, the Court makes no findings as to whether the documents provided by Defendants are adequate. However, the Court cannot compel Defendants to produce what they claim they do not have.

the *Protocol on Courthouse and County Clerk Procedures for Electronically Filed Cases* (accessible at the “E-Filing” page on the court’s website); it is further

**ORDERED** that to the extent he has not already done so, Mr. Hackman shall ***promptly*** provide dates to complete his deposition testimony; it is further

**ORDERED** that the parties are directed to file a letter within seven (7) days as to which Rule 30 settlement track they prefer (*see* NYSCEF 792).

\* \* \* \* \*

### **DISCUSSION ON ATTORNEY’S FEES**

A court may award a party “costs in the form of reimbursement for actual expenses reasonably incurred and reasonable attorney’s fees, resulting from frivolous conduct . . . In addition to or in lieu of awarding costs, the court, in its discretion may impose financial sanctions upon any party or attorney in a civil action or proceeding who engages in frivolous conduct” (22 NYCRR 130–1.1[a]). “The decision whether to impose costs or sanctions against a party for frivolous conduct, and the amount of any such costs or sanctions, is generally entrusted to the court’s sound discretion” (*Bd. of Managers of Foundry at Washington Park Condominium v Foundry Dev. Co., Inc.*, 142 AD3d 1124, 1125 [2d Dept 2016]).

“The attorney bears the burden of establishing the reasonable value of the services rendered, based upon a showing of the hours reasonably expended and the prevailing hourly rate for similar legal work in the community” (*id.* at 1036). Appropriate factors include “the time and labor required, the difficulty of the issues involved, and the skill and effectiveness of counsel”

(*JK Two LLC v Garber*, 171 AD3d 496, 496 [1st Dept 2019], citing *In re Estate of Freeman*, 34 NY2d 1, 9 [1974]).

Here, prior to the recent purge, Defendants engaged in a pattern of non-compliance with the Court's directives to produce their tax returns (*see* NYSCEF 774 ["Fried Affirm"] ¶¶3–19). Plaintiff has demonstrated the reasonable value of the services rendered in chasing and enforcing Defendant's compliance with discovery obligations and related court orders by submitting the affirmation of Evan Fried of Slarskey LLC which, among other things, sets forth the background and skills of the attorneys working on this case as well as the time entries for fees incurred relating to enforcing the Court's orders (*see* Fried Affirm ¶¶20–30). While Defendants argue that the time expended—over 80 hours—appears disproportionate and excessive (NYSCEF 776), Defendants do not deny that Plaintiff was forced to come to Court several times to enforce the Court's orders. Nor did Defendants point to any specific entries that should be cut or reduced.

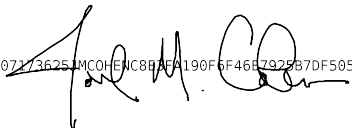
Defendants also argue that Plaintiff has not established that counsel's hourly billing rate of \$795-\$900 per hour are reasonable. However, the Court finds Slarskey LLC's rates reasonable in comparison to the customary fees charged for similar services by lawyers in the community with like experience and of comparable reputation (*see* Fried Affirm ¶¶21–22).

However, Slarskey LLC's time spent preparing this present legal fee application (*see* Fried Affirm ¶23 [4/24/2025 entry by L. McLeod for 2.3 hours for a total of \$575.00 and 04/25/2025 entry by K. Grinberg for 0.3 hours for a total of \$188.00) is not recoverable (*see* *Gottlieb v Michael Gottlieb*, 138 AD3d 575, 577 [1st Dept 2016]; *Sage Realty Corp. v Proskauer Rose LLP*, 288 AD2d 14, 15 [1st Dept 2001]). Therefore, the amount requested by Plaintiff shall be reduced by \$763.00 to \$50,851 in total.

Finally, the request to refer this matter to a Special Referee is denied on the ground that the Court has itself reviewed the evidence in support of the application and gave Defendant ample opportunity to dispute the evidence and the application (compare *Zhang v Chu*, 2025 NY Slip Op 03988 [1st Dept July 1, 2025] [reversing fee award entered “without the benefit of opposition papers or an explanation of the court's analysis”]).

The Court has considered Defendants’ remaining arguments and finds them unavailing.

This constitutes the Decision and Order of the Court.

20250707173625JMC0HEJIC8HFEA190F6F46E7925B7DF505DDEC02  
  
 \_\_\_\_\_  
**JOEL M. COHEN, J.S.C.**

7/7/2025  
 \_\_\_\_\_  
**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