

**Premium Merchant Funding 26, LLC v Sugar Bear
Home Servs., LLC**

2025 NY Slip Op 33455(U)

September 11, 2025

Supreme Court, New York County

Docket Number: Index No. 151924/2025

Judge: Leslie A. Stroth

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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. LESLIE A. STROTH PART 12M

Justice

-----X

PREMIUM MERCHANT FUNDING 26, LLC,

Plaintiff,

- v -

SUGAR BEAR HOME SERVICES, LLC, JPMORGAN
CHASE BANK, N.A.

Defendant.

-----X

INDEX NO. 151924/2025

MOTION DATE N/A, N/A

MOTION SEQ. NO. 001 002

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2, 15, 20, 21, 24
were read on this motion to/for ENFORCEMENT

The following e-filed documents, listed by NYSCEF document number (Motion 002) 16, 17, 18, 19, 22,
23, 26, 27
were read on this motion to/for ENFORCE/EXEC JUDGMENT OR ORDER

Petitioner Premium Merchant Funding 26, LLC ("Petitioner") is the judgment creditor of
a judgment entered on January 25, 2023, in the amount of \$118,734.35 against Sugar Bear
Plumbing Inc. and Lawrence Smith in Supreme Court, Kings County, under Index No.
536124/2022 (NYSCEF Doc No. 4). After applying \$8,264.71 levied from the judgment debtors'
accounts, Petitioner alleges that \$132,310.25 remains unsatisfied, inclusive of post-judgment
interest

Respondent Sugar Bear Home Services, LLC ("Respondent") was formed by Lawrence
Smith on May 30, 2023, with its registered principal place of business at 317 Corey Way, South
San Francisco, California, the same address listed for Sugar Bear Plumbing Inc. (NYSCEF Doc
Nos. 5-6).

Petitioner asserts that Lawrence Smith is the owner, member, manager, and CEO of both Sugar Bear Plumbing Inc. and Respondent, Sugar Bear Home Services, LLC.

Respondent JPMorgan Chase Bank, N.A. (“Chase”) maintains accounts in the names of the judgment debtors and in the name of Respondent, including account number ending in 9815

Petitioner alleges that checks payable to Sugar Bear Plumbing Inc. were deposited into Respondent’s Chase account, and that funds from this account were used by Lawrence Smith to pay credit card bills, transfer money to family members, and cover other expenses (NYSCEF Doc Nos. 8–13)

In the Verified Petition, Petitioner seeks relief under CPLR §§ 5225(b) and 5227. Specifically, Petitioner requests: (i) a declaration that Respondent is a successor to Sugar Bear Plumbing Inc. and liable for the prior judgment; (ii) an order setting aside alleged fraudulent transfers of assets from Sugar Bear Plumbing Inc. to Respondent; and (iii) an order directing Chase to turn over funds held in Respondent’s accounts sufficient to satisfy the outstanding judgment (NYSCEF Doc No. 1 ¶¶ 38–53).

In Motion Sequence 001, Petitioner seeks an order that Respondent JP Morgan Chase turnover the assets found in the account ending in 9815 to satisfy the debt in the Kings County Action. In Motion Sequence 002, Petitioner moves for enforcement of the Kings County Judgement, and to enjoin Respondent Sugar Bear Home Services, LLC from transferring or disposing of funds pending resolution of this special proceeding.

Pursuant to CPLR 5225(b), “Upon a special proceeding commenced by the judgment creditor, against a person in possession or custody of money or other personal property in which

the judgment debtor has an interest, or against a person who is a transferee of money or other personal property from the judgment debtor, where it is shown that the judgment debtor is entitled to the possession of such property or that the judgment creditor's rights to the property are superior to those of the transferee, the court shall require such person to pay the money, or so much of it as is sufficient to satisfy the judgment, to the judgment creditor..."

"According to the express language of CPLR 5225(b), a judgment creditor must first establish that the judgment debtor has an interest in the property held by the third party, and then must demonstrate either that the judgment debtor is entitled to possess the property or that the judgment creditor has a right to the property superior to that of the party who possesses it" (*Miraglia v. Essex Ins. Co.*, 96 A.D.3d 945 (2nd Dept 2012)).

Petitioner has provided evidence in support of their motion, including a judgment entered on January 25, 2023, against nonparties Sugar Bear Plumbing, Inc. and Lawrence Smith, confirming their interest in the funds held by respondent JPMORGAN CHASE BANK, N.A. (NYSCEF Doc No. 4). Petitioner contends that the party to the instant case, Sugar Bear Home Services, LLC, was created in an effort by Respondent to avoid obligations under the judgment levied against Sugar Bear Plumbing, Inc. and Lawrence Smith. However, Petitioner fails to make a prima facie showing that Respondent, Sugar Bear Home Services LLC, was in fact created in an attempt to avoid judgment in the prior action. That judgments exist to an unrelated entity does not imply that the Respondent, Sugar Bear Home Services, Inc. is liable for the debts of Sugar Bear Plumbing, Inc. Absent such a showing, no liability may attach, and there can be no enforcement of the judgment against the Respondent in this action.

In consideration of the foregoing and the submitted papers, Motions #001 and #002 by Petitioner Premium Merchant Funding 26, LLC, is denied and the Petition is dismissed. The court has considered the remaining arguments of the parties and finds such unavailing.

Accordingly; it is hereby

ORDERED the Motion Sequences 001 and 002 seeking enforcement are denied and the petition is dismissed.

9/11/2025
DATE

CHECK ONE:

<input checked="" type="checkbox"/>	CASE DISPOSED	
<input type="checkbox"/>	GRANTED	<input checked="" type="checkbox"/> DENIED
<input type="checkbox"/>	SETTLE ORDER	
<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN	

APPLICATION:

CHECK IF APPROPRIATE:

<input type="checkbox"/>	GRANTED IN PART	<input type="checkbox"/> OTHER
<input type="checkbox"/>	SUBMIT ORDER	
<input type="checkbox"/>	FIDUCIARY APPOINTMENT	<input type="checkbox"/> REFERENCE



LES LIE A STROTH
HON. LESLIE A. STROTH
NON-FINAL DISPOSITION
J.S.C.