

**Dream 24 Cleaners v
A-Z Merchant Serv. Inc**

2025 NY Slip Op 33687(U)

September 25, 2025

Supreme Court, Kings County

Docket Number: Index No. 526967/2024

Judge: Carolyn E. Wade

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At an IAS Term, Part 84, of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, at 360 Adams Street, Brooklyn, New York, on the 25th day of September, 2025

PRESENT: HON. CAROLYN E. WADE, J.S.C

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

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DREAM 24 CLEANERS,

Plaintiff,

Index No. 526967/2024

- against -

DECISION AND ORDER

A-Z MERCHANT SERVICE INC,
KOAM MERCHANT SERVICE CORP, and
INSOON OH,

Motion Seq. 2 and 3

Defendants,

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Defendants, A-Z MERCHANT SERVICE INC. (“A-Z”), KOAM MERCHANT SERVICE CORP (“Koam”) and INSOON OH (“Ms. Oh”) (hereinafter “Defendants”), move (Seq. 2) for an Order, pursuant to CPLR § 2221(d), granting leave to reargue the Short Form Order, dated March 19, 2025 (Hon. Carolyn E. Wade, J.S.C.) and (ii) upon reargument, granting Defendants’ motion seeking dismissal of DREAM 24 CLEANERS INC.’s (the “Plaintiff”) Complaint.

Plaintiff cross-moves (Seq. 3) for an Order, pursuant to CPLR § 3211(a)(1), CPLR § 3211(a)(7), and 22 NYCRR§ 130-1.1, (i) denying Defendants’ motion to reargue and/or reconsider the Court’s prior Order denying Defendants’ pre-answer motion to dismiss; (ii) dismissing, with prejudice, Defendants’ purported counterclaim for attorney’s fees; (iii) granting Plaintiff’s cross-motion for attorney’s fees and sanctions; and (iv) awarding Plaintiff reasonable attorney’s fees.

Upon oral argument, and the reading of the following papers, NYSCEF Doc. Nos. 22-29, 31-32, and 33-34, the motions (Seq. 2 and Seq. 3) are decided as follows:

CPLR § 2221(d) provides for reargument based on “matters of fact or law allegedly overlooked or misapprehended by the court in determining the prior motion.” *Deutsche Bank Natl. Trust Co. v. Ramirez*, 117 A.D.3d 674 (2nd Dept 2014) (“[a] motion for reargument must be ‘based upon matters of fact or law allegedly overlooked or misapprehended by the court in determining the prior motion, but shall not include any matters of fact not offered on the prior motion’”). This Court grants reargument because, in issuing the Short Form Order, dated March 19, 2025, the Court overlooked and/or misapprehended the following:

(1) In the Complaint, Plaintiff failed to allege facts that would support a finding that Ms. Oh abused the corporate form or completely dominated AZ and/or Koam, or that such domination was used to commit a fraud or wrong against the Plaintiff. *Sterling Park Developers, LLC v China Perfect Constr. Corp.*, 185 A.D.3d 1082 (2nd Dept 2020) (“[t]he general rule . . . is that a corporation exists independently of its owners, who are not personally liable for its obligations, and that individuals may incorporate for the express purpose of limiting their liability... [t]he concept of piercing the corporate veil is an exception to this general rule, permitting, in certain circumstances, the imposition of personal liability on owners for the obligations of their corporation”); *Bd. of Mgrs. of the Brighton Tower II Condominium v. Brighton Bldr, LLC*, 226 A.D.3d 736 (2nd Dept 2024) (“[a] party seeking to pierce the corporate veil must allege facts that, if taken as true and accorded every favorable inference, would support a finding that the defendant abused the corporate form, such as the failure to adhere to corporate or [LLC] formalities, inadequate capitalization, commingling of assets, or the personal use of corporate or [LLC] funds”).

(2) Koam is not a party to any alleged contract or transactions with Plaintiff, which requires dismissal of all claims against Koam. *W.H. Brownyard Corp. v. Am. Intl. Group*, 237 A.D.2d 594 (2nd Dept 1997) (the court affirmed the dismissal of claims against a parent company and a non-contracting subsidiary, as they were not parties to the contracts at issue and were not bound by their terms, and the

court found no evidence to support an alter-ego theory to hold the parent company liable under the contract).

Notably, the Court finds Defendants' contention that "the Court overlooked and/or misapprehended the fact that ... based on the clear documentary evidence, A-Z is not the party of the alleged 'service agreement'" to be without merit (NYSCEF Doc. No. 23 ¶ 3). Defendants argue that the "alleged service agreement was made between the Plaintiff and First Data Merchant Services Corporation," not between the Plaintiff and A-Z (NYSCEF Doc. No. 23 ¶ 7). However, the Court finds Plaintiff's argument that "the said [service agreement] has Defendant A-Z Merchant Service [Inc.]'s company name on the right corner of the [a]greement indicating that Defendants' connection to First Data Merchant Services must be explored through discovery" (NYSCEF Doc. No. 13 ¶ 6, see also NYSCEF Doc. No. 11).

Plaintiff's cross-motion for attorney's fees and sanctions, pursuant to 22 NYCRR § 130-1.1, is denied, as Defendants' motion to reargue is meritorious and does not constitute frivolous conduct as defined in the applicable rules. *Berkowitz v. 29 Woodmere Blvd. Owners', Inc.*, 135 AD3d 798 (2nd Dept 2016) (the Court did not impose sanctions stating that "[t]he Supreme Court providently exercised its discretion in denying that branch of the cross motion which was to impose a monetary sanction upon the defendants and their attorney, as the movants failed to demonstrate that either engaged in frivolous conduct within the meaning of 22 NYCRR 130-1.1 (c)").

Accordingly, it is **ORDERED** that Defendants' motion for leave to reargue, pursuant to CPLR § 221(d), is **GRANTED**; and it is further

ORDERED that, upon reargument, the Short Form Order, dated March 19, 2025, which denied Defendants' motion to dismiss the Complaint, is **VACATED**; and it is further

ORDERED that, upon reargument, Defendants' motion to dismiss the Complaint, pursuant to CPLR § 3211(a)(1) and (7), is **GRANTED TO THE EXTENT** that the Complaint is **DISMISSED WITH PREJUDICE** as against **Defendants Koam and Ms. Oh**, only; and it is further

ORDERED that Plaintiff's Cross-Motion is **DENIED**.

This constitutes the Decision and Order of the Court.

ENTER:



Hon. Carolyn E. Wade, J.S.C.

**Hon. Carolyn E. Wade
Supreme Court Justice**