

American Tr. Ins. Co. v Eclipse Med. Imaging PC

2025 NY Slip Op 33945(U)

October 14, 2025

Supreme Court, New York County

Docket Number: Index No. 652781/2025

Judge: Kathleen Waterman-Marshall

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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. KATHLEEN WATERMAN-MARSHALL PART 31

Justice

-----X

AMERICAN TRANSIT INSURANCE COMPANY,

Plaintiff,

- v -

ECLIPSE MEDICAL IMAGING PC,

Defendant.

-----X

INDEX NO. 652781/2025

MOTION DATE 05/05/2025

MOTION SEQ. NO. 001

**DECISION AND ORDER
ON MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2, 9, 10, 11, 12, 13, 14, 15

were read on this motion to/for VACATE - DECISION/ORDER/JUDGMENT/AWARD.

Petitioner American Transit Insurance Co. (“American Transit”) filed this special proceeding under Article 75 of the CPLR and now moves to vacate (1) an arbitrator’s award of \$2,695.51 in favor of Eclipse Medical Imagining (“Eclipse”) as a medical provider receiving the insured’s no-fault benefits, and (2) the master arbitrator’s award, which confirmed the underlying arbitration award. Eclipse cross-moves to confirm the award and upon confirmation, for its statutory attorney’s fees pursuant to 11 NYCRR § 65-4.10(j)(4).

The matter was on the Court’s calendar for oral argument today. Counsel for American Transit appeared, counsel for Eclipse did not. Thus, the Court did hear arguments and decides the matter on the papers.

Background

The insured underwent an MRI of their spine and shoulder at Eclipse, and assigned their rights to receive no-fault benefits to Eclipse. Thereafter, Eclipse sought to recover for the shoulder MRI and American Transit denied Eclipse’s claim, contending that Eclipse failed to comply with verification procedures and that because the insured was performing their employment duties at the time of the accident they are not entitled to no-fault benefits. The parties then proceeded to no-fault arbitration.

The Arbitrator found Eclipse made a prima facie showing that it is entitled to no-fault benefits by submitting the statutory forms to American Transit setting forth the amount due, proof of mailing of the form to American Transit, and that American Transit’s payment was overdue. The Arbitrator further found that American Transit failed to provide sufficient proof it was entitled to deny Eclipse’s claim; specifically, that American Transit had not proved Eclipse failed to comply with verification requests and that American Transit had not proved that the insured was injured during their course of employment. The Master Arbitrator affirmed the award, finding that it was the Arbitrator’s duty to weigh the evidence, not the Master

Arbitrator's, and the Arbitrator's award was neither legally incorrect nor arbitrary and capricious. American Transit then brought this Article 75 action seeking to vacate both the Arbitrator's and the Master Arbitrator's awards, contending that both awards fail to follow, and are contrary to, well settled law. Consequently, American Transit argues that both the Arbitrator and Master Arbitrator acted in excess of their authority or so imperfectly that the awards should be vacated under CPLR 7511(b)(1)(iii). Put simply, American Transit alleges errors of law and seeks vacatur of the awards on that basis.

Eclipse opposes vacatur and cross-moves to confirm the award, as confirmed by the Master Arbitrator. At bottom, Eclipse contends that errors of law do not provide a basis to vacate an arbitration award. Upon confirmation of the award, Eclipse seeks its attorney's fees pursuant to 11 NYCRR § 65-4.10(j)(4).

Discussion

CPLR § 7511(b)(1)(iii) provides that a party may seek to vacate an arbitration award where that party's rights were prejudiced by an arbitrator who acted in excess of their authority or so imperfectly in executing their authority such that the final award did not address the subject of the arbitration proceedings. The grounds for vacatur under CPLR § 7511 are exclusive and narrowly applied, "Courts are reluctant to disturb the decisions of arbitrators lest the value of this method of resolving controversies be undermined" (*Goldfinger v Lisker*, 68 NY2d 225 [1986]; see also *Geneseo Police Benevolent Assn. v. Village of Geneseo*, 91 AD2d 858 [4th Dept 1982] *aff'd* 59 NY2d 726 [1983]).

Consequently, errors of law or fact do not form a basis to vacate an arbitrator's award (*Wien & Malkin LLP v. Helmsley-Spear, Inc.*, 6 NY3d 471 [2006]; *Transport Workers' Union of Am., Local 100, AFL-CIO*, 6 NY3d 332 [2005]). An arbitrator need only offer "a barely colorable justification for the outcome" in their award for the court to confirm same (*Rose Castle Redevelopment II, LLC v Franklin Realty Corp.*, 184 AD3d 230 [1st Dept 2020] quoting *Wien & Malkin LLP v. Helmsley-Spear, Inc.*, 6 NY3d at 479). Simply put, it is well established that an arbitrator's award is largely unreviewable by this Court (*In re Falzone*, 15 NY3d 530, 534 [2010]).

Where a motion to vacate an arbitration award is denied, the Court must confirm the award (CPLR § 7511[e]; see also *Matter of Board of Educ. Of Ardsley Union Free School Dist., Town of Greenburgh v. Ardsley Congress of Teachers*, 78 AD2d 879 [2d Dept 1975]).

Discussion

American Transit seeks vacatur of the arbitration awards under CPLR § 7511(b)(1)(iii) claiming that the arbitrators' errors of law are contrary to well settled case law and, therefore, the arbitrators acted in excess of their authority and imperfectly executed their authority. American Transit chiefly relies on *Petrofsky v Allstate Ins. Co.* for the proposition that the Court may vacate an arbitration award that is incorrect as a matter of law (54 NY2d 207 [1981]). However, in *Petrofsky* the Court of Appeals found a master arbitrator exceeded their authority in conducting a de novo review of the arbitrator's factual findings; the Court Appeals did not address the issue of whether a court may review an error of law in the underlying arbitration

award. In the instant case, the Master Arbitrator did not conduct a *de novo* review, thus *Petrofsky* is inapplicable.

The Court of Appeals has expressly held that errors of law do not form a basis for judicial review or vacatur of an underlying arbitration award. “[A]n arbitrator’s award should not be vacated for errors of law and fact committed by the arbitrator and the courts should not assume the role of overseers to mold the award to conform to their sense of justice” (*Wien & Malkin LLP v Helmsley-Spear, Inc.*, 6 NY3d at 479-480).

American Transit provides a litany of insurance regulations it contends the Arbitrator and Master Arbitrator overlooked. However, even if the awards did not apply these regulations properly, same would amount to an error of law, which is not a basis for vacatur (*Wien & Malkin LLP v Helmsley-Spear, Inc.*, 6 NY3d 471). The arbitration award and master arbitration award provided a colorable justification for the award, namely that American Transit had not provided sufficient proof justifying its denial of Eclipse’s claim and that Eclipse had made out its prima facie case that it was entitled to payment under the no-fault law.

Consequently, the American Transit’s petition to vacate the arbitrator and master arbitration awards is denied. Thus, the awards are confirmed (CPLR § 7511[e]; *see also Matter of Board of Educ. Of Ardsley Union Free School Dist., Town of Greenburgh v. Ardsley Congress of Teachers*, 78 AD2d 879 [2d Dept 1975]).

Eclipse’s request for attorney’s fees is granted, and it is awarded \$750 for attorney’s fees (*see* 11 NYCRR § 65-4.10[j][4] [providing for mandatory attorney fees]; *Country-Wide Ins. Co v TC Acupuncture P.C.*, 179 AD3d 414 [1st Dept 2020]).

Accordingly, it is hereby

ORDERED that the petition and motion to vacate the arbitrator and master arbitrator’s awards is denied in its entirety; and it is further

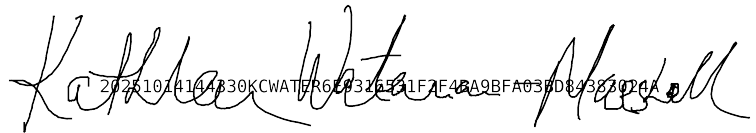
ORDERED that the cross-motion to confirm said awards is granted; and it is further

ORDERED, DECLARED AND ADJUDGED that respondent ECLIPSE MEDICAL IMAGING P.C., shall have judgment and does recover against petitioner, AMERICAN TRANSIT INSURANCE COMPANY, the principal sum of \$2,695.51, plus statutory interest at the rate of 2% per month from May 15, 2024, plus a \$40 filing fee (11 NYCRR 65-3.13[a][2][3] and 11 NYCRR 65-4.5[s][1]), as taxed by the Clerk of the Court; and it is further

ORDERED, DECLARED, AND ADJUDGED that respondent’s attorneys, THE BEYNESENSON LAW FIRM, P.C., shall have judgment and does recover as against petitioner, AMERICAN TRANSIT INSURANCE COMPANY, statutory attorney’s fees of 20% of principal due to respondent plus interest (as awarded in the foregoing paragraph), plus \$750 as and for its attorney’s fees; and it is further

ORDERED that judgment shall be submitted to the Clerk of the Court and not to chambers or the Part, and the Clerk of the Court shall enter judgment in accordance herewith. This matter is disposed.

10/14/2025
DATE



KATHLEEN WATERMAN-MARSHALL,
J.S.C.

CHECK ONE:

CASE DISPOSED

GRANTED

SETTLE ORDER

INCLUDES TRANSFER/REASSIGN

DENIED

NON-FINAL DISPOSITION

GRANTED IN PART

SUBMIT ORDER

FIDUCIARY APPOINTMENT

OTHER

REFERENCE

APPLICATION:

CHECK IF APPROPRIATE: