SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: **HON. NANCY M. BANNON** **PART** **61M**

Justice

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TRANE TECHNOLOGIES COMPANY LLC,

Plaintiff,

- v –

CHILTEPIN SOLAR-STORAGE, LLC and STRATA CLEAN ENERGY LLC,

Defendants.

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INDEX NO. 651227/2024

MOTION DATE 8/29/2025

MOTION SEQ. NO. 012

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 012) 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 236, 243, 244, 246, 247

were read on this motion to AMEND CAPTION/PLEADINGS.

In this breach of contract action, the plaintiff, Trane Technologies Company LLC ("Trane Tech"), moves pursuant to CPLR 3025(b) to amend the complaint to add: (1) allegations to further support the complaint's existing causes of actions with facts revealed during discovery, and (2) ten additional defendants - Markus Wilhelm and nine similarly named entities purportedly controlled by Wilhelm, a principal of the two named defendants. The defendants oppose. The motion is granted.

It is well settled that leave to amend a pleading should be freely granted absent evidence of substantial prejudice or surprise, or unless the proposed amendment is palpably insufficient or patently devoid of merit. See CPLR 3025(b); JPMorgan Chase Bank, N.A. v Low Cost Bearings NY, Inc., 107 AD3d 643 (1st Dept. 2013); Cherebin v Empress Ambulance Serv., Inc., 43 AD3d 364 (1st Dept. 2007). The burden to establish substantial prejudice or surprise if leave to amend is granted is on the party opposing the motion. See Forty Cent. Park S., Inc. v Anza, 130 AD3d 491 (1st Dept. 2015). "Prejudice requires 'some indication that the [non-movant] has been hindered in the preparation of [its] case or has been prevented from taking some measure in support of [its] position.'" Cherebin v Empress Ambulance Serv., Inc., supra at 365

(1st Dept. 2007) quoting Loomis v Civetta Corinno Const. Corp., 54 NY2d 18, 23 (1981). "Nevertheless, a court must examine the merit of the proposed amendment in order to conserve judicial resources." 360 West 11th LLC v ACG Credit Co. II, LLC, 90 AD3d 552, 553 (1st Dept. 2011). The proposed amendments are not palpably devoid of merit nor have the defendants demonstrated undue prejudice should the motion be granted.

This matter arises from a renewable energy purchase agreement, entered between the plaintiff Trane Technologies Company LLC ("Trane Tech") and the defendants Chiltepin Solar-Storage LLC ("Chiltepin"), and Strata Clean Energy LLC ("SCE"). The agreement entitled Trane Tech to the electricity and environmental attributes generated at the solar photovoltaic electrical generation facility to be constructed by the defendant on a site in Texas. It also required defendants to obtain certain so-called "Site Control Documents" necessary for the site construction. To secure such documents, the defendants were required to use "commercially reasonable efforts" which are now at issue in this breach of contract case.

In support of this motion, the plaintiff contends that it was not until the deposition of the defendants' general counsel, on June 13, 2025, that the plaintiff was able to fully understand the corporate structure of the entities involved. The deposition testimony revealed, among other things, that Chiltepin's co-defendant SCE, a signatory to the subject agreement, is, in fact, a non-operating entity or shell company. The plaintiff fears that SCE would lack any financial resources to satisfy a judgment against them. Therefore, it now seeks to amend the complaint to include as co-defendants nine related corporate entities (generally referred to as the "Strata entities") and Markus Wilhelm, to argue an "alter ego" theory. Specifically, the proposed additional defendant are: 1. Solar Development Holdings, LLC (the 100% owner of defendant Chiltepin); 2. SCE Development Holdings, LLC (the 100% owner of Solar Development Holdings, LLC); 3. Strata Development Holdings, LLC (the 100% owner of SCE Development Holdings, LLC); 4. Strata Solar Development, LLC (the 100% owner of Strata Development Holdings, LLC); 5. SSH CRB, LLC (the 100% owner of Strata Solar Development, LLC); 6. SSH Holdco 1, LLC (the 100% owner of SSH CRB, LLC); 7. SCE Company, LLC (the 100% owner of SSH Holdco 1, LLC); 8. Strata Clean Energy Holdings, LLC (the 100% owner of SCE Company, LLC); and 9. Strata Manager, LLC (the managing company of co-defendants Chiltepin and SCE); and 10. Markus Wilhelm (Strata Clean Energy Holdings, LLC's individual co-owner, together with his former spouse).

Under New York law, "a plaintiff seeking to pierce the corporate veil must show that (1) the owners exercised complete domination of the corporation in respect to the transaction attacked; and (2) that such domination was used to commit a fraud or wrong against the plaintiff which resulted in plaintiff's injury.'" Sutton 58 Assocs. LLC v Pilevsky, 189 AD3d 726, 729 (1st Dept. 2020), quoting Cortlandt St. Recovery Corp. v Bonderman, 31 NY3d 30, 47 (2018). "Factors to be considered in determining whether the owner has abused the privilege of doing business in the corporate form include whether there was a failure to adhere to corporate formalities, inadequate capitalization, commingling of assets, and use of corporate funds for personal use." D'Mel & Associates v Athco, Inc., 105 AD3d 451, 452 (1st Dept. 2013) (internal quotation marks omitted). "Allegations that corporate funds were purposefully diverted to make it judgment proof . . . are sufficient to satisfy the pleading requirement of wrongdoing which is necessary to pierce the corporate veil on an alter-ego theory." Baby Phat Holding Co., LLC v Kellwood Co., 123 AD3d 405, 407–08 (1st Dept. 2014); see Ciavarella v Zagaglia, 132 AD3d 608 (1st Dept. 2015).

The original complaint included allegations of Wilhelm's abuse of the corporate form and that SCE was the 100% owner of Chiltepin. Indeed, the ultimate owner of defendant Chiltepin, through a chain of several other related companies, the proposed corporate defendants, now appears to be yet another entity, Strata Clean Energy Holdings, LLC ("Strata Holdings"), which is owned by Wilhelm and his former spouse. The plaintiff's allegations, based upon recently disclosed documents and testimony, suggest an inadequacy of capitalization, commingling of assets, as well as common control and management of the named and proposed defendants, including shared offices and employees. As such, the plaintiff reasonably fears a diversion of assets to avoid a potential money judgment. While the plaintiff may not ultimately succeed in whole or part as against any defendant, it has shown entitlement to an amended complaint.

Contrary the defendants' contention, any additional discovery occasioned by the amended complaint will be minimal, would cause only a brief delay and would not constitute the substantial prejudice necessary for denial of the instant motion. See Jacobson v McNeil Consumer & Specialty Pharms., 68 AD3d 652 (1st Dept 2009). Indeed, there are currently two pending motions seeking further discovery, one filed by the defendants.

That the plaintiff would also have available to it the post-judgment enforcement remedies of CPLR article 52 as against the additional defendants should it ultimately obtain a judgment similarly is not enough of a basis to deny this motion, under the circumstances.

The court has considered and rejected the defendants' remaining contentions.

Accordingly, upon the foregoing papers, it is

ORDERED that the plaintiff's motion for leave to amend the complaint pursuant to CPLR 3025(b) is granted, and it is further

ORDERED that the proposed amended complaint appended to the motion papers (NYSCEF Doc. No. 97) is deemed served and filed on the original defendants as of the date of this order, and the plaintiff shall serve the additional defendants by overnight mail service on or before October 27, 2025, and it is further

ORDERED that the defendants shall file an answer to the amended complaint on or before November 28, 2025, and it is further

ORDERED that, in light of the granting of this motion, the Note of Issue is extended to February 27, 2026, and it is further

ORDERED that the parties may serve supplemental discovery demands on or before December 31, 2025, and responses shall by served on or before February 2, 2026, demand and responses to be limited to the additional allegations and defendants, and all counsel shall appear for a final status conference on February 5, 2026, at 11:30 a.m., and it is further

ORDERED that the Clerk shall mark the file accordingly.

10/20/25
DATE

NANCY M. BANNON, J.S.C.
HON. NANCY M. BANNON

CHECK ONE: [ ] CASE DISPOSED [X] NON-FINAL DISPOSITION
[X] GRANTED [ ] DENIED [ ] GRANTED IN PART [ ] OTHER