

**AKF Inc. v Middle 8 LLC**

2025 NY Slip Op 34537(U)

November 26, 2025

Supreme Court, New York County

Docket Number: Index No. 655340/2025

Judge: David B. Cohen

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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. DAVID B. COHEN PART 58**

*Justice*

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AKF INC.,

Petitioner,

- v -

MIDDLE 8 LLC, RICK WAYNE DOBBS, COCKTAIL GOGO,  
LLC, MIDDLE 8 LLC

Respondents.

q

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**INDEX NO. 655340/2025**

**MOTION DATE 10/21/2025**

**MOTION SEQ. NO. 002**

**DECISION + JUDGMENT**

The following e-filed documents, listed by NYSCEF document number (Motion 002) 21, 22, 23, 24, 25, 26, 27, 28

were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

In this special proceeding, petitioner seeks a preliminary injunction pursuant to CPLR 7502(C) and 6301 in aid of the arbitration between the parties, in order to restrain respondents' funds held in an account with JPMorgan Chase (Chase account). Respondents oppose.

As set forth in the verified petition, petitioner loans money to businesses pursuant to Revenue Purchase Agreements, whereby the businesses sell future receipts to petitioner in exchange for an upfront lump-sum payment. Petitioner alleges that respondent Middle 8 entities entered into such an agreement, that respondents Dobbs and Cocktail Gogo, LLC guaranteed the agreement on behalf of Middle 8, and that they all defaulted in paying petitioner the future receipts owed to it.

After the funds were paid to respondents in June 2025, petitioner alleges that in August 2025, respondents stopped paying petitioner by putting a stop on withdrawals from the Chase account. Since August 2025, petitioner was no longer able to receive funds from the Chase account, and despite contacting respondents regarding their breach of the agreement, respondents

failed to respond to petitioner's communications. Petitioner alleges that respondents owe approximately \$80,000 as of the petition's filing date (NYSCEF 1).

Petitioner then commenced an arbitration proceeding against respondents, as permitted by the parties' agreement, and commenced this proceeding in order to seek provisional remedies to aid in the arbitration. To date, the arbitration has not been held.

On October 23, 2025, this court granted petitioner's request for a temporary restraining order (TRO) pending a hearing on the preliminary injunction request, and restrained the disbursements of funds from the Chase account up to approximately \$80,000 (NYSCEF 25). Oral argument on the motion was held on November 24, 2025.

In seeking a preliminary injunction here, petitioner alleges that if funds in the Chase account are not restrained, respondents will remove them, thereby dissipating their assets and rendering any arbitration award ineffectual. According to petitioner, "it has been Petitioner's experience that Respondents who engage in the kind of evasive conduct alleged in the Petition often have no hesitation in hiding their assets once they are made aware that an action has been commenced against them" (NYSCEF 3).

Respondents oppose the preliminary injunction, asserting that injunctive relief is inappropriate in a proceeding involving a breach of contract and the recovery of money damages, only, citing the New York Court of Appeals case *Credit Agricole Indosuez v Rossiyskiy Kredit Bank*, 94 NY2d 541 (2000), as well as trial court orders in which petitioner's preliminary injunction requests have been denied by other judges of this court. Petitioner relies on other cases in which injunctive relief was granted in similar circumstances.

CPLR 7502(c) provides that:

Provisional remedies. The supreme court in the county in which an arbitration is pending or in a county specified in subdivision (a) of this section, may entertain an application for

an order of attachment or for a preliminary injunction in connection with an arbitration that is pending or that is to be commenced inside or outside this state, whether or not it is subject to the United Nations convention on the recognition and enforcement of foreign arbitral awards, but only upon the ground that the award to which the applicant may be entitled may be rendered ineffectual without such provisional relief. The provisions of articles 62 and 63 of this chapter shall apply to the application, including those relating to undertakings and to the time for commencement of an action (arbitration shall be deemed an action for this purpose), except that the sole ground for the granting of the remedy shall be as stated above . . .

The *Credit Agricole* decision is not binding here as it does not involve the application of CPLR 7502, but rather the more general preliminary injunction language in CPLR 6301.

Nevertheless, other courts have held that the general criteria for granting a preliminary injunction under CPLR 6301 must be applied to an application under CPLR 7502(c) (*Matter of Cullman Ventures, Inc.*, 252 AD2d 222 [1st Dept 1998]; *SG Cowen Securities Corp. v Messih*, 224 F3d 79 [2d Cir 2000]).

Whether or not a preliminary injunction may be granted under the circumstances present in this proceeding need not be determined on this application as petitioner has failed to meet its burden of showing that a restraint on respondents' funds is required because otherwise an eventual arbitration award rendered against respondents would be ineffectual.

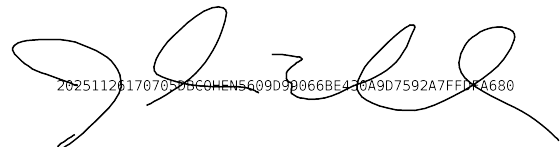
Petitioner has not alleged, nor submitted any evidence demonstrating, that respondents have insufficient assets to satisfy an arbitration award, that they have dissipated or intend to dissipate their assets, or they are or will be unable to pay a judgment against them. Its argument that respondents' actions related to the parties' agreement indicate that they may hide their assets is fatally conclusory and speculative. Petitioner thus fails to establish entitlement to a preliminary injunction pursuant to CPLR 7502(c) (*see Mermaid Marine, Ltd. v Maritime Cap. Mgt. Partners, Ltd.*, 147 AD3d 498, 499 [1st Dept 2017] [petitioner did not meet its burden of establishing need for attachment under CPLR 7502(c) absent submission of "admissible

evidence that respondent would be financially unable to pay the arbitration award or would undertake deceptive actions to avoid paying it, if one were rendered”]).

Accordingly, it is hereby

ORDERED AND ADJUDGED that petition for a preliminary injunction is denied and the proceeding is dismissed; and it is further

ORDERED that the previously-issued TRO and any restraints on the Chase account are vacated.



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11/26/2025  
DATE

DAVID B. COHEN, 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: