

**Elegant Jewelry NY, Inc. v Australian Diamond  
Supply, Ltd.**

2026 NY Slip Op 30197(U)

January 12, 2026

Supreme Court, New York County

Docket Number: Index No. 652249/2025

Judge: Emily Morales-Minerva

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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. EMILY MORALES-MINERVA PART 42M**

*Justice*

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ELEGANT JEWELRY NY, INC., and ELIE HANONO,

Petitioners,

- v -

AUSTRALIAN DIAMOND SUPPLY, LTD., and LAJB  
BLATMAN,

Respondents.

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INDEX NO. 652249/2025

MOTION DATE N/A

MOTION SEQ. NO. 001

**DECISION + ORDER ON  
MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 001) 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28

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

**APPEARANCES**

Kinzler Law Group, PLLC (Ben Kinzler, Esq., of counsel) for  
plaintiffs.

Law Offices of Brian K. Bernstein, P.C. (Brian K.  
Bernstein, Esq., of counsel) for defendants.

**HON. EMILY MORALES-MINERVA:**

Respondents AUSTRALIAN DIAMOND SUPPLY, LTD. (Australian  
Diamond), and LAJB BLATMAN (collectively respondents) filed a  
demand for arbitration before non-party Diamond Dealers Club of  
New York (DDC) against petitioners ELEGANT JEWELRY NY, INC.  
(Elegant Jewelry), and ELIE HANONO, owner of Elegant Jewelry  
(collectively petitioners). Petitioners then moved, by the  
subject order to show cause (motion sequence number 001), for an

order permanently staying arbitration, pursuant to CPLR § 7503 (b).<sup>1</sup>

The Court (L. Headley, J.S.C) signed the order to show cause and issued a temporary restraining order against respondents, enjoining and restraining them from proceeding with the arbitration. The same court scheduled the matter returnable before the undersigned in Part 42M, 111 Centre Street, New York, New York, on June 24, 2025, at 11:30 A.M.

Petitioners executed service of the order to show cause, and respondents submitted opposition. Thereafter, all parties appeared, by counsel, on the motion's return date.

This Court conferenced the matter on and off the record and issued a decision and order, dated June 30, 2025, explicitly confirming counsels' concessions. That is, "petitioners and respondents confirmed, on record, that the date [sic] the transaction in dispute arose is September 20, 2022" (NYSCEF Doc. 29, Decision and Order on Motion, dated June 30, 2025 [emphasis added]; see also Transcript, dated June 24, 2025, p 24, line 6-8, p. 28, p. 31, line 1 - 2, p 34, line 23;<sup>2</sup> see also NYSCEF Doc.

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<sup>1</sup> Section 7503 (b) of the CPLR provides: "Subject to the provisions of subdivision (c), a party who has not participated in the arbitration and who has not made or been served with an application to compel arbitration, may apply to stay arbitration on the ground that a valid agreement was not made or has not been complied with or that the claim sought to be arbitrated is barred by limitation under subdivision (b) of section 7502."

<sup>2</sup> The following colloquy took place on record:

No 16, affidavit of LAJB Blatman, owner respondent Australian Diamond Supply, Ltd., exhibit B, demand for arbitration, dated March 12, 2025).<sup>3</sup>

Further, the parties consented that the sole issue remaining on the motion is "whether petitioners were members of the Diamond Dealers Club when said transaction arose, requiring [them] to engage in arbitration before the Diamond Dealers Club" (NYSCEF Doc. 29, Decision and Order on Motion, dated June 30, 2025, at 3 [emphasis added]).

The Court held a hearing on this issue of fact, on October 06, 2025, from 10:00 A.M. to 1:00 P.M., in part 42, 111 Centre Street, New York, NY. All parties appeared by and/or with counsel.

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"[I]t appears to the court that it was conceded that the transaction at issue is the 2022 transaction . . . give me the exact dates there. Was that September 30, 2022?

"MR. BERSTEIN [counsel for defendants]: There are invoices attached to the papers, Judge.

"MR. KINZLER [counsel for plaintiffs]: September 20, 2022.

"THE COURT: So it is not disputed that the transaction date is -

"MR. KINZLER: September 20, 2022"

(Transcript, dated June 24, 2025, p 34, line 23). see also NYSCEF Doc. No 16, affidavit in opposition to motion of LAJB Blatman, owner respondent Australian Diamond Supply, Ltd., exhibit B, demand for arbitration, dated March 12, 2025 [including (1) "INVOICE 12529", dated September 20, 2022, from petitioner ELEGANT JEWELRY NY, INC. to respondent AUSTRALIAN DIAMOND, for the sale of the subject diamond with total sum due of 794,000.00, and (2) copy of check for "INVOICE 12529" from petitioner Australian Diamond Supply, Ltd. to respondent

<sup>3</sup> Exhibit B of the affidavit in opposition to the motion to stay arbitration, submitted by respondents, is respondent AUSTRALIAN DIAMOND SUPPLY, LTD.'S demand for arbitration, dated March 12, 2025, including the invoice for the transaction between ELEGANT JEWELRY NY, INC., and respondent AUSTRALIAN DIAMOND, dated September 20, 2022, in the amount of \$794,000.00 for a diamond identified as "15.88 CT Fancy Dark Gray GIA # 6224588993"]).

At the outset, the Court repeated the sole issue presented, as follows:

"THE COURT: . . . the sole issue presented is whether they [Elegant Jewelry NY, INC., and Elie Hanono] were members of the Diamond Dealers Club when [the] transaction arose requiring them to engage in arbitration . . . ."

(Transcript, dated October 06, 2025, p 3, line 7- 25).

Immediately thereafter, petitioners called as a witness (1) Adam Small, the managing director and general counsel of non-party DDC, who testified under oath and subject to cross examination; and (2) petitioner Elie Hanono, president and owner of petitioner Elegant Jewelry NY, who also testified under oath and subject to cross examination.

On consent of respondents, and with no objection, the Court entered into evidence petitioners' exhibit 2, which includes (i) petitioner Elie Hanono's e-mail to non-party David Lasher, former managing director of DDC, dated August 23, 2018, and (ii) David Lasher's response to said e-mail, dated August 30, 2018 (petitioner's exhibit 2).

Thereafter, petitioners rested, and respondents began their rebuttal. Respondents called one witness: Adam Small, who previously testified as part of petitioners' case. Adam Small

testified under oath, subject to cross examination.<sup>4</sup> On consent and without objection, the Court entered into evidence respondents' exhibit A, petitioner Elie Hanono's DDC membership application, dated July 20, 2015, and respondents' exhibit B, the DDC by-laws.

Prior to respondents' resting, the parties stipulated to the following: (1) members of the DDC are natural persons, not corporations (transcript, dated October 06, 2025, p 100, lines 14 - 18), and (2) respondent LAJB Blatman was a DDC member 2015 through 2022, including the date the subject dispute arose, September 20, 2022 (id., p 97, lines 10 - 25, and p 98, lines 1 - 19).

Now, upon the credible testimony, evidence entered, and applicable case law, the court makes the following findings of fact and conclusions law.

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<sup>4</sup> During respondents' direct examination of their witness, respondents' counsel stated -- unexpectedly and for the first time -- that respondents did not concede to the narrowed issue of fact before the court, as stated in the decision and order, dated June 30, 2025 (NYSCEF Doc. 29, Decision and Order on Motion, at 3), and re-stated at the beginning of the hearing on the motion (see Transcript, dated October 06, 2025, p 85 line 16-20, p 86, 1-4, p 88, 12-14). However, the Court did not permit counsel's attempt to recast the issue just shy of closing arguments.

## FINDINGS OF FACT

1. This proceeding involves former members of non-party-Diamond Dealers Club New York (DDC).
2. DDC is a trade organization with the stated purpose of "foster[ing] the interest of the Diamond Precious Stone and related jewelry industry" (respondents' exhibit B, by-laws of DDC, art. II).
3. Among other things, the DDC "provides arbitration tribunals to adjust differences and controversies between its members and others . . . in accordance with the laws of the State of New York, and the United States of America" (id.).
4. Petitioner ELEGANT JEWELRY NY, INC. (Elegant Jewelry) is a corporation involved in the diamond industry and petitioner ELIE HANONO (Hanono) is the owner and officer of Elegant Jewelry.
5. Respondent AUSTRALIAN DIAMOND SUPPLY, LTD. (Australian Diamond) is a corporation operating in the jewelry industry and respondent LAJB BLATMAN (Blatman) is the owner/officer of Australian Diamond.
6. On or around July 20, 2015, HANONO applied for a DDC membership (respondents' exhibit A, DDC membership application, at §§ 1-3).

7. Thereafter, on or around August 2015, DDC accepted Hanono as a member, and began charging him annual dues, which Hanono paid.

8. From 2015 to 2022, including September 30, 2022, respondent LAJB BLATMAN (BLATMAN) was also a DDC member.<sup>5</sup>

9. However, on August 23, 2018, Hanono directly e-mailed David Lasher, former Managing Director of DDC, to give notice that he "would like to resign" (petitioners' exhibit 2, e-mail exchange]).

10. In full, the e-mail -- with the subject heading titled

"Resignation" -- provides:

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"Hi David,

Hope all is going well. My name is Elie Hanono from Elegant Jewelry NY. I have been a member of the DDC for a few years, however, I have not been using the services for some time, and I would like to resign, If there is any further information you may need, please let me know

Best Regards,

Elie"

(id. [emphasis added]).

11. On August 30, 2018, the same DDC Managing Director replied directly to Hanono with only two words: "confirmed receipt"

(id.).

<sup>5</sup> It is not clear on this record if Blatman was a DDC member in 2025, when Blatman filed its demand for arbitration, or if Blatman is a current DDC member.

12. DDC then stopped charging Hanono annual dues and sent him no bills or notices of anything owing to the club.
13. Seven years later, on or around March 12, 2025, respondents commenced an arbitration proceeding before DDC against petitioners.
14. In their demand, respondents alleged Elegant Jewelry and/or Hanono sold them a stolen diamond on September 20, 2022, and (2) seeking a return of their \$794,000.00 payment to petitioners for said diamond.
15. Elegant Jewelry and/or Hanono then moved, by the subject order to show cause (motion sequence number 001), for an order, pursuant to CPLR § 7503 (b),<sup>6</sup> permanently staying that arbitration.
16. The court (L. Headley, J.S.C) signed the order to show cause and issued a temporary restraining order against respondents, enjoining and restraining respondents from proceeding with the arbitration.

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<sup>6</sup> Section 7503 (b) of the CPLR provides: "Subject to the provisions of subdivision (c), a party who has not participated in the arbitration and who has not made or been served with an application to compel arbitration, may apply to stay arbitration on the ground that a valid agreement was not made or has not been complied with or that the claim sought to be arbitrated is barred by limitation under subdivision (b) of section 7502."

## CONCLUSIONS OF LAW

"[A] party who has not participated in the arbitration, and who has not made or been served with an application to compel arbitration may apply to stay arbitration on the ground that [1] a valid agreement was not made or [2] has not been complied or [3] that the claim sought to be arbitrated is barred by limitation under subdivision (b) of section 7502"

(CPLR § 7503 [b]).

On a motion to stay arbitration, "the court's role is that of gatekeeper, limited to deciding only three threshold questions: whether the parties made a valid agreement; if so, whether the parties complied with the agreement; and whether the claim sought to be arbitrated is barred by the statute of limitations" (Cooper v Bruckner, 21 AD3d 758, 759 [1st Dept 2005], citing CPLR 7503; Matter of Smith Barney, Harris Upham & Co. v Luckie, 85 NY2d 193, 201-202 [1995], cert denied sub nom. Manhard v Merrill Lynch, Pierce, Fenner & Smith, 516 US 811 [1995]; Merrill Lynch, Pierce, Fenner & Smith v Benjamin, 1 AD3d 39, 43, [1st Dept 2003]; see also Matter of Living Real Estate Group, LLC v Douglas Elliman, LLC, 220 AD3d 573, 574 [applying Cooper in reviewing a lower court order denying a motion to stay arbitration]).

Here, no dispute exists that the DDC's by-laws require arbitration of certain disagreements between members, including former members, where specific criteria is met. Further, no

dispute exists that Hanano and respondent Blatman were, at one point, members of the DDC. Therefore, an agreement to arbitrate exists (see Matter of Living Real Estate, 2020 AD3d at 574 ["Membership in a group whose organizing documents require arbitration of certain agreements satisfies and constitutes an agreement pursuant to CPLR 7503 (a)"]).

However, the DDC by-laws expressly condition a former member's obligation to engage in arbitration on the fulfillment of enumerated perquisites, which are not complied with here. Accordingly, petitioners have no obligation to arbitrate the dispute at hand.

Hanano's DDC membership application, provides:

"In consideration of my admission to the Diamond Dealers Club, Inc. ("DDC") the undersigned applicant hereby agrees as follows:

. . . .

"To arbitrate all claims with other members of the DCC . . . arising out of the diamond, precious stone, and jewelry business in accordance with the procedures set forth in the DDC [Diamond Dealers Club] Arbitration By-Laws<sup>7</sup> and the By-Laws and Rules of the WFDB [World Federation of Diamond Bourses]"

(Respondents' exhibit A, Hanano's membership application, dated July 20, 2015 [attached declaration] [emphasis added]).

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<sup>7</sup> Notably, neither petitioners nor respondents provide a copy of "arbitration by-laws" relying on and providing as proof only the general DDC by-laws.

In turn, the DDC by-laws provide:

"The signature of any accepted applicant on any application membership in the Club [DDC] shall be . . . an agreement on the part of the said person to fulfill and perform all requirements herein contained and to conform to the By-Laws . . . The signature of the member on the application for membership to the Club [DDC] shall also constitute the member's agreement to arbitrate any and all claims and controversies arising out of the diamond, precious stone or jewelry business . . . in accordance with the Club's [DDC's] By-Laws and the By-Laws and Rules of the WFDB"

(respondents' exhibit B, DDC by-laws, article III, section 34 [titled: "OBLIGATIONS OF MEMBERSHIP" [title emphasized in original]).

Among other things, those governing by-laws address the arbitration obligations of former members following their resignation. In this regard, article III, section 32, titled "RESIGNATION" is clear: a resigning DDC member must "fulfill all obligations and duties of a member in good standing in connection with any transaction or matter which arose or which initiated, in whole or in part, prior to such member's . . . resignation including but not limited to arbitration" (id. at Article III, Sec. 35 [emphasis added to body of section]).

Therefore, if an incident completely arose only after a member's resignation, the resigning member bears no membership obligation or duties concerning said matter, including the duty

to arbitrate (see generally Quadrant Structured Prods. Co., Ltd, v Vertin, 23 NY3d 549, 559-560 [2014] ["In construing a contract we look to its language, for "a written agreement that is complete, clear and unambiguous on its face must be enforced according to the plain meaning of its terms"]]).

Here, the unrebutted and credible testimony and documentary evidence establishes that Hanono resigned his membership with DDC effective August 30, 2018, the date the DDC Managing Director replied to his resignation e-mail with a confirmation.<sup>8</sup> Indeed, article III, section 32, of the by-laws provide:

"If sent via email, the resignation shall only take effect if and when the member receives a confirmation of receipt of his/her email from the Managing Director"

(respondents' exhibit B, DDC by-laws [emphasis added]).

As the governing by laws confine arbitration to matters occurring during membership, and Hanono's membership ended on August 30, 2018 -- at or around four years prior to the 2022

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<sup>8</sup> In a civil action, as here, the plaintiff has the initial burden of proof of establishing the truth of its claim by a fair preponderance of the credible evidence (see Rinaldi & Sons, Inc. v. Wells Fargo Alarm Service, Inc., 39 NY2d 191, 196 [1976] [holding that the plaintiff in an action for breach of contract and negligence "has the burden of providing his case by a fair preponderance of evidence"]; see also Torem v 564 Cent. Ave. Rest., Inc., 133 AD2d 25, 26 [1st Dept 1987] [finding a lower court inadequately charged a jury on the preponderance of evidence where said court failed to explain that preponderance of evidence does not mean the greater number of witnesses, but the greater part of evidence]; see also Pattern Jury Instructions 1:23). "The standard 'simply requires [that] the trier of fact . . . believe that the existence of a fact is more probable than its nonexistence before [the trier of fact] may find in favor of the party who has the burden to persuade the [trier of fact] of the fact's existence'" (Cole v Cole, 35 NY3d 1012, 1020 [2020], quoting Concrete Pipe & Products of Cal., Inc. v Construction Laborers Pension Trust for Southern Cal., 508 US 602, 622 [1993]; see also Matter of Beautista B. (Racquirine A.), 115 AD3d 854, 854 [2d Dept 2014] [applying the preponderance of evidence standard). If, at the close of the proofs, the evidence as a matter of logical necessity is equally balanced, petitioner/plaintiff has failed to meet his burden and the cause of action is not made out (Rinaldi, supra, 39 NY2d at 196).

transaction in question -- there is no compliance with the condition precedent to arbitration. Therefore, petitioners have no obligation to arbitrate this particular dispute, as former members of the DDC.

Accordingly, it is

ORDERED that this motion, by order to show cause (mot. seq. no. 001) is granted; it is further

ORDERED that the arbitration proceeding respondents AUSTRALIAN DIAMOND SUPPLY, LTD. and LABJ BLATMAN filed before the Diamond Dealers Club, on or around March 12, 2025, against petitioners ELEGANT JEWELRY NY, INC. and ELIE HANONO is hereby permanently stayed; it is further

ORDERED that respondents AUSTRALIAN DIAMOND SUPPLY, LTD. and LABJ BLATMAN are hereby permanently enjoined and restraining from proceeding with the same; and it is further

ORDERED that petitioners ELEGANT JEWELRY NY, INC. and ELIE HANONO VERIZON NEW YORK, INC., shall serve on respondents AUSTRALIAN DIAMOND SUPPLY, LTD. and LABJ BLATMAN a copy of this decision and order with notice of entry within 10 days of such entry; it is further

ORDERED that the Clerk of the Court shall mark the file accordingly.

This Constitutes the Decision and Order of the Court.

01/12/2026

DATE

*Emily Morales-Minerva*  
EMILY MORALES-MINERVA, J.S.C.

CHECK ONE:

CASE DISPOSED

NON-FINAL DISPOSITION

GRANTED

DENIED

GRANTED IN PART

OTHER

APPLICATION:

SETTLE ORDER

SUBMIT ORDER

CHECK IF APPROPRIATE:

INCLUDES TRANSFER/REASSIGN

FIDUCIARY APPOINTMENT

REFERENCE