

Boufford v Goodman
2026 NY Slip Op 30253(U)
January 15, 2026
Supreme Court, Kings County
Docket Number: Index No. 518875/2019
Judge: Wavny Toussaint
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At an IAS Term, Part 70 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 15th day of January, 2026.

P R E S E N T :

HON. WAVNY TOUSSAINT,
Justice.

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DANIEL BOUFFORD, VLADISLAV DAVYDOV,
VADIM ANDREEV, and DAVID KLEYMAN,

Index No. 518875/2019

Plaintiffs,

TRIAL DECISION AND ORDER

-against-

STEVEN R. GOODMAN, OLEG MARYASIS,
ELIZABETH MASTERS, EDWARD HORNEFFER,
COMMUNITY (*) A.I. (*) INC., COMMUNITY A.I.
MASSACHUSETTS HORTICULTURE INITIATIVE,
and RITA CLAIR,

Defendants.

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Introduction

This action was tried before the Court, without a jury, on June 9, 2025, on the issue of damages, following the prior striking of defendants’ answer. At the conclusion of the trial, plaintiffs moved for a directed verdict in the amount of \$225,000 against all defendants, jointly and separately, asserting the evidence, including the admissions of defendant Oleg Maryasis (Maryasis), confirmed plaintiffs invested in the company defendants Community (*) A.I. (*) Inc. and Community A.I. Massachusetts Horticulture Initiative (collectively “Community A.I.”), which was not repaid. The Court reserved

decision on plaintiff's application and directed the parties to submit written post-trial summations.

Plaintiffs submitted their post-trial summation on July 15, 2025 and, on the same date, filed a formal motion for a directed verdict (Motion Seq. 05). Defendants did not submit a post-trial summation but instead filed opposition to plaintiffs' motion. Plaintiffs did not submit reply papers.

Following the submission of the post-trial papers, the Court received a written statement from defendant Elizabeth Masters (Masters), dated August 7, 2025, in which she sought to clarify her personal role in the underlying events giving rise to this action. As the statement was submitted after the close of trial, was unsworn, and was not admitted into evidence during the trial, the Court does not rely upon it in making findings of fact or conclusions of law herein.

The Court now renders its decision pursuant to CPLR § 4213 [b].

Background and Procedural History

Plaintiffs commenced this action by summons and verified complaint filed on August 26, 2019, asserting causes of action sounding in fraud, breach of fiduciary duty, conversion, and other related claims. As set forth in the complaint, plaintiffs allege that starting in June of 2017, defendants induced them to invest in a purported American Indian Native Indigenous Sovereign Facility cannabis cooperative, namely Community A.I., for the growth, production and distribution of cannabis plants. The facility and property purportedly were located at West Street, Mount Washington, Massachusetts, where operations were to coincide with the state's legalization of marijuana. Plaintiffs further

allege defendants represented that because the property on which the cannabis plants were to be grown would be recognized as a Native American sovereign facility, the cooperative would be tax exempt and not subject to state cannabis licensing and other cultivation requirements. Plaintiffs allege that together, they contributed \$255,000 to start the business only to discover that the “sovereign” soil turned out to be a small, private residential property. When discovered, plaintiffs allege defendants declared the cooperative a failed venture and as such, could not return the money invested by them.

Defendants interposed an answer and filed same on December 2, 2019, denying the core allegations of the complaint and asserting twelve affirmative defenses. As the litigation proceeded, by order dated August 10, 2021 (Boddie, J.), defendants’ answer was conditionally stricken if, upon seven days therefrom, defendants failed to comply with plaintiffs’ underlying discovery demands. As the record indicates, defendants never complied with the order. Hence, the order became absolute and the answer was deemed stricken (*Mention v Archnishop Stepinac High Sch.*, 223 AD3d 893, 894 [2d Dept 2024]). Defendants’ subsequent motion to vacate or modify the August 10, 2021 order was denied by Decision and Order of the court dated February 9, 2023 (Boodie, J.). As a result, defendants were precluded from contesting liability, with the matter proceeding to trial on damages only. At the outset of trial, the Court clarified, on the record, that as defendants’ answer was stricken, the only issue that defendants could address was the amount of damages being sought by plaintiffs.

During trial, plaintiffs stipulated to the dismissal of all claims against defendant Rita Clair. Plaintiff David Kleyman (Kleyman), through counsel, waived his portion of the damages claim in the amount of \$30,000.

Admitted Trial Exhibits

Plaintiffs presented testimony from Daniel Boufford (Boufford), Vladislav Davydov (Davydov), and defendant Maryasis (called on plaintiffs' case). Also admitted on plaintiffs' case was the following documentary evidence:

1. Emails dated 9-11-18 (P. Ex.1)¹ and 9-13-18 (P. Ex. 2) from defendant Maryasis to plaintiff Davydov;
2. Email dated 6-9-17 (P. Ex. 5) from a "Ned" to "Vadim" (plaintiff Vadim Andreev; herein after "Andreev") and "Vlad" (a/k/a Davydov);
3. Email dated 7-5-18 (P. Ex. 7) from defendant Masters to Davydov;
4. Copy of check #1001 dated 6-21-17 for \$50,000 (P. Ex. 8) executed by Davydov to defendant Horneffer (Horneffer);
5. Defendant Community A.I.'s Company Merger/Tax Benefit Intake Survey (P. Ex. 10);
6. Defendant Community A.I.'s Writ Declaration (P. Ex. 11-B);
7. Defendant Community A.I.'s Initial Shareholder Agreement (P. Ex. 11-C);
8. Emails exchanges dated 7-19-18, 7-30-18, 8-2-18 and 8-7-18 (P. Ex. 11-E) between defendant Masters and plaintiffs Boufford and Davydov and
9. Defendant Community A.I.'s Revised Shareholder Agreement (P. Ex. 11-F).

The documentary evidence records the communications between the parties (and others) relating to defendants' purported business activities and plaintiffs involvement therein. Defendants did not call any witnesses and did not introduce any documentary evidence at trial.

¹ "P. Ex." Refers to the Plaintiffs' Exhibits admitted into evidence at trial.

Pertinent Investment Testimony and Admissibility of Documentary Evidence

Plaintiffs Boufford and Davydov testified as to their direct involvement in the transactions at issue, including the transmission of funds paid directly to the individual defendants as their purported investments into Community A.I. These plaintiffs also detailed the communications they received from defendants in connection with the total investment of \$255,000, with Boufford, Davydov and Andreev having contributed \$75,000 each, Kleyman having contributed another \$30,000. Their testimony also confirmed that defendant Steven R. Goodman (Goodman), along with Masters, were the purported founder/member and co-founder/member, respectively, of Community A.I., with defendants Maryasis and Horneffer acting as purported shareholders.

Maryasis testified regarding the receipt of plaintiffs' funds and the existence of documents like the shareholder agreements relating to the investment and the promised return of 11% on each plaintiffs' investment. To the extent the admitted documents contained statements made by defendants or their agents, such statements constituted admissions of a party opponent. Maryasis also confirmed, once confronted with a prior statement, that he was responsible for the day-to-day operations of the defendant company, though he admitted such operations entailed very little, if anything. He also testified that Community A.I. did not have a bank account until mid-2019, long after plaintiffs' investments were received, and that he only purportedly filed taxes for Community A.I. in 2019 and 2020. The Court notes that no such tax returns were ever produced by defendants. Maryasis also confirmed that the company never maintained any books or records prior to the time purportedly taxes were filed in 2019/2020 and therefore had no record of how

plaintiffs' investment funds were utilized, except that he received a \$10,000 finder's fee, from which he paid approximately \$1,000 for a dental procedure.

When taken together, the testimony of Boufford, Davydov and Maryasis, along with the documentary evidence, confirm Goodman, Masters, Maryasis and Horneffer conducted several meetings with the plaintiffs, either all together and sometimes separately, either at the personal residence of Masters or the office location of her employer (Time Equities); at the purported property location in Massachusetts; at Andreev's office and even at a bathhouse in Brooklyn, New York -- at which plaintiffs each tendered their respective investment funds. None of the meetings were conducted at any offices utilized by Community A.I. The testimony also showed that though the defendants represented defendant Community A.I. as a going concern, at the time the investments from plaintiffs were solicited and accepted, the company was not yet formed.

The testimony confirmed defendants demanded all investment funds be paid in cash, and given to them in their individual capacities. No funds were ever paid to Community A.I. directly. The only exception to the cash payment requirement was the \$50,000 check "reluctantly" accepted by Horneffer from Davydov. This check was authenticated through testimony of Davydov and Maryasis and serves as additional proof of investment funds paid.

The testimony established that the emails, agreements, and related documents admitted into evidence were received or sent by them in the ordinary course of their dealings with defendants and accurately reflected those communications. The specific corporate documents were admitted based upon testimony establishing their origin and

relevance. No evidence was offered to suggest that the admitted documents were inaccurate, altered, or not what they purported to be. Again, defendants did not offer competing documentary evidence.

Findings of Fact

Plaintiffs collectively invested \$255,000 in Community A.I. beginning in or about June 2017. Plaintiffs' investment was induced by representations from Goodman, Masters, Maryasis and Horneffer who all asserted Community A.I. was a functioning business entity with assets, including an interest in real property located in Massachusetts, and that the entity would operate with a special tax-exempt status. These representations were false.

Defendant Maryasis admitted at trial that plaintiffs made the \$255,000 investment and that the funds, in fact, were received by the individual defendants, purportedly acting for Community A.I. The testimony of Boufford and Davydov confirmed the foregoing. Plaintiffs were not repaid any portion of the \$255,000 investment.

Community A.I. did not own the Massachusetts property represented to plaintiffs as a corporate asset and as the location at which the cannabis plants would be grown. Community A.I. had no meaningful business operations, maintained no corporate books or records, had no bank accounts at the time of plaintiffs' investments, applied for no licenses, produced no product, had no sales, contracts, or employees, and generated no revenue.

Plaintiffs' documentary evidence corroborated their testimony concerning the investment, the representations made to them, the absence of any repayment and their monetary injury as a result thereof.

Conclusions of Law

By prior order of the court, defendants' answer was stricken. Where a defendant's answer has been stricken, in this case for defendants' failure to comply with plaintiffs' discovery demands (*Patsiouras v. Koklanos*, 233 AD3d 701, 703 [2d Dept 2024]), the factual allegations of the complaint are deemed admitted, and the defendant is precluded from contesting liability (*LD Acquisitions Co, 9, LLC v TSH Trade Group LLC*, 211 AD3d 928, 930 [2d Dept 2022]; also see *Wilson v Galicia Contr. & Restoration Corp.*, 10 NY3d 827, 830 [2008]). Accordingly, this matter proceeded on damages. Here, defendants had "a full opportunity to cross-examine plaintiffs' witnesses, give testimony and offer proof in mitigation of damages" (*Reynolds Sec. v Underwriters Bank & Trust Co.*, 44 NY2d 568, 572 [1978]; also see *Rokina Opt. Co. v Camera King*, 63 NY2d 728, 730 [1984]). While defendants cross-examined plaintiff's witnesses, they presented no rebuttal testimony and failed to present any credible evidence to mitigate the damages established by plaintiffs.

Plaintiffs are entitled to pierce the corporate veil to hold the individual defendants jointly and separately liable for damages sustained by them (*Gold v 22 St. Felix, LLC*, 219 AD3d 588, 590 [2d Dept 2023]; *Sterling Park Devs., LLC v China Perfect Const. Corp.*, 185 AD3d 1082, 1084-1085 [2d Dept 2020]). The proof established defendants exercised complete domination and control over Community A.I. and 'abused the privilege of doing business in the corporate [or LLC] form to perpetrate a wrong or injustice' " as against these plaintiffs (*Grammas v Lockwood Assoc., LLC*, 95 AD3d 1073, 1075 [2d Dept 2012] [string cites omitted]). This domination and control exercised by defendants was directly related to the conduct that resulted in plaintiffs' losses, and the Court finds that plaintiffs' losses

flowed directly from that conduct. Under these circumstances, and particularly in light of defendants' default on liability and failure to present evidence at trial, the corporate form may not be used to shield the individual defendants from responsibility for the damages sustained by plaintiffs. Accordingly, the evidence supports the imposition of personal liability, jointly and severally, upon the individual defendants with respect to the proposed investment transaction giving rise to plaintiffs' losses, as demonstrated by defendants' failure to adhere to corporate formalities, inadequate capitalization, commingling of assets, and the personal use of funds (*Grammas*, 95 AD3d at 1075; *Rosenshein v Kushner*, 212 AD3d 744, 745 [2d Dept 2023]).

Defendants' contention that plaintiffs' proof consisted of inadmissible hearsay is without merit. Plaintiffs testified based on personal knowledge of their own investment, the representations made to them, and the lack of repayment. Maryasis' statements were properly admitted, as it has long been established that statements made by a party contrary to that party's interest are admissible as party admissions (*Reed v McCord*, 160 NY 330, 341 [1899]). In any event, defendants offered no evidence in rebuttal, and the Court finds that plaintiffs' proof constituted competent evidence sufficient to establish damages.

Damages

On the testimony and documentary evidence presented at trial, the Court finds plaintiffs established damages in the amount of \$255,000. Defendants failed to present any credible evidence to mitigation plaintiffs' damage claims. As plaintiff Kleyman waived

\$30,000 of that amount, plaintiffs are therefore entitled to recover \$225,000, together with statutory interest from July 11, 2017, the date the loss was incurred.²

Motion Seq. 05

Plaintiffs' motion for a directed verdict was submitted with opposition from defendants. The Court nevertheless determines the motion on the trial record, the evidence admitted, and the applicable law.

Based upon the completed bench trial, defendants' preclusion from contesting liability, and plaintiffs' un-rebutted proof of damages, plaintiffs established entitlement to judgment as a matter of law. Accordingly, to the extent the motion remains pending, it is granted. In any event, the Court reaches the same result based upon the evidence adduced at trial as indicated above.

Conclusion

Accordingly, it is hereby

ORDERED, that judgment is awarded in favor of plaintiffs Daniel Boufford, Vladislav Davydov, Vadim Andreev, and David Kleyman, and against defendants Community A.I., and Goodman, Masters, Maryasis, and Horneffer, jointly and severally, in the principal sum of \$225,000, together with statutory interest from July 11, 2017; and it is further

ORDERED, that all claims against defendant Rita Clair are dismissed with prejudice pursuant to plaintiffs' stipulation to this effect at trial; and it is further

² The Court sets July 11, 2017 for the date of interest calculations as the record indicates this date as the first tender of payments from plaintiffs to defendants.

ORDERED, that the Clerk of the Court is directed to enter judgment accordingly.

This constitutes the Trial Decision and Order of the Court.

E N T E R



J.S.C.

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J. S. C.

**KINGS COUNTY CLERK
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