

**Guggenheim Sec., LLC v Falcon's Beyond Global,  
LLC**

2026 NY Slip Op 31335(U)

March 31, 2026

Supreme Court, New York County

Docket Number: Index No. 651585/2024

Judge: Melissa A. Crane

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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

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GUGGENHEIM SECURITIES, LLC,
Plaintiff,

- v -

FALCON'S BEYOND GLOBAL, LLC, FALCON'S BEYOND
GLOBAL, INC.
Defendant.

INDEX NO. 651585/2024
MOTION DATE 10/27/2025, 10/27/2025
MOTION SEQ. NO. 007 008

DECISION + ORDER ON MOTION

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The following e-filed documents, listed by NYSCEF document number (Motion 007) 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, 330, 331, 333, 340, 341, 342

were read on this motion to/for SUMMARY JUDGMENT(AFTER JOINDER .

The following e-filed documents, listed by NYSCEF document number (Motion 008) 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 323, 324, 325, 326, 327, 328, 332, 334, 335, 336, 337, 338, 339, 343, 344

were read on this motion to/for SUMMARY JUDGMENT(AFTER JOINDER .

These are dueling motions for summary judgment. For the reasons stated on the record at oral argument on 3/31/26, the court denies defendant's motion and grants that part of plaintiff's motion with respect to the non-contract counterclaims. Accordingly, the court dismisses defendant's counterclaims for fraud, breach of fiduciary duty, and equitable rescission. As discussed on the record, defendant was unable to point to a present misrepresentation of fact to support its fraud claim. Further, the agreement expressly disclaims a fiduciary relationship.

Defendant's lack of sophistication is irrelevant, especially considering no less than White & Case represented defendant in its negotiations with plaintiff. Finally, defendant accuses plaintiff of "bullying" it into the 2023 amendment, and therefore could not have expected a fiduciary relationship (see *Pappas v. Tzolis*, 20 N.Y.3d 228, 232 [2012] [where a principal and fiduciary are sophisticated entities and their relationship is not one of trust, the principal cannot reasonably rely on the fiduciary without making additional inquiry]).

However, the court denies both motions to the extent they seek summary judgment on their breach of contract claims. By the parties' contract, Guggenheim was supposed to, *inter alia*, "review and consideration [sic] from a financial and capital markets point of view of potential structures and terms for the Transaction" [EDOC 137, April 27, 2021 letter agreement, pg. 2]. As explained at oral argument, there is evidence in the record that plaintiff's services were so incompetent that they amounted to worse than no services at all.

It is questionable whether Guggenheim gave correct advice in recommending a SPAC transaction in the first place. But, certainly by the time of the contract amendment on February 22, 2023, there is evidence that recommending defendant to "stay the course" and continue with the SPAC would be disastrous. The record supports that, at no point did plaintiff advise defendant otherwise, even though plaintiff knew the SPAC market was tanking. For example, Guggenheim's Executive Chairman testified that he believed the SPAC Market in late 2022 was "overdone." [see Paduano Decl. Exh. 5 [Schwartz Dep. 81:12-19] [EDOC 171]. Guggenheim even pulled its own personal SPAC deal off the table, yet it never told defendant to pull theirs. In addition, there is evidence in the record that Guggenheim may have violated FINRA rules by not properly considering Falcon's financials (Expert Affidavit of Mitch Goldman ¶ 22 [EDOC 339]).


Also, Guggenheim appears to have taken no action to reduce redemptions (Goldman Aff. ¶ 36; Paduano Decl. Exh. 8 [Sawyer Dep. 208-209] ).

These are facts from which a fact finder could plausibly infer that Guggenheim insisted on an amendment to obtain a fee regardless of the success of the transaction, because they knew the deal would be disastrous for its client. At the very least, this could be a breach of the covenant of good faith and fair dealing inherent in every contract, if not outright breach (see *Ria R Squared, Inc. v. DW Partners, LP*, 230 A.D.3d 983 [1<sup>st</sup> Dep't 2024] [allegations that investment advisor and affiliates had scheme to divest company of its interest in the loan by purchasing and foreclosing on a senior loan, were sufficient to state a claim for breach of the implied covenant of good faith and fair dealing]; see also, *RainMakers Partners LLC v. NewSpring Cap., LLC*, 2024 WL 1846321, at \*4 [2d Cir. Apr. 29, 2024] [summary judgment granted to defendant on breach of contract claim where advisory agreement required RainMakers to perform services in order to earn a placement fee for an investment and it did not do so]; *Aquino by Convergent Distributors of Texas, LLC v. Alexander Cap., LP*, 642 BR 106, 139 [SDNY 2022], *aff'd sub nom. Aquino v. Alexander Cap. LP*, 2024 WL 2952497 [2d Cir. June 12, 2024], [factual issues precluded dismissal of the aspect of the breach of contract claim alleging that ACLP failed to act in good faith in its role as “exclusive financial advisor” to provide independent and appropriate financial advice]).

Accordingly, it is

ORDERED THAT the court grants plaintiff's motion for summary judgment (motion 7) to the extent of dismissing the first counterclaim for fraud, the third counterclaim for breach of fiduciary duty and the fourth counterclaim for equitable rescission and otherwise denies the motion; and it is further

ORDERED THAT defendant's motion for summary judgment (motion 8) is denied.

  
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3/31/2026  
DATE

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MELISSA A. CRANE, J.S.C.

CHECK ONE:

CASE DISPOSED

GRANTED

DENIED

SETTLE ORDER

INCLUDES TRANSFER/REASSIGN

NON-FINAL DISPOSITION

GRANTED IN PART

SUBMIT ORDER

FIDUCIARY APPOINTMENT

OTHER

REFERENCE

APPLICATION:

CHECK IF APPROPRIATE: