

**EBF Holdings, LLC v CoCo One Stop, Inc.**

2026 NY Slip Op 31384(U)

April 3, 2026

Supreme Court, New York County

Docket Number: Index No. 653413/2025

Judge: Nicholas W. Moyne

Cases posted with a "30000" identifier, i.e., 2013 NY Slip Op 30001(U), are republished from various New York State and local government sources, including the New York State Unified Court System's eCourts Service.

This opinion is uncorrected and not selected for official publication.

**SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY**

**PRESENT: HON. NICHOLAS W. MOYNE PART 41M**

*Justice*

-----X

EBF HOLDINGS, LLC d/b/a EVEREST  
BUSINESS FUNDING,

Plaintiff,

- v -

COCO ONE STOP, INC. d/b/a I-SMOKE & VAPE  
and IMRAN S. LAKHANI,

Defendants.

-----X

INDEX NO. 653413/2025

MOTION DATE 12/04/2025

MOTION SEQ. NO. 001

**DECISION + ORDER ON  
MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 001) 24, 25, 26, 27, 28, 29, 30

were read on this motion to/for JUDGMENT - DEFAULT.

Plaintiff EBF Holdings, LLC d/b/a Everest Business Funding (plaintiff) commenced this action against defendants, CoCo One Stop Inc. d/b/a I-Smoke & Vape (CoCo) and Imran S. Lakhani (Lakhani) (together defendants) to recover damages for, inter alia, breach of a Revenue Based Financing Agreement and Performance Guaranty (the Agreement). Plaintiff now moves, pursuant to CPLR 3215, for a default judgment against defendants in the amount of \$93,858.30. The motion is unopposed and for the reasons set forth below, is granted.

**BACKGROUND**

Based on the facts as alleged in plaintiff's papers, the parties entered into the Agreement on August 24, 2023, pursuant to which plaintiff agreed to purchase, and Coco agreed to sell, \$94,900 of Coco's future receipts for the purchase price of \$65,000. Lakhani signed the Agreement on behalf of Coco and executed a personal guaranty.

Under the Agreement, CoCo authorized plaintiff to make weekly Automatic Clearing House (ACH) withdrawals from a designated bank account, amounting to a percentage of CoCo's sales revenue (\$3,163.35 weekly or 17% of each banking deposit) until plaintiff received the amount of future receipts it purchased.<sup>1</sup> In addition, CoCo agreed to "deposit all Future Receipts into only one bank account [the designated

<sup>1</sup> The Agreement also contains a reconciliation provision and includes the following acknowledgment by plaintiff: "There is no interest rate or payment schedule and no time period during which the Purchased Amount must be collected by [plaintiff]. [CoCo] going bankrupt or going out of business, in and of itself, does not constitute a breach of this Agreement" (Agreement at 2, NYSCEF Doc. No. 3).

account], which must be acceptable to and pre-approved by [plaintiff]" and to instruct its "Credit Card processor . . . to deposit all Credit Card receipts . . . into the" designated account (Agreement at 2, NYSCEF Doc. No. 3).

CoCo agreed that in the event of its default under the Agreement, the full uncollected purchased amount, plus certain fees, would "become due and payable in full immediately" (*id.* at ¶ 3.2 [A]). An Addendum to the Agreement sets forth additional fees, including a \$5,000 default fee, \$250 UCC-1 filing fee, \$100 rejected ACH fee, and a \$35 non-sufficient funds (NSF) fee per occurrence.

In the personal guaranty, Lakhani guaranteed performance of certain obligations assumed by CoCo under the Agreement, including that CoCo would "not change its Credit Card processor, add terminals, change its financial institution or bank account(s), use multiple bank accounts, or take any similar action that could have an adverse effect upon [CoCo's] obligations under this Agreement, without [plaintiff's] prior written consent" (*id.* at ¶ 5.1.2), Lakhani further agreed that in the event CoCo failed to perform this obligation, plaintiff could recover from Lakhani all of plaintiff's losses and damages, and all remedies specified in the Agreement without first seeking to obtain payment from CoCo.

On or about August 25, 2023, plaintiff paid CoCo the purchase price. In September 2023, after remitting only \$6,326.70, CoCo made no further payments. On September 15, 2023, plaintiff attempted to make a weekly withdrawal from the designated account and received notification of insufficient funds. According to plaintiff, CoCo continued to generate revenue but diverted its accounts receivable from the designated account, thereby preventing plaintiff from obtaining its purchased receivables (NYSCEF Doc. No. 25, at ¶¶27-28).

In June 2025, plaintiff commenced this action against defendants setting forth the following four causes of action: breach of the Agreement against Coco; breach of the guaranty against Lakhani; attorney's fees pursuant to a provision in the Agreement; and quantum meruit (as an alternative to the causes of action for breach of contract). Defendants failed to appear or answer the complaint, and plaintiff now moves for judgment against defendants upon their default, asserting that that there is a balance of \$93,858.30 due and owing under the Agreement comprised of \$88,573.30 in uncollected receivables purchased by plaintiff, plus the \$5,000 default fee, the \$250 UCC filing fee, and an NSF fee of \$35.00.

### DISCUSSION

Pursuant to CPLR 3215 (a), "[w]hen a defendant has failed to appear, plead or proceed to trial . . . the plaintiff may seek a default judgment against him." A plaintiff moving for a default judgment must satisfy "the requirements of CPLR 3215 (f) by submitting proof of the service of the summons and complaint and an affidavit setting forth the facts that constitute the causes of action asserted, defendant's default and the amounts due" (*Gordon Law Firm, P.C. v Premier DNA Corp.*, 205 AD3d 416, 417 [1st Dept 2022]; see *Woodson v Mendon Leasing Corp.*, 100 NY2d 62, 70 [2003]; *Gantt v*

*North Shore-LIJ Health Sys.*, 140 AD3d 418, 418 [1st Dept 2016]). “To demonstrate facts constituting the claim, the movant need only proffer proof sufficient to enable a court to determine that a viable cause of action exists. The movant may do so either by submission of an affidavit of merit or by verified complaint, if one has been properly served” (*Bigio v Gooding*, 213 AD3d 480, 481 [1st Dept 2023] [internal quotation marks and citations omitted]).

Here, plaintiff submits proof that on June 9, 2025, it served the summons and complaint on both defendants by certified mail return receipt requested in accordance with the terms provided in section 4.5 of the Agreement (Affirmation and Certified Mail Receipts, NYSCEF Doc. Nos. 5 & 6). That section of the Agreement states:

“SELLER [CoCo] AND GUARANTOR [Lakhani] AGREE THAT ANY SUMMONS AND/OR COMPLAINT OR OTHER PROCESS TO COMMENCE ANY LITIGATION BY PURCHASER [plaintiff] WILL BE PROPERLY SERVED IF MAILED BY CERTIFIED MAIL RETURN RECEIPT REQUESTED, TO THE MAINLING ADDRESS(ES) LISTED ON PAGE 1 OF THIS AGREEMENT”

(Agreement, NYSCEF Doc. No. 18, at ¶ 4.5). The court notes in this regard that “parties to a contract are free to contractually waive service of process” and “[b]y definition, such waivers render inapplicable the statutes that normally direct and limit the acceptable means of serving process on a defendant” (*Alfred E. Mann Living Trust v ETIRC Aviation S.A.R.L.*, 78 AD3d 137, 140 [1st Dept 2010] [contract to service of process by email upheld]). As such, plaintiff has shown proper service of the summons and complaint.

The applicable time period in which defendants ought to have answered or otherwise appeared has passed, and defendants have failed to do so. On December 4, 2025, within the statutory one-year period following defendants’ default in responding to the complaint, plaintiff filed its application seeking entry of a default judgment (see CPLR 3215 [a]). In compliance with the requirements of CPLR 3215 (g), an additional mailing notice was made to defendants (NYSCEF Doc. No. 20).

In addition, plaintiff demonstrates the facts constituting the claim, proof of defendants’ default, and the amounts due, by submitting an affidavit of facts by a party with personal knowledge (plaintiff’s Chief Legal Officer Michael Reppas), the affirmation of counsel, and supporting exhibits. Thus, plaintiff has demonstrated compliance with the statutory requirements of CPLR 3215 and the motion for entry of a default judgment is granted.<sup>2</sup>

Accordingly, it is hereby

---

<sup>2</sup> The court deems the third cause of action for attorney’s fees abandoned. While plaintiff asserts in its motion papers that pursuant to the Agreement, it is entitled to reasonable attorney’s fees and costs, it does not request attorney’s fees or an inquest to determine the amount of attorney’s fees in its notice of motion or in any of its supporting papers.

ORDERED that plaintiff's motion pursuant to CPLR 3215 for default judgment against defendants is granted; and it is further

ORDERED and ADJUDGED that plaintiff is to serve a copy of this order with notice of entry upon the Office of the County Clerk, who is directed to enter judgment in favor of plaintiff EBF Holdings, LLC d/b/a Everest Business Funding and against defendants CoCo One Stop Inc. d/b/a I-Smoke & Vape and Imran S. Lakhani, who shall be jointly and severally liable, in the amount of \$93,858.30, plus interest at the statutory rate as calculated by Clerk of the Court, and costs and disbursements, as taxed by the Clerk of the Court upon the submission of proper proof thereof, and that plaintiff have execution therefor; and it is further

ORDERED that plaintiff shall submit judgment directly to the Clerk of the Court, not chambers or the Part, unless otherwise directed by the Clerk of the Court; and it is further

ORDERED that any such service upon the Clerk of the Court shall be made in accordance with the procedures set forth in the Protocol on Courthouse and County Clerk Procedures for Electronically Filed Cases (accessible at the "efiling" page on this court's website).

This constitutes the decision and order of the court.



2026040615143310142CE26C576AFC417DA9F9829BF89BCF5E

4/3/2026  
DATE

\_\_\_\_\_  
NICHOLAS W. MOYNE, J.S.C.

CHECK ONE:

<input checked="" type="checkbox"/>	CASE DISPOSED	
<input checked="" type="checkbox"/>	GRANTED	<input type="checkbox"/> DENIED

<input type="checkbox"/>	NON-FINAL DISPOSITION	
<input type="checkbox"/>	GRANTED IN PART	<input type="checkbox"/> OTHER

APPLICATION:

<input type="checkbox"/>	SETTLE ORDER
--------------------------	--------------

<input type="checkbox"/>	SUBMIT ORDER
--------------------------	--------------

CHECK IF APPROPRIATE:

<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN
--------------------------	----------------------------

<input type="checkbox"/>	FIDUCIARY APPOINTMENT	<input type="checkbox"/> REFERENCE
--------------------------	-----------------------	------------------------------------