

<b>Clear Haven Inv. Fund, LP v Zags SPV 1 LLC</b>
2026 NY Slip Op 31385(U)
April 6, 2026
Supreme Court, New York County
Docket Number: Index No. 654268/2024
Judge: Andrew Borrok
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**SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY**

**PRESENT: HON. ANDREW BORROK PART 53**

*Justice*

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CLEAR HAVEN INVESTMENT FUND, LP - CLEAR HAVEN  
CREDIT OPPORTUNITIES FUND II SERIES,

Plaintiff,

INDEX NO. 654268/2024

MOTION DATE \_\_\_\_\_

MOTION SEQ. NO. 006

- v -

ZAGS SPV 1 LLC, TORPAGO, INC., BRENT JACKSON,  
JOHN DOE

Defendant.

**DECISION + ORDER ON  
MOTION**

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The following e-filed documents, listed by NYSCEF document number (Motion 006) 117, 118, 119, 120, 121, 122, 123

were read on this motion to/for SUBST/RELIEVE/WITHDRAW COUNSEL.

Upon the foregoing documents, (i) the branch of Stein Adler Dabah & Zelkowitz LLP (**SADZ**)’s motion pursuant to which SADZ seeks to be relieved as counsel to the Defendants is GRANTED as unopposed, and (ii) the branch of SADZ’s motion seeking a 60-day stay of the case is DENIED.

A trial court may, in its discretion, permit an attorney to withdraw “as counsel of record upon a showing of good and sufficient cause, and reasonable notice to the client” (*Mason v MTA N.Y. City Tr.*, 38 AD3d 258, 258 [1st Dept 2007]). A client’s failure to pay reasonable legal fees constitutes good cause for withdrawal (*Bank of America, N.A. v Chadha*, 214 AD3d 695, 695-696 [2d Dept 2023]).

In support of their motion, SADZ adduced evidence that the Defendants' have continued to fail to pay reasonable legal fees which has resulted in a breakdown of the attorney-client relationship, rendering SADZ's continued representation untenable, and that the Defendants were provided with reasonable notice of this motion (*see id.*; *Mason*, 38 AD3d at 258).

Previously (*tr.* 3.23.26; *tr.* 3.30.26, the Court inquired as to what provision is being made by Zags SPV 1 LLC and Torpago, Inc. (the **Corporate Defendants**) for substitute or replacement counsel such that the Plaintiff would not be prejudiced by virtue of their withdrawal. At the time, SADZ, indicated in response to the Court's March 23, 2026 and March 30, 2026 inquiries that it would speak with its clients and find out but did not know. As an accommodation, the Court indicated on both March 23, 2026 and March 30, 2026 that it would adjourn the motion and that SADZ should inform the Defendants that it was likely to grant the motion but require that substitute counsel appear for the Corporate Defendants and the Individual Defendant (hereinafter defined) or that the Individual Defendant must appear in person) or they would be held in default. In response, SADZ asked the Court to give two weeks before defaulting their clients. The Court accommodated the request by indicating (i) on March 23, 2026 that the motion was adjourned for one week for SADZ to report back to the Court, (ii) on March 30, 2026 that the motion would be adjourned for another week for SADZ to report back to the Court at which time the motion would be granted, and (iii) that the conference would be adjourned for an additional week for the Corporate Defendants and Defendant Brent Jackson (the **Individual Defendant**) to appear or that they would be held in DEFAULT. The Court ORDERED the parties to order a copy of the transcripts.

Today (*tr.* 4.6.26), in response, SADZ indicates that their clients have been advised of the potential consequences of failing to retain replacement counsel or to otherwise appear at the next conference. As a showing of good cause and reasonable notice has been made, the branch of SADZ's motion seeking withdrawal is GRANTED (*see Mason*, 38 AD3d at 258; *Bank of America, N.A.*, 214 AD3d at 695-696). However, the case is not stayed.

The parties are directed to appear at a status conference on April 13, 2026 at 12:30 pm. If any of the Defendants fail to appear, the Plaintiff may move by order to show cause to hold the non-appearing Defendant(s) in DEFAULT. For the avoidance of doubt, the Individual Defendant may appear at the April 13, 2026 conference and represent themselves pro se, however the Corporate Defendants must be represented by counsel.

Accordingly, it is hereby ORDERED that the branch of the motion (Mtn. Seq. No. 006) pursuant to which SADZ seeks to be relieved as counsel to the Defendants is GRANTED without opposition upon filing of proof of compliance with the following conditions; and it is further

ORDERED that said attorney shall serve a copy of this order with notice of entry upon the former clients their last known addresses by overnight mail (such service being deemed good and sufficient service) and upon the attorneys for all other parties appearing herein by posting to the New York State Courts Electronic Filing System no later than April 9, 2026; and it is further

ORDERED that, together with the copy of this order with notice of entry served upon the former clients, moving counsel shall forward a notice directing the former clients to appoint a substitute attorney within 7 days of this Order; and it is further

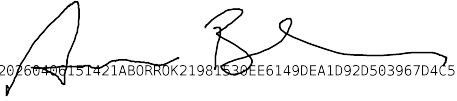
ORDERED that any new attorney retained by any of the Defendants shall file a notice of appearance with the Clerk of the General Clerk's Office (60 Centre Street, Room 119) and the Clerk of the Part within 7 days from the date the notice to retain new counsel is mailed. If Brent Jackson intends instead to represent themselves, they shall notify the Court of this decision at the conference scheduled on April 13, 2026; and it is further

ORDERED that the departing attorney shall, on or before April 9, 2026, serve a copy of this order with notice of entry on the Clerk of the General Clerk's Office (Room 119); and it is further

ORDERED that such service upon the Clerk of the General Clerk's Office, the filing of a notice of appearance as provided herein, and the filing of papers as aforesaid 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 "E-Filing" page on the court's website; and it is further

ORDERED if any of the Defendants fail to appear at the April 13, 2026 status conference, the Plaintiff may move by order to show cause to hold the non-appearing Defendant(s) in default; and it is further

ORDERED that the branch of SADZ's motion (Mtn. Seq. No. 006) seeking a 60-day stay of proceedings is DENIED.

  
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4/6/2026  
DATE

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: