Georgiades Bros. Realty LLC v Ellis Equities, LLC
2026 NY Slip Op 31983(U)
May 8, 2026
Supreme Court, Kings County
Docket Number: Index No. 518775/2025
Judge: Reginald A. Boddie
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At an IAS Commercial Part 12 of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, located at 360 Adams Street, Borough of Brooklyn, City and State of New York on the 8th day of May 2026.

P R E S E N T:
Honorable Reginald A. Boddie
Justice, Supreme Court

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GEORGIADES BROTHERS REALTY LLC, JOHN GEORGIADES A/K/A IOANNIS GEORGIADES, PANAYIOTIS GEORGIADES and ACHILLEAS GEORGIADES,

Plaintiffs,

-against-

ELLIS EQUITIES, LLC, EFSTATHIOS VALIOTIS AND ALMA BANK,

Defendants.

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Index No. 518775/2025

Cal. No. 5 MS 4

Decision and Order

The following e-filed papers read herein: MS 4

NYSCEF Doc Nos. 131-148, 150, 153-168

Upon the foregoing papers, plaintiffs' motion for a preliminary injunction is decided as follows:

Background

This action arises out of plaintiffs' allegations that defendants Ellis Equities LLC ("Ellis"), Efstathios Valiotis ("Valiotis"), and Alma Bank fraudulently induced plaintiffs to enter into a $2.1 million loan at a 24% interest rate by falsely assuring plaintiffs that Alma Bank would refinance an existing mortgage within three months, notwithstanding defendants' knowledge that such

refinancing was prohibited due to Valiotis' undisclosed conflict of interest. Plaintiffs further allege that, after default, Ellis and Valiotis wrongfully exercised control over the pledged membership interest and interfered with plaintiffs' ability to refinance and repay the loan. A detailed summary of the background of this action is set forth in the Court's Decision and Order dated July 10, 2025, by which the Court denied plaintiffs' motion for a preliminary injunction seeking to enjoin Ellis and Valiotis from enforcing remedies under the subject Pledge and Security Agreement dated May 17, 2024 (the "Pledge Agreement") and the Promissory Note dated May 16, 2024 (the "Notes"), and vacated the previously granted temporary restraining order. By Decision and Order dated December 9, 2025, the Court granted defendant Alma Bank's motion to dismiss plaintiffs' claims for fraud, prima facie tort, and violation of RICO as against it, and granted in part and denied in part plaintiffs' cross-motion for leave to file a second amended complaint.

Plaintiffs now move by emergency order to show cause for a preliminary injunction enjoining Ellis from filing, entering, or enforcing the individual plaintiffs' confessions of judgment and from exercising further default remedies under the Pledge Agreement, except for Ellis' previously exercised option to substitute itself as a member of 1043 Northern Blvd Realty LLC. Alternatively, plaintiffs seek a stay of any filed or entered confessions of judgment. Plaintiffs argue that Ellis is barred by waiver and equitable estoppel because, after exercising the pledge remedy, Ellis allegedly refused to provide the payoff letter, UCC-3 termination, and related releases needed for a Bank United refinancing that would have paid off the loan, caused the refinancing commitment to expire, and now seeks an improper double recovery.

In opposition, Ellis and Valiotis argue that plaintiffs again seek to restrain bargained-for contractual remedies after plaintiffs admittedly failed to repay the $2.1 million loan, and that plaintiffs cannot establish likelihood of success, irreparable harm, or a balance of equities in their

favor. Defendants contend that the disputed July 11, 2025 email from Ellis' counsel did not waive Ellis' rights, that any waiver would be ineffective under the Pledge Agreement and the guaranty absent a written waiver signed by an authorized Ellis officer, that Ellis' remedies are cumulative, and that plaintiffs' alleged harms are speculative and economic in nature.

In reply, plaintiffs argue that the instant motion is based on post-motion conduct not addressed in the July 10, 2025 Decision and Order, including Ellis' alleged interference with plaintiffs' statutory right to redeem the pledged collateral under UCC 9-623. Plaintiffs further assert that Ellis' counsel's statement in the disputed email that "there is nothing to pay off" was a binding admission, that Ellis' refusal to provide payoff documents derailed the Bank United refinancing, and that the loss of that refinancing opportunity constitutes justifiable reliance and prejudice sufficient to support equitable estoppel.

Discussion

It is well settled that "[a]lthough the purpose of a preliminary injunction is to preserve the status quo pending a trial, the remedy is considered a drastic one, which should be used sparingly" (*Alayoff v Alayoff*, 112 AD3d 564, 565 [2d Dept 2013] [citation omitted]). As such, to obtain a preliminary injunction, "a movant must establish, by clear and convincing evidence, (1) a likelihood of success on the merits, (2) irreparable injury absent a preliminary injunction, and (3) a balancing of the equities in the movant's favor" (*id.*). Notably, to qualify for a preliminary injunction, the "movant must show that the irreparable harm is imminent, not remote or speculative" (*Family-Friendly Media, Inc. v Recorder Tel. Network*, 74 AD3d 738, 739 [2d Dept 2010] [citations and internal quotation marks omitted]). Significantly, "[e]conomic loss, which is compensable by money damages, does not constitute irreparable harm" (*id.*). New York courts

have consistently held, the "decision to grant or deny a preliminary injunction lies within the sound discretion of the Supreme Court" (*id.*).

Here, plaintiffs fail to establish by clear and convincing evidence a likelihood of success on the merits sufficient to warrant the injunctive relief sought. Plaintiffs' waiver and estoppel theory rests largely on Ellis' counsel's July 11, 2025 email statement that "there is nothing to pay off" because Ellis had exercised its remedies under the loan documents. Plaintiffs contend that this email statement constituted an admission that Ellis accepted the pledged membership interest in full satisfaction of the debt. Defendants, however, dispute that interpretation and contend that the statement meant only that Ellis had elected to proceed against the pledged collateral and that no payoff amount could be determined without valuing the collateral and determining whether any deficiency remained.

"As the intentional relinquishment of a known right, a waiver should not be lightly presumed" (*Kamco Supply Corp. v On the Right Track, LLC*, 149 AD3d 275, 280 [2d Dept 2017] [citation and internal quotation marks omitted]). The record does not establish, by clear and convincing evidence, that Ellis clearly and intentionally waived its right to pursue the confessions of judgment or other post-default remedies. Moreover, the loan documents provide that Ellis' remedies are cumulative and not exclusive, and that any waiver must be made by "written instrument signed by a duly authorized officer of Pledgee" (NYSCEF Doc No. 134, § 8.1). Such an isolated email from counsel is insufficient to demonstrate a clear waiver of Ellis' contractual remedies.

Plaintiffs likewise fail to demonstrate a likelihood of success on their equitable estoppel theory. "[I]n the absence of evidence that a party was misled by another's conduct or that the party significantly and justifiably relied on that conduct to its disadvantage, an essential element

of estoppel [i]s lacking" (*Wallace v BSD-M Realty, LLC*, 142 AD3d 701, 703 [2d Dept 2016] [citations and internal quotation marks omitted]). Here, plaintiffs argue that they relied on Ellis' counsel's July 11, 2025 email statement and lost the opportunity to close on a Bank United refinancing, which allegedly would have paid off the Ellis loan. However, plaintiffs have not made a sufficient showing, at this stage, that such reliance was justified or that the loss of the Bank United refinancing was caused by Ellis' counsel's email statement. The email, viewed in context, does not clearly state that Ellis accepted the pledged membership interest in full satisfaction of the debt or that Ellis would forgo any deficiency or enforcement of the confessions of judgment. Moreover, shortly after the disputed email, Ellis asserted counterclaims seeking recovery on the debt, undermining plaintiffs' contention that they reasonably understood Ellis to have permanently relinquished its right to seek repayment. Accordingly, plaintiffs have not demonstrated a likelihood of success on their equitable estoppel theory sufficient to warrant the injunctive relief sought.

Plaintiffs' reliance on UCC 9-623 is similarly unavailing. Although a debtor has a statutory right to redeem collateral before disposition, UCC 9-623(b) provides that, "[t]o redeem collateral, a person shall tender: (1) fulfillment of all obligations secured by the collateral; and (2) the reasonable expenses and attorney's fees described in Section 9-615(a)(1)." Here, plaintiffs have not established on this record that they actually tendered the full amount required to redeem the collateral, including the secured obligations, interest, and attorney's fees. Indeed, during oral argument, when the Court asked whether plaintiffs had funds sufficient to tender the amount required to redeem the collateral, plaintiffs' counsel answered in the negative.

Further, plaintiffs have not established the existence of irreparable harm warranting injunctive relief. Plaintiffs argue that defendants' entry of confessions of judgments would result in plaintiffs being "subject to immediate enforcement of judgments against them in that they will

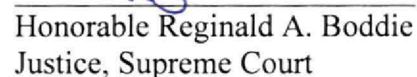
be unable to renew insurance coverage for either their home or business," and that the entry would "trigger a default on the Individual Plaintiffs' business credit lines and have the result of forcing the Plaintiffs to file for bankruptcy protection" (NYSCEF Doc No. 146). Such alleged harms are, in essence, either speculative or financial in nature, and thus do not constitute irreparable harm.

Moreover, the balance of equities does not favor injunctive relief. As this Court determined in its Decision and Order dated July 10, 2025, plaintiffs are commercial borrowers who voluntarily entered into a high-interest loan, pledged valuable collateral, and agreed to guaranties and confessions of judgment as security for repayment. Plaintiffs now seek to enjoin Ellis from exercising bargained-for contractual and statutory remedies in the aftermath of plaintiffs' default. Plaintiffs have not made a sufficient showing, at this stage, that the equities favor restraining Ellis from exercising remedies expressly provided for in the parties' agreements.

Conclusion

Based on the foregoing, plaintiffs' motion for a preliminary injunction is denied, and the temporary restraining order entered on March 25, 2026, is hereby vacated. Any argument not explicitly addressed herein was considered and deemed to be without merit or unnecessary to address given the Court's determination.

E N T E R:



Honorable Reginald A. Boddie
Justice, Supreme Court

HON. REGINALD A. BODDIE
J.S.C.