

LFT Houston, LLC v Havalimane
2026 NY Slip Op 31994(U)
May 7, 2026
Supreme Court, New York County
Docket Number: Index No. 659900/2025
Judge: Anar Rathod Patel
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SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 45

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LFT HOUSTON, LLC,

Plaintiff,

- v -

YASH HAVALIMANE, SUDHIR JOSHI,
 RANGANATH NAGARAJU, MANJUNATH
 SUBBARAO,

Defendants.

INDEX NO. 659900/2025

**MOTION
 DATE** 11/20/2025

**MOTION SEQ.
 NO.** 001

**DECISION + ORDER ON
 MOTION**

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HON. ANAR RATHOD PATEL:

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2–19, 21–24, 26–45, 47–49 were read on this motion for JUDGMENT - SUMMARY IN LIEU OF COMPLAINT.

Plaintiff LFT Houston, LLC (“Plaintiff”) moves, pursuant to CPLR § 3213, for an order granting summary judgment in favor of Plaintiff and against Defendants Yash Havalimane, Sudhir Joshi, Ranganath Nagaraju, and Manjunath Subbarao (collectively, “Defendants” or “Guarantors”). For the reasons as set forth herein, Plaintiff’s Motion is denied.

Relevant Factual and Procedural History

On March 4, 2022, OREC Structured Finance Co., LLC (“Original Lender”) entered into a Loan Agreement with non-party Namma Miramar, LLC (“Namma” or “Borrower”) for a “loan in the maximum principal amount of \$12,047,625.00”¹ (the “Loan”). NYSCEF Doc. No. 4 (Loan Agreement) at 7, 29. To evidence Borrower’s indebtedness, Original Lender executed a promissory note with Borrower on March 4, 2022. NYSCEF Doc. No. 5 (Note); NYSCEF Doc. No. 3 at ¶ 15 (O’Toole Aff.).

In support of the Loan, Defendants—who are also the members of Namma—executed a limited recourse guaranty on March 4, 2022. NYSCEF Doc. No. 6 (Guaranty). The Guarantors “unconditionally and irrevocably guarantee[d] . . . all obligations and liabilities of Borrower for which Borrower is personally liable pursuant to Sections 9.1 and 9.2 of the Loan Agreement.” Guaranty at § 1. The Loan is non-recourse to the Borrower, and therefore non-recourse to the Guarantors, with the exception of certain trigger events that, upon occurrence, impute personal

¹ Plaintiff alleges that “[o]n or about March 4, 2022,” Original Lender “loaned” Borrower \$12,047,625.00. NYSCEF Doc. No. 17 at 2 (Pl.’s Mem. of Law). However, the Loan Agreement provides for an initial advance of \$11,196,775.00 on March 4, 2022, and future “advances in the aggregate amount of up to \$850,850.00, subject to certain terms, conditions, and limitations.” Loan Agreement at § 2.1(a).

liability to Borrower and Guarantors. Loan Agreement at § 9.2. As relevant here, trigger events include “any intentional or grossly negligent misapplication or misappropriation or conversion by or on behalf of any Borrower Party or any of their respective Affiliates, agents, employees, attorneys-in-fact or representatives of . . . (C) any Rents” *Id.* at § 9.2(xiv).

On July 12, 2023, the Original Lender assigned the Loan, the Loan Agreement, Note, and Guaranty (collectively, the “Loan Documents”) to Lument Commercial Mortgage Trust, who immediately assigned same to LMF 2003-1, LLC. O’Toole Aff. at ¶ 24. On May 6, 2025, LMF 2003-1, LLC assigned the Loan Documents to Plaintiff LFT Houston, LLC. *Id.* Plaintiff alleges that Borrower breached the Loan Agreement by failing to pay the contractual monthly loan payments in April and May 2025. *Id.* at ¶ 26. Plaintiff also alleges additional breaches due to Borrower failing “to make utility payments,” and “intentionally and/or grossly negligently misappl[ying] and/or misappropriat[ing] Rents from tenants of the Property.” *Id.* at ¶¶ 26–27. Plaintiff alleges that Borrower admitted to “paying back loans provided to Borrower by family and friends rather than applying the Rents to the Loan as required under the Loan Agreement.” *Id.* at ¶ 27. Plaintiff provides two e-mail threads from June 9, 2025, and June 11, 2025, containing an aggregate of seventy-nine (79) pages of e-mail correspondence between Plaintiff and various Borrower representatives. NYSCEF Doc. Nos. 9, 11 (the “E-mails”). Plaintiff alleges that this evidence proves that “when pressed, Borrower admitted in an email that the lenders were ‘friends and family’ or entities owned by the Borrower’s friends and family” and “[t]he use of income from the Property to pay personal loans from friends and family rather than utility bills for the Property and required payments under the Loan Agreements is clearly a misappropriation of funds, an event of default triggering full recourse liability.” Pl. Mem. of Law at 9; O’Toole Aff. at ¶¶ 28–29.

Although neither Plaintiff’s Memorandum of Law, nor the O’Toole Affidavit, allege any collateral or real property securing the loan, the O’Toole Affidavit references a foreclosure and provides a calculation indicating a “Deficiency following Foreclosure Sale” in the amount of \$1,632,778.41. O’Toole Aff. at ¶¶ 28, 37. Plaintiff seeks to enforce the Guaranty against the Guarantors in the deficiency amount, plus interest, attorneys’ fees, costs, and expenses incurred by Plaintiff. *Id.* at ¶¶ 37–40; Guaranty at § 10.

Legal Discussion

The statutory purpose of CPLR § 3213 is to “provide quick relief on documentary claims so presumptively meritorious that a formal complaint is superfluous, and even the delay incident upon waiting for an answer and then moving for summary judgment is needless.” *Weissman v. Sinorm Deli*, 88 N.Y.2d 437, 443 (1996) (internal citation and quotation omitted). Plaintiff satisfies its *prima facie* burden under CPLR § 3213 if it “demonstrat[es] the existence of the guaranty, the underlying debt and the guarantor’s failure to perform under the guaranty.” *BBM3, LLC v. Vosotas*, 216 A.D.3d 403, 403 (1st Dept. 2023) (internal citation and quotation omitted). “A document comes within CPLR 3213 if a *prima facie* case would be made out by the instrument and a failure to make the payments called for by its terms. The instrument does not qualify if outside proof is needed, other than simple proof of nonpayment or a similar *de minimis* deviation from the face of the document.” *Weissman*, 88 N.Y.2d at 444. “Where the instrument requires

something in addition to defendant's explicit promise to pay a sum of money, CPLR § 3213 is unavailable." *Id.*

Plaintiff argues that the Loan Agreement and Guaranty are instruments for "payment of money only." Pl. Mem. of Law at 4–6. As to the default under the Loan Documents, Plaintiff argues that a triggering event has occurred under Section 9.2(xvi) of the Loan Agreement because "Borrower intentionally and/or grossly negligently misapplied and/or misappropriated Rents from tenants of the Property," "failed to make utility payments for the Property in recent months," and "Borrower has admitted to paying back loans provided to Borrower by family and friends rather than applying the Rents to the Loan as required under the Loan Agreement." O'Toole Aff. at ¶¶ 26–27. Defendants argue in opposition that (1) Plaintiff raises triable issues of fact regarding whether a triggering event has occurred, *see e.g.*, NYSCEF Doc. No. 31 (Defs. Havalimane and Joshi Mem. of Law in Opp'n) at 11, and (2) the determination of whether a triggering event has occurred requires the Court to review extrinsic evidence thereby precluding relief under CPLR § 3213, *see e.g.*, NYSCEF Doc. No. 41 (Def. Subbaroa Mem. of Law in Opp'n) at 10–13.

To qualify for accelerated judgment under CPLR § 3213, "terms and conditions precedent that remain unresolved within the instrument itself cannot be satisfied by future events requiring proof dehors the agreement." *Kerin v. Kaufman*, 296 A.D.2d 336, 337 (1st Dept. 2002). To meet its burden, Plaintiff must offer admissible proof to establish that the trigger event has occurred thereby rendering Borrower and Defendants in default, and the Court must determine the sufficiency of such proof as a matter of both fact and law. Absent the foregoing, liability under the Guaranty is dormant and unenforceable, and only becomes enforceable upon proof of an enumerated event in the Loan Agreement triggering Borrower recourse liability—such as the alleged rent diversion. Here, the Loan Agreement and Guaranty require a fact-intensive analysis based entirely on extrinsic documents to ascertain whether the alleged rent diversion occurred within the language in Section 9.2(xiv) of the Loan Agreement. Therefore, accelerated judgment pursuant to CPLR § 3213 is inappropriate.

The Court has considered the parties' remaining arguments and finds them to be unavailing.

Accordingly, it is hereby,

ORDERED that Plaintiff's Motion for Summary Judgment in Lieu of Complaint (Motion 001) is DENIED; and it is further

ORDERED that pursuant to CPLR § 3213, the moving and answering papers of the parties shall be deemed the Complaint and Answer; and it is further

ORDERED that the parties shall appear for a Preliminary Conference on **May 26, 2026, at 10:30 a.m.** in Courtroom 428, 60 Centre Street, New York, NY 10007; and it is further

ORDERED that the parties shall comply with this Court's Practices and Procedures regarding Preliminary Conferences (Section X.A.). Pursuant to Commercial Division Rules 8 and 11, the parties shall meet and confer to jointly prepare a brief statement—not to exceed two (2) pages—describing the facts of the case and the contentions of the parties, and a proposed

Preliminary Conference Order, using this Court’s form Preliminary Conference Order. The parties shall submit the joint statement, proposed Preliminary Conference Order, and Rule 10 Certification at least two (2) days prior to the date of the scheduled preliminary conference *via* NYSCEF.

The foregoing constitutes the Decision and Order of this Court.



May 7, 2026
DATE

ANAR RATHOD PATEL, A.J.S.C.

CHECK ONE:	<input type="checkbox"/>	CASE DISPOSED	<input checked="" type="checkbox"/>	NON-FINAL DISPOSITION	
	<input type="checkbox"/>	GRANTED	<input checked="" type="checkbox"/>	DENIED	<input type="checkbox"/>
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER		GRANTED IN PART	<input type="checkbox"/>
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN		SUBMIT ORDER	<input type="checkbox"/>
				FIDUCIARY APPOINTMENT	<input type="checkbox"/>
				OTHER	<input type="checkbox"/>
				REFERENCE	<input type="checkbox"/>