

SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION,
SECOND JUDICIAL DEPARTMENT

CRC Insurance Services, Inc. v. Kullman

2025 NY Slip Op 06688 (N.Y. Ct. App. 2025) · No. 2024-06098 · Decided December 3, 2025

SUMMARY

The Appellate Division, Second Department affirmed an order denying the defendant's motion for summary judgment concerning claims arising from his employment termination, an employment agreement, a promissory note, and related counterclaims. The court held that affidavits submitted by the plaintiff raised triable issues regarding whether the defendant was terminated for cause under California law governing the employment agreement and Texas law governing the promissory note. The court also concluded that the affidavit was not hearsay because it was offered to establish the complaints, investigation, and basis for termination rather than the truth of the alleged misconduct.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
WRITING FOR THE COURT	Hector D. LaSalle, P.J.; Valerie Brathwaite Nelson, J.; Deborah A. Dowling, J.; Lourdes M. Ventura, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
DECIDED	December 3, 2025
DOCKET	2024-06098
DISPOSITION	affirmed
PROCEDURAL POSTURE	The defendant appealed from an order denying his motion for summary judgment dismissing the plaintiff's breach-of-promissory-note claim and granting judgment on his counterclaims for breach of an employment agreement and violations of Labor Law §§ 191 and 193.
STANDARD OF REVIEW	Summary judgment is proper only when the movant establishes entitlement to judgment as a matter of law and the opposing party fails to raise a triable issue of fact; a prima facie showing shifts the burden to the opposing party to submit evidence raising a triable issue.
PRECEDENTIAL VALUE	Published New York appellate opinion

PARTIES

Alexander Kullman v. CRC Insurance Services, Inc.

TOPICS

breach of contract

employment contracts

wage and hour

standard of review

hearsay

PRACTICE AREAS

contract law

employment law

commercial litigation

evidence

appellate procedure

QUESTIONS PRESENTED

1. Whether Kullman was entitled to summary judgment on his counterclaim for breach of the employment agreement based on CRC's alleged failure to pay severance and commissions.
2. Whether Kullman was entitled to summary judgment on his counterclaim alleging violations of Labor Law §§ 191 and 193.
3. Whether Kullman was entitled to summary judgment dismissing CRC's breach-of-promissory-note claim on the ground that his employment was not terminated for cause.
4. Whether the affidavit submitted by CRC constituted inadmissible hearsay.

HOLDINGS

1. Summary judgment was properly denied because CRC's affidavit raised a triable issue of fact as to whether Kullman's employment was terminated for cause under the employment agreement.
2. Summary judgment was properly denied on Kullman's counterclaim alleging violations of Labor Law §§ 191 and 193 because the affidavit raised triable issues of fact as to whether CRC owed him severance compensation and commissions.
3. Summary judgment dismissing CRC's breach-of-promissory-note claim was properly denied because a triable issue existed as to whether Kullman's employment was terminated for cause under the note.
4. The affidavit was not inadmissible hearsay because it was offered to establish that CRC received complaints, investigated them, and terminated Kullman based on the investigation, rather than to prove the truth of the alleged misconduct.

KEY QUOTATIONS

*“This affidavit was sufficient to raise a triable issue of fact as to whether the defendant's employment was terminated for cause pursuant to the terms of the employment agreement.” ([*1])*

*“Contrary to the defendant's contention, this affidavit did not constitute hearsay, as it was not admitted to prove that the defendant had engaged in the complained-of conduct, but instead, to prove that the plaintiff received complaints regarding the defendant's conduct, conducted an investigation based on these complaints, and terminated the defendant's employment based on the results of the investigation” ([*1])*

FACTUAL BACKGROUND

Kullman entered an employment agreement in 1999 providing for severance if he was discharged without cause. In 2012, he executed a \$3,750,000 promissory note providing for forgiveness of principal and accrued interest in annual increments so long as his employment was not terminated for cause. CRC terminated Kullman's employment in October 2018, asserting that the termination was for cause based on alleged unethical and retaliatory behavior, inappropriate and discriminatory comments, and policy violations. Kullman disputed that the termination was for cause and sought severance compensation and commissions.

PROCEDURAL HISTORY

CRC Insurance Services commenced an action alleging that it terminated Alexander Kullman for cause and that he therefore owed the outstanding principal and accrued interest on a promissory note. Kullman asserted counterclaims alleging that the termination was not for cause and that CRC breached the employment agreement by failing to pay severance and commissions, as well as violating Labor Law §§ 191 and 193. The Supreme Court, Westchester County, denied the relevant branches of Kullman's summary-judgment motion, and the Appellate Division affirmed.

DISPOSITION

affirmed

CASES CITED

- J.B.B. Inv. Partners Ltd. v. Fair, 37 Cal. App. 5th 1, 9, 249 Cal. Rptr. 3d 368, 377
- Papa v. Sarnataro, 17 A.D.3d 430, 432
- Dawson v. Raimon Realty Corp., 303 A.D.2d 708, 709
- Gaspar v. Lawnpro, Inc., 372 S.W.3d 754, 757 (Tex. App.)