

APPELLATE DIVISION OF THE SUPREME COURT OF THE STATE OF NEW YORK, FIRST DEPARTMENT

Efran v. Efran

2026 NY Slip Op 02036 · No. Index No. 654577/24; Appeal No. 6265; Case No. 2025-06328 · Decided April 2, 2026

SUMMARY

The Appellate Division, First Department, affirmed dismissal of a corporate action under CPLR 3211(a)(4) because the claims substantially overlapped with issues being litigated in the parties’ matrimonial action. The court also held that the challenge to the stay was moot and that the stay was within the trial court’s discretion because the actions involved the same parties and operative facts.

CASE DETAILS

COURT	Appellate Division of the Supreme Court of the State of New York, First Department
WRITING FOR THE COURT	Manzanet-Daniels, J.P.; Mendez, J.; Pitt-Burke, J.; Higgitt, J.; Hagler, J.
JURISDICTION	Appellate Division, First Department, New York
DECIDED	April 2, 2026
DOCKET	Index No. 654577/24; Appeal No. 6265; Case No. 2025-06328
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from an order of Supreme Court, New York County, that granted defendant's motion to dismiss the complaint under CPLR 3211(a)(4) and denied plaintiff's motion to vacate a prior order staying the action.
STANDARD OF REVIEW	The dismissal under CPLR 3211(a)(4) was reviewed for whether Supreme Court providently exercised its discretion; the stay was reviewed under the court's broad discretion to stay an action.
PRECEDENTIAL VALUE	published
PARTIES	Beth Efran v. Shawn Efran

TOPICS

- divorce
- motions to dismiss
- family law procedure
- equitable distribution
- corporate law

PRACTICE AREAS

family law

civil procedure

corporate law

appellate procedure

QUESTIONS PRESENTED

1. Whether Supreme Court properly dismissed the corporate action under CPLR 3211(a)(4) because the claims overlapped with issues central to the pending matrimonial action.
2. Whether the challenge to Supreme Court's stay order was moot after dismissal and, alternatively, whether Supreme Court acted within its discretion in staying the action.

HOLDINGS

1. Supreme Court properly dismissed the corporate action under CPLR 3211(a)(4) because the corporate claims were an attempt to litigate, relitigate, or circumvent issues central to the pending matrimonial action, and the same claims were asserted in that matrimonial action.
2. The challenge to the stay was moot because the dismissal of the action resolved the issue; alternatively, Supreme Court acted within its broad discretion in staying the action to protect the integrity of the matrimonial proceeding.

KEY QUOTATIONS

“the corporate claims are merely an attempt to litigate, relitigate, or circumvent issues central to the matrimonial action” (at 1)

“the court acted well within its broad discretion to stay the action to ensure the integrity of the matrimonial action given that its claims involve the same parties and operative facts” (at 1)

FACTUAL BACKGROUND

Plaintiff and defendant were involved in a divorce proceeding commenced in 2022. Defendant was expected to sell a 51% interest in Efran Films Canada, after which 65% of the proceeds were to be placed in escrow by court order in the matrimonial action. Shortly before the sale, plaintiff initiated a separate action purportedly on behalf of Efran Films, Inc., a marital asset owned equally by the parties, alleging that defendant had transferred assets from that corporation to Efran Films Canada during the marriage.

PROCEDURAL HISTORY

Plaintiff commenced a divorce proceeding in 2022 and later brought this corporate action concerning alleged transfers of assets between two marital corporate assets. Supreme Court dismissed the corporate action under CPLR 3211(a)(4) and denied plaintiff's motion to vacate the stay. The Appellate Division unanimously affirmed without costs.

DISPOSITION

affirmed

CASES CITED

- Boronow v. Boronow, 71 N.Y.2d 284, 290 (1988)
- Rossignol v. Rossignol, 82 A.D.3d 1335, 1337 (3d Dep't 2011)
- Kelley v. Galina-Bouquet, Inc., 155 A.D.2d 96 (1st Dep't 1990)
- 215 W. 84th St. Owner LLC v. Ozsú, 209 A.D.3d 401, 401 (1st Dep't 2022)

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