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

PH-105 Realty Corp. v. Elayaan

2026 NY Slip Op 01619 · No. Index No. 656160/16; Appeal Nos. 6135-6136A; Case Nos. 2024-06281, 2024-06569 · Decided March 19, 2026

SUMMARY

The Appellate Division, First Department, affirmed a judgment finding that Farhoud Jaber owned 75% of 181 Edgewater LLC and that the LLC owned the disputed Staten Island property. The court also affirmed dismissal of Jaber's unjust enrichment claim and denial of a motion by 181 Edgewater St LLC to intervene as untimely. The decision addressed tax estoppel, standing, evidentiary sufficiency, unjust enrichment, punitive damages, and notice of pending litigation.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Scarpulla, J.P.; Kapnick, J.; Pitt-Burke, J.; Hagler, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	March 19, 2026
DOCKET	Index No. 656160/16; Appeal Nos. 6135-6136A; Case Nos. 2024-06281, 2024-06569
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeals from a judgment entered after a jury verdict, an order denying a motion to set aside the jury verdict, and an order denying a proposed intervenor's motion to intervene.
STANDARD OF REVIEW	A jury verdict on unjust enrichment is upheld when it rests on a fair interpretation of the evidence, viewing the evidence in the light most favorable to the prevailing party.
PRECEDENTIAL VALUE	Published opinion
PARTIES	181 Edgewater LLC et al., 181 Edgewater St LLC v. Munzer Elayaan, PH-105 Realty Corp. et al.

TOPICS

appellate procedure | intervention | real estate | limited liability companies | restitution

PRACTICE AREAS

civil procedure | appellate procedure | real estate | corporate law | equitable remedies

QUESTIONS PRESENTED

1. Whether the tax estoppel doctrine, as law of the case, established Jaber's 75% ownership interest in 181 Edgewater LLC through 2014.
2. Whether the trial evidence required a finding as a matter of law that Jaber had been divested of his ownership interest.
3. Whether Elayaan had standing to challenge the jury's finding that 181 Edgewater LLC owned the property and, alternatively, whether the pleadings and trial evidence supported that finding.
4. Whether the jury's rejection of Jaber's unjust enrichment claim was based on a fair interpretation of the evidence.
5. Whether Jaber was entitled to a new trial or to have punitive damages considered on his unjust enrichment claim.
6. Whether the proposed intervenor's motion to intervene was untimely.

HOLDINGS

1. The Supreme Court properly applied the tax estoppel doctrine to establish that Jaber held a 75% ownership interest in Edgewater through 2014 because that issue was law of the case and the signed corporate tax returns contained factual statements supporting that ownership.
2. Elayaan did not establish as a matter of law that Jaber had been lawfully divested of his 75% ownership interest.
3. Elayaan lacked standing to challenge the jury's finding that Edgewater owned the property because he testified that he and his family had sold their 75% interest in Edgewater before the verdict; in any event, the finding was supported by the pleadings and trial evidence.
4. The denial of Jaber's motion to set aside the jury's verdict rejecting his unjust enrichment claim was proper because the verdict was based on a fair interpretation of the evidence.
5. Jaber was not entitled to a new trial or to have the jury consider punitive damages on the unjust enrichment claim.
6. The proposed intervenor's motion to intervene was properly denied as untimely.

KEY QUOTATIONS

> *“Because Edgewater St, a purchaser of real property, had actual knowledge of the lawsuit, it is bound by the consequences of that suit”*

> *“unjust enrichment "effects disgorgement without regard to moral culpability"”*

FACTUAL BACKGROUND

Corporate tax returns signed by Munzer Elayaan and filed for 2010 through 2014 stated that Farhoud Jaber held a 75% ownership interest in 181 Edgewater LLC. Jaber testified that he never agreed to relinquish that interest, and another member testified that Jaber never asked to be removed as a 75% owner. Jaber admitted that he did not fund the property's purchase or pay carrying costs, while Elayaan testified that he incurred expenses without receiving income from the property. 181 Edgewater St LLC acquired an interest in the real property but had actual or constructive notice of the action before moving to intervene after the jury verdict.

PROCEDURAL HISTORY

After a jury trial in Supreme Court, New York County, the court entered judgment adjudging that Farhoud Jaber owned 75% of 181 Edgewater LLC and that 181 Edgewater LLC owned the Staten Island property, while dismissing Jaber's unjust enrichment claim. The court separately denied Jaber's motion to set aside the unjust enrichment verdict and denied 181 Edgewater St LLC's motion to intervene. The Appellate Division unanimously affirmed the judgment and intervention order and dismissed the appeal from the order concerning the unjust enrichment verdict as subsumed in the judgment appeal.

DISPOSITION

affirmed

CASES CITED

- David v. Persaud, 135 AD3d 530 (1st Dept. 2015)
- J-Mar Serv. Ctr., Inc. v. Mahoney, Conner & Hussey, 45 AD3d 809 (2d Dept. 2007)
- PH-105 Realty Corp. v. Elayaan, 183 AD3d 492 (1st Dept. 2020)
- Cahill v. Triborough Bridge & Tunnel Auth., 31 AD3d 347 (1st Dept. 2006)
- IDT Corp. v. Morgan Stanley Dean Witter & Co., 12 NY3d 132 (2009)
- Rosenberg, Minc & Armstrong v. Mallilo & Grossman, 39 AD3d 335 (1st Dept. 2007)
- Matter of HSBC Bank U.S.A., 135 AD3d 534 (1st Dept. 2016)
- RKH Holding Corp. v. 207 Second Ave. Realty Corp., 236 AD2d 254 (1st Dept. 1997)
- Da Silva v. Musso, 76 NY2d 436 (1990)