

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

Michael Gross Diamonds Inc. v. Vaknin

2026 NY Slip Op 03762 · No. Index No. 651396/14; Appeal No. 6895; Case No. 2024-01158 · Decided June 16, 2026

SUMMARY

The Appellate Division, First Department, unanimously affirmed a judgment dismissing Michael Gross Diamonds Inc.'s amended complaint after a bench trial. The court deferred to the trial court's credibility determinations and held that its findings concerning diamond transaction memoranda, a consigned necklace, and a \$140,000 check were supported by a fair interpretation of the evidence.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Webber, J.P.; Kapnick, J.; Gesmer, J.; Rodriguez, J.; Rosado, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	June 16, 2026
DOCKET	Index No. 651396/14; Appeal No. 6895; Case No. 2024-01158
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from a judgment entered after a bench trial that dismissed the amended complaint with prejudice and brought up for review an earlier order dismissing the complaint.
STANDARD OF REVIEW	A judgment following a bench trial, particularly where credibility is central, should be set aside only when it is not supported by any fair interpretation of the evidence. Trial-court factual and credibility determinations receive great weight because the trial court observed the witnesses and their demeanor.
PRECEDENTIAL VALUE	Published New York appellate decision; uncorrected and subject to revision before publication in the Official Reports.
PARTIES	Michael Gross Diamonds Inc. v. Yishai Vaknin, et al.

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QUESTIONS PRESENTED

1. Whether the trial court's credibility determinations and rejection of plaintiff's claims were supported by a fair interpretation of the evidence.
2. Whether the trial court erred in rejecting plaintiff's claims concerning the three memoranda allegedly exchanged for the necklace, eight other diamond-transaction memoranda, and the \$140,000 check.

HOLDINGS

1. A bench-trial judgment, especially one turning substantially on witness credibility, should be set aside only when it is not supported by any fair interpretation of the evidence, and appellate courts must accord great weight to the trial court's credibility determinations.
2. The trial court properly rejected plaintiff's claims because its findings were supported by a fair interpretation of the evidence, including its credibility determinations and the evidence supporting defendants' claimed setoff.

KEY QUOTATIONS

*“A judgment from a bench trial, especially where credibility played an important role, should only be set aside where it is not supported by any fair interpretation of the evidence” (*1)*

*“Upon appellate review, a trial court's decision in a bench trial must be accorded great weight, since that court was in the best position to assess the evidence presented at trial, having the advantage of observing the witnesses, or the absence thereof, and their demeanor on the witness stand” (*1)*

FACTUAL BACKGROUND

Michael Gross Diamonds Inc. claimed that defendants owed payment for diamond transactions memorialized in three memoranda allegedly exchanged for a necklace, as well as eight other memoranda, and sought reimbursement for a \$140,000 check that was returned for insufficient funds or stopped. The trial court disbelieved plaintiff's principal, Michael Gross, credited defendants' principal, Yishai Vaknin, and found the memoranda unclear or lacking bona fides. The court also credited evidence that the necklace was owned by another entity and had been consigned to plaintiff, and defendants asserted a setoff based on payments made to the necklace's owner under a separate judgment against plaintiff.

PROCEDURAL HISTORY

Supreme Court, New York County, entered a judgment on November 30, 2023, following a bench trial, and dismissed Michael Gross Diamonds Inc.'s amended complaint with prejudice. The Appellate Division reviewed the judgment and the July 26, 2023 dismissal order and unanimously affirmed the judgment with costs.

DISPOSITION

affirmed

CASES CITED

- Thoreson v. Penthouse Intl., 80 NY2d 490, 495 (1992)
- Wong v. Hsia Chao Yu, 160 AD3d 549, 550 (1st Dept. 2018)
- Abreu v. Barkin & Assoc. Realty, Inc., 115 AD3d 624, 624 (1st Dept. 2014)
- Reed v. City of New York, 304 AD2d 1, 7 (1st Dept. 2003), lv denied 100 NY2d 503 (2003)
- Brian E. Weiss, P.C. v. Miller, 166 AD2d 283, 283 (1st Dept. 1990), affd 78 NY2d 979 (1991)
- Blue Riv. Gems Inc. v. S.V.&V. Diamond Corp., 55 Misc 3d 450 (Sup. Ct., NY County 2016), affd 190 AD3d 581 (1st Dept. 2021)

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