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

Yolanda Mgt. Corp. v MicroAlgo, Inc.

Yolanda Mgt. Corp., 2026 NY Slip Op 00072 (Supreme Court of the State of New York Appellate Division First Department 2026) · No. Index No. 650956/24; Appeal No. 5537; Case No. 2025-02809 · Decided January 8, 2026

SUMMARY

The Appellate Division, First Department unanimously affirmed an order denying MicroAlgo, Inc.'s motion to dismiss a breach of contract claim. The court held that the Registration Rights Agreement's best-efforts obligation to file a registration statement was enforceable because the agreement provided objective standards for performance and timing.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Moulton, J.P.; González, J.; Mendez, J.; Rodriguez, J.; Pitt-Burke, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, First Department
DECIDED	January 8, 2026
DOCKET	Index No. 650956/24; Appeal No. 5537; Case No. 2025-02809
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendant MicroAlgo, Inc. appealed from an order denying its motion to dismiss the breach of contract cause of action against it.
STANDARD OF REVIEW	The opinion reviewed the sufficiency of the breach of contract claim following denial of a motion to dismiss; it does not expressly state a separate standard-of-review formulation.
PRECEDENTIAL VALUE	published
PARTIES	MicroAlgo, Inc., formerly known as and as successor-in-interest to Venus Acquisition Corporation v. Yolanda Management Corporation

TOPICS

breach of contract · contract interpretation · commercial litigation · appellate procedure · standard of review

PRACTICE AREAS

contracts · commercial litigation · corporate law · appellate procedure

QUESTIONS PRESENTED

1. Whether the complaint sufficiently stated a breach of contract claim based on MicroAlgo's alleged failure to file a registration statement after Yolanda's written demand.
2. Whether the Registration Rights Agreement's best-efforts obligation was enforceable or impermissibly indefinite.

HOLDINGS

1. The complaint sufficiently stated a claim for breach of contract by alleging that MicroAlgo breached the Registration Rights Agreement by failing to file a registration statement with the Securities and Exchange Commission despite Yolanda's written demand.
2. The obligation to file a registration statement was enforceable despite the agreement's best-efforts language because the agreement provided sufficiently objective standards for measuring the timing and performance of the obligation.

KEY QUOTATIONS

> *"Contrary to defendant's position, its obligation to file the registration statement is enforceable despite the "best efforts" language of the RRA, as the RRA provided sufficiently objective criteria by which to measure defendant's performance of its obligation"* ([*1])

> *"These provisions provide objective standards as to the timing of defendant's obligation to file a registration statement"* ([*1])

FACTUAL BACKGROUND

Yolanda Management Corporation and MicroAlgo, Inc. were parties to a Registration Rights Agreement. After Yolanda made a written demand for registration, MicroAlgo allegedly failed to file a registration statement with the Securities and Exchange Commission. The agreement required MicroAlgo to use its best efforts to prepare and file the statement as expeditiously as possible, subject to a provision permitting a deferral of up to 30 days in any 365-day period.

PROCEDURAL HISTORY

Supreme Court, New York County, denied MicroAlgo's motion to dismiss the first cause of action for breach of contract. The Appellate Division, First Department, unanimously affirmed the order insofar as appealed from, with costs.

DISPOSITION

affirmed

CASES CITED

- Citigroup Global Mkts. Inc. v SCIP Capital Mgt., LLC, 225 AD3d 420, 421 [1st Dept 2024]
- Savasta v 470 Newport Assocs., 82 NY2d 763, 765 [1993]
- Non-Linear Trading Co. v Braddis Assoc., 243 AD2d 107, 114 [1st Dept 1998]

OPINION

PER CURIAM.

Yolanda Mgt. Corp. v MicroAlgo, Inc. (2026 NY Slip Op 00072) Yolanda Mgt. Corp. v MicroAlgo, Inc. 2026 NY Slip Op 00072 Decided on January 08, 2026 Appellate Division, First Department Published by New York State Law Reporting Bureau pursuant to Judiciary Law § 431. This opinion is uncorrected and subject to revision before publication in the Official Reports.

Decided and Entered: January 08, 2026 Before: Moulton, J.P., González, Mendez, Rodriguez, Pitt-Burke, JJ. Index No. 650956/24|Appeal No. 5537|Case No. 2025-02809| [*1]Yolanda Management Corporation, Plaintiff-Respondent, v MicroAlgo, Inc. Formerly Known as, and as Successor-in- Interest to Venus Acquisition Corporation, Defendant-Appellant, Jie "Jack" Zhao, et al., Defendants.

Morrow NI, LLP, New York (Lawrence Yichu Yuan of counsel), for appellant. Thompson & Skrabanek, PLLC, New York (Mastewal Taddese Terefe of counsel), for respondent. Order, Supreme Court, New York County (Margaret A. Chan, J.), entered on or about April 11, 2025, which, to the extent appealed from, denied the motion of defendant MicroAlgo, Inc. to dismiss the breach of contract cause of action (the first cause of action) as against it, unanimously affirmed, with costs.

Plaintiff sufficiently stated a claim for breach of contract by alleging that defendant breached the parties' Registration Rights Agreement (RRA) by failing to file a registration statement with the Securities and Exchange Commission despite plaintiff's written demand that it do so. Contrary to defendant's position, its obligation to file the registration statement is enforceable despite the "best efforts" language of the RRA, as the RRA provided sufficiently objective criteria by which to measure defendant's performance of its obligation (see Citigroup Global Mkts.

Inc. v SCIP Capital Mgt., LLC, 225 AD3d 420, 421 [1st Dept 2024]). Under the terms of the RRA, once defendant received a demand for registration, it was required to use its best efforts to prepare and file a registration statement for plaintiff's shares "as expeditiously as possible," to cause the registration to become effective and to keep it effective until the securities were sold, or to remove the restrictive legend on the shares so that they could be sold on the public market.

Further, the requirement to act "expeditiously" is modified by a provision allowing defendant to "defer any Demand Registration for up to thirty (30) days" in any 365-day period. These provisions provide objective standards as to the timing of defendant's obligation to file a registration statement (see Savasta v 470 Newport Assocs., 82 NY2d 763, 765 [1993]; cf. Non-Linear Trading Co. v Braddis Assoc., 243 AD2d 107, 114 [1st Dept 1998] [where a contract makes clear that parties intended to be bound, a finding that a contract fails for indefiniteness is "at best a last resort"]).

We have considered defendant's remaining contentions and find them unavailing. THIS CONSTITUTES THE DECISION AND ORDER OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT. ENTERED: January 8, 2026

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