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

Spin Capital, LLC v. Bridgelink Engg., LLC

2026 NY Slip Op 02296 · No. 2024-04928, 2024-06248 · Decided April 15, 2026

SUMMARY

The Appellate Division, Second Department, affirmed a judgment awarding Spin Capital, LLC $8,234,160.50 against Bridgelink Engineering, LLC and related defendants for breach of a merchant agreement and personal guaranty. The court held that the transaction was a purchase of future receivables rather than a criminally usurious loan, and upheld dismissal of the defendants' counterclaims and affirmative defenses.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Department
WRITING FOR THE COURT	Francesca E. Connolly, J.P.; Paul Wooten, J.; Janice A. Taylor, J.; Carl J. Landicino, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Department
DECIDED	April 15, 2026
DOCKET	2024-04928, 2024-06248
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed from an order granting plaintiff's CPLR 3211(a) motion to dismiss defendants' counterclaims and granting plaintiff summary judgment on breach-of-contract and breach-of-guaranty causes of action, as well as effectively dismissing defendants' affirmative defenses. Defendants also appealed from the ensuing judgment awarding plaintiff $8,234,160.50.
STANDARD OF REVIEW	Summary judgment is proper where the moving party establishes entitlement to judgment as a matter of law and the opposing party fails to raise a triable issue of fact. On the usury issue, the court considered whether plaintiff established prima facie that the transaction was a purchase of future receivables rather than a loan.
PRECEDENTIAL VALUE	published

PARTIES

Bridgelink Engineering, LLC, Cole Wayne Johnson, Cord Johnson v. Spin Capital, LLC

TOPICS

breach of contract · commercial · summary judgment · appellate procedure · civil procedure

PRACTICE AREAS

contract law · commercial litigation · civil procedure

QUESTIONS PRESENTED

1. Whether the merchant agreement was a criminally usurious loan rather than a purchase of future receivables.
2. Whether plaintiff was entitled to summary judgment on its breach-of-contract and breach-of-guaranty causes of action.
3. Whether defendants' counterclaims were properly dismissed under CPLR 3211(a).
4. Whether the appeal from the interlocutory order remained directly appealable after entry of the judgment.

HOLDINGS

1. The transaction was a purchase of future receivables, not a loan subject to usury laws, because plaintiff was not absolutely entitled to repayment under all circumstances. The reconciliation provision, indefinite term, and absence of a bankruptcy-default provision established that repayment was contingent.
2. Plaintiff was entitled to summary judgment on its breach-of-contract and breach-of-guaranty causes of action because it established the agreements and defendants' breach, and defendants failed to raise a triable issue of fact.
3. The Supreme Court properly dismissed defendants' counterclaims under CPLR 3211(a) because the transaction was not a criminally usurious loan and defendants' related RICO theory therefore failed.
4. The appeal from the order had to be dismissed because the right to directly appeal from the order terminated when judgment was entered; issues raised on the order were reviewable on the appeal from the judgment.

KEY QUOTATIONS

> *“"The rudimentary element of usury is the existence of a loan or forbearance of money, and where there is no loan, there can be no usury, however unconscionable the contract may be"”* (*2)

> *“"To determine whether a transaction constitutes a usurious loan: The court must examine whether the plaintiff is absolutely entitled to repayment under all circumstances. Unless a principal sum advanced is repayable absolutely, the transaction is not a loan"”* (*2)

FACTUAL BACKGROUND

On August 15, 2022, Spin Capital and defendants entered into a written merchant agreement under which Spin Capital purchased future receivables valued at $7,500,000 for $5,000,000. Cole Wayne Johnson and Cord Johnson executed a personal guaranty. Defendants paid $210,000, after which authorized ACH debits were rejected because of insufficient funds and closure of the account. The agreement contained a reconciliation provision allowing remittances to be adjusted based on fluctuations in defendants' receipts, had an indefinite term, and did not make bankruptcy an event of default.

PROCEDURAL HISTORY

Spin Capital sued defendants for, among other things, breach of contract after defendants stopped making required payments under a merchant agreement. Defendants asserted counterclaims alleging that the transaction was a criminally usurious loan and violated RICO. Supreme Court, Nassau County, dismissed the counterclaims, granted plaintiff summary judgment on the contract and guaranty claims, effectively dismissed the affirmative defenses, and entered judgment for plaintiff. The Appellate Division dismissed the appeal from the order because that appeal terminated upon entry of judgment, reviewed the order on the appeal from the judgment, and affirmed the judgment.

DISPOSITION

affirmed

CASES CITED

- Matter of Aho, 39 N.Y.2d 241, 248
- LG Funding, LLC v. United Senior Props. of Olathe, LLC, 181 A.D.3d 664, 665-666
- Crystal Springs Capital, Inc. v. Big Thicket Coin, LLC, 220 A.D.3d 745, 746
- Abir v. Malky, Inc., 59 A.D.3d 646, 649
- Principis Capital, LLC v. I Do, Inc., 201 A.D.3d 752, 754
- True Bus. Funding, LLC v. Guerrero A Constr. Corp., 239 A.D.3d 787-788
- H.L. Realty, LLC v. Edwards, 131 A.D.3d 573, 574