UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

Hayat Masudi and Palwasha Masudi v. Michael Stuart Sher; Mikey's Holdings, Inc.; ArcBest II, Inc.; Panther II Transportation, Inc.; Expediter Services, LLC; and Does 1-4

Masudi · No. 1:24-cv-01741 · Decided November 21, 2025

SUMMARY

The Eastern District of New York granted ArcBest II, Inc. and Panther II Transportation, Inc.'s motion to dismiss and Expediter Services, LLC's motion for judgment on the pleadings. The court held that the plaintiffs failed to state claims for fraud, breach of contract, unjust enrichment, conversion, or violations of the Equal Credit Opportunity Act and Truth in Lending Act. The Second Amended Complaint was dismissed with prejudice as to those defendants, and leave to amend was denied as futile.

CASE DETAILS

COURT	United States District Court for the Eastern District of New York
WRITING FOR THE COURT	Nina R. Morrison
JURISDICTION	United States District Court for the Eastern District of New York
DECIDED	November 21, 2025
DOCKET	1:24-cv-01741
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs proceeding pro se brought claims for fraud, breach of contract, unjust enrichment, conversion, and federal consumer-credit violations. ArcBest and Panther moved to dismiss under Rule 12(b)(6), and Expediter moved for judgment on the pleadings under Rule 12(c).
STANDARD OF REVIEW	A Rule 12(b)(6) motion requires sufficient factual matter, accepted as true, to state a claim that is plausible on its face. Conclusory statements and threadbare recitals of elements are insufficient. The Rule 12(c) standard is identical to the Rule 12(b)(6) standard. Because plaintiffs proceeded pro se, the court construed their pleadings liberally, but required them to state a plausible claim.
PRECEDENTIAL VALUE	unpublished district court opinion

TOPICS

motions to dismiss · motion for judgment on the pleadings · civil procedure · breach of contract · consumer protection

PRACTICE AREAS

civil procedure · contracts · consumer protection · commercial litigation · torts

QUESTIONS PRESENTED

1. Whether the second amended complaint stated fraud, fraudulent misrepresentation, conspiracy to defraud, negligent misrepresentation, or innocent misrepresentation claims against ArcBest and Panther.
2. Whether the second amended complaint stated a breach-of-contract claim against ArcBest, Panther, or Expediter.
3. Whether plaintiffs stated unjust-enrichment or conversion claims against ArcBest and Panther.
4. Whether plaintiffs stated claims under the Equal Credit Opportunity Act, Truth in Lending Act, or Consumer Credit Protection Act against Expediter.
5. Whether plaintiffs' allegations supported additional consumer-protection or fraud claims against Expediter and whether leave to amend should be granted.

HOLDINGS

1. The second amended complaint failed to state fraud, fraudulent misrepresentation, conspiracy to defraud, negligent misrepresentation, or innocent misrepresentation claims against ArcBest and Panther.
2. Plaintiffs failed to state a breach-of-contract claim against ArcBest or Panther because neither was a party or signatory to the relevant agreements, and the complaint did not allege that either entity breached any obligation.
3. Plaintiffs failed to state unjust-enrichment or conversion claims against ArcBest and Panther.
4. Plaintiffs failed to state a breach-of-contract claim against Expediter.
5. Plaintiffs failed to state a claim under the Equal Credit Opportunity Act because they did not allege membership in a protected class or the other required elements of an ECOA discrimination claim.
6. Plaintiffs failed to state claims under the Truth in Lending Act or Consumer Credit Protection Act because the transaction was commercial and plaintiffs were not parties to the lease agreement.
7. Leave to file a third amended complaint against ArcBest, Panther, and Expediter was denied because amendment would be futile.

KEY QUOTATIONS

> *"To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face."* (10)

> *"federal courts "do[] not allow corporations, partnerships, or associations to appear in federal court otherwise than through a licensed attorney.""* (12)

> *"The Second Amended Complaint is hereby dismissed with prejudice."* (17)

FACTUAL BACKGROUND

Plaintiffs operated a logistics company providing dispatch services to truck owners and operators. At a trucking conference in Indiana sponsored by Expediter and Panther, plaintiffs encountered representations about no-money-down truck leasing and positive statements concerning Sher and his trucking business. Plaintiffs later entered agreements with Sher and Mikey's Holdings and made payments relating to truck leases and purported investments, but alleged that the promised returns and business operations failed. The second amended complaint did not adequately allege that ArcBest, Panther, or Expediter was a party to the relevant contracts, received plaintiffs' property, made actionable misrepresentations, or violated applicable consumer-credit statutes.

PROCEDURAL HISTORY

Hayat Masudi filed the action in New York Supreme Court, Queens County, on February 7, 2024. ArcBest and Panther removed the case to federal court on March 8, 2024. The court granted leave to amend twice; the second amended complaint added Palwasha Masudi as a plaintiff and Expediter as a defendant. The court dismissed the claims against Sher and Mikey's Holdings without prejudice after plaintiffs failed to establish service in connection with their default-judgment motion. The court then granted ArcBest and Panther's motion to dismiss and Expediter's motion for judgment on the pleadings with prejudice.

DISPOSITION

dismissed

CASES CITED

- Leatherman v. Tarrant Cnty. Narcotics Intel. & Coordination Unit, 507 U.S. 163, 164 (1993)
- Lynch v. City of New York, 952 F.3d 67, 75 (2d Cir. 2020)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Estelle v. Gamble, 429 U.S. 97, 106 (1976)
- Haines v. Kerner, 404 U.S. 519, 520 (1972)
- Mallis v. Bankers Trust Co., 615 F.2d 68, 80 (2d Cir. 1980)
- W. Side Fed. Savs. & Loan Ass'n of N.Y. City v. Hirschfeld, 101 A.D.2d 380, 384 (1984)
- Luce v. Edelstein, 802 F.2d 49, 54 (2d Cir. 1986)
- Cohen v. Koenig, 25 F.3d 1168, 1172 (2d Cir. 1994)
- Diesel Props. S.r.l. v. Greystone Bus. Credit II LLC, 631 F.3d 42, 52 (2d Cir. 2011)
- Amidax Trading Grp. v. S.W.I.F.T. SCRL, 671 F.3d 140, 147 (2d Cir. 2011)
- Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc., 373 F.3d 296, 306 (2d Cir. 2004)

- LoPresti v. Terwilliger, 126 F.3d 34, 41 (2d Cir. 1997)
- Rowland v. Cal. Men's Colony, Unit II Men's Advisory Council, 506 U.S. 194, 202 (1993)
- Leonard v. PepsiCo, Inc., 88 F. Supp. 2d 116, 123 (S.D.N.Y. 1999)
- Mesaros v. United States, 845 F.2d 1576, 1580 (Fed. Cir. 1988)
- Dorce v. Toyota Fin. Servs., No. 19-CV-6008 (LDH) (RER), 2020 WL 6746838, at *3 (E.D.N.Y. Nov. 17, 2020)
- Goshen v. Mut. Life Ins. Co. of N.Y., 774 N.E.2d 1190, 1195 (N.Y. 2002)
- Magnacoustics, Inc. v. Integrated Computer Solutions, Inc., No. 17-CV-4967, 2020 WL 4041310, at *5 (E.D.N.Y. July 17, 2020)
- 88 Blue Corp. v. Staten Builders Co., 176 A.D.2d 536, 538 (N.Y. App. Div. 1991)
- Cuoco v. Moritsugu, 222 F.3d 99, 112 (2d Cir. 2000)
- Gomez v. USAA Fed. Sav. Bank, 171 F.3d 794, 795 (2d Cir. 1999)
- Tocker v. Philip Morris Cos., 470 F.3d 481, 491 (2d Cir. 2006)
- Jordan v. Chase Manhattan Bank, 91 F. Supp. 3d 491, 510 (S.D.N.Y. 2015)
- Tracy v. Freshwater, 623 F.3d 90, 102 (2d Cir. 2010)
- Masudi v. Maximo Couture, Inc., 20015/10, slip op. (N.Y. Sup. Ct. Mar. 27, 2013)
- Masudi v. Ford Motor Credit Co., No. 07-CV-1082 (CBA) (LB), 2008 WL 2944643 (E.D.N.Y. July 31, 2008)
- Masudi v. Brady Cargo Servs., Inc., No. 12-CV-2391 (DLI), 2014 WL 4416502 (E.D.N.Y. Sept. 8, 2014)
- Masudi v. Uniform Warehouse, Inc., No. 25-CV-15919 (D.N.J. filed Sept. 24, 2025)
- Masudi v. Uniform Warehouse, No. 0701355 (N.Y. Sup. Ct. filed Feb. 8, 2025)
