

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

Galanos v. Northwestern Mut. Inv. Servs., LLC

Galanos, 2026 NY Slip Op 00348 (Supreme Court of the State of New York Appellate Division Second Judicial Department 2026) · No. 2023-08660 · Decided January 28, 2026

SUMMARY

The Appellate Division, Second Department, affirmed an order granting Northwestern Mutual Investment Services, LLC summary judgment dismissing defamation and defamation per se claims. The court held that statements made to FINRA and the New York State Department of Financial Services during investigative stages of quasi-judicial proceedings were protected by absolute privilege. The plaintiff failed to raise a triable issue of fact.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
WRITING FOR THE COURT	Francesca E. Connolly, J.P.; Helen Voutsinas, J.; Carl J. Landicino, J.; Phillip Hom, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
DECIDED	January 28, 2026
DOCKET	2023-08660
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from an order granting Northwestern Mutual summary judgment dismissing the defamation and defamation per se causes of action asserted against it.
STANDARD OF REVIEW	The Appellate Division reviewed the grant of summary judgment to determine whether Northwestern Mutual established prima facie entitlement to judgment as a matter of law and whether the plaintiff raised a triable issue of fact.
PRECEDENTIAL VALUE	published
PARTIES	Nicole Galanos v. Northwestern Mutual Investment Services, LLC

TOPICS

defamation

summary judgment

standard of review

appellate procedure

civil procedure

PRACTICE AREAS

defamation

civil procedure

appellate procedure

QUESTIONS PRESENTED

1. Whether Northwestern Mutual's statements to FINRA and NYSDFS during investigative proceedings were protected by an absolute privilege.
2. Whether the plaintiff raised a triable issue of fact sufficient to defeat Northwestern Mutual's motion for summary judgment on the defamation and defamation per se claims.

HOLDINGS

1. The statements were absolutely privileged because they were made to FINRA and NYSDFS during the investigative stages of quasi-judicial proceedings involving compelling public interests, and the process provided a mechanism for the plaintiff to challenge the statements.
2. Summary judgment dismissing the defamation and defamation per se claims against Northwestern Mutual was proper because Northwestern Mutual established its prima facie entitlement to judgment as a matter of law and Galanos failed to raise a triable issue of fact.

KEY QUOTATIONS

“Absolute privilege “can extend to preliminary or investigative stages” of a quasi-judicial proceeding, “where compelling public interests are at stake”” (at 365)

“[F]or absolute immunity to apply in a quasi-judicial context, the process must make available a mechanism for the party alleging defamation to challenge the allegedly false and defamatory statements” (at 671)

FACTUAL BACKGROUND

Northwestern Mutual investigated possible alteration of client-signed documents by Jeffrey Polanco, an insurance agent contracted with Northwestern Mutual. During an investigation meeting, Polanco allegedly stated that Galanos had copied a signature. Northwestern Mutual later notified FINRA and NYSDFS that Polanco denied the allegations but admitted that his assistant had copied and pasted customer signatures, prompting Galanos's defamation claims.

PROCEDURAL HISTORY

Galanos commenced an action alleging, among other claims, defamation and defamation per se based on communications Northwestern Mutual made to FINRA and NYSDFS. The Supreme Court, Dutchess County, granted Northwestern Mutual's motion for summary judgment on those causes of action. The Appellate Division affirmed the order insofar as appealed from.

DISPOSITION

affirmed

CASES CITED

- Stega v. New York Downtown Hosp., 31 N.Y.3d 661, 669-671
- Rosenberg v. MetLife, Inc., 8 N.Y.3d 359, 365
- Park Knoll Assoc. v. Schmidt, 59 N.Y.2d 205, 209
- Alvarez v. Prospect Hosp., 68 N.Y.2d 320, 324-325
- Gluck v. Mapfre Ins. Co. of N.Y., 221 A.D.3d 662, 663-664

OPINION

Galanos v. Northwestern Mut. Inv. Servs., LLC 2026 NY Slip Op 00348

PER CURIAM.

Galanos v Northwestern Mut. Inv. Servs., LLC (2026 NY Slip Op 00348) Galanos v Northwestern Mut. Inv. Servs., LLC 2026 NY Slip Op 00348 Decided on January 28, 2026 Appellate Division, Second 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 on January 28, 2026

SUPREME COURT OF THE STATE OF NEW YORK

Appellate Division, Second Judicial Department FRANCESCA E. CONNOLLY, J.P.

HELEN VOUTSINAS

CARL J. LANDICINO

PHILLIP HOM, JJ. 2023-08660

(Index No. 50449/22) [*1]Nicole Galanos, appellant, v Northwestern Mutual Investment Services, LLC, respondent, et al., defendant. Hasapidis Law Offices, South Salem, NY (Annette G. Hasapidis of counsel), for appellant. Morgan, Lewis & Bockius LLP, New York, NY (Sean P. Lynch of counsel), for respondent. DECISION & ORDER In an action, inter alia, to recover damages for defamation, the plaintiff appeals from an order of the Supreme Court, Dutchess County (Maria G. Rosa, J.), dated August 29, 2023. The order, insofar as appealed from, granted those branches of the motion of the defendant Northwestern Mutual Investment Services, LLC, which were for summary judgment dismissing the causes of action alleging defamation and defamation per se insofar as asserted against it. ORDERED that the order is affirmed insofar as appealed from, with costs. The plaintiff was employed by the defendant Jeffrey Polanco, who was contracted as an insurance agent for the defendant Northwestern Mutual Investment Services, LLC (hereinafter Northwestern Mutual). Northwestern Mutual conducted an internal investigation into possible altering of client-signed documents by Polanco, and as part of the investigation, Northwestern Mutual's representatives met with Polanco and the plaintiff. During the meeting, after the plaintiff left the room, Polanco allegedly stated to one of Northwestern Mutual's

representatives that the plaintiff "did copy the signature." Subsequently, Northwestern Mutual terminated Polanco's contract with it, and as a result, the plaintiff's appointment by Polanco was also terminated. Thereafter, Northwestern Mutual notified two regulatory agencies, the Financial Industry Regulatory Authority (hereinafter FINRA) and the New York State Department of Financial Services (hereinafter NYDFS), concerning, among other things, the termination of Polanco's contract and the termination of the plaintiff's appointment. Northwestern Mutual's written communications stated that Polanco denied the allegations but "admitted that his assistant copied and pasted customer signatures" on certain documents. The plaintiff commenced this action, inter alia, to recover damages for defamation and defamation per se, alleging that the statements Northwestern Mutual made to FINRA and NYDFS were false because she did not copy and paste customer signatures. Northwestern Mutual moved, among other things, for summary judgment dismissing the causes of action alleging defamation and defamation per se insofar as asserted against it. In an order dated August 29, 2023, [*2]the Supreme Court, inter alia, granted those branches of Northwestern Mutual's motion. The plaintiff appeals. Northwestern Mutual established its prima facie entitlement to judgment as a matter of law dismissing the causes of action alleging defamation and defamation per se insofar as asserted against it by demonstrating that the alleged statements were subject to an absolute privilege. Absolute privilege is generally reserved for communications made by "individuals participating in a public function, such as judicial, legislative, or executive proceedings. The absolute protection afforded such individuals is designed to ensure that their own personal interests—especially fear of a civil action, whether successful or otherwise—do not have an adverse impact upon the discharge of their public function" (*Stega v New York Downtown Hosp.* , 31 NY3d 661, 669 [internal quotation marks omitted]; see *Rosenberg v MetLife, Inc.* , 8 NY3d 359, 365). Whether the alleged defamatory statements are subject to an absolute privilege depends "'on the occasion and the position or status of the speaker'" (*Stega v New York Downtown Hosp.* , 31 NY3d at 670 , quoting *Park Knoll Assoc. v Schmidt* , 59 NY2d 205, 209). Absolute privilege "can extend to preliminary or investigative stages" of a quasi-judicial proceeding, "where compelling public interests are at stake" (*Rosenberg v MetLife, Inc.* , 8 NY3d at 365). "[F]or absolute immunity to apply in a quasi-judicial context, the process must make available a mechanism for the party alleging defamation to challenge the allegedly false and defamatory statements" (*Stega v New York Downtown Hosp.* , 31 NY3d at 671). Here, the alleged statements were made to FINRA and to NYDFS as part of the investigative stages of a quasi-judicial proceeding, "where compelling public interests are at stake" (*Rosenberg v MetLife, Inc.* , 8 NY3d at 365). Contrary to the plaintiff's contention, Northwestern Mutual did make "available a mechanism for the party alleging defamation to challenge the allegedly false and defamatory statements" (*Stega v New York Downtown Hosp.* , 31 NY3d at 671). In opposition, the plaintiff failed to raise a triable issue of fact (see *Alvarez v Prospect Hosp.* , 68 NY2d 320, 324-325 ; *Gluck v Mapfre Ins. Co. of N.Y.* , 221 AD3d 662, 663-664). Accordingly, the Supreme Court properly granted those branches of

Northwestern Mutual's motion which were for summary judgment dismissing the causes of action alleging defamation and defamation per se insofar as asserted against it. The plaintiff's remaining contentions need not be reached in light of our determination. CONNOLLY, J.P., VOUTSINAS, LANDICINO and HOM, JJ., concur. ENTER: Darrell M. Joseph Clerk of the Court

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