

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

Sasson v. Bridger Consulting Group, Inc.

Sasson, 2026 NY Slip Op 03654 (Supreme Court of the State of New York Appellate Division First Department 2026) · No. Case No. 2025-02972; Appeal No. 6848; Index No. 654872/24 · Decided June 9, 2026

SUMMARY

The Appellate Division, First Department reversed the denial of plaintiff's motion for summary judgment in lieu of complaint and granted the motion. The court held that a subordination clause in a convertible promissory note did not prevent the plaintiff from commencing a proceeding and obtaining a judgment against the defendant upon default; the clause instead governed payment priority relative to other creditors.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Webber, J.P.; Gesmer, J.; Mendez, J.; Rodriguez, J.; Hagler, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	June 9, 2026
DOCKET	Case No. 2025-02972; Appeal No. 6848; Index No. 654872/24
DISPOSITION	reversed
PROCEDURAL POSTURE	Plaintiff appealed from an order of the Supreme Court, New York County, denying his motion for summary judgment in lieu of complaint on a convertible promissory note.
STANDARD OF REVIEW	Review for legal error; the order was reversed on the law.
PRECEDENTIAL VALUE	Published intermediate appellate decision
PARTIES	Jack Sasson v. Bridger Consulting Group, Inc.

TOPICS

- summary judgment
- civil procedure
- contract interpretation
- breach of contract
- commercial litigation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether a subordination clause in a convertible promissory note restricted plaintiff's right to commence a proceeding and obtain a judgment against the debtor upon default.
2. Whether language limiting payments on subordinated debt while senior debt remained unpaid affected plaintiff's right to obtain a judgment against defendant.

HOLDINGS

1. The subordination clause did not restrict plaintiff's right to commence a proceeding against defendant upon default under the note in order to reduce plaintiff's claim to a judgment.
2. Language purporting to forbid or limit payments on subordinated debt while senior debt remained unpaid structured creditor priority and did not affect plaintiff's right to a judgment against defendant as debtor.

KEY QUOTATIONS

"The subordination clause in the convertible promissory note at issue did not restrict plaintiff's right to commence a proceeding against defendant upon its default under the note in order to reduce plaintiff's claim to a judgment" ([*1])

"that language served only to structure the priority as to the rights of plaintiff as against other creditors, which has no bearing upon plaintiff's right to a judgment against defendant as debtor" ([*1])

FACTUAL BACKGROUND

Plaintiff sought judgment against defendant based on defendant's default under a convertible promissory note. The note contained a subordination clause addressing payments on subordinated debt while senior debt remained unpaid. The trial court denied plaintiff's motion for summary judgment in lieu of complaint, and plaintiff appealed.

PROCEDURAL HISTORY

The Supreme Court, New York County, denied plaintiff's motion for summary judgment in lieu of complaint in an order entered on or about March 11, 2025. The Appellate Division, First Department, unanimously reversed on the law and granted the motion.

DISPOSITION

reversed

CASES CITED

- Standard Brands v Straile, 23 AD2d 363, 366 [1st Dept 1965]

- Kornfeld v NRX Tech., 93 AD2d 772, 772-773 [1st Dept 1983], affd 62 NY2d 686 [1984]
- J-Bar Reinforcement, Inc. v Crest Hill Capital LLC, 169 AD3d 499, 499-500 [1st Dept 2019]

OPINION

Sasson v. Bridger Consulting Group, Inc. 2026 NY Slip Op 03654

PER CURIAM.

Sasson v Bridger Consulting Group, Inc. - 2026 NY Slip Op 03654 skip to main content It appears you are using Adblock. Please disable Adblock to best experience our website. Law Reporting Bureau Thomas J.K. Smith, State Reporter Court Decisions Resources About Home All Court Decisions Decisions Sasson v Bridger Consulting Group, Inc. 2026 NY Slip Op 03654 June 9, 2026 Appellate Division, First Department Published by New York State Law Reporting Bureau pursuant to Judiciary Law § 431. This decision is uncorrected and subject to revision before publication in the Official Reports. Jack Sasson, Plaintiff-Appellant, v Bridger Consulting Group, Inc., Defendant-Respondent. Decided and Entered: June 09, 2026 Index No. 654872/24|Appeal No. 6848|Case No. 2025-02972| Before: Webber, J.P., Gesmer, Mendez, Rodriguez, Hagler, JJ. Mizrahi & Louzon PLLC, Brooklyn (Jared H. Louzon of counsel), for appellant. Ishimbayev Law Firm P.C., New York (Marc J. Block of counsel), for respondent. [*1] Order, Supreme Court, New York County (Melissa A. Crane, J.), entered on or about March 11, 2025, which denied plaintiff's motion for summary judgment in lieu of complaint, unanimously reversed, on the law, without costs, and the motion granted. The motion court should have granted plaintiff's motion for summary judgment in lieu of complaint. The subordination clause in the convertible promissory note at issue did not restrict plaintiff's right to commence a proceeding against defendant upon its default under the note in order to reduce plaintiff's claim to a judgment (see Standard Brands v Straile , 23 AD2d 363, 366 [1st Dept 1965]; Kornfeld v NRX Tech. , 93 AD2d 772 , 772-773 [1st Dept 1983], affd 62 NY2d 686 [1984]). To the extent that the note purported to completely "forbid[] or limit[] payments by [defendant] on the subordinated debt as long as [any] senior debt remain[ed] unpaid" (Standard Brands , 23 AD2d at 366), that language served only to structure the priority as to the rights of plaintiff as against other creditors, which has no bearing upon plaintiff's right to a judgment against defendant as debtor (see Kornfeld , 93 AD2d at 773; cf. J-Bar Reinforcement, Inc. v Crest Hill Capital LLC , 169 AD3d 499 , 499-500 [1st Dept 2019] ["the plain, unambiguous language of the subject Subordination Agreement limited plaintiff's right to demand or sue for payment, or declare a default prior to satisfaction of the senior debt"]). THIS CONSTITUTES THE DECISION AND ORDER OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT. ENTERED: June 9, 2026 Court Decisions All Court Decisions Official Reports Service Bound Volumes Decision Search Resources RSS Feeds Style Manual Citation Tools Opinion Formatting & Privacy Guidelines Opinion Selection Criteria Legal Research Portal Site Index About About the Law Reporting Bureau About our Operations Contact Us Twitter Quick Contact Info 17 Lodge Street Albany, NY 12207 Phone: (518) 453-6900

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PER CURIAM.

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