

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

Delco Development Company of Hicksville, L.P. v. Shoes Etc., Inc.

2026 NY Slip Op 00116 (Supreme Court of the State of New York Appellate Division Second Judicial
Department 2026) · No. 2024-09088 · Decided January 14, 2026

SUMMARY

The Appellate Division, Second Department, reversed a judgment awarding the landlord \$93,800 against Said Habibian in an action involving breach of a commercial lease. The court held that the lease and related documents did not clearly and explicitly establish that Habibian intended to assume personal liability in addition to acting as president of the corporate tenant. The court denied the landlord's summary judgment motion against Habibian and granted the defendants' cross-motion dismissing the claims against him.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
WRITING FOR THE COURT	Lara J. Genovesi; William G. Ford; Laurence L. Love; Donna-Marie E. Golia
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
DECIDED	January 14, 2026
DOCKET	2024-09088
DISPOSITION	reversed
PROCEDURAL POSTURE	Defendants appealed from a judgment entered after the Supreme Court, Nassau County, granted the plaintiff landlord summary judgment against Said Habibian and denied defendants' cross-motion for summary judgment dismissing the claims against him.
STANDARD OF REVIEW	Summary judgment is proper where the movant establishes entitlement to judgment as a matter of law and the opposing party fails to raise a triable issue of fact; on appeal, the court reviews the record to determine whether the movant met that burden and whether a triable issue exists.

PRECEDENTIAL VALUE	Published New York Appellate Division decision; precedential within the applicable New York state court hierarchy.
PARTIES	Shoes Etc., Inc., Said Habibian v. Delco Development Company of Hicksville, L.P.

TOPICS

breach of contract contract interpretation commercial commercial litigation standard of review

PRACTICE AREAS

contracts real estate commercial litigation corporate law appellate procedure

QUESTIONS PRESENTED

1. Whether Said Habibian, a corporate officer who signed a commercial lease and related documents for a disclosed corporate principal, clearly and explicitly intended to assume personal liability for the corporation's breach.
2. Whether the plaintiff was entitled to summary judgment against Habibian and whether defendants were entitled to summary judgment dismissing the claims against him.

HOLDINGS

1. A corporate officer who executes a contract as an agent for a disclosed principal is not personally liable for the principal's breach unless clear and explicit evidence demonstrates an intent to bind the officer individually. The lease language, the separate guaranty clause, and the designation "PRES." beside Habibian's signatures did not establish that intent.
2. Defendants were entitled to summary judgment dismissing the complaint insofar as asserted against Habibian, while the plaintiff was not entitled to summary judgment against him.

KEY QUOTATIONS

“Where there is an ambiguity as to the meaning of a provision of a lease, prepared by the landlord, the ambiguity should be resolved in favor of the tenant” ([*1])

“There must be clear and explicit evidence of the agent's intention to substitute or superadd his [or her] liability for, or to, that of his [or her] principal” ([*2])

FACTUAL BACKGROUND

Delco Development Company was the landlord and Shoes Etc., Inc. was its commercial tenant. Said Habibian, the corporation's president, signed the lease and subsequent renewals and modifications, with the handwritten designation "PRES." next to his signature. The lease also contained a guaranty clause identifying Habibian as guarantor. The landlord sought to hold Habibian personally liable for the tenant's alleged breach, but the Appellate Division concluded that the record did not clearly and explicitly show an intent to bind him individually.

PROCEDURAL HISTORY

The plaintiff landlord commenced an action for, among other things, breach of contract against Shoes Etc., Inc., its commercial tenant, and Said Habibian, the corporation's president. The Supreme Court granted the plaintiff summary judgment against Habibian, denied defendants' cross-motion, and entered a \$93,800 judgment against him. The Appellate Division reversed insofar as appealed from, denied the plaintiff's motion against Habibian, and granted defendants' cross-motion dismissing the complaint against him.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The judgment was reversed insofar as appealed from; the plaintiff's summary judgment motion against Habibian was denied, defendants' cross-motion for summary judgment dismissing the complaint against Habibian was granted, and the January 12, 2024 order was modified accordingly.

CASES CITED

- 2330 Ocean Assoc., LLC v. Haroun, 219 AD3d 1386, 1387
- 151 W. Assoc. v. Printsiples Fabric Corp., 61 NY2d 732, 732-733
- Concavage Mar. Constr., Inc. v. Lou-Al-John Corp., 191 AD3d 843, 845
- Stamina Prods., Inc. v. Zintec USA, Inc., 90 AD3d 1021, 1022
- Westerman Ball Ederer Miller & Sharfstein, LLP v. Allstar Elecs., Inc., 217 AD3d 904, 905
- Y.B. Assoc. Group, LLC v. Rubin, 216 AD3d 851, 853