

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

Food Service Dynamics, Inc. v. Ambach

72 A.D.2d 656 (N.Y. App. Div. 1979) · Decided October 25, 1979

SUMMARY

The court reversed a judgment granting petitioners relief in an Article 78 proceeding concerning New York’s administration of a federal summer feeding program. It held that food service management companies lacked standing because the program was not intended to benefit the food service business and the petitioners were outside the relevant statutory zone of interests.

CASE DETAILS

|                       |                                                                                                                                                                                                                                         |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | Appellate Division of the Supreme Court of the State of New York, Third Department                                                                                                                                                      |
| WRITING FOR THE COURT | Greenblott, J.P.; Staley, Jr., J.; Main, J.; Mikoll, J.; Herlihy, J.                                                                                                                                                                    |
| JURISDICTION          | New York                                                                                                                                                                                                                                |
| DECIDED               | October 25, 1979                                                                                                                                                                                                                        |
| DISPOSITION           | reversed                                                                                                                                                                                                                                |
| PROCEDURAL POSTURE    | Petitioners appealed from a judgment in a CPLR article 78 proceeding that granted their application and directed the respondent to continue processing reimbursement claims and determine amounts due under the summer feeding program. |
| STANDARD OF REVIEW    | The court reviewed the article 78 judgment for legal error, including whether petitioners had standing under the applicable statutory zone-of-interest doctrine.                                                                        |
| PRECEDENTIAL VALUE    | Published appellate decision                                                                                                                                                                                                            |
| PARTIES               | Food Service Dynamics, Inc., Petitioners v. Ambach, Respondent                                                                                                                                                                          |

TOPICS

- standing
- judicial review of agency action
- administrative law
- government contracts
- federal spending

PRACTICE AREAS

- administrative law
- civil procedure
- government contracts
- federal spending

## QUESTIONS PRESENTED

1. Whether food service management companies that prepared and delivered meals under contracts with program sponsors had standing to bring a CPLR article 78 proceeding compelling the administering agency to process reimbursement claims and pursue federal funding.
2. Whether petitioners fell within the statutory zone of interests protected by the National School Lunch Act and Child Nutrition Act because their businesses were economically affected by the agency's failure to process program reimbursements.

## HOLDINGS

1. Petitioners lacked standing to maintain the article 78 proceeding because Congress did not create the summer feeding program to benefit the food service business.

## KEY QUOTATIONS

*"We cannot conclude that Congress provided a summer feeding program to benefit the food service business."* (657)

## FACTUAL BACKGROUND

The respondent administered a federally supported summer feeding program for disadvantaged children in New York under agreements with the USDA and contracts with nonprofit sponsors. Petitioners contracted with several sponsors to prepare and deliver meals, but the sponsors did not pay petitioners because they allegedly had not been reimbursed by respondent. Respondent announced that it would stop processing sponsor reimbursement claims and would not pursue additional USDA funding, prompting petitioners to seek an order compelling continued processing and funding efforts.

## PROCEDURAL HISTORY

Supreme Court at Special Term entered judgment on September 29, 1978, granting petitioners' application. The Appellate Division disagreed with Special Term's standing analysis and reversed the judgment on the law, dismissing the petition without costs.

## DISPOSITION

reversed

## CASES CITED

- *Matter of Dairylea Coop. v. Walkley*, 38 N.Y.2d 6
- *Columbia Gas of N.Y. v. New York State Elec. & Gas Corp.*, 28 N.Y.2d 117