

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

Atta, Inc. v. 450 W. 31st Owners Corp.

Atta (Supreme Court of the State of New York Appellate Division First Department 2026) · No. Index No. 151662/24; Appeal No. 6039; Case No. 2024-04676 · Decided March 10, 2026

SUMMARY

The Appellate Division, First Department modified an order denying a Yellowstone injunction and dismissing claims against 450 West 31st Owners Corp. It granted the injunction, reinstated the first and second causes of action, denied sanctions, and upheld dismissal of the third cause of action as barred by res judicata.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Renwick, P.J.; Kennedy, J.; Friedman, J.; Mendez, J.; Hagler, J.
JURISDICTION	New York Supreme Court, Appellate Division, First Department
DECIDED	March 10, 2026
DOCKET	Index No. 151662/24; Appeal No. 6039; Case No. 2024-04676
DISPOSITION	other
PROCEDURAL POSTURE	Appeal from an order of Supreme Court, New York County, denying plaintiff's motion for a Yellowstone injunction and granting defendant's cross-motion to dismiss under CPLR 3211(a)(5) and for sanctions under 22 NYCRR 130.1-1.
STANDARD OF REVIEW	Review for errors of law on appeal from an order granting dismissal under CPLR 3211(a)(5) and denying injunctive relief; the court reviewed the Yellowstone injunction determination and res judicata dismissal de novo.
PRECEDENTIAL VALUE	Published New York Appellate Division opinion
PARTIES	Atta, Inc. v. 450 West 31st Owners Corp.

TOPICS

- injunctions
- res judicata
- sanctions
- motions to dismiss
- appellate procedure

PRACTICE AREAS

civil procedure

real estate litigation

commercial litigation

appellate procedure

remedies

QUESTIONS PRESENTED

1. Whether plaintiff established entitlement to a Yellowstone injunction by showing its ability to cure the alleged default.
2. Whether dismissal of declaratory and injunctive claims in a prior article 78 proceeding precluded plaintiff from seeking Yellowstone relief concerning a subsequently issued notice to cure.
3. Whether the third cause of action seeking a declaration concerning ownership and possession of the parking area and loading dock was barred by res judicata.
4. Whether sanctions should remain imposed after the court determined that plaintiff had a meritorious claim for Yellowstone relief.

HOLDINGS

1. Plaintiff established the requisite ability to cure the alleged default, and the motion for a Yellowstone injunction should have been granted.
2. The dismissal of plaintiff's requests for declaratory and injunctive relief in the prior article 78 proceeding did not preclude plaintiff from seeking a Yellowstone injunction based on the newly issued notice to cure.
3. The third cause of action, seeking a declaration that plaintiff exclusively owns and possesses the parking area and loading dock, was barred by res judicata.
4. The sanctions imposed against plaintiff had to be vacated.

KEY QUOTATIONS

“The court should not have rejected plaintiff's principal's repeated statements that plaintiff was ready, willing, and able to cure the alleged default, as plaintiff's burden was only to establish its ability to cure” ([*1])

“it is well settled that Yellowstone relief does not require a demonstration of a likelihood of success on the merits” ([*1])

“Moreover, the notice to cure, served approximately one month after the court's dismissal of the article 78 proceeding, constituted a separate transaction for res judicata purposes” ([*1])

FACTUAL BACKGROUND

The dispute concerned plaintiff's proprietary lease and an alleged default addressed by a newly served notice to cure. Plaintiff sought a Yellowstone injunction to stay and toll the cure period, asserting through its principal that it was ready, willing, and able to cure. A prior article 78 proceeding arising from the same broader dispute had involved claims for declaratory and injunctive relief, but no default or termination of plaintiff's proprietary lease was at issue there.

PROCEDURAL HISTORY

Supreme Court denied plaintiff's motion for a Yellowstone injunction and granted defendant's cross-motion to dismiss the complaint on res judicata grounds and for sanctions. The Appellate Division unanimously modified the order by granting the Yellowstone injunction, denying dismissal of the first and second causes of action and sanctions, vacating the sanctions, and reinstating the complaint to that extent; it otherwise affirmed.

DISPOSITION

other

REMAND INSTRUCTIONS

The order was modified to grant the Yellowstone injunction, deny the cross-motion insofar as it sought dismissal of the first and second causes of action and sanctions, vacate the sanctions, and reinstate the complaint to that extent; the order was otherwise affirmed.

CASES CITED

- WPA/Partners LLC v. Port Imperial Ferry Corp., 307 AD2d 234, 237 (1st Dept 2003)
- New Deal Realty LLC v. 684 Owners Corp., 204 AD3d 447, 448 (1st Dept 2022)
- O'Brien v. City of Syracuse, 54 NY2d 353, 358 (1981)
- Atta v. 450 W. 31st Owners Corp., 240 AD3d 426 (1st Dept 2025)

OPINION

Atta, Inc. v. 450 W. 31st Owners Corp. 2026 NY Slip Op 01295

PER CURIAM.

Atta, Inc. v 450 W. 31st Owners Corp. (2026 NY Slip Op 01295) Atta, Inc. v 450 W. 31st Owners Corp. 2026 NY Slip Op 01295 Decided on March 10, 2026 Appellate Division, First 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 and Entered: March 10, 2026 Before: Renwick, P.J., Kennedy, Friedman, Mendez, Hagler, JJ. Index No. 151662/24|Appeal No. 6039|Case No. 2024-04676| [*1]Atta, Inc., Plaintiff-Appellant, v 450 West 31st Owners Corp., Defendant-Respondent. Saul Ewing LLP, New York (Peter B. Zlotnick of counsel), for appellant. Adam Leitman Bailey, P.C., New York (Jeffrey R. Metz of counsel), for respondent. Order, Supreme Court, New York County (Robert R. Reed, J.), entered on or about June 11, 2024, which denied plaintiff's motion for a Yellowstone injunction, and granted defendant 450 W. 31st Owners Corp.'s cross-motion to dismiss the complaint pursuant to CPLR 3211(a)(5) and for sanctions pursuant to 22 NYCRR § 130.1-1, unanimously modified, on the law, to grant plaintiff's motion for a Yellowstone injunction, and to deny defendant's cross-motion to the extent it seeks dismissal of plaintiff's first and second causes of action and sanctions, the sanctions vacated and the complaint reinstated to the extent indicated, and otherwise affirmed, without costs. The court improperly denied plaintiff's motion for a Yellowstone injunction. The

court should not have rejected plaintiff's principal's repeated statements that plaintiff was ready, willing, and able to cure the alleged default, as plaintiff's burden was only to establish its ability to cure (see WPA/Partners LLC v Port Imperial Ferry Corp. , 307 AD2d 234, 237 [1st Dept 2003]). The court's dismissal of plaintiff's requests for declaratory and injunctive relief in a prior article 78 proceeding emanating from the same dispute has no bearing on plaintiff's ability to establish its entitlement to a Yellowstone injunction, as it is well settled that Yellowstone relief does not require a demonstration of a likelihood of success on the merits (see e.g. New Deal Realty LLC v 684 Owners Corp. , 204 AD3d 447 , 448 [1st Dept 2022]). Moreover, the notice to cure, served approximately one month after the court's dismissal of the article 78 proceeding, constituted a separate transaction for res judicata purposes (see O'Brien v City of Syracuse, 54 NY2d 353, 358 [1981]). Nowhere in the order dismissing the prior proceeding did the court issue any declaratory or injunctive relief or any other directive precluding plaintiff from seeking to stay and toll the cure period of a newly issued notice to cure, as no default or termination of plaintiff's proprietary lease was at issue in that proceeding. We agree with the motion court that the third cause of action seeking a judgment declaring that plaintiff exclusively owns and possesses its parking area and loading dock is barred by res judicata since it is identical to claims for declaratory relief in the article 78 proceeding. In any event, as a practical matter, plaintiff's entitlement to the relief sought in the third cause of action can be fully litigated and decided in the article 78 proceeding, in which plaintiff's claims for declaratory and injunctive relief mirroring those in this action were previously reinstated by this Court (see Atta v 450 W. 31st Owners Corp. , 240 AD3d 426 [1st Dept 2025]). Finally, in light of our determination that plaintiff had a meritorious claim for Yellowstone relief, we vacate the imposed sanctions. We have considered the remaining contentions and find them unavailing. THIS CONSTITUTES THE DECISION AND ORDER OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT. ENTERED: March 10, 2026