

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
NEW YORK

Metafi Pro Limited v. NY Trading, Inc., Starco Logistics, Inc.,
Wenzong Duan, doing business as WLT Trading, LLC, and Colony
Pond Management, LLC

Metafi Pro · No. 1:24-cv-1180 (ECC/PJE) · Decided April 21, 2026

SUMMARY

The United States District Court for the Northern District of New York denied NY Trading, Inc.’s motion to dismiss claims arising from the alleged loss of bitcoin miners. The court declined to convert the motion into a motion to compel arbitration and held that NY Trading had not established which of two conflicting arbitration provisions governed the claims. The court also declined to determine the arbitrability of the claims on a claim-by-claim basis in the absence of adequate analysis by NY Trading.

CASE DETAILS

COURT	United States District Court for the Northern District of New York
WRITING FOR THE COURT	Elizabeth C. Coombe
JURISDICTION	United States District Court for the Northern District of New York
DECIDED	April 21, 2026
DOCKET	1:24-cv-1180 (ECC/PJE)
DISPOSITION	other
PROCEDURAL POSTURE	Defendant NY Trading, Inc. moved to dismiss under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6) and section 4 of the Federal Arbitration Act. The court treated the motion as a Rule 12(b)(6) motion rather than a motion to compel arbitration and denied it.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true, draws reasonable inferences in the plaintiff’s favor, disregards legal conclusions, and determines whether the complaint alleges enough facts to state a plausible claim for relief. Documents attached to, incorporated into, or integral to the complaint may be considered. A party seeking dismissal in favor of arbitration must establish as a matter of law that the claims are subject to mandatory arbitration.

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QUESTIONS PRESENTED

1. Whether a motion invoking section 4 of the Federal Arbitration Act should be converted into a motion to compel arbitration when the movant does not seek an order compelling arbitration or otherwise indicate an intent to arbitrate.
2. Whether the existence of an arbitration clause deprives the district court of subject matter jurisdiction when the defendant moves to dismiss rather than to compel arbitration.
3. Whether NY Trading established on a Rule 12(b)(6) motion that Metafi's claims were subject to mandatory arbitration under one of two materially different arbitration provisions.
4. Whether the court or an arbitrator must determine which of two potentially applicable contracts and arbitration provisions governs the dispute.

HOLDINGS

1. The court will not convert a motion to dismiss into a motion to compel arbitration when the movant does not seek an order compelling arbitration and does not manifest an intention to arbitrate.
2. The existence of an arbitration clause does not deprive the district court of subject matter jurisdiction where the defendant moves to dismiss rather than to compel arbitration under the FAA.
3. NY Trading failed to establish as a matter of law that Metafi's claims were subject to mandatory arbitration or that NY Trading was entitled to dismissal.
4. When two potentially applicable contracts contain conflicting arbitration provisions, the court, not the arbitrator, must determine which contract controls before enforcing either a delegation provision or an arbitration clause.

KEY QUOTATIONS

“Under these circumstances, the Court will not convert the present motion to a motion to compel arbitration and instead will consider it strictly as a motion to dismiss the claims against NY Trading under the Federal Rules of Civil Procedure.” (at 4)

“Moreover, where there is more than one contract containing conflicting arbitration clauses which might apply to a dispute, the issue of which contract controls is itself for the Court, not an arbitrator.” (at 8)

“The Court therefore concludes that NY Trading has not met its burden of establishing, as a matter of law, that Plaintiffs claims are subject to mandatory arbitration or its entitlement to relief on this motion.” (at 10)

FACTUAL BACKGROUND

Metafi agreed to purchase 4,500 bitcoin miners from NY Trading for \$8,370,000, with NY Trading responsible for delivery, insurance, and loss or damage during transportation. NY Trading engaged WLT Trading, operated by Wenzong Duan, and WLT Trading engaged Starco to transport or store the miners. Although Metafi paid the full purchase price, fewer miners were delivered to the United States than required, only 616 reportedly reached Colony Pond's facility, and Colony Pond later stated that it could not host the miners because of a power outage and had moved them without prior notice. The purchase and shipping agreements contained materially different arbitration provisions.

PROCEDURAL HISTORY

Metafi Pro Limited filed a verified complaint concerning lost bitcoin miners and later obtained a preliminary injunction restricting disposition of the miners. NY Trading initially failed to appear, resulting in a clerk's entry of default and a motion for default judgment. The court vacated the default and granted NY Trading leave to move to dismiss; NY Trading then filed the present motion, which the court denied.

DISPOSITION

other

CASES CITED

- *Lynch v. City of New York*, 952 F.3d 67, 74-75 (2d Cir. 2020)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)
- *Nicosia v. Amazon.com, Inc.*, 834 F.3d 220, 229-31, 238 (2d Cir. 2016)
- *Mayor & City Council of Balt. v. Citigroup, Inc.*, 709 F.3d 129, 135 (2d Cir. 2013)
- *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555, 570 (2007)
- *EEOC v. Port Auth.*, 768 F.3d 247, 253 (2d Cir. 2014)
- *ATSI Commc'ns, Inc. v. Shaar Fund, Ltd.*, 493 F.3d 87, 98 (2d Cir. 2007)
- *Beauvoir v. Israel*, 794 F.3d 244, 248 n.4 (2d Cir. 2015)
- *DiFolco v. MSNBC Cable L.L.C.*, 622 F.3d 104, 111 (2d Cir. 2010)
- *Mangiafico v. Blumenthal*, 471 F.3d 391, 398 (2d Cir. 2006)
- *Global Network Commc'ns, Inc. v. City of New York*, 458 F.3d 150, 156 (2d Cir. 2006)
- *Rent-A-Center, West, Inc. v. Jackson*, 561 U.S. 63, 67-68 (2010)
- *Sudakow v. CleanChoice Energy, Inc.*, 153 F.4th 280, 285 (2d Cir. 2025)
- *Schnabel v. Trilegiant Corp.*, 697 F.3d 110, 119 (2d Cir. 2012)
- *Henry Schein, Inc. v. Archer & White Sales, Inc.*, 586 U.S. 63, 67-68, 72 (2019)
- *Coinbase, Inc. v. Suski*, 602 U.S. 143, 145, 148, 150 (2024)