

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

Arena Vantage SPV, LLC v. Actionable Process LLC

2026 NY Slip Op 02722 (Appellate Division of the Supreme Court of the State of New York First Department 2026) · No. Index No. 654396/24; Appeal No. 6505; Case No. 2025-00817 · Decided April 30, 2026

SUMMARY

The Appellate Division, First Department modified an order denying defendants' motions to dismiss by dismissing the breach-of-contract claim against the Deal Agent, while otherwise affirming. The court held that the loan agreement gave the Deal Agent discretion concerning enforcement actions and imposed no mandatory, non-discretionary obligation alleged to have been breached. It upheld the breach-of-contract claim against the guarantors and the claim for breach of the implied covenant of good faith and fair dealing.

CASE DETAILS

COURT	Appellate Division of the Supreme Court of the State of New York, First Department
WRITING FOR THE COURT	Kennedy, J.P.; Gesmer, J.; González, J.; Rosado, J.; Chan, J.
JURISDICTION	New York Appellate Division, First Department
DECIDED	April 30, 2026
DOCKET	Index No. 654396/24; Appeal No. 6505; Case No. 2025-00817
DISPOSITION	other
PROCEDURAL POSTURE	Appeal from an order denying defendants' motions to dismiss claims for breach of contract against the guarantors and Deal Agent and for breach of the implied covenant of good faith and fair dealing.
PRECEDENTIAL VALUE	Published New York Appellate Division decision; currently uncorrected and subject to revision.
PARTIES	Actionable Process LLC, et al., including CoVenture—Vantage Credit Opportunities GP, LLC v. Arena Vantage SPV, LLC

TOPICS

- breach of contract
- implied covenant of good faith
- contract interpretation
- commercial litigation
- appellate procedure

PRACTICE AREAS

contract law

commercial litigation

appellate procedure

QUESTIONS PRESENTED

1. Whether the complaint stated a breach-of-contract claim against the Deal Agent based on its failure to take enforcement action after an alleged default.
2. Whether the complaint stated a breach-of-contract claim against the guarantors under the loan agreement's unconditional guaranty provisions.
3. Whether the breach-of-the-implied-covenant claim was duplicative of the breach-of-contract claims.

HOLDINGS

1. The complaint failed to state a breach-of-contract claim against the Deal Agent because the loan agreement did not impose a mandatory, nondiscretionary obligation requiring the Deal Agent to take the requested enforcement action.
2. The complaint stated a breach-of-contract claim against the guarantors because the loan agreement unconditionally and irrevocably guaranteed payment of principal and interest and did not restrict enforcement to collective action by the lenders.
3. The breach-of-the-implied-covenant claim was not duplicative of the breach-of-contract claims because the complaint alleged separate conduct that deprived plaintiff of the benefit of its bargain.

KEY QUOTATIONS

“Since the complaint fails to allege that the Deal Agent violated any mandatory, non-discretionary obligation under the loan agreement, it fails to state a cause of action for breach of contract by the Deal Agent” ([*1])

“The obligations of the Guarantors under this Article X shall be unconditional and absolute.” ([*2])

FACTUAL BACKGROUND

The dispute arose under a loan agreement involving a borrower, guarantors, lenders, and CoVenture—Vantage Credit Opportunities GP, LLC as Deal Agent. After an alleged borrower default, plaintiff asserted that the Deal Agent was required to take enforcement action, sued the guarantors for payment under their guaranties, and asserted claims for breach of the implied covenant of good faith and fair dealing.

PROCEDURAL HISTORY

Supreme Court, New York County, denied the challenged portions of defendants' motions to dismiss. The Appellate Division modified the order to grant the motion dismissing the breach-of-contract claim against the Deal Agent and otherwise affirmed.

DISPOSITION

other

CASES CITED

- IKB Intl., S.A. v. Wells Fargo Bank N.A., 40 NY3d 277, 285 (2023)
- Frank B. Hall & Co. of N.Y. v. Orient Overseas Assoc., 48 NY2d 958, 959 (1977)
- AEA Middle Mkt. Debt Funding LLC v. Marblegate Asset Mgt., LLC, 214 AD3d 111, 133 (1st Dept. 2023)
- Credit Agricole Corporate v. BDC Fin., LLC, 135 AD3d 561, 561 (1st Dept. 2015)
- Botbol v. Frosch Intl. Travel Inc., 222 AD3d 471, 472 (1st Dept. 2023)

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