

**Paz Global Ventures, LLC v GP Trading Partners,
LLC**

2021 NY Slip Op 32388(U)

November 19, 2021

Supreme Court, New York County

Docket Number: Index No. 655966/2021

Judge: Arlene P. Bluth

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**SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY**

PRESENT: HON. ARLENE BLUTH PART 14

Justice

-----X

PAZ GLOBAL VENTURES, LLC, SAADIA SHAPIRO,

Petitioners,

- v -

GP TRADING PARTNERS, LLC, AMERICAN ARBITRATION
ASSOCIATION, CAST GROUP LLC

Respondents.

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INDEX NO. 655966/2021

MOTION DATE N/A, N/A

MOTION SEQ. NO. 001 002

**DECISION + ORDER,
JUDGMENT ON MOTION**

The following e-filed documents, listed by NYSCEF document number (Motion 001) 9, 21, 22, 23, 24, 25, 26, 27, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64

were read on this motion to/for INJUNCTION/RESTRAINING ORDER.

The following e-filed documents, listed by NYSCEF document number (Motion 002) 28, 29, 30, 31, 32 were read on this motion to/for PRO HAC VICE.

Motion Sequence Numbers 001 and 002 are consolidated for disposition. The petition (MS001) to enjoin respondents from proceeding with an arbitration currently pending is denied. The motion (MS002) to admit Alexander M. Kargher, Esq. pro hac vice is granted.

Background

In this proceeding, petitioners seek a stay of a pending arbitration, request that the Court appoint an arbitrator or, in the alternative, they seek a preliminary injunction. Petitioners acknowledge that the parties entered into multiple agreements relating to importing gloves and the agreements contained arbitration provisions. Respondent GP Trading Partners, LLC (“GPTP”) purchased these gloves from petitioner Paz Global Ventures, LLC and respondent Cast Group, LLC. However, petitioners insist that respondents commenced an arbitration in

California which is contrary to the intentions of the parties. Petitioners objected to the locale of the arbitration and the forum (respondent AAA) eventually determined that California was a proper location for the arbitration.

GPTP offers a different view. It claims that the agreements did not specify a particular location for the arbitration and so it picked Los Angeles, California given that its principal place of business is there and it's where the agreements were to be performed. GPTP contends that petitioners had a chance to object to the locale and lost, and this Court is not permitted to review that determination. GPTP admits that the agreements insisted that New York law would apply to the arbitrations but that does not mean AAA was wrong to keep the arbitration in California.

Petitioners emphasize that one (of the 12) agreements contain a New York venue provision and argue that keeping the arbitration in California violates minimum constitutional standards of fair dealing. They observe that none of the agreements list California as the proper venue. Petitioners also maintain that petitioners are located in New York and conducting the arbitration in California would be prohibitively expensive. Petitioners also cite health and safety concerns that might arise through traveling and point out that the gloves (which were initially shipped to California) have been sold.

Discussion

“Where, as here, the parties have agreed to arbitrate their disputes and to be bound by respondent American Arbitration Association's (AAA) rules, judicial review of interim determinations regarding locale is generally unavailable” (*Nespola v Mgt. Network Group, Inc.*, 101 AD3d 437, 438, 955 NYS2d 575 [1st Dept 2012]). “[J]udicial review in these cases is confined to a limited inquiry as to whether the venue determination complied with a minimum

constitutional standard of fair dealing, or, in “extreme cases,” whether the venue determination was made in bad faith” (*id.*).

Here, petitioners had a chance to contest the locale for the arbitration and AAA decided to keep the arbitration in Los Angeles. Petitioners had a full and fair opportunity to argue before AAA about the venue. That satisfies the minimum constitutional standard of fair dealing. “[T]he parties were given an opportunity to be heard on the locale, they agreed to be bound by AAA's determination of its own rules, and the AAA interpreted its rules to permit it to determine the appropriate locale” (*id.*).

And there was no agreement to arbitrate in New York between GPTP and petitioner Paz Global Ventures, LLC. There *was* a forum selection clause that selected New York in an agreement between respondent Cast Group, LLC and GPTP (NYSCEF Doc. No. 13 at 46). But there was no such provision in any agreement between Paz and GPTP. Moreover, as GPTP points out, that initial agreement was superseded by many later agreements and it is unclear whether that agreement's forum selection clause is relevant here.

This is not a situation where an arbitrator flat out ignored a clear forum selection clause. Instead, the agreements between Paz and GPTP did not pick a venue. That the dispute was governed by New York law is of no moment. An arbitrator in California or Michigan or New York is fully capable of applying New York law.

The Court also observes that AAA's decision was not made in bad faith. The gloves were supposed to be shipped to California and GPTP does business in California. In other words, there is a basis to hold the arbitration in California although this point is not, standing alone, dispositive. As the First Department pointed out “traditional venue transfer principles are inapplicable where, as here, the parties have agreed to arbitrate” (*id.*).

In any event, “[t]he correctness of the AAA's determination is not a proper concern for the court” (*id.*). It does not matter how this Court would have ruled on a hypothetical venue motion or even whether it agrees (or disagrees) with the AAA’s decision. The fact is that this issue was already presented before the AAA and it decided to keep the dispute in California after hearing both petitioners’ and GPTP’s arguments. This Court sees no reason to disturb that decision.

The motion for pro hac admission (MS002) is granted without opposition.

Accordingly, it is hereby

ORDERED that that the motion for leave to appear *pro hac vice* is granted without opposition and Alexander M. Kargher, Esq. of Sinclair Braun LLP is permitted to appear and to participate in this action on behalf of respondent GP Trading Partners, LLC, and it is further

ORDERED that he shall at all times during this action be associated with counsel who is a member in good standing of the Bar of the State of New York and is attorney of record for the aforesaid parties; and it is further


ORDERED that all pleadings, briefs, and other papers filed with the court shall be signed by the attorney of record, who shall be responsible for such papers and for the conduct of this action; and it is further

ORDERED that, pursuant to Section 520.11 of the Rules of the Court of Appeals and Section 602.2 of the Rules of the Appellate Division, First Department, the attorney hereby admitted *pro hac vice* shall be familiar with and abide by the standards of professional conduct imposed upon members of the New York Bar, including the rules of the courts governing the conduct of attorneys and the Rules of Professional Conduct; and it is further

ORDERED that he shall be subject to the jurisdiction of the courts of the State of New York with respect to any acts occurring during the course of his participation in this matter; and it is further

ORDERED that said counsel shall notify the court immediately of any matter or event in this or any other jurisdiction that affects his standing as a member of the bar; and it is further

ADJUDGED that the petition (MS001) to enjoin respondents from proceeding with an arbitration currently pending is denied, this proceeding is dismissed and the Clerk is directed to enter judgment accordingly in favor of respondents and against petitioner along with costs and disbursements upon presentation of proper papers therefor.

<u>11/19/2021</u> DATE			 <hr/> ARLENE BLUTH, J.S.C.	
CHECK ONE:	<input checked="" type="checkbox"/>	CASE DISPOSED	<input type="checkbox"/>	NON-FINAL DISPOSITION
	<input type="checkbox"/>	GRANTED	<input type="checkbox"/>	GRANTED IN PART
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER	<input type="checkbox"/>	SUBMIT ORDER
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN	<input type="checkbox"/>	FIDUCIARY APPOINTMENT
			<input type="checkbox"/>	DENIED
			<input checked="" type="checkbox"/>	OTHER
			<input type="checkbox"/>	REFERENCE