

Susman Godfrey Scores \$18 Million Appeal Win for YH Lex Estates

A team of Susman Godfrey attorneys led by partner [Mark Hatch-Miller](#) won summary judgment for client YH Lex Estates on a roughly \$18 million claim against real estate developer HFZ Capital Group and its founder, Ziel Feldman. This New York state court lawsuit dates back to November 2020, when Susman Godfrey filed suit against HFZ, Feldman, and Feldman's former partner Nir Meir, seeking summary judgment in lieu of a complaint for full repayment of YH's loans to HFZ. Feldman and Meir personally guaranteed the loans.

Susman Godfrey won summary judgment against co-defendant Meir before the trial court in June 2021, but the trial court denied summary judgment against HFZ and Feldman on narrow procedural grounds. The First Department appellate court's March 2022 [decision](#) overturns the trial court's denial of summary judgment as to HFZ and Feldman. HFZ and Feldman had argued that Meir borrowed money from YH without the company's authorization, and that Feldman's signature on a restated guaranty was forged or otherwise inauthentic. The First Department unanimously rejected all of HFZ's and Feldman's factual as well as procedural arguments, including because the record on appeal conclusively showed that "Feldman ratified the loan transaction for HFZ and the restated guaranty on his own behalf."

Hatch-Miller, who is lead counsel to YH in the case and argued the appeal, said regarding the First Department's decision: "During the past seventeen months, Ziel Feldman has used every trick in the book to try to evade responsibility for his own business decisions—including his decision to entrust HFZ's operations to Nir Meir. As the First Department recognized, Mr. Meir and Mr. Feldman ran HFZ together for many years."

YH is also represented by Susman Godfrey Associates [Armstead Lewis](#), who co-authored the winning appeal brief, and [Jennifer Dayrit](#). You can watch Hatch-Miller argue the appeal [here](#) (start @23:19); and you can read more about the appellate court's decision against HFZ and Feldman in *Crains'* coverage [here](#) and in *The RealDeal's* coverage [here](#).