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

PEOPLE OF THE STATE OF NEW YORK, by LETITIA JAMES, Attorney General of the State of New York,

Petitioner,

- against -

MEDIATION AND CIVIL ARBITRATION, INC., D/B/A RAPIDRULING, ZACHARY MEYER, and ANDREW SACHS,

Respondents.

VERIFIED PETITION

Index No. _____

Petitioner People of the State of New York, by their attorney, Letitia James, Attorney General of the State of New York ("Petitioner" or "OAG"), hereby brings this special proceeding against Respondents Mediation and Civil Arbitration, Inc., d/b/a RapidRuling ("Rapid Ruling"), Zachary Meyer, and Andrew Sachs (together, "Respondents"). As set forth in detail below and in the accompanying affirmations and the exhibits thereto, Respondents have engaged and continue to engage in repeated and persistent fraud, illegality, deception, and abusiveness in violation of New York Executive Law, Section 63(12), and General Business Law ("GBL") Article 22-A, Section 349.

INTRODUCTION

1. Rapid Ruling is a New York-based corporation, co-founded by Meyer and Sachs, two New York-based attorneys, that markets itself as a legitimate private arbitration platform "for attorneys, businesses, and consumers." Respondents present Rapid Ruling to the public and consumers of its purported arbitration services as a "neutral" forum for resolving disputes, with matters decided by "independent," "fair," and "impartial" arbitrators who issue binding rulings after reviewing evidence submitted by "both sides."

2. Respondents conceal, however, that Rapid Ruling was conceived in cahoots with a merchant cash advance ("MCA") company—non-party LCF Group, Inc., f/k/a Last Chance Funding, Inc. ("LCF"). LCF, which has entered into thousands of short-term financing agreements ("MCA agreements") with struggling small businesses across the country, worked hand-in-hand with Respondents to shape a brutally efficient tool for extracting fast judgments against out-of-state merchants. This scheme was not just unknown to the public but virtually undiscoverable.

3. This hidden foundational bias infected every facet of the arbitration system administered by Rapid Ruling. Respondents solicited LCF, a financially interested prospective claimant, to draft its rules. As a result, the rules contain asymmetrical provisions designed to produce quick default awards in favor of LCF and other MCA companies. Respondents trained their so-called arbitrators to produce the desired "rapid" rulings enforcing MCA agreements against merchants, even providing "sample" awards that uniformly rejected all merchant defenses and awarded MCA companies every penny that they requested. Respondents aggressively marketed Rapid Ruling directly to MCA companies at industry conferences but did *not* similarly market it to merchants or small businesses.

4. This structural bias has had the intended effect: Rapid Ruling's arbitrations almost always resulted in a default award for the MCA company claimant. In the rare matters in which merchants did manage to timely respond, Rapid Ruling's arbitrators still ruled overwhelmingly in favor of MCA companies, often mimicking verbatim the "sample" awards provided to them. In fact, during Rapid Ruling's first three years, only a single merchant prevailed in a contested matter, and that victory was entirely due to a filing error by the MCA company. In return, Respondents have received hundreds of thousands of dollars in filing and arbitrator fees from MCA companies. These fees have exacerbated Rapid Ruling's bias in those companies' favor by making

Respondents wholly dependent on the MCA industry for Rapid Ruling's continued survival. Rapid Ruling's docket consisted almost entirely of filings by MCA companies to enforce MCA agreements against small businesses. All the while, Respondents maintained publicly that Rapid Ruling was neutral, independent, and unbiased.

5. After Rapid Ruling's founding, LCF and other MCA companies buried an arbitration clause in the fine print of their MCA agreements requiring that all disputes with merchants be resolved through arbitration before Rapid Ruling—arbitration governed by rules that LCF drafted and edited. LCF and other MCA companies went on to file thousands of arbitrations before Rapid Ruling, receiving thousands of arbitration awards in their favor, and resulting in a flood of petitions to confirm filed by MCA companies in New York courts.

6. In sum, Respondents have created a sham system—secretly designed by and to favor a single industry—that is anything but a neutral and impartial arbitration provider. Respondents' sham system is deceptive because, contrary to Respondents' representations and the very meaning of the word "arbitration," Respondents do not offer a "neutral" or "impartial" forum that provides the parties an opportunity to be heard. And Respondents' sham system is abusive because it takes advantage of the merchants' ignorance that Respondents' platform sets them up to fail, as well as of their trust that Respondents are providing a "neutral," "independent," and "unbiased" decisionmaker akin to an impartial court system.

7. The facts set out in this petition are based on OAG's review of Rapid Ruling's website, rules, dockets and filings, and other publicly available materials; produced documents, including internal email communications among Rapid Ruling principals and employees and email communications between Respondents and LCF; the sworn testimony of Respondent Zachary Meyer, director, Vice President, Chief Administrator, and a former arbitrator of Rapid Ruling; and

the sworn testimony of Adam Feldman, General Counsel of LCF, the MCA company that contributed to the creation of Rapid Ruling and was its first and longtime largest client. The evidence in support of the Petition is annexed to the affirmations of Laura C. Dismore ("Dismore Aff."), John Collins ("Collins Aff."), and Ella Corbit ("Corbit Aff."). That evidence is incorporated herein and cited in footnotes to the Petition.

8. Through their conduct, Respondents have engaged and continue to engage in repeated and persistent fraud, deception, abusiveness, and illegality in violation of New York Executive Law, Section 63(12), and General Business Law ("GBL") Article 22-A, Section 349.

PARTIES, JURISDICTION AND VENUE

9. Petitioner Letitia James is the Attorney General of the State of New York. She is responsible for enforcing the laws of the state of New York, including Executive Law § 63(12) and GBL § 349.

10. Respondent Rapid Ruling is a corporation that was organized under New York law on September 27, 2019,[1] that offers so-called arbitration services through an online platform accessible through its website, rapidruling.com Since its founding, Rapid Ruling's principal offices have been located at 14 Penn Plaza, Suite 1315, New York, NY,[2] and arbitration awards administered by Rapid Ruling have listed the arbitral seat as "New York, NY."[3] From April 2022

[1] Corbit Aff. Ex. 1 (Certificate of Incorporation - New York).

[2] Dismore Aff. Ex. 1 (Meyer Tr.) at 39:8-17; Dismore Aff. Ex. 3 (Dec. 2019 Commercial Arbitration Rules) at Rapid_Rulling000353; Dismore Aff. Ex. 4 (Oct. 2022 Commercial Arbitration Rules) at Rapid_Rulling000391.

[3] *E.g.*, Dismore Aff. Ex. 5 (Final Arbitration Award, MCA Claim No. 40790/2021) at 1; Dismore Aff. Ex. 6 (Final Arbitration Award, MCA Claim No. 40204/2020) at 1.

until October 7, 2024, Rapid Ruling's arbitration rules provided that "[a]ll Rapid Ruling arbitrations are deemed to take place in New York, New York."[4]

11. Respondent Zachary Meyer co-founded Rapid Ruling in September 2019.[5] Since that time, Meyer has co-owned Rapid Ruling and served as a corporate director, officer, and Vice President for Rapid Ruling.[6] In those roles, Meyer co-manages Rapid Ruling's business and engages in business development and marketing efforts on Rapid Ruling's behalf.[7] At all relevant times, Meyer has also served as Chief Administrator under Rapid Ruling's rules.[8]

12. Respondent Andrew Sachs co-founded Rapid Ruling and incorporated Rapid Ruling under the laws of New York in September 2019.[9] Since that time, Sachs has co-owned Rapid Ruling and served as a President and Treasurer for Rapid Ruling.[10] In those roles, he co-manages Rapid Ruling's business, develops and coordinates Rapid Ruling's filing portal, addresses claims administration issues, and drafts or generates the content and text on Rapid Ruling's website.[11]

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4 Dismore Aff. Ex. 7 (Apr. 2022 Commercial Arbitration Rules) at Rule 12; Dismore Aff. Ex. 4 (Oct. 2022 Commercial Arbitration Rules) at Rule 12.

5 Dismore Aff. Ex. 1 (Meyer Tr.) at 50:12-51:22.

6 Dismore Aff. Ex. 1 (Meyer Tr.) at 29:4-29:21, 33:11-34:7; Dismore Aff. Ex. 2 at Rapid Ruling000001, Rapid Ruling000017; Dismore Aff. Ex. 8 (Owner, Employee, and Arbitrator Information).

7 Dismore Aff. Ex. 1 (Meyer Tr.) at 35:16-37:10.

8 Dismore Aff. Ex. 1 (Meyer Tr.) at 31:15-18, 34:8-18.

9 Dismore Aff. Ex. 1 (Meyer Tr.) at 50:12-51:22; Dismore Aff. Ex. 2 at Rapid Ruling000001 to Rapid Ruling000002.

10 Dismore Aff. Ex. 1 (Meyer Tr.) at 29:4-29:21; Dismore Aff. Ex. 8 (Owner, Employee, and Arbitrator Information) at Rapid_Rulling000564; Dismore Aff. Ex. 2 at RapidRuling000001, RapidRuling000017.

11 Dismore Aff. Ex. 1 (Meyer Tr.) at 35:16-36:11, 314:12-17.

13. Meyer and Sachs are both attorneys licensed to practice in New York. They have each performed Rapid Ruling-related work from Rapid Ruling's principal office at 14 Penn Plaza, Suite 1315, New York, NY. That address was also the headquarters of Sutton Sachs Meyer PLLC ("SSM Law")—a law firm providing representations in New York and New Jersey that Meyer and Sachs co-founded in July 2017 and at which Meyer and Sachs are partners.[12] SSM Law recently changed its office location to 125 Park Avenue, 25th Fl., New York, NY, which is also the address now reflected on Meyer and Sachs' most recent bar registration information.[13]

14. In addition to their roles as co-owners, directors, and officers of Rapid Ruling, and as partners at SSM Law, Meyer and Sachs served as the only two arbitrators for Rapid Ruling from its founding through April 2022.[14] During that time, they issued hundreds of arbitration awards, all of which listed the place of the arbitration as New York, New York.[15]

15. On September 26, 2024, Petitioner took the testimony of Meyer in connection with the investigation giving rise to this special proceeding.[16] Days later, Meyer and Sachs took a series of steps apparently designed to create the perception that Rapid Ruling had relocated to Texas. For example, on September 30, 2024, Meyer and Sachs incorporated Rapid Ruling under the same name ("Mediation and Civil Arbitration, Inc.") under Texas law,[17] and in early October 2024

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12 Dismore Aff. Ex. 1 (Meyer Tr.) at 22:19-23:4, 26:9-27:17.

13 Collins Aff. Ex. 1 (Meyer Attorney Registration - New York); Collins Aff. Ex. 2 (Sachs Attorney Registration - New York).

14 Dismore Aff. Ex. 8 (Owner, Employee, and Arbitrator Information); Dismore Aff. Ex. 1 (Meyer Tr.) at 179:19-180:7.

15 *See*, *e.g.*, Dismore Aff. Ex. 7 (Apr. 2022 Commercial Arbitration Rules) at Rule 12; Dismore Aff. Ex. 4 (Oct. 2022 Commercial Arbitration Rules) at Rule 12.

16 *See generally* Dismore Aff. Ex. 1 (Meyer Tr.).

17 Corbit Aff. Ex. 3 (Certificate of Formation - Texas).

caused the New York corporation to merge with and into the identically-named Texas corporation.[18]

16. Effective October 7, 2024, Meyer and Sachs caused Rapid Ruling to amend its rules to provide that its arbitrations are "deemed to take place in Dallas, Texas."[19]

17. And in Rapid Ruling's amended rules and on its website, Respondents Meyer and Sachs caused Rapid Ruling to list a new address: 539 W. Commerce St #2295 Dallas, TX 75208.[20]

18. Contrary to these representations, however, Rapid Ruling continued—and continues—to conduct its business from New York.

19. Meyer and Sachs remain directors of Rapid Ruling[21] and continue to list New York as their business addresses on their New York bar registrations.[22]

20. Rapid Ruling's website continues to list a New York telephone number for Rapid Ruling's contact information.[23]

21. Arbitration awards issued by Rapid Ruling's arbitrators continue to list "New York, NY" as the place of Rapid Ruling's arbitrations.[24]

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18 Corbit Aff. Ex. 2 (Certificate of Merger dated Oct. 4, 2024).

19 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 12.

20 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at 1; Collins Aff. Ex. 4 (Rapid Ruling Website: "Contact Us" page).

21 Corbit Aff. Ex. 3 (Certificate of Formation - Texas).

22 Collins Aff. Ex. 1 (Meyer Attorney Registration - New York), Ex. 2 (Sachs Attorney Registration - New York).

23 Collins Aff. Ex. 4 (Rapid Ruling Website: "Contact Us" page).

24 *E.g.*, Dismore Aff. Ex. 9 (Final Arbitration Award, MCA Claim No. 46025/2024, issued Dec. 5, 2024, in New York, NY); Dismore Aff. Ex. 10 (Final Arbitration Award, MCA Claim No. 46135/2025, issued Mar. 27, 2025, in New York, NY); Dismore Aff. Ex. 11 (Final Arbitration Award, MCA Claim No. 46243/2025, issued Oct. 23, 2025, in New York, NY); Dismore Aff. Ex. 61 (Final Arbitration Award, MCA Claim No. 46571/2026, issued Apr. 21, 2026, in New York, NY).

22. Moreover, the Dallas address listed in Rapid Ruling's amended rules and on its website is advertised online as a "virtual mailbox" offering a "Texas business address in world-renowned Dallas" for remotely-located companies.[25]

23. Petitioner brings this special proceeding on behalf of the People pursuant to Executive Law § 63(12), which authorizes Petitioner to seek injunctive relief, restitution, damages, and costs when any person or entity has engaged in repeated fraudulent or illegal acts or has otherwise demonstrated persistent fraud or illegality in conducting its business, and GBL Article 22-A, which authorizes Petitioner to seek permanent injunctive relief, restitution, and civil penalties for deceptive, unfair, or abusive acts or practices. In accordance with GBL § 349(c), the Petitioner provided pre-litigation notice to Respondents.

24. Venue is properly set in New York County because Petitioner is a resident in New York County and has selected New York County, and because Petitioner is a public authority whose facilities involved in the action are located in New York County. *See* Civil Practice Law and Rules ("CPLR") §§ 503, 506, 509.

FACTS

I. RAPID RULING'S BUSINESS

25. Rapid Ruling offers an online platform through the website "rapidruling.com" to resolve disputes using Rapid Ruling's panel of arbitrators.

26. Rapid Ruling's internal documents show that the vast majority—if not all—of the arbitrations conducted by Rapid Ruling from its founding through at least March 2023 involved

[25] Collins Aff. Ex. 9 (Dallas Texas Virtual Business Address - PhysicalAddress.com).

claims brought by companies seeking to enforce financing agreements providing so-called merchant cash advances, or "MCAs," to small businesses.[26]

27. While Respondents did not produce documents regarding arbitrations conducted beyond March 2023, upon information and belief, Rapid Ruling continues to provide arbitration services exclusively or almost exclusively to MCA companies.

28. MCAs are a form of financing whereby a merchant agrees to pay an MCA company a daily amount supposedly based on a percentage of the merchant's future daily receivables in exchange for a (often heavily) discounted cash advance.[27] OAG has brought multiple enforcement proceedings challenging so-called MCAs as criminally usurious loans where, among other grounds, their high daily payment amounts and short payment terms carried interest rates far exceeding the legal rate, often percentages in the hundreds or even thousands.[28]

29. Rapid Ruling provides a sample arbitration clause on its website.[29] MCA companies insert Rapid Ruling's sample arbitration clause or similar language into their form MCA agreements.[30] MCA companies then use Rapid Ruling's services to bring arbitrations against

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26 Dismore Aff. Ex. 12 (Rapid Ruling Matters, Mar. 12, 2020, to Mar. 30, 2023); Dismore Aff. Ex. 13 (Feldman Tr.) at 28:15-18; Dismore Aff. Ex. 1 (Meyer Tr.) at 284:5-15.

27 Dismore Aff. Ex. 1 (Meyer Tr.) at 43:19-23, 48:19-25; Dismore Aff. Ex. 13 (Feldman Tr.) at 87:17-22, 130:7-18.

28 *See People v. Richmond Cap. Grp. LLC*, 80 Misc. 3d 1213(A), 195 N.Y.S.3d 637 (N.Y. Sup. Ct. 2023); *People v. Yellowstone Cap. LLC*, Index No. 450750/2024 (N.Y. Sup. Ct., filed Mar. 5, 2024).

29 Collins Aff. Ex. 5 (Rapid Ruling: Sample Arbitration Clause); Dismore Aff. Ex. 1 (Meyer Tr.) at 321:24-322:9.

30 *See, e.g.*, Ex. 14 (LCF Agreement with Rapid Ruling Arbitration Clause) at 6; Ex. 15 (Fundamental Capital Agreement with Rapid Ruling Arbitration Clause) at 6.

merchants, generally based on allegations that the merchants defaulted under the MCA agreement by failing to make daily payments. [31]

30. Arbitrations conducted by Rapid Ruling are governed by its Commercial Arbitration Rules (the "Rules"), which Meyer and Sachs participated in crafting (along with LCF).[32]

31. Under the Rules, a claimant initiates the arbitration by filing a demand, agreement, and statement of claim on Rapid Ruling's electronic filing Portal and paying a filing fee set by Rapid Ruling.[33] Rapid Ruling's case administrator then emails the initiating documents to the respondent along with the Rules, triggering the respondent's deadline to respond.[34]

32. Once an arbitration is initiated, arbitrators are assigned exclusively from Rapid Ruling's own in-house "panel," initially comprising only Sachs and Meyer.[35] Since April 2022, Sachs has assigned arbitrators from an expanded in-house panel of individuals who contract directly with and are paid by Rapid Ruling.[36] To the extent anyone objects to the assignment of Rapid Ruling's choice of arbitrator, that issue is decided "at the discretion" of Rapid Ruling's

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31 Dismore Aff. Ex. 1 (Meyer Tr.) at 284:5-15; Dismore Aff. Ex. 13 (Feldman Tr.) at 105:20-111:21.

32 *E.g.*, Dismore Aff. Ex. 16 (Meyer Email to Feldman, sent Sept. 13, 2019, with attached rules); Dismore Aff. Ex. 17 (Meyer Email to Sachs, sent Sept. 23, 2019, with attached rules).

33 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 5; Dismore Aff. Ex. 18 (Example of Arbitration Initiation).

34 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 5.5; *see also* Dismore Aff. Ex. 19 (Example of Initial Notice to Respondent).

35 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 9; Dismore Aff. Ex. 1 (Meyer Tr.) at 179:19-180:7.

36 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 9; Dismore Aff. Ex. 1 (Meyer Tr.) at 203:15-21; 204:23-205:14; Dismore Aff. Ex. 20 (Example Arbitrator Contract).

Chief Administrator—Meyer.[37] Meyer is not aware of any arbitrator ever having been disqualified following a merchant objection.[38]

33. Any pleadings or motions in an arbitration must be filed on Rapid Ruling's electronic filing Portal, and such filings generally require the payment of filing fees set by the Rules.[39] These fees have varied over time, and presently include $350 to file a claim seeking between $0 and $50,000, $575 to file a claim seeking between $50,000 and $250,000, and $50 to move for an uncontested award.[40]

34. Rapid Ruling also charges arbitrator fees, which likewise have varied over time and are presently at least $350/hr.[41] Rapid Ruling invoices those arbitrator fees to the parties and disburses a share to its arbitrators.[42] Rapid Ruling generates revenue exclusively through filing fees and arbitrator fees.[43] Typically, Rapid Ruling includes an award of the filing and arbitrator fees in the final arbitration award, ensuring that the MCA company that initiates the arbitration does not ultimately pay for the process.[44]

35. In rare instances where the merchant appears and timely responds (which Rapid Ruling refers to as a "contested" matter), Rapid Ruling's "arbitrators" correspond with the parties, hold an online "hearing" (unless waived), and then issue an arbitration award.[45]

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37 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 10.1; Dismore Aff. Ex. 1 (Meyer Tr.) at 37:11-38:6.

38 Dismore Aff. Ex. 1 (Meyer Tr.) at 205:21-206:16.

39 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rules 5, 41.

40 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 41.

41 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 41.

42 Dismore Aff. Ex. 1 (Meyer Tr.) at 196:13-22.

43 Dismore Aff. Ex. 1 (Meyer Tr.) at 90:17-23.

44 *E.g.*, Dismore Aff. Exs. 47-50.

45 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rules 12, 21, and 29.

36. In the much more common scenario where the merchant defaults (which Rapid Ruling refers to as an "uncontested matter"), Rapid Ruling's "arbitrators" issue an arbitration award without any hearing or involvement by the merchant.[46]

37. In either scenario, Rapid Ruling's arbitrators rule in the MCA company's favor and, in almost all cases, award all the relief requested.[47] As of March 2023, over 97% of Rapid Ruling's arbitrations were uncontested, and, to the extent the uncontested matters were adjudicated, Rapid Ruling found in favor of the MCA company in almost every single one of those matters.[48]

38. After an MCA company receives an arbitration award from Rapid Ruling, it may petition a court to confirm the award, which, if granted, produces a monetary judgment that the MCA company may collect. Such petitions to confirm arbitration awards are an attractive collection strategy for MCA companies because they can be filed as special proceedings under New York law, which are generally more expeditious than plenary actions, and because New York courts generally afford arbitrators significant deference.[49]

II. RAPID RULING REPRESENTS ITSELF AS A NEUTRAL AND FAIR FORUM.

39. Rapid Ruling intentionally cultivates the impression that it is a legitimate, neutral arbitration forum, that it is not affiliated with or beholden to companies that use its services, and that it provides an opportunity to be heard to the parties using its arbitration services.

40. For example, Rapid Ruling represents on its website, in a section titled "Benefits of Rapid Ruling" (https://rapidruling.com/, last accessed on May 19, 2026, that its arbitration

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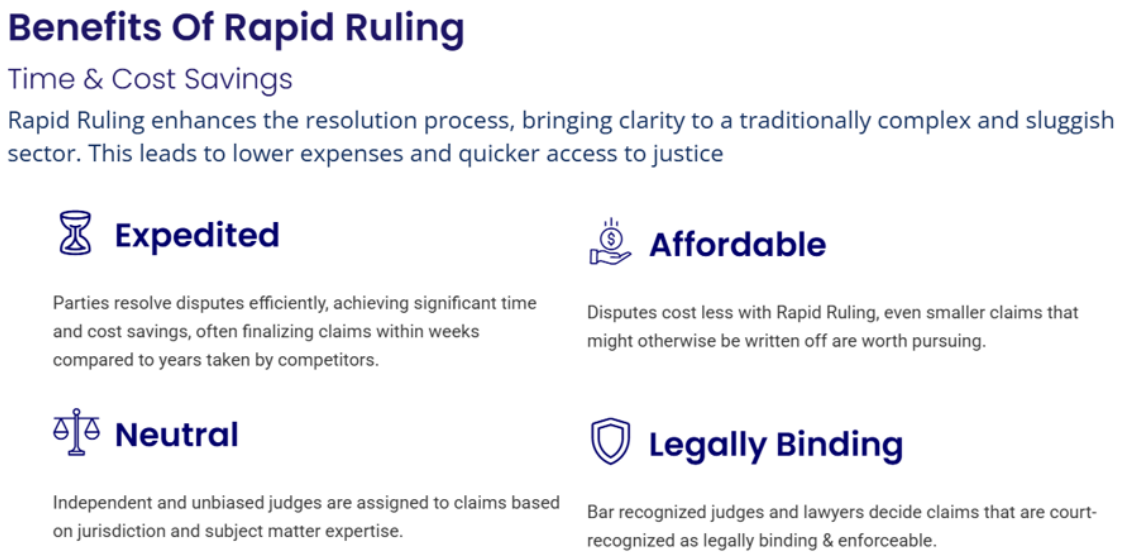
46 *E.g.*, Dismore Aff. Ex. 22 (Example Uncontested Arbitration Award).

47 *See* Dismore Aff. Ex. 12 (Rapid Ruling Matters - arbitrations as of 3/31/2023).

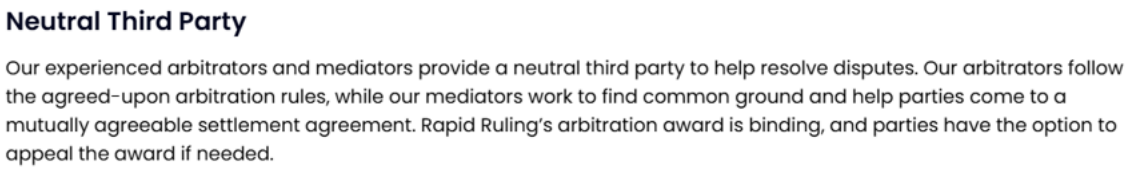
48 *See* Dismore Aff. Ex. 12 (Rapid Ruling Matters).

49 *See* Dismore Aff. Ex. 13 (Feldman Tr.) at 91:18-92:15; *see also N.Y.C. Transit Auth. v. Transp. Workers' Union of Am., Loc. 100, AFL-CIO*, 6 N.Y.3d 332, 336 (2005) ("courts are obligated to give deference to the decision of the arbitrator").

platform is "neutral" and that "independent and unbiased judges are assigned to claims based on jurisdiction and subject matter expertise": [50]



41. Similarly, on its webpage titled "Why Choose Rapid Ruling for Online Arbitration and Mediation Services" (https://rapidruling.com/why-choose-rapid-ruling-for-online-arbitration-and-mediation-services/, last accessed on May 19, 2026, Rapid Ruling touts a "Neutral Third Party" and represents that "[o]ur experienced arbitrators and mediators provide a neutral third party to help resolve disputes":[51]



42. In addition to assuring merchants of its neutrality, Rapid Ruling's website also repeatedly assures merchants that Rapid Ruling's arbitrations will afford them an opportunity to be heard.

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50 Collins Aff. Ex. 3 (Rapid Ruling: Homepage).

51 Collins Aff. Ex. 6 (Rapid Ruling: "Why Choose Rapid Ruling").

43. For instance, Rapid Ruling advises merchants that its arbitrators "hear both parties, review their evidence, and render a decision."[52]

44. Rapid Ruling also promises merchants that "[o]ur arbitrators diligently review the evidence presented," and "consider arguments from both sides" before arriving at a decision, and that arbitrators will hear from both sides, "ensuring that [arbitration] is both informed and fair."[53]

45. The Rules governing arbitrations even provide that arbitrators shall be "fair and impartial."[54]

46. On top of these more specific representations, Rapid Ruling also repeatedly refers to itself as providing "arbitrations"—a term defined to mean a "process of dispute resolution in which a neutral third party (arbitrator) renders a decision after a hearing at which both parties have an opportunity to be heard." *Kabia v. Koch*, 713 N.Y.S.2d 250, 254 (Civ. Ct. 2000); *see also* ARBITRATION, Black's Law Dictionary (12th ed. 2024) (similar). Rapid Ruling's website similarly defines "arbitration" as "a dispute resolution process where a neutral third-party, known as an arbitrator, delivers a decision after thoroughly reviewing the dispute at hand."[55]

47. Rapid Ruling directs merchants to these representations of neutrality and fairness on its website by linking to its website in its sample arbitration clause, as well as in the notice that Rapid Ruling emails to merchants each time an arbitration is initiated.[56]

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52 Collins Aff. Ex. 7 (Rapid Ruling: "About Us").

53 Collins Aff. Ex. 8 (Rapid Ruling: "Arbitration: The Efficient Alternative for Dispute Resolution").

54 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 9.

55 Collins Aff. Ex. 8 (Rapid Ruling: "Arbitration: The Efficient Alternative for Dispute Resolution").

56 Collins Aff. Ex. 5 (Rapid Ruling: Sample Arbitration Clause); Dismore Aff. Ex. 1 (Meyer Tr.) at 321:24-322:9; Dismore Aff. Ex. 19 (Example of Initial Notice to Respondent).

48. It is not possible for a merchant or consumer to understand from these statements, or, indeed, from anywhere on Rapid Ruling's website, that an MCA company was intimately involved in the establishment of Rapid Ruling as an arbitration platform.

49. It is also not possible for a merchant or consumer to understand from these statements or from anywhere else on Rapid Ruling's website that MCA companies initiated and continue to initiate the vast majority of the arbitrations brought before Rapid Ruling.

50. Nor is it possible for a merchant or consumer to understand from these statements or from anywhere else on Rapid Ruling's website that MCA companies succeed in an overwhelming majority of arbitrations adjudicated by Rapid Ruling.

III. RAPID RULING IS AFFILIATED WITH AND FUNDAMENTALLY BIASED IN FAVOR OF MERCHANT CASH ADVANCE COMPANIES.

51. Rapid Ruling's representations of itself to the public and merchants as a neutral, independent third-party arbitration forum are fraudulent, misleading, deceptive, and abusive because Rapid Ruling—by design and in effect—manufactures quick judgments for MCA companies while depriving merchants of an opportunity to be heard.

A. Rapid Ruling was Designed By and For a Merchant Cash Advance Company to Produce Quick Awards Against Merchants.

52. Rapid Ruling was co-designed by an MCA company—LCF—to circumvent a New York law that restricted enforcement of MCA agreements against out-of-state entities and individuals.

53. Prior to August 2019, non-party LCF (and many other MCA companies) required merchants seeking its services to sign confessions of judgment at the outset of the business relationship; these confessions of judgment allowed for quick entry of judgment in the event of a default. LCF routinely filed confessions of judgment against merchants in New York courts, often relying on the services of a New York-based attorney, Adam Feldman, and his law firm, Feldman

Law. Feldman began working in-house at LCF in 2017 while maintaining his law firm, and he became LCF's general counsel and Chief Legal Officer in 2018.[57] Shortly after commencing work for LCF, Feldman began filing confessions of judgment for LCF against merchants, and he and his firm ultimately filed hundreds of confessions of judgment in New York courts on LCF's behalf.[58]

54. Rapid Ruling's roots can be traced to amendments to CPLR § 3218 that, effective August 30, 2019, banned the filing of confessions of judgment in New York courts against non-New York residents. *See* C.P.L.R. § 3218 (permitting filing of COJs "only with the clerk of the county where the defendant's affidavit stated that the defendant resided when it was executed or where the defendant resided at the time of filing"). Those amendments were passed "in response to recent press reports" in Bloomberg News describing how merchant cash advance companies "execute confessions of judgment in New York State even though the associated agreement or debtor have no nexus to the State," enabling "unscrupulous creditors" to quickly "freeze and then seize debtors' assets" while "making it difficult" for the debtors "to contest abusive conduct." Sponsor's Memorandum (Hoylman), S. 6395, L 2019, ch 214. Rapid Ruling was organized as a corporation under New York law on September 27, 2019, just one month after the enactment of the ban on out-of-state COJs.[59]

55. Feldman testified that the 2019 amendments to CPLR § 3218 "significantly limited" this practice since LCF was "no longer able to utilize" confessions of judgment for "defaulting merchants operating or located outside of New York."[60] LCF "anticipated" that the

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57 Dismore Aff. Ex. 13 (Feldman Tr.) at 18:4-19, 28:21-29:3.

58 Dismore Aff. Ex. 13 (Feldman Tr.) at 87:23-88:20.

59 Corbit Aff. Ex. 1 (Certificate of Incorporation - New York).

60 Dismore Aff. Ex. 13 (Feldman Tr.) at 89:13-91:2.

unavailability of confessions of judgment would create a "vacuum" or "void" in its efforts to expeditiously collect from merchants, one that could not be addressed through LCF filing "just summary filings or plenary proceedings."[61] LCF thus "tasked" Feldman with "procuring . . . an online or expeditious platform where LCF might be able to engage and resolve disputes."[62]

56. At LCF's behest, Feldman engaged in discussions with Sachs and Meyer about LCF investing in or co-founding Rapid Ruling, with Meyer and Sachs reasoning that Rapid Ruling's business model would be "suited to" and a "good fit" for the "MCA industry."[63]

57. Meyer and Sachs ultimately decided against LCF taking a direct ownership stake in the nascent business for fear that it would create an "appearance of impropriety."[64]

58. Although Respondents were careful to avoid leaving LCF's fingerprints on Rapid Ruling's organizational documents, they still solicited LCF's input and assistance behind the scenes on nearly every aspect of Rapid Ruling's creation.

59. To start, Rapid Ruling allowed LCF—a financially-interested prospective claimant—to draft, edit, and provide extensive feedback on the rules that would govern the arbitrations that LCF would later file with Rapid Ruling. Respondents ultimately accepted virtually all the extensive input that LCF provided on Rapid Ruling's rules.

60. Respondents also solicited and accepted LCF's assistance in other ways when launching the arbitration business.

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61 Dismore Aff. Ex. 13 (Feldman Tr.) at 91:18-92:15.

62 Dismore Aff. Ex. 13 (Feldman Tr.) at 66:13-20.

63 Dismore Aff. Ex. 1 (Meyer Tr.) at 54:11-55:23, 58:10-22, 61:4-62:2; Ex. 13 (Feldman Tr.) at 33:6-14, 99:21-100:19.

64 Dismore Aff. Ex. 1 (Meyer Tr.) at 54:25-55:23.

61. Feldman provided feedback and direction to the individual who set up and drafted content for Rapid Ruling's initial website.[65, 66]

62. Feldman and another LCF employee assisted in setting up Meyer's Rapid Ruling email account.[67]

63. Feldman set up the PayPal account that Rapid Ruling used to process payment of arbitration fees.[68]

64. In addition, when Rapid Ruling wanted to re-design its website in 2021, LCF referred Sachs to the individual who managed LCF's website, and Rapid Ruling hired that individual to handle the re-design, provide search engine optimization support, and write blog posts.[69]

65. Despite—or perhaps because of—these extensive ties, Respondents accepted LCF as its first and only significant customer upon Rapid Ruling's launch in late 2019.

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65 Dismore Aff. Ex. 23 (Website Emails 1); Dismore Aff. Ex. 24 (Website Emails 2); Dismore Aff. Ex. 13 (Feldman Tr.) at 50:24-55:24.

66 Certain emails produced by Adam Feldman to OAG did not contain "from" data or metadata. Counsel for Feldman was unable to determine why the "from" data and metadata were missing but stated that "these documents are from Adam Feldman." Dismore Aff. Ex. 60 (Email from Adam Feldman to OAG, Jan. 22, 2025). Dismore Aff. Ex. 24 (Website Emails 2) is an example of an email confirmed to have been drafted by Feldman but lacking "from" data and metadata.

67 Dismore Aff. Ex. 25 (Email Service Emails 1); Dismore Aff. Ex. 26 (Email Service Emails 2, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 27 (Account Emails, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 13 (Feldman Tr.) at 56:6-19, 63:25-66:20.

68 Dismore Aff. Ex. 28 (Paypal Emails); Dismore Aff. Ex. 29 (Test Paypal Payment, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 13 (Feldman Tr.) at 69:23-72:8; *see also* Ex. 27 (Account Emails).

69 Dismore Aff. Ex. 30 (SEO and Web Design Emails); Dismore Aff. Ex. 31 (Blog Post and SEO emails).

66. LCF filed hundreds of arbitrations with Rapid Ruling before any other claimant filed one.[70]

67. From Rapid Ruling's first arbitration in March 2020 through March 2023, LCF filed over 2,500 arbitrations with Rapid Ruling, comprising over 90% of the arbitrations filed with Rapid Ruling during that period.[71]

68. Consistent with LCF's goal of circumventing the ban on foreign confessions of judgment in CPLR § 3218, every arbitration filed by LCF with Rapid Ruling named an out-of-state merchant as a respondent.[72]

69. Rapid Ruling does not disclose these ties to the public or to merchants named as respondents.

70. Rapid Ruling's website, for example, is silent on the MCA industry, instead broadly referring to arbitration offerings "for attorneys, businesses, and consumers."[73]

71. Rapid Ruling also says nothing about its ties to LCF or the MCA industry in the case-initiating communications that it sends to respondents.[74]

72. It is not possible for a merchant to uncover the nature and extent of LCF's involvement in Rapid Ruling's development and establishment.

73. As a result of how Rapid Ruling was created, the party initiating arbitration (LCF or another MCA company) has an informational and structural advantage over the party being forced into arbitration (an out-of-state merchant).

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70 Dismore Aff. Ex. 12 (Rapid Ruling Matters).

71 Dismore Aff. Ex. 12 (Rapid Ruling Matters).

72 Dismore Aff. Ex. 13 (Feldman Tr.) at 105:20-107:4.

73 Collins Aff. Ex. 3 (Rapid Ruling: Homepage).

74 Dismore Aff. Ex. 19 (Example of Initial Notice to Respondent).

74. Because of the depth and breadth of LCF's involvement in the establishment of Rapid Ruling, its involvement has tainted the results of every arbitration overseen by Rapid Ruling – including those that were initiated by other MCA companies or that occurred after LCF stopped using Rapid Ruling's services.

B. Rapid Ruling Actively Marketed Itself to Other MCA Funders As a Way to Produce Quick Awards Against Merchants.

75. Respondents sought to expand their client base to MCA companies beyond LCF by marketing Rapid Ruling's arbitration services.

76. Meyer testified that he attempted to "attract claimants" and "grow the business" by participating in at least three MCA industry conferences in the years after Rapid Ruling was founded, including as a paid sponsor.[75]

77. At one conference, which Meyer testified was "crawling" with MCA companies, Meyer served on a speaker panel and extolled the benefits of arbitration to MCA companies in attendance, telling them that "it's great, it's fast, it's cheap."[76]

78. At a different industry conference, Sachs advised an organizer: "We're looking to connect with small business financers to show them the benefits of utilizing arbitration as their dispute resolution method of choice."[77]

79. Respondents were even explicit with MCA companies that they could expect quick rulings in their favor if they used Rapid Ruling's platform. At an MCA industry conference in

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75 Dismore Aff. Ex. 1 (Meyer Tr.) at 289:18-299:25, 307:15-308:8.

76 Dismore Aff. Ex. 1 (Meyer Tr.) at 292:13-293:17, 296:17-297:2.

77 Dismore Aff. Ex. 32 (Funders Forum Emails 1).

2022, Rapid Ruling paid to sponsor the WiFi, and Sachs and Meyer instructed that the username be set as "ForFastJudgmentsUse" and the password be set as "RapidRuling.com."[78]

80. Respondents did not similarly direct any advertising efforts at other industries, including at merchant-respondents, much less promise them fast judgments.

81. Respondents' marketing efforts directed at the MCA industry were successful in attracting additional MCA companies to file arbitrations through Rapid Ruling.

82. Although LCF ceased using Rapid Ruling for arbitration services in 2024, Rapid Ruling has replaced LCF's business with other MCA company claimants.[79]

83. At least through March 2023, the claimants in Rapid Ruling's arbitrations have almost entirely—if not completely—comprised MCA companies.[80]

84. Because Rapid Ruling generates revenues exclusively from filing and arbitrator fees, Rapid Ruling relies or relied on continued business from MCA companies to survive.

C. Rapid Ruling's "Commercial Arbitration Rules" Are Structurally Biased in Favor of MCA Company Claimants.

85. The arbitration rules that Feldman proposed on behalf of LCF, and that Respondents incorporated, had the intended effect of skewing arbitrations in favor of claimants (almost always MCA companies) and against respondents (almost always merchants).

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78 Dismore Aff. Ex. 33 (Funders Forum Emails 2); Dismore Aff. Ex. 1 (Meyer Tr.) at 309:17-310:11.

79 Dismore Aff. Ex. 13 (Feldman Tr.) at 108:5-15; Dismore Aff. Exs. 9-11 (examples of arbitration awards issued by Rapid Ruling to AKF Inc., d/b/a FundKite, an MCA company, in 2024 and 2025); Dismore Aff. Ex. 56 (Final Arbitration Award, MCA Claim No. 46235/2025, issued by Rapid Ruling to Merk Funding Inc., an MCA company, on Nov. 4, 2025); Dismore Aff. Ex. 57 (Final Arbitration Award, MCA Claim No. 44900/2023, issued by Rapid Ruling to Alpine Advance 5 LLC, an MCA company, on June 27, 2024).

80 Dismore Aff. Ex. 1 (Meyer Tr.) at 209:2-210:3, 284:5-15; Dismore Aff. Ex. 12 (Rapid Ruling Matters).

86. Feldman, on behalf of LCF, proposed an initial draft of Rapid Ruling's arbitration rules to Meyer on August 6, 2019, less than a month before the amendments to CPLR § 3218 became effective.[81]

87. Over the ensuing four months, Feldman, Sachs, and Meyer exchanged at least six drafts of those arbitration rules and held multiple calls to discuss the draft rules.[82]

88. Feldman blind carbon copied LCF's then-CEO, Andrew Parker, on some of the communications, and explicitly referenced working on the rules on behalf of his "client," which he acknowledged to be LCF. [83]

89. LCF's initial draft of rules provided that a respondent who failed to timely respond to a statement of claim "shall be deemed to be in default," and that such a failure "shall not operate to delay the arbitration."[84]

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81 Dismore Aff. Ex. 34 (Feldman Email to Meyer with Draft Rules, sent by Adam Feldman, *see* fn. 66).

82 Dismore Aff. Ex. 34 (Feldman Email to Meyer with Draft Rules, sent Aug. 6, 2019, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 35 (Emails Arranging Call); Dismore Aff. Ex. 36 (Feldman Email to Meyer with Draft Rules, sent Sep. 9, 2019, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 16 (Meyer Email to Feldman with Edited Rules, sent Sep. 13, 2019); Dismore Aff. Ex. 37 (Emails Arranging Call, sent Sep. 20, 2019); Dismore Aff. Ex. 17 (Feldman Email to Meyer with Edited Rules, sent Sep. 23, 2019); Dismore Aff. Ex. 38 (Feldman Email to Meyer with Edited Rules, sent Nov. 20, 2019, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 39 (Meyer Email to Feldman with Edited Rules, sent Dec. 4, 2019).

83 Dismore Aff. Ex. 34 (Aug. 6, 2019, Draft, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 36 (Sep. 9, 2019, Draft, sent by Adam Feldman, *see* fn. 66); Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft); Dismore Aff. Ex. 13 (Feldman Tr.) at 47:9-16.

84 Dismore Aff. Ex. 34 (Aug. 6, 2019, Draft, sent by Adam Feldman, *see* fn. 66) at Rules 6.f. & h.

90. LCF then revised the rules to provide for service of case-initiating documents by email and to reduce the time for respondents to answer (on penalty of default) from 15 days to a mere week.[85]

91. By contrast, LCF proposed excepting itself and other prospective MCA company claimants from such quick defaults. LCF's draft rules proposed that a claimant who failed to timely answer a respondent's counterclaim "shall be deemed to deny the allegations of the counterclaim and Respondent's right to any relief thereto."[86]

92. To the extent a merchant respondent did manage to receive and review the case-initiating documents sent by email, hire an attorney, and respond to the statement of claim within a week, LCF sought to curtail any discovery that could enable a merchant to test LCF's allegations or explore its ties to Rapid Ruling. LCF revised the draft rules so that discovery would be available to parties only upon "good cause shown" rather than upon either party's request.[87] And LCF edited the draft rules so that discovery would be available as of right only if the amount in controversy exceeded $1 million—an amount that greatly outstrips the amount in controversy in most if not all arbitrations before Rapid Ruling—rather than a threshold of $25,000, which would entitle almost all respondents to discovery.[88]

93. LCF also tailored the provisions addressing the issuance of an award and post-award proceedings to make them more claimant-friendly.

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85 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 5.d.

86 Dismore Aff. Ex. 34 (Aug. 6, 2019, Draft, sent by Adam Feldman, *see* fn. 66) at Rule 6.j.

87 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 14(a).

88 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 14(b).

94. LCF reduced the time for a party to comply with an award from 10 days to only a week.[89] LCF provided that service of a petition to confirm an award could be made by email.[90]

95. In addition, LCF edited the rules to provide that service of an arbitration award could be made by email and that such email service would be deemed legally delivered "without regard for the said transmittal being filtered to a recipient's SPAM filter."[91]

96. Meyer and Sachs accepted all of these changes, despite the one-sided nature of the changes and LCF's obvious conflict of interest in proposing such self-serving changes.

97. Respondents incorporated all of the changes alleged above into the Rules and then proceeded to apply those Rules in the ensuing thousands of arbitrations initiated by LCF and other MCA companies.[92]

98. Indeed, Respondents enforced the asymmetrical and truncated seven-day response deadline against merchants even during the height of the COVID-19 pandemic in 2020 and 2021—a period during which New York courts were closed and the Governor issued an executive order tolling statutes of limitation and other procedural deadlines.[93]

99. No merchant was invited to provide input on Rapid Ruling's draft rules before they were published.[94]

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89 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 37.

90 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 37.

91 Dismore Aff. Ex. 17 (Sep. 23, 2019, Draft) at Rule 37.

92 Dismore Aff. Ex. 3 (Dec. 2019 Commercial Arbitration Rules).

93 Dismore Aff. Ex. 1 (Meyer Tr.) at 238:5-10; Executive Order (A. Cuomo) No. 202.8, 9 NYCRR 8.202.8.

94 Dismore Aff. Ex. 1 (Meyer Tr.) at 105:14-18; Ex. 13 (Feldman Tr.) at 43:24-44:8.

100. Nearly all of the pro-MCA provisions that LCF inserted remain in the Rules today.[95] The only exceptions are the provisions setting seven-day deadlines to answer a statement of claim, which Rapid Ruling lengthened to 14 days, and to comply with an award, which Rapid Ruling lengthened to 10 days.[96] These changes occurred only after Rapid Ruling received notice of OAG's investigation.[97]

D. Respondents Steered Rapid Ruling's Arbitrators Toward Ruling in Favor of MCA Company Claimants.

101. Respondents have at all times retained exclusive control over the selection of arbitrators without any up-front input from the parties. The Rules provided that Rapid Ruling would "establish and maintain a Panel of Arbitrators," and required that arbitrators "shall be selected" by Rapid Ruling from the panel to conduct arbitrations.[98] As Meyer testified, parties "don't really have a choice" on arbitrator selection under the Rules.[99]

102. For over two years after Rapid Ruling's founding—from March 2020 until April 2022—the only arbitrators on Rapid Ruling's panel were Respondents Sachs and Meyer.[100] As alleged above, Sachs and Meyer personally worked with LCF to found Rapid Ruling and draft its rules, and they relied on LCF and other MCA companies for their arbitration-related income.

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95 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules).

96 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 5.6, Rule 37.

97 Dismore Aff. Ex. 1 (Meyer Tr.) at 169:4-171:19.

98 Dismore Aff. Ex. 3 (Dec. 2019 Commercial Arbitration Rules) at Rules 4 & 10; Dismore Aff. Ex. 7 (Apr. 2022 Commercial Arbitration Rules) at Rules 4 & 10. Rapid Ruling's current rules reference the possibility of parties requesting and consenting to arbitrators "not on RapidRuling's panel," but still provide that Rapid Ruling "reserves the right not to appoint the Arbitrator requested by the parties." Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 9.

99 Dismore Aff. Ex. 1 (Meyer Tr.) at 204:23-205:14.

100 Dismore Aff. Ex. 8 (Owners, Employees, and Arbitrators); Dismore Aff. Ex. 1 (Meyer Tr.) at 179:19-180:7.

103. Yet, throughout this entire period during which they issued arbitration awards, neither Sachs nor Meyer ever disclosed these ties to any party in an arbitration.[101]

104. In fact, as a matter of course, Sachs and Meyer did not issue conflict disclosures to parties at all when acting as arbitrators.[102]

105. Rapid Ruling even refused to provide answers when a party explicitly asked about its ties to the MCA industry. The merchant-respondent in the first arbitration administered by Rapid Ruling, in March 2020, directly asked Meyer to "confirm that [Rapid Ruling] is not owned or operated by LCF or any of its owners, affiliates, and that [Rapid Ruling] is not affiliated with any other Merchant Cash Advance suppliers or affiliates."[103] Meyer refused to disclose Rapid Ruling's ties, even after Feldman—who served as LCF's counsel in the arbitration— berated the merchant by calling his question "bizarre" and "paranoi[d]."[104]

106. Although Rapid Ruling began hiring new arbitrators in April 2022, Respondents trained and compensated them to ensure they continued to produce the quick awards against merchants that LCF and other MCA company claimants expected and paid for.

107. Meyer testified that he personally trains each new arbitrator by telling them "the predominate type of matter is merchant cash advance disputes," pointing "them to some cases that [Meyer] think[s] are a good analysis", and taking "them through the nuts and bolts of how to analyze whether it's a, you know, perfectly valid merchant cash advance agreement or a usurious loan and the analysis they should apply in their awards."[105] Meyer testified that he specifically

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101 Dismore Aff. Ex. 1 (Meyer Tr.) at 279:10-15, 280:4-14.

102 Dismore Aff. Ex. 1 (Meyer Tr.) at 279:10-15, 280:4-14.

103 Dismore Aff. Ex. 40 (Emails between Rapid Ruling and Merchant in First Arbitration).

104 Dismore Aff. Ex. 41 (Further Emails between LCF and Merchant in First Arbitration).

105 Dismore Aff. Ex. 1 (Meyer Tr.) at 209:2-210:3.

advised new arbitrators hired by Rapid Ruling that "this is the framework for analysis that I would apply if I were the arbitrator to this type of case." [106]

108. In case that direction were not clear enough, Meyer also sent new arbitrators one sample uncontested award and one sample contested award issued in previous matters—both of which rule entirely in favor of LCF.[107] When asked about this practice, Meyer testified that he provides these sample awards because "I'd like that similar analysis" reflected in the awards "to be applied to any MCA matter before us."[108]

109. The method by which Respondents compensated arbitrators exacerbated their biases.

110. Rapid Ruling's new arbitrators were paid fees for each case that they resolved, and they almost exclusively decided arbitrations filed by LCF or other MCA companies. This made them similarly beholden to MCA companies (and, in particular, LCF) for arbitration income.[109]

111. Indeed, as one court found when refusing to grant a motion to compel arbitration before Rapid Ruling: "[t]he inordinate number of awards, all of which appear to favor the MCA industry, the substantial fees the arbitrator would earn therefrom, and the reliance of the arbitrator on only one source of business together" constitute "reliable evidence" that Rapid Ruling "exist[s] solely to enforce MCA agreements in favor of the MCA industry." *Legacy Cap. 26, LLC v. Chaldean Enter., LLC*, No. 22-CV-05758 (LJL), 2023 WL 5530307, at *1 (S.D.N.Y. Aug. 28, 2023).

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106 Dismore Aff. Ex. 1 (Meyer Tr.) at 210:4-14.

107 Dismore Aff. Ex. 42 (Arbitrator Onboarding Email); Dismore Aff. Ex. 1 (Meyer Tr.) at 209:2-212:10.

108 Dismore Aff. Ex. 1 (Meyer Tr.) at 209:2-212:10.

109 Dismore Aff. Ex. 20 (Example Arbitrator Contract); Dismore Aff. Ex. 1 (Meyer Tr.) at 196:13-22, 198:10-18.

112. Compounding these biases, although Respondents paid their arbitrators by the hour for contested matters, they paid a nominal, flat fee for resolving uncontested cases—just $50 to $75 per case— regardless of how much work an arbitrator devoted to reviewing the claim and issuing an award.[110]

113. As a result, Respondents incentivized their arbitrators to churn out as many default awards as possible and spend as little time as possible on each one—including by adopting the default forms provided by Meyer.

114. Like Meyer and Sachs, Rapid Ruling's new arbitrators did not disclose any of these ties or conflicts to merchants appearing before them.

115. Although, beginning in 2022, Rapid Ruling's arbitrators did sometimes issue so-called conflict disclosures, the template they used was drafted by Meyer, and that template did not disclose the LCF or MCA industry ties identified above.[111]

116. The template represented that Rapid Ruling's arbitrators "have no prior knowledge of the factual predicate of the dispute," even though, as alleged above, Respondents had provided sample awards for their arbitrators to use in MCA matters.[112]

117. Meyer testified that he was not aware of any instance where one of Rapid Ruling's arbitrators altered this template disclosure.[113] Regardless, Meyer, who is himself conflicted as

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110 Dismore Aff. Ex. 1 (Meyer Tr.) at 198:10-18; Dismore Aff. Ex. 20 (Example Arbitrator Contract).

111 Dismore Aff. Ex. 43 (Oath of Arbitrator and Disclosures).

112 Dismore Aff. Ex. 43 (Oath of Arbitrator and Disclosures).

113 Dismore Aff. Ex. 1 (Meyer Tr.) at 281:11-19.

alleged above, would be responsible for determining whether to disqualify an arbitrator under Rapid Ruling's rules.[114] Meyer testified that he could not recall ever disqualifying an arbitrator.[115]

118. These practices demonstrate that Rapid Ruling is not neutral or unbiased, nor is it providing to all parties appearing before it a fair opportunity to be heard; furthermore, it is not possible for merchants and small businesses who have been pulled into arbitration to understand the arbitrator biases and how those biases will affect the proceedings.

119. These practices are ongoing and continue to affect Rapid Ruling's arbitrations through the date of this Petition.

E. Rapid Ruling's Structural Biases Produced Completely Asymmetrical Outcomes Favoring MCA Companies.

120. Unsurprisingly, Rapid Ruling's arbitrations almost uniformly resulted in quick default awards for LCF and other MCA company claimants.

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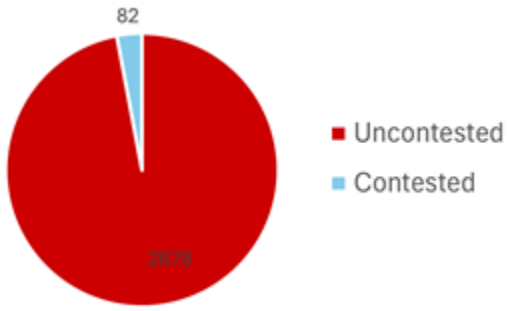
114 Corbit Aff. Ex. 4 (Oct. 2024 Commercial Arbitration Rules) at Rule 10; Dismore Aff. Ex. 1 (Meyer Tr.) at 31:17-25, 37:11-38:6.

115 Dismore Aff. Ex. 1 (Meyer Tr.) at 205:21-206:16.

121. Of the 2,760 matters pending or completed as of March 30, 2023, only 82 matters—less than 3%—were contested by the merchant, with the remaining 2,688 matters resolved without any answer or opposition filed by the merchant, as shown below:[116, 117]



122. Moreover, nearly all of these 2,688 uncontested matters were resolved in the MCA company claimant's favor after the merchant defaulted.[118] As Rapid Ruling acknowledged to OAG: "as a general matter . . . if a proceeding was uncontested, then the prevailing party is in such circumstance the claimant who initiated the proceeding."[119]

123. Also unsurprisingly, given that arbitrators were paid less than $100 for each uncontested award, at least some of those uncontested awards contained basic errors.

124. For instance, one court denied LCF's unopposed petition to confirm an uncontested award issued by Rapid Ruling and *sua sponte* vacated the award as "irrational" because the award "was more than *four times* the amount that LCF remitted to the respondents . . . and the arbitrator

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116 Dismore Aff. Ex. 12 (Rapid Ruling Matters).

117 Rapid Ruling Matters (Dismore Aff. Ex. 12) lacks information on nature of resolution and date of resolution for the majority of matters. Respondents produced a supplementary Award Service Date spreadsheet (Dismore Aff. Ex. 58) that lists the date of issuance of the final arbitration award in many matters; *see also* Dismore Aff. Ex. 59 (Letter from Rapid Ruling to OAG, Apr. 28, 2023) at 1.

118 Dismore Aff. Ex. 12 (Rapid Ruling Matters); Dismore Aff. Ex. 58 (Award Service Date).

119 Dismore Aff. Ex. 44 (Letter from Rapid Ruling to OAG, Apr. 7, 2023) at 1.

failed to offer even a colorable explanation for how he reached that total." *LCF Grp. v. Fields*, 76 Misc. 3d 1222(A), 175 N.Y.S.3d 704 (N.Y. Sup. Ct. 2022).

125. In another case, a court denied in part an MCA company's unopposed petition to confirm an uncontested award issued by Rapid Ruling. *AFK v. Leo Kieu Sole Prop*, No. 650639/2024, 2024 WL 3745175, at *1 (N.Y. Sup. Ct. Aug. 08, 2024). The Court *sua sponte* vacated the portion of the arbitration award that awarded attorney's fees to the MCA company's counsel, reasoning that "nowhere in the Final Arbitration Award is the basis for such an award identified or discussed . . . [n]or can the Court discern any such basis upon review of the text of the [contract]." *Id.*

126. Other courts have partially vacated uncontested Rapid Ruling arbitration awards after finding that Rapid Ruling's arbitrators exceeded their power, particularly concerning attorney's fees. One court determined that "awarding attorney's fees of 33% of the outstanding balance without analyzing any of the relevant factors is unwarranted . . . This is a fairly routine matter, with petitioner having hundreds of similar cases pending in this court, with the petitions utilizing nearly identical boiler plate language, and handled by the same counsel." *AKF v. Limitless Wireless*, No. 654888/2024, 2025 WL 3298047, at *2 (N.Y. Sup. Ct. Nov. 20, 2025); *see also AKF v. Le Nid Consortium Intern.,* No. 654016/2024, 2025 WL 3540809, at *2 (N.Y. Sup. Ct. Dec. 4, 2025) (vacating a portion of a Rapid Ruling judgment where the arbitrator "exceed[ed] her power" in awarding attorney's fees despite the fact that the underlying agreement did not authorize the award of attorney's fees); *see also AKF v. Eshg Kent Island*, No. 652142/2025, 2026 WL 400813, at *2 (N.Y. Sup. Ct. Feb. 5, 2026) (vacating in part a Rapid Ruling award from a contested arbitration in which "the breach administration fee awarded by the arbitrator is a clear example of

an unenforceable penalty that is grossly disproportionate to the breach, and confirmation of that portion of the award would violate strong public policy").

127. Additionally, one federal judge denied a motion to compel arbitration and granted discovery into the relationship between Rapid Ruling and the MCA industry, determining that "[t]he inordinate number of awards, all of which appear to favor the MCA industry, the substantial fees the arbitrator would earn therefrom, and the reliance of the arbitrator on only one source of business together" "raise the alarm that [Rapid Ruling] exist[s] solely to enforce MCA agreements in favor of the MCA industry." *Legacy Cap. 26 v. Chaldean Enter.*, No. 22-CV-05758 (LJL), 2023 WL 5530307, at *1 (S.D.N.Y. Aug. 28, 2023).

128. However, in light of the deference afforded to arbitration awards, close scrutiny of any award issued by Rapid Ruling is an outlier.

129. Upon information and belief, the vast majority of petitions to confirm arbitration awards issued by Rapid Ruling are granted, and many others are resolved outside of court when the MCA company and merchant reach an agreement, sometimes for additional funding.

130. In the rare instances in which merchants have managed to appear in the arbitration and assert a defense despite Rapid Ruling's slanted rules, the arbitration results are equally lopsided.

131. Of the 82 contested matters referenced above, the merchant prevailed in *one* matter, with the rest either resolved in favor of the MCA claimant, discontinued, or settled.[120] That single prevailing merchant was successful only because LCF filed the wrong contract when initiating the claim, causing the arbitrator to dismiss the matter without prejudice shortly before the hearing.[121]

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120 Dismore Aff. Ex. 12 (Rapid Ruling Matters).

121 Dismore Aff. Ex. 45 (Order, MCA Claim No. 41009/2021).

132. Other than that one matter, for the first three years of its existence, Rapid Ruling did not administer a single arbitration in which a merchant appeared and ultimately prevailed. MCA companies obtained thousands of favorable awards during that time.

133. These results are not a coincidence; they are the consequence of the structural biases inherent in Respondents' so-called arbitration business. Indeed, in dozens of awards ruling against merchants in contested matters, Rapid Ruling's arbitrators copied verbatim the legal analysis rejecting a merchant's usury defense from the "sample" contested awards that Respondents provided during the "training" process.[122]

134. Tellingly, in many such awards, Rapid Ruling's arbitrators even copied the same *typo* from the "sample," as highlighted below:

[122] *Compare* Dismore Aff. Ex. 42 (Arbitrator Onboarding Email) at Rapid_Rulling001417-001423 *with*, *e.g.*, Dismore Aff. Ex. 46 (Final Arbitration Award, MCA Claim No. 41410-2022, award using same analysis as sample), *and* Ex. 21 (Final Arbitration Award, MCA Claim No. 40790/2021, same), *and* Ex. 47 (Final Arbitration Award, MCA Claim No. 40632/2021, same), *and* Ex. 48 (Final Arbitration Award, MCA Claim No. 41423/2022, same), *and* Ex. 49 (Final Arbitration Award, MCA Claim No. 42372/2022, same), *and* Ex. 50 (Final Arbitration Award, MCA Claim No. 40799/2021, same), *and* Ex. 51 (Final Arbitration Award, 43211-2022, same), *and* Ex. 52 (Final Arbitration Award, MCA Claim No. 42230/2022, same), *and* Ex. 53 (Final Arbitration Award, MCA Claim No. 43308-2022, same).

Sample Contested Award:[123]

> 17. Upon application of the Second Department's *LG Funding, LLC* three three-factor test, this arbitral forum must conclude that the terms of the Agreement between the parties demonstrate as a matter of law that the Agreement was decidedly a contract for the purchase and sale of future receivables as a matter of law, rather than an ordinary loan, precluding and/or rendering meritless Respondent's usury defenses. *Id.*; *see LG Funding, LLC v. United Senior Props. of Olathe, LLC*, 181 AD3d 664 (2020) ("the rudimentary element of usury is the existence of a loan or forbearance of money, where, [as here,] there is no loan, there can be no usury").

Actual Contested Award:[124]

> 17. Upon application of the Second Department's *LG Funding, LLC* three three-factor test, this arbitral forum must conclude that the terms of the Agreement between the parties demonstrate, as a matter of law, that the Agreement was decidedly a contract for the purchase and sale of future receivables, rather than an ordinary loan, precluding and/or rendering meritless Respondent's usury defenses. *Id.*; *see LG Funding, LLC v. United Senior Props. of Olathe, LLC*, 181 AD3d 664 (2020) ("the rudimentary element of usury is the existence of a loan or forbearance of money, where, [as here,] there is no loan, there can be no usury").

135. Meyer testified that he could not recall a single instance where he sustained a merchant's usury defense when acting as an arbitrator on Rapid Ruling's panel.[125]

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123 Dismore Aff. Ex. 42 (Arbitrator Onboarding) at Rapid_Rulling001422 (highlight added).

124 Dismore Aff. Ex. 46 (highlight added); *see also* Dismore Aff. Ex. 46 (Final Arbitration Award, MCA Claim No. 41410-2022) at 7 (same "three three-factor" typo as in sample award), *and* Ex. 21 (Final Arbitration Award, MCA Claim No. 40790/2021) at 7 (same), *and* Ex. 47 (Final Arbitration Award, MCA Claim No. 40632/2021) at 6 (same), *and* Ex. 48 (Final Arbitration Award, MCA Claim No. 41423/2022) at 6 (same), *and* Ex. 49 (Final Arbitration Award, MCA Claim No. 42372/2022) at 6 (same), *and* Ex. 50 (Final Arbitration Award, MCA Claim No. 40799/2021) at 9 (same), *and* Ex. 51 (Final Arbitration Award, 43211-2022) at 6 (same), *and* Ex. 52 (Final Arbitration Award, MCA Claim No. 42230/2022) at 7 (same), *and* Ex. 53 (Final Arbitration Award, MCA Claim No. 43308-2022) at 6 (same).

125 Dismore Aff. Ex. 1 (Meyer Tr.) at 232:14-21.

136. Respondents' so-called arbitrators rapidly ruled for LCF and other MCA companies again and again because that is the result that Respondents trained and compensated their arbitrators to produce. Respondents so manipulated the process in favor of MCA industry clients that they denied merchants an "arbitration" in any meaningful sense of the word.

137. Rapid Ruling continues to issue arbitration awards that unfairly favor MCA companies.

138. Rapid Ruling has issued at least fifteen uncontested arbitration awards in favor of an MCA company since February 17, 2026, some as recently as April 21, 2026.[126]

139. The arbitration awards in these matters were issued after the effective date of the amendment of General Business Law, Section 349. The MCA company that initiated these arbitrations filed petitions to confirm the arbitration awards in New York state court, which are currently pending.[127]

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[126] Dismore Aff. Ex. 54 (Final Arbitration Award, MCA Claim No. 46413/2026); Dismore Aff. Ex. 55 (Final Arbitration Award, MCA Claim No. 46420/2026); Dismore Aff. Ex. 61 (Final Arbitration Award, MCA Claim No. 46571/2026); Dismore Aff. Ex. 62 (Final Arbitration Award, MCA Claim No. 46574/2026); Dismore Aff. Ex. 63 (Final Arbitration Award, MCA Claim No. 46567/2026); Dismore Aff. Ex. 64 (Final Arbitration Award, MCA Claim No. 46461/2025); Dismore Aff. Ex. 65 (Final Arbitration Award, MCA Claim No. 46565/2026); Dismore Aff. Ex. 66 (Final Arbitration Award, MCA Claim No. 46495/2026); Dismore Aff. Ex. 67 (Final Arbitration Award, MCA Claim No. 46490/2026); Dismore Aff. Ex. 68 (Final Arbitration Award, MCA Claim No. 46441/2026); Dismore Aff. Ex. 69 (Final Arbitration Award, MCA Claim No. 46462); Dismore Aff. Ex. 70 (Final Arbitration Award, MCA Claim No. 46422); Dismore Aff. Ex. 71 (Final Arbitration Award, MCA Claim No. 46421/2026); Dismore Aff. Ex. 72 (Final Arbitration Award, MCA Claim No. 46457/2026); Dismore Aff. Ex. 73 (Final Arbitration Award, MCA Claim No. 46357/2025).

[127] *See* NYSCEF dockets for *AKF v. Banana Wind Bar and Grill*, 651485/2026 (New York Cty.), *AKF v. Epic Auto Detailing*, 651500/2026 (New York Cty.); *AKF v. SSS Towers*, 652729/2026 (New York Cty.); *AKF v. 3 T Tire*, 652710/2026 (New York Cty.); *AKF v. The Milwaukee Cannabis Co.*, 652421/2026 (New York Cty.); *AKF v. Midwest Fence & Gate*, 652733/2026 (New York Cty.); *AKF v. Thoedsak*, 652573/2026 (New York Cty.); *AKF v. MD Crossbones*, 652569/2026 (New York Cty.); *AKF v. Allegra Wellness of*

140. In short, Respondents' fraudulent, deceptive, illegal, and abusive scheme continues, to the detriment of small businesses, merchants, consumers, and the New York court system.

FIRST CAUSE OF ACTION
Executive Law § 63(12) (Fraud)

141. Petitioner repeats and realleges the allegations in the preceding paragraphs.

142. New York's Executive Law § 63(12) authorizes OAG to seek injunctive and other relief when any individual or entity engages in repeated and persistent fraudulent conduct in the carrying on, conducting, or transacting of business in the state of New York.

143. Executive Law § 63(12) broadly defines fraud to include "any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions."

144. As set forth in the preceding paragraphs, Respondents have engaged in repeated and persistent fraud through their arbitration business in a manner that had the capacity or tendency to deceive and that created an atmosphere conducive to fraud by:

a. Promoting, marketing, and representing Rapid Ruling as "neutral," "independent," and "unbiased," when in fact Rapid Ruling has had deep ties to the MCA industry since its founding, Rapid Ruling is financially dependent on the MCA industry, Rapid Ruling's Commercial Arbitration Rules are structurally biased in favor of MCA company claimants, and Rapid Ruling's arbitration platform was specifically

Tuscaloosa, 652178/2026 (New York Cty.); *AKF v. A Better Life 2 Embrace*, 652179/2026 (New York Cty.); *AKF v. Tri-State Cheesesteaks*, 652137/2026 (New York Cty.); *AKF v. CEJ Eateries*, 651995/2026 (New York Cty.); *AKF v. Renova Healthcare Mgmt.*, 652023/2026 (New York Cty.); *AKF v. Martin's Disposal*, 651982/2026 (New York Cty.); *AKF v. Sangon Investments*, 651529/2026 (New York Cty.).

designed to and does almost uniformly produce quick awards in favor of MCA companies;

b. Promoting, marketing, and representing Rapid Ruling's arbitrators as "independent" and "impartial," when Meyer and Sachs secretly collaborated with LCF to slant the Commercial Arbitration Rules in LCF's favor and went on to serve as Rapid Ruling's sole arbitrators for several years, all while being wholly reliant on LCF and other MCA companies for arbitration business; and

c. Promoting, marketing, and representing Rapid Ruling's arbitrators as neutral decision-makers that diligently reviewing and considering evidence and arguments from both sides before issuing awards, when in fact Rapid Ruling's arbitrators rarely consider evidence or arguments from merchants, are trained to apply analysis favorable to MCA companies, and issue arbitration awards in MCA companies' favor based on templates provided by Respondents.

145. By reason of the conduct set forth herein, Respondents have engaged in repeated and persistent fraud in violation of Executive Law § 63(12).

SECOND CAUSE OF ACTION
Executive Law § 63(12) (Illegality – Deception, General Business Law § 349)

146. Petitioner repeats and realleges the allegations in the preceding paragraphs.

147. New York Executive Law § 63(12) authorizes OAG to bring an action or proceeding for injunctive and other relief when any individual or business engages in repeated or persistent illegal conduct.

148. General Business Law § 349(a) prohibits deceptive acts and practices in the conduct of any business, trade, or commerce in the state of New York.

149. As set forth in the preceding paragraphs, Respondents have engaged in and continue to engage in deceptive acts and practices in connection with their arbitration business, including in the following respects:

a. Promoting, marketing, and representing Rapid Ruling as "neutral," "independent," and "unbiased," when in fact Rapid Ruling has had deep ties to the MCA industry since its founding, Rapid Ruling is financially dependent on the MCA industry, Rapid Ruling's Commercial Arbitration Rules are structurally biased in favor of MCA company claimants, and Rapid Ruling's arbitration platform was specifically designed to and does almost uniformly produce quick awards in favor of MCA companies;

b. Promoting, marketing, and representing Rapid Ruling's arbitrators "independent" and "impartial," when Meyer and Sachs secretly collaborated with LCF to slant the Commercial Arbitration Rules in LCF's favor and went on to serve as Rapid Ruling's sole arbitrators for several years, all while being wholly reliant on LCF and other MCA companies for arbitration business; and

c. Promoting, marketing, and representing Rapid Ruling's arbitrators as neutral decision makers that diligently review and consider evidence and arguments from both sides before issuing awards, when in fact Rapid Ruling's arbitrators rarely consider evidence or arguments from merchants, are trained to apply analysis favorable to MCA companies, and issue arbitration awards in MCA companies' favor based on templates provided by Respondents.

150. By their actions in violation of General Business Law § 349(a), Respondents have engaged in repeated and persistent illegality in violation of New York Executive Law § 63(12).

THIRD CAUSE OF ACTION
Executive Law § 63(12) (Illegality – Abusiveness, General Business Law § 349)

151. Petitioner repeats and realleges the allegations in the preceding paragraphs.

152. New York Executive Law § 63(12) authorizes OAG to bring an action or proceeding for injunctive and other relief when any individual or business engages in repeated or persistent illegal conduct.

153. Effective February 17, 2026, New York's General Business Law § 349(a) prohibits abusive acts or practices in the conduct of any business, trade, or commerce or in the furnishing of any service in the State of New York.

154. An act or practice is abusive when it either (i) materially interferes with a person's ability to understand a term or condition of a product or service, or (ii) takes unreasonable advantage of a person's (a) lack of understanding of the risks, costs, or conditions of a product or service; (b) inability to protect their interests in selecting or using a product or service; or (c) reasonable reliance on the person engaging in the act or practice to act in the relying person's interests. GBL § 349(a)(2).

155. As set forth in the preceding paragraphs, Respondents have engaged in abusive acts and practices since February 17, 2026, and continue to engage in abusive acts and practices in connection with their arbitration business. These practices enable Respondents to generate filing and arbitrator fees and attract MCA company claimants, including by taking unreasonable advantage of:

a. Merchants' lack of understanding that:

    i. An MCA company participated in drafting and editing Rapid Ruling's Commercial Arbitration Rules;

ii. Respondents' arbitration forum systematically set merchants up to fail by favoring MCA companies;

iii. Respondents' arbitrators are trained to issue judgments for MCA companies without fairly evaluating the evidence;

iv. Rapid Ruling is dependent on filing fees from MCA companies to maintain its business; and

v. The risks, costs, and conditions of engaging in so-called arbitrations before Rapid Ruling; and

b. Merchants' reasonable reliance on Respondents to:

i. Act in merchants' interests by designing and providing a dispute resolution forum that resolves disputes in a neutral, independent, and unbiased fashion; and

ii. Act in merchants' interests by training arbitrators to resolve disputes in a neutral, independent, and unbiased manner and diligently review and consider evidence from both sides.

156. By their actions in violation of General Business Law § 349(a), Respondents have engaged in repeated and persistent illegality in violation of New York Executive Law § 63(12).

FOURTH CAUSE OF ACTION
General Business Law § 349 (Deception)

157. Petitioner repeats and realleges the allegations in the preceding paragraphs.

158. General Business Law § 349(a) prohibits deceptive acts and practices in the conduct of any business, trade, or commerce in the state of New York.

159. As set forth in the preceding paragraphs, Respondents have engaged in and continue to engage in deceptive acts and practices in connection with their arbitration business, including in the following respects:

a. Promoting, marketing, and representing Rapid Ruling as "neutral," "independent," and "unbiased," when in fact Rapid Ruling has had deep ties to the MCA industry since its founding, Rapid Ruling is financially dependent on the MCA industry, Rapid Ruling's Commercial Arbitration Rules are structurally biased in favor of MCA company claimants, and Rapid Ruling's arbitration platform was specifically designed to and does almost uniformly produce quick awards in favor of MCA companies;

b. Promoting, marketing, and representing Rapid Ruling's arbitrators as "independent" and "impartial," when Meyer and Sachs secretly collaborated with LCF to slant the Commercial Arbitration Rules in LCF's favor and went on to serve as Rapid Ruling's sole arbitrators for several years, all while being wholly reliant on LCF and other MCA companies for arbitration business; and

c. Promoting, marketing, and representing Rapid Ruling's arbitrators as neutral decision-makers that diligently review and consider evidence and arguments from both sides before issuing awards, when in fact Rapid Ruling's arbitrators rarely consider evidence or arguments from merchants, are trained to apply analysis favorable to MCA companies, and issue arbitration awards in MCA companies' favor based on templates provided by Respondents.

160. By reason of the conduct set forth herein, Respondents have committed acts and practices that are deceptive business practices in violation of GBL § 349.

FIFTH CAUSE OF ACTION
General Business Law § 349 (Abusiveness)

161. Petitioner repeats and realleges the allegations in the preceding paragraphs.

162. New York's General Business Law § 349 authorizes the Attorney General to seek injunctive and other relief when any person or entity engages in acts or practices that violate the section.

163. Effective February 17, 2026, New York's General Business Law GBL § 349(a) prohibits abusive acts or practices in the conduct of any business, trade, or commerce or in the furnishing of any service in the State of New York.

164. An act or practice is abusive when it takes unreasonable advantage of a person's (a) lack of understanding of the risks, costs, or conditions of a product or service; (b) inability to protect their interests in selecting or using a product or service; or (c) reasonable reliance on the person engaging in the act or practice to act in the relying person's interests. GBL § 349(a)(2).

165. As set forth in the preceding paragraphs, Respondents have engaged in abusive acts and practices since February 17, 2026, and continue to engage in abusive acts and practices in connection with their arbitration business. These practices enable Respondents to generate filing and arbitrator fees and attract MCA company claimants, including by taking unreasonable advantage of:

a. Merchants' lack of understanding that:

   i. MCA companies participated in drafting and editing Rapid Ruling's Commercial Arbitration Rules;

   ii. Respondents' arbitration forum systematically set merchants up to fail by favoring MCA companies;

iii. Respondents' arbitrators are trained to issue judgments for MCA companies without fairly evaluating the evidence;

iv. Rapid Ruling is dependent on filing fees from MCA companies to maintain its business; and

v. The risks, costs, and conditions of engaging in so-called arbitrations before Rapid Ruling; and

b. Merchants' reasonable reliance on Respondents to:

i. Act in merchants' interests by designing and providing a dispute resolution forum that resolves disputes in a neutral, independent, and unbiased fashion; and

ii. Act in merchants' interests by training arbitrators to resolve disputes in a neutral, independent, and unbiased manner and diligently review and consider evidence from both sides.

166. By reason of the conduct set forth herein, Respondents have committed acts and practices that are abusive business practices in violation of GBL § 349.

DEMAND FOR RELIEF

WHEREFORE, Petitioner respectfully requests that the Court issue an order and judgment under Executive Law § 63(12) and General Business Law § 349:

a. permanently enjoining Respondents, their agents, trustees, employees, successors, heirs, and assigns, and any other person under their direction or control, whether acting individually or in concert with others, or through any corporate or other entity or device through which one or more of them may now or hereafter act or conduct business, from engaging in the fraudulent, deceptive, and abusive practices alleged herein;

b. ordering Respondents to cause the dismissal without prejudice of all arbitrations concerning alleged defaults or breaches of MCA transactions by merchants pending before Rapid Ruling's arbitration panel as of the date of the Court's order and judgment;

c. enjoining Respondents from providing arbitration services to any company, entity, or individual that offers or participates in the offering of merchant cash advances, as well as enjoining Respondents from promoting, marketing, or advertising Rapid Ruling to such companies, entities, and individuals;

d. enjoining Respondents from providing arbitration services to any other industry, company, entity, or individual unless such services are provided in a neutral, independent, and unbiased manner;

e. ordering Respondents to provide an accounting of any payments, including arbitration fees, filing fees, and any other monetary amounts, that they received in connection with arbitrations filed with Rapid Ruling by MCA companies through the date of the Court's order and judgment;

f. ordering Respondents to pay a civil penalty of $5,000 for each arbitration Rapid Ruling administered concerning defaults or breaches of MCA transactions by merchants pursuant to GBL § 350-d;

g. ordering Respondent to provide restitution and damages to all affected merchants through the date of the Court's order and judgment, whether known or unknown;

h. ordering Respondents to disgorge all profits from the fraudulent practices alleged herein;

i. awarding to Petitioner, pursuant to CPLR § 8303(a)(6), costs in the amount of $2,000 against each Respondent; and

j. granting such other and further relief as the Court deems just and proper.

Dated: June 8, 2026

Respectfully submitted,

LETITIA JAMES
Attorney General of the State of New York

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Counsel for Petitioner People of the State of New York

VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

LAURA C. DISMORE, being duly sworn, deposes and says:

I am an Assistant Attorney General in the office of Letitia James, Attorney General of the State of New York, and I am duly authorized to make this verification.

I have read the foregoing petition and know the contents thereof, which are to my knowledge true, except as to matters therein stated to be alleged on information and belief, and as to those matters, I believe them to be true. The grounds for my beliefs as to all matters stated upon information and belief are investigatory materials contained in the files of the Bureau of Consumer Frauds and Protection in the New York State Office of the Attorney General.

LAURA C. DISMORE

Sworn to before me this
8 day of June, 2026

NOTARY PUBLIC

Nora Van Horn
Notary Public, State of New York
Reg. No. 02VA0049539
Qualified in New York County
Commission Expires Apr. 29, 2030