

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION PART 48

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SANJIV MEHRA, individually and in the right of and on :
behalf of The Kind Group LLC and EOS Products, LLC, :
 :
Plaintiff, : Index No. 657027/2020
 :
-against- : Hon. Andrea Masley, J.S.C.
 :
JONATHAN TELLER and SARAH SLOVER, : Part 48
 :
Defendants, and :
 :
THE KIND GROUP LLC and EOS PRODUCTS, LLC, :
 :
Nominal Defendants. :
 :
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~~PROPOSED~~ ORDER APPROVING SETTLEMENT

The parties to this derivative Action seek this Court's approval of the settlement agreed to by the parties and memorialized in the settlement agreement filed as NYSCEF document number 219 (the "Settlement"). The parties entered into a stipulated permanent injunction, filed as NYSCEF document number 220, as one term of the Settlement. NYSCEF No. 219 § 1.d. The Settlement has been approved and executed by every single member of nominal defendant The Kind Group LLC ("Kind"), which wholly owns the other nominal defendant EOS Products, LLC ("EOS Products"). NYSCEF No. 219. On May 9, 2025, Plaintiff filed the Settlement, NYSCEF No. 219, the proposed injunction, NYSCEF No. 220, and a letter explaining the Settlement and setting forth why it is fair and reasonable under the circumstances. NYSCEF No. 221. Defendants consent to the Court's approving the settlement.

Settling derivative actions, in general, requires court approval. *See* N.Y. Bus. Corp. L. § 626(d) (derivative actions brought on behalf of corporations); N.Y. P'ship L. § 121-1002(d) (derivative actions brought on behalf of partnerships). Although no analogous statutory

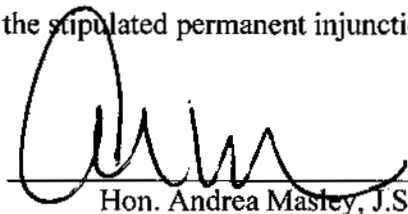
provision requires court approval for settlements of derivative actions brought on behalf of New York limited liability companies like Kind and EOS Products, LLC members have the right to bring derivative actions, *Tzolis v. Wolff*, 10 N.Y.3d 100, 102 (2008), and the parties here have sought Court approval. The Court assumes that the same principles apply in assessing the request to approve this Settlement as in assessing a request for approval of a settlement in the context of a derivative action brought on behalf of a corporation or of a partnership.

In analyzing a request to approve a derivative settlement, the court “must determine whether a proposed settlement . . . is fair and reasonable to the corporation and its shareholders, then either approve or disapprove the settlement.” *Benedict v. Whitman Breed Abbott & Morgan*, 77 A.D.3d 870, 872 (2d Dep’t 2010) (cleaned up). “The only question is whether the settlement, taken as a whole, is so unfair on its face as to preclude judicial approval.” *Id.* (cleaned up). Here, the Settlement is eminently “fair and reasonable to the [LLC] and its [members]:” the Settlement terms represent substantially complete relief on Plaintiff’s claims, NYSCEF No. 221, and every single member of the Kind Group LLC has approved the Settlement. NYSCEF No. 219 §§ 8, 9, and signature pages.¹

Accordingly, it is

ORDERED that the Settlement is APPROVED and the stipulated permanent injunction will be entered in a separate order.

5/29/25
Date


Hon. Andrea Masley, J.S.C.

¹ Because every member of the Kind Group LLC has approved the Settlement, there is no need for the Court to direct a process to provide notice to absent members or to await potential objections from such absent members. Cf. N.Y. Bus. Corp. L. § 626(d).