

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

-----X
TARA GORDON LIPTON,

Plaintiff,

- against -

CITIBABES LLC,

Defendant.
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Index No.

10102961

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your Answer, or, if the Complaint is not served with this Summons, to serve a notice of appearance, on the Plaintiff's Attorney, within 20 days after the service of this summons (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Plaintiff has designated New York County as the place of trial. The basis of venue is the residence of plaintiff and the principal place of business of the defendant.

Dated: March 8, 2010
New York, New York



Daniel Cobrinik
Attorney for Plaintiff
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FILED
MAR 08 2010
COUNTY CLERK'S OFFICE
NEW YORK

to incur as a result of Citibabes' willful failure to comply with state law.

Parties

1. Plaintiff Tara Gordon Lipton is a resident of New York and resides at 255 East 74th Street, New York, New York.

2. Defendant Citibabes LLC is a limited liability company organized under the laws of the State of New York. Its principal place of business is at 52 Mercer Street, New York, New York.

Jurisdiction and Venue

3. This Court has jurisdiction over the subject matter because it concerns events that occurred in New York and the applications of the laws of New York.

4. This court has personal jurisdiction over the defendant because it regularly does business in the State of New York and the facts underlying this action arise from and relate to the defendant's business of providing community daycare, elementary educational and recreational opportunities for families in New York.

General Allegations

5. Defendant Citibabes was formed in 2003 by plaintiff Lipton and Tracy Rensky. Its purpose was to create community club environments in Manhattan and, eventually, in its suburbs and other cities, in which parents (primarily mothers) and children could go together.

6. The first and prototype facility was developed in the Soho neighborhood of Manhattan and consisted of a pre-school educational program, childrens' and parents' recreational and spa facilities and offered various services for children and their parents.

7. Plaintiff Lipton has a professional background in childhood education and

Rensky had, or purported to have, a financial background, having worked in various positions in large banks.

8. From its inception Citibabes was undercapitalized. Beginning in 2006 Lipton invested over \$400,000 in the company that, along with substantial loans to the company by her father, Herbert Feinberg, were a substantial contributing factor in the company's survival.

9. In 2008, Lipton left her position as managing member of Citibabes.

10. Lipton thereafter remained an investor in Citibabes.

11. In July 2009 Lipton sold her shares to Herbert Feinberg but the company has refused to recognize the sale and asserted that it disapproved of the transaction.

12. Since her departure from the Company in 2008, Lipton has not received financial or other reports from the company.

COUNT ONE: DECLARATORY JUDGMENT

13. Beginning in the summer of 2009 Lipton repeatedly asked to inspect company records and documentation.

14. The company has refused to allow her access to any company information.

15. Section 1102(5)(b) of the New York Limited Liability Company Law ("LLC Law") under which the company was formed, assures members that

"(b) Any member may, subject to reasonable standards as may be set forth in, or pursuant to, the operating agreement, inspect and copy at his or her own expense, for any purpose reasonably related to the member's interest as a member, the records referred to in subdivision (a) of this section, any financial statements maintained by the limited liability company for the three most recent fiscal years and other information regarding the affairs of the limited liability company as is just and reasonable.

16. Citibabes has excused its unlawful refusal to allow Lipton access to the financial statements and other documents referenced in New York Limited Liability Company Law § 1102(5)(b) on the grounds that she purportedly refused to sign a confidentiality agreement when she left Citibabes' employment.

14. Citibabes' excuse for not producing documents for review, as mandated by the LLC Law, is a pretext. Lipton is ready and willing to sign a confidentiality agreement relating to any information or documents legitimately classified as confidential, and has been ready and willing to do so since initially asking for access to the documents.

15. Citibabes has also interposed pretextual excuses for failing to approve Lipton's sale of her membership units to her father.

16. On information and belief, the real reason for Citibabes' unlawful refusal to allow access to documents or the sale of Gordon's member units is personal animosity towards Lipton by her former colleague, Rensky.

17. The LLC Law does not itemize personal animosity as a reason for refusing to allow an investor and LLC member access to documents.

WHEREFORE, Lipton requests that the Court enter judgment:

(1) declaring that Lipton is entitled to access to Citibabes financial and other documents as itemized in the LLC Law

(2) directing Citibabes to produce the documents within 5 business days, refraining from any future denial of access to such documents;

(3) directing Citibabes to reimburse Lipton for all reasonable legal fees, expenses and other costs incurred by her in pursuing her rights under the LLC Law; and

(4) granting to Lipton such other and further relief as this Court deems just and proper.

Dated: March 8, 2010



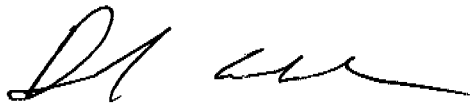
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SUMMONS AND COMPLAINT

Signature: Rule 130-1.1-a



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