SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK : CIVIL TERM : PART 48

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RUMI DURMAZ,

Index No. 651291/2026

Petitioner

PROCEEDINGS

-against-

ANNA L. SANTOS ET AL,

Respondent.

---X

Virtual Proceedings Held Via Video Conference

July 1, 2026

B E F O R E:

HONORABLE ANDREA MASLEY, J.S.C.

A P P E A R A N C E S:

O'TOOLE SCRIVO LLC
Attorneys for Petitioner
14 Village Park Road
Cedar Grove, New Jersey 07009
By: YOUNG YU, ESQ.

BUSHELL, SOVAK, KANE & SASH LLP
Attorneys for Respondent
274 Madison Avenue, Suite 1500
New York, New York 10016
By: ALAN E. SASH, ESQ.

Alecia Hines, RPR
Senior Court Reporter

THE COURT: In the matter of Durmaz against Central Park Advanced Imaging and the Estate of Santos, who's speaking for plaintiff?

MR. YU: Good afternoon, your Honor. Young Yu of O'Toole Scrivo on behalf of the petitioner, Rumi Durmaz.

THE COURT: Is anyone with you today?

MR. YU: Yes, your Honor. We have my client, Rumi Durmaz, as well as Sarah Soza, (ph) who is an employee of CPAI. They will just be observing today.

12:02:58 THE COURT: Okay. Thank you for letting me know the client's here.

And who's speaking for the Santos estate?

MR. SASH: Alan Sash from Bushell, Sovak, Kane & Sash, LLP. Good afternoon, everyone.

THE COURT: Hi, Mr. Sash. And is anyone with you today?

MR. SASH: No.

THE COURT: We have a lot of interns, though, watching you, just so you know.

12:03:20 Okay. So we're here on petitioner's petition for dissolution of what we're calling CPAI due to -- and let me just -- condolences on the death of Mr. Santos.

Let me just ask, Mr. Sash, if you want to respond to what is effectively a tax estoppel argument, though it's not precisely tax estoppel because you didn't submit it --

well, it did go to a tax authority. So judicial estoppel, tax estoppel; do you want say anything about that?

MR. SASH: Yes. So I'm not even sure if it was used in any tax filing. What happened was, my clients were speaking with their accountants because there was a deadline coming up, and the accountants were trying to figure out how to value the company and what to put on the form and how to indicate that there's a lawsuit, and they just weren't sure how to do it. So they asked if we could see a copy of the 12:04:51 petitioner's valuation for some reference. I said to them, we have it, you could use it, I don't have to ask them for it. And they said, yeah, well, you know, just to be careful, can you just get their permission so we feel more comfortable doing it? So I said, sure. So I emailed Mr. Yu and I asked him, can we use it? He asked why. I told him why. And so he said, yeah, you can use it.

THE COURT: But, Mr. Sash, sorry to interrupt you, if you used it -- if you used it, and there's some indication that you did, it would be estoppel.

12:05:29 MR. SASH: And I don't know if we used it. I don't know.

THE COURT: Okay, I understand that. But Mr. Sash, your argument here is that you want to do discovery, you want this to be turned into a plenary action instead of a special proceeding.

The evidence that I have so far would indicate that there is tax estoppel.

MR. SASH: I disagree, your Honor, only because all the evidence is, is me asking for something, him saying yes and our saying yes, we're going to use it in connection with the 706. There's no evidence that we used it.
I don't know if we did or didn't.

THE COURT: All right. Well, there's another issue which is this, you're arguing that you're entitled to 12:06:24 50 percent, right, that's one of your arguments?

MR. SASH: Yes.

THE COURT: Okay. And if you get 50 percent, you realize that it's dissolved, right? You're against dissolving, but you want 50 percent.

MR. SASH: Well, maybe I didn't state it clearly.

Our bottom line position is we want to be bought out. We don't think it should be dissolved, we just have an issue with the valuation.

THE COURT: Exactly my point. That's exactly -- I 12:06:59 mean, come on, let's just get to the -- what this is about, which is the valuation and figure out a fair way to do the valuation.

And on that point, Mr. Yu, can I just ask you about your valuation? Your expert just did a valuation as of May 12, 2025, I'm not sure. The date of death is March 12,

2025. In any case, so they come to a number, but I don't think that this takes into consideration any of the items that you think should reduce the value of the 50 percent, right, to the estate, you know, things like you made some -- you, being your client, made some -- put some money in, you know, have been running it since then.

So am I correct that your valuation does not make those deductions for the things that one would normally deduct when you're negotiating or calculating the value of a business?

12:08:23

MR. YU: If I just could get some clarification, your Honor, are you talking about discounts, marketability discounts, lack of control?

THE COURT: Exactly. Well -- and also the contributions that your client made.

MR. YU: Sure. I think on the second portion of that question, your Honor, I think my understanding is our expert did take into calculation or consideration the contributions to this new entity. And, you know, I think I've heard the estate telling us about, you know, some pre-liquidation capital contributions to the prior entity. But the problem is -- with that argument is, we have a new entity, CPAI, and that old entity, AMRIC, had different members.

12:08:56

On the marketability discounts and lack of control discounts, I mean, those are -- you're absolutely right, your Honor, those points are not addressed in the valuation report. From our perspective, those are things that really are fact intensive and should be left to the discretion of the Court.

I mean, here are the facts: We have a closely held company, we have a nonpublic business, there's no buy-sell provision. You know, it's not out for sale in the open market. It's not a stock.

12:10:09 And then the financials are really important. We have to history of distributions, there's no income, there's no governance rights. I mean, even if you want to construe this issue under the LLC law, you know, the economic interest doesn't transform into some governance rights for the estate. That's simply not the case.

So I think, you know, if we look at, you know, just hypothetically, a willing buyer and a willing seller and, you know, how much, you know, a person out in the market would actually pay for this interest, that really hasn't 12:10:43 even earned a profit or net income over the last year-and-a-half, that's something that should be taken into consideration against the market approach or what's called the asset approach that our expert provided.

And by the way, there's a third approach -- and I think, just to be fair, we all could have came in with an income approach and said, oh, hey, listen, there's no income there and the value of the company is zero. And I think --

THE COURT: Sorry to interrupt you, but the deceased contributed also to CPAC. Your client purchased at the auction, right, purchased the assets and then contributed the assets to the new entity, right? And Santos contributed something, too, right?

MR. YU: Yes.

THE COURT: Okay. And that's how he ends up with

12:11:50 -- or the estate ends up with 50 percent.

MR. YU: That's correct, your Honor.

THE COURT: Okay. And so the question is just valuing.

So in my view, how do we get to a valuation? I mean, do -- as I said, the reports are actually not sufficient. You can come up with -- I mean, we could have the experts testify and we could come to a total amount of, you know, the value. But then there's this issue of these discounts that the plaintiff is asserting, which are not in

12:12:29 these reports. So I am not sure how you, you know -- do you want to do a second report with a -- with the proposed discounts that you're seeking so that Mr. Sash can consult his expert about whether, you know, how they're going to attack them?

MR. YU: Your Honor, I would happily take that guidance from the Court. I'm happy to take, you know, the opportunity to provide a second report if that would, you know, make this --

THE COURT: Well, how are you going to assert these discounts? I'm not calculating them for you.

MR. YU: Yeah. You know, the discounts -- again, if I read the case law here, including Fleischer and -- you know, we talk about *Behrend versus New Windsor Group*, those cases seems to me, your Honor, if I'm reading these cases 12:13:19 correctly, they are discretionary to the core of equity here, which is the commercial division. And I think those factors -- we can certainly advocate in the report, you know, whether it's the 10 percent, 20 percent, 25 percent -- I think the 25 percent number is actually good here, actually generous. But ultimately, if your Honor decided one way or the other, you know, that's your Honor's discretion.

THE COURT: I know, but you have to present a proposal. I mean, are you seeking 25 percent at this point 12:13:52 on the record that I have?

MR. YU: Yes, your Honor.

THE COURT: Oh, okay. So 25 percent discount. Anything else?

MR. YU: In terms of final relief, Judge --

THE COURT: Look, you want me to come up with a number, I'm not going to do it right now because you're still fighting over the baseline value of the entity. I don't think that I have enough in the reports.

And Mr. Sash's report is marked not final -- or for discussion purposes only.

I mean, are you offering that, Mr. Sash? Is your number the 2.7?

MR. SASH: We're not, your Honor. And that's one of the issues, is that this CPAI is the next generation of

12:14:55 AMRIC, LLC.

THE COURT: I'll tell you why I don't buy that argument, because it was sold at auction. It's a shell. There's nothing left to it. The two partners took stuff out of it or purchased it, moved the assets into this new entity, but that entity is done. So -- and they specifically agreed, you know, we're going to close it up, we're going to purchase the assets at an auction, and then we're going to start this new entity. So I don't see how you can look to, well, you know, he made a loan. They

12:15:33 agreed that the loans would not be repaid and they would start this new entity with the assets of the original entity.

MR. SASH: Yes, your Honor. What I meant by that was that my client submitted a credit bid of 3.2 million in order to get those assets to put into the new entity and then the new entity also shows on its books that they owe him a debt of 400,000.

THE COURT: For AMRIC.

MR. SASH: AMRIC.

THE COURT: Right.

MR. SASH: No, no, no. Sorry. CPAI's books, it shows a debt of 400,000 owed to him.

THE COURT: Okay.

MR. SASH: And one of the problems that we're having in --

THE COURT: A debt or a contribution?

MR. SASH: I read it and it just said more than $400,000 in debt to Santos.

THE COURT: Okay.

MR. SASH: So part of the problem we're having is, we don't have the information that the petitioner has to do a proper valuation. That's why our valuation is kind-of insufficient. And that's why I don't want to rely on it.

THE COURT: And so what do you want? What data do you want?

MR. SASH: I just want to have limited discovery on the books and records of CPAI so I can then give it to our expert, come up with a report like the petitioner has, and then the two of us could sit down and hopefully resolve this.

THE COURT: Okay.

Mr. Yu, sounds good to me.

MR. YU: Your Honor, I think, ultimately, it's your discretion, Judge, and I defer to your Honor's ruling on that. But I do want to be heard on that and I do want to place my objection on that request because, really, just over the last 16 months my clients have done everything to ensure that this process does move forward and gets resolved.

12:17:49 THE COURT: It's not going to move forward unless they get the data they need to come up with a number.

MR. YU: The problem is, your Honor, the client has provided access to the books and records, the QuickBooks, it's all in the record.

And we have here, it's starting back in August of last year. And I'm surprised that counsel can't even answer for today after, you know, having asked the question about the 706, whether or not, the valuation report was actually used and relied upon in submitting it to the IRS. I mean, I think that's a threshold issue. 12:18:27

Number two, you know, I think at some point, your Honor, we do have to -- and, again, I defer to your Honor's ruling, obviously. If they're going to get limited discovery, you know, I just want to be heard on that issue because we provided all that discovery.

THE COURT: I'm asking you. All they want are books and records. It's a perfectly reasonable request. Now you're telling me no, no, no, they've had access. So hold on to that thought.

Mr. Sash, what else do you want? Mr. Yu is saying you have access.

MR. SASH: So we did not have access. I reached out to the accountant, I would say, at least twice, asking for information and wanting to set up a conversation.

12:19:12 Because in our report that we submitted, I think it was NYSCEF 15 --

THE COURT: I have it.

MR. SASH: Okay. It says -- I think it's in parenthesis, I don't have it in front of me, but it says we need to speak with the accountant, we want to speak to the accountant, something to that effect.

THE COURT: All right. Well, that's different than getting books and records. So did you have books and records access, yes or no?

12:19:36 MR. SASH: I did not have it, at all.

THE COURT: Did the accountant? Because I don't really care if you did. When I say "you," I mean the client, the accountant, all your professionals.

MR. SASH: This particular accountant, okay, we have asked him for books and records, and to my knowledge, we have not received them, or -- or, sorry --

THE COURT: Well, where did these numbers come from?

MR. SASH: Oh, I know what you mean. It was up to a certain date. He wouldn't provide them, I think, post death. And we had an issue with that because we just don't want to see the day Alex died what happened, we want to see just to get a holistic picture of what's going on since that time, because, who knows, there could have been a ton of account receivables the day before Alex's death and they were paid two months later.

So all we want, and we could agree on a timeframe with the other side, we don't need it to the present, just something reasonable so we can get a view as to maybe six months post-Alex's death to see how the company did.

THE COURT: Hold on. Well, their expert did it through, what did I say, May? And I don't understand why it was done through that date. I mean, I don't know the significance of that date, but it was done through May 12, 2025. So, I mean, if they're going to go through May 12th and the date of death was March 12th, so that's two months after. I mean, that's what they went to. You want to go further than that?

MR. SASH: Yeah, and not by far, just six months after. So they would only --

THE COURT: So you capture the receivables that may have been paid.

MR. SASH: Correct. And if they're not paid after six months, then so be it, they're probably not going to get paid.

THE COURT: Yeah, that seems reasonable to me. So -- and then you want access to the accountant. That also seems reasonable to me, Mr. Young.

What's the problem with access to the accountant?

12:21:48 MR. YU: There's actually no problem at all, your Honor. That's actually something we offered to provide. If you look at Exhibit A of my affirmation, moving affirmation, I spoke with prior counsel. This is almost a year ago, your Honor. And I wrote, Further below is the contact info for the partnership CPA. You had my client's consent to reach out directly for any documentation reasonably required. I would just ask that you copy me on all email communications to Mr. Nezaj, which is the accountant.

It simply is not true, also, your Honor, that they 12:22:41 haven't gotten books and records past the date of death. And I think the May 12th designation the probably a typo because, you know, all things considered, the date of death should be -- the date of valuation should be at the date of death. And I think Justice Ramos would also agree --

THE COURT: I'm sorry, what? Who -- wait, I'm sorry. Who would agree?

MR. YU: We went to a settlement conference, your Honor, with Justice Ramos a couple of months ago. And I think he would agree with the fact also that the date of death is the operative date for the valuation.

THE COURT: I think we all agree on that. The problem is that there are things that come in after the date of death that they would get credited with, like, receivables.

12:23:30 MR. YU: Your Honor, we can certainly explore that, but we provided that information, and I can affirmatively --

THE COURT: How long? You went six months or one year?

MR. YU: We had provided the QuickBooks going all the way to the time that we had provided the access, which is September of 2025, which is actually six months after the date of death.

THE COURT: November would be -- no, no, you're right. That is six months.

12:24:00 MR. YU: But if you continue looking through the exhibits of my affirmation, your Honor, we have months and weeks of no response. I keep on asking the counsel for respondent saying, hey, listen, where are we with the valuation? Have you contacted -- I'm getting calls from my client saying, Hey, by the way, our accountant hasn't --

it's been radio silence on their end, my accountant hasn't gotten any further follow-up requests, so --

THE COURT: When did Mr. Sash come in? Mr. Sash, when did you come in?

MR. SASH: I came in the very beginning right when the day, I think, the TRO was signed.

And, your Honor, just so you know, I have emailed they reach out to the accountant at least twice to say, can we speak, can we set up a time? He never got back to me. 12:24:41 What happens is, he will then reach out to my clients and say something that's not responsive to me. And so although of Mr. Yu's right, he did send email saying, you can could have full access to the accountant, but that doesn't do anything when the accountant refuses speak to me.

MR. YU: Just very briefly, your Honor. I think that request -- I'm not aware of that request, but it was clearly during the litigation.

THE COURT: Two requests.

MR. YU: Two requests is clearly during the 12:25:12 litigation. Certainly will facilitate that, you know, if your Honor orders it today. But I just want to make sure we've clear on this, our client, Mr. Durmaz does not want to be here today. We do not want to burden the court with this application. We've did everything right here. We went to the estate to settle their account. We provided the books and records and it was only after we got their half-baked report that we realized this is not going to move forward. And this is -- you know, we've provided the valuation report that they're now relying in their 706.

THE COURT: Okay. With regard to that, Mr. Sash is going the provide plaintiff with a copy of whatever was submitted so we can resolve the factual issue of whether there was reliance or not. So that's number one. Today is the 1st. We're making everything due the 6th. I would 12:26:18 normally do it Friday, but with the holiday. You can do that by the 6th, right, Mr. Sash?

MR. SASH: Yes, your Honor.

THE COURT: Okay. That's important information to know. So you'll give that to Mr. Yu by the July 6th. Access to the accountant -- look, it's a holiday, so I don't really want to say, oh, you know, contact him by, you know, tomorrow or let's say next Friday. I can say that, but if the accountant is unavailable, on vacation, I mean, then, you have to, you know, be flexible. So I'll say because I 12:27:01 want to get this done and I understand how frustrated Mr. Yu and his clients are right now, so you need to arrange a meeting or conversation, whatever.

Because of the litigation, Mr. Yu, are you saying you want to be present for a telephone conference or a Teams conference or a Zoom conference or in person? You want to be present for it?

MR. YU: Yes, your Honor.

THE COURT: Okay. So you need to figure out, arrange a time between now and July 10th for a meeting with the accountant, otherwise it's going to be as waived unless it's accountant's fault -- not fault, but, you know, the accountant's unavailable or being difficult, whatever. Otherwise it's going to be waived.

So Mr. Sash, this is on you to arrange it, find out when everybody's available, find a place or a way, you know, either in person or virtual, I don't care how you do it, but it's on you to arrange this.

MR. SASH: Okay.

THE COURT: And I will change the date, if the accountant is away on vacation, I'll change the date. Okay? But if we could wrap this up by then, that would be nice. And then, if you get that, Mr. Sash, I anticipate you're going to get a new report.

MR. SASH: Yes.

THE COURT: And do you have any -- how long do you think it would take the accountant after that meeting, your accountant, to issue a report; two weeks? It's not tax season.

MR. SASH: I really don't know. My only concern -- I don't know how long these things take. My only concern is people's vacation schedules may get in the way.

THE COURT: All right. So listen, we're going to say July 24th, but if after today you find out that the accountant's on vacation, I'll -- you know, I think Mr. Yu's going to want an affidavit and a copy of a plane ticket or something or hotel reservation or something. No?

MR. YU: No, your Honor, I don't.

THE COURT: Oh, okay. I would. Okay. He's going to take your word for it.

12:29:22 MR. SASH: We've been working well together, but I won't contrive a --

THE COURT: I'm not worried about you, you know, because you're here more than once with, you know, Mr. Yu, too, I think you've been -- anyway. Both of you are in the commercial division and not going to take that risk because you're going to have another case later.

So -- all right. So July 24th for the defendant's expert report. And then we can have a hearing and, you know, Mr. Sash's accountant can attack the plaintiff's report and until me why it as not 1.5.

12:30:05 And you know, likewise, Mr. Yu, your accountant or expert can attack Mr. Sash's new report that we're getting hopefully July 24th, and we can -- you know, I can make a decision on that. And also, I would want some explanation of the discounts that you're asking for from the one 1.5 or whatever the basis is, you know, what discount are you asking for and why.

MR. YU: Understood, your Honor.

THE COURT: That's what I would want to hear.

MR. YU: In that regard, would a submission from our expert as part of that briefing or hearing be sufficient for your Honor to consider it properly?

THE COURT: I mean, I would want something in writing because that's the only way we can attack it. And 12:30:58 then the issue is, you know, do we want to have them appear and testify and be cross-examined or, you know, do you want to do it on paper. I think you have to wait and see what you get.

MR. YU: Yes.

THE COURT: Mr. Sash, do you want to weight in on this?

MR. SASH: I think waiting and see what we get may be the best approach because if everyone agrees, maybe, it would save time if we needed some type of hearing just to do 12:31:26 cross-examination on an affidavit or something.

THE COURT: Oh, that's all you're getting. That's all I ever do. There's no direct. No. That's the point of getting the report and then that gets attacked on cross examination, and then you can do a redirect. So look at my trial rules.

MR. SASH: Okay.

THE COURT: If it's a bench trial, it's, you know, trial affidavits. In lieu of a trial affidavit though, I would take these reports.

MR. SASH: Maybe we won't need to a hearing if their reports are sufficient and then your Honor could just, you know, make your own determination about it?

MR. YU: I think, your Honor, just for petitioner, I mean, perhaps, it makes sense for us to confer with the other side on whether we need a hearing, but certainly reserve all rights to request one, I think, in case we need one just to drill down and get this resolved.

THE COURT: So I just want to assure you that I actually have time to do this sooner rather -- well, I had a nine-week jury trial and it's moved to 2027, so I have time to get it done. Or, even if I don't, I can send it to a special referee and we just got new ones, one of whom is extremely experienced and I don't know the other two. So I could do this as soon as August 12th. So I'm not going to put it on the calendar, but I have dates in August and September because we had the move another trial around. So we could wrap this up in August or September.

MR. YU: That sounds great for us, your Honor. Thank you for making yourself available and, fortunately, you know, getting that trial moved.

THE COURT: Okay. So talk to each other and I'll issue an order with these dates and, you know, we'll just modify them if, you know, there's an issue with the accountants.

MR. SASH: Terrific, thank you.

THE COURT: I'm actually going to adjourn this to the 16th, not -- because I have to adjourn it to something. So I'm going -- no, no, wait, wait. Not the 16th. Hold on. Let me do it in August. My first available is the 12th. So August 12th.

12:34:13

MR. SASH: Your Honor, could we do that in the afternoon, only because I have to be before Justice Lantry that morning?

THE COURT: Sure.

MR. SASH: Thank you.

THE COURT: So it would be 2:30. I mean, I could do 2:30 to 4:30 and have -- you know, reserve time for a hearing on that day for you.

MR. SASH: Wait, I'm sorry. You said July 12th?

12:34:37

THE COURT: No, August 12th.

MR. SASH: Oh, yeah. No, that's what I thought you said. August 12th I have Justice Lantry in the morning. So that's a fine, whatever my friend on the other side wants to do.

THE COURT: And, again, if that doesn't work for some reason --

MR. YU: That's good for petitioner.

THE COURT: -- then we'll change it. I have to adjourn this motion to something, so I'm going to adjourn it to that day and reserve two hours so that if we need it, it will be there. But even if we need to move it, I have other days available, then your clients won't be waiting that long.

MR. YU: Thank you, Judge.

12:35:14 THE COURT: And just -- you don't need me to tell you that if they used the report to file the estate taxes, that is tax estoppel, so...

MR. SASH: Yeah, I'm going find that out and --

THE COURT: Okay.

MR. SASH: -- if they use it and to what extent and then I will send a copy to Mr. Yu and we'll know one way or the other by the 6th.

THE COURT: Okay. Or today if you can do -- I mean by the 6th.

12:35:48 MR. SASH: I won't get points off if it's early?

THE COURT: Yeah, because that kind of resolves a lot.

MR. SASH: Yeah, I will look into that. I don't know how they used it or if they did, but he is going to get it no matter what.

THE COURT: Thank you very much.

Have a nice holiday, everyone.

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Certified to be a true and accurate transcript of the stenographic minutes taken within.

Alecia Hines, RPR
Senior Court Reporter