

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

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MARAT NOVIKOV,

Index No.:

Petitioner,

VERIFIED PETITION

-against-

OCEANA HOLDINGS CORP.,

Respondent.
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TO: THE SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

The Petition of Marat Novikov respectfully shows:

1. Oceana Holdings Corp. (“Oceana”) is a domestic corporation organized on March 15, 1994 in the State of New York and has its principal office located at 1029 Brighton Beach Avenue, Brooklyn, New York 11235, in the County of Kings. The Oceana premises are a building intended for residential and mixed commercial use. Annexed as **Exhibit “A”** is confirmation of Oceana’s active status.

2. Petitioner is and was at all times since January 1, 1995 and at all times hereinafter referred to an owner and stockholder of record of 40 shares of common stock of Oceana, representing 20% of the issued and outstanding stock in Oceana.

3. The Petitioner has not seen nor had an inspection of the minutes and proceedings of Oceana’s shareholders, the meetings of its Board of Directors, Financial Statements, Federal and State Income tax returns, leases with tenants of the Oceana, profit and loss statements, employment agreements for the period 2010 to present, and Petitioner is entitled to as a matter of right to an inspection of the minutes and proceedings of its shareholders, the meetings of its Board of Directors, Financial Statements, Federal and State Income tax returns, leases with

tenants of the Oceana, profit and loss statements, employment agreements for the period 2010 to present and further asserts that he is entitled to this inspection of the minutes and proceedings of its shareholders, the meetings of its Board of Directors, Financial Statements, Federal and State Income tax returns, leases with tenants of the Oceana, profit and loss statements, employment agreements for the period 2010 to present of the Oceana by reason of the following:

4. Petitioner is the owner of twenty (20%) percent of the issued and outstanding common stock of the Oceana and the corporation, its officers and directors have without good cause or basis, failed and refused to provide the Petitioner with anything other than an annual K1 statement for tax purposes. It was anticipated that when Oceana was formed, Petitioner, an experienced business person, who organized and formed the corporation with the original shareholders, was to be involved in the operation of the corporation and its financial affairs and growth.

5. Petitioner paid approximately \$450,000 for his corporate interest and guaranteed certain loans to Oceana in the sum of \$1 Million, in consideration of his agreed upon and anticipated involvement.

6. The other original shareholders besides Petitioner, Michael Bronstein (“Michael”) and Yury Beyn (“Yury”), are no longer involved in the operation and day-to-day activities of Oceana. Michael Bronstein is deceased and Yury Beyn is gravely ill. There is no Shareholders Agreement among the corporation and its shareholders.

7. The day-to-day operations of Oceana are being run by Michael Bronstein’s adult children, Aron O. Bronstein (“Aron”) and Diana Bronstein (“Diana”).

8. As per the annexed **Exhibit “B”**, Aron as of May 2, 2003 was barred from association with any broker or dealer by the United States of America Securities and Exchange

Commission, as a result of his fraudulent conduct. In fact, on March 16, 2001, Michael pled guilty and was convicted of one count of conspiracy to commit securities fraud and thirteen counts of securities fraud in violation of 15 U.S.C. §77 of (a) and 77x and 18 U.S.C. §2 and 371. United States v. Aron Oleg Bronstein, et. al., 00CR.100 (S.D.N.Y.)(MBM). He was sentenced to 46 months in prison, ordered to pay \$3,209,000 in restitution and upon release from prison, he was also sentenced to three (3) years of supervised release. Diana, as per the annexed **Exhibit “C”**, on June 1, 2012 was suspended from the practice of law and the Grievance Committee of Second Department was authorized to institute and prosecute a disciplinary proceeding against her, all resulting from alleged escrow account “irregularities”.

9. I have serious concerns based upon the track record of Aron and Diana, as to their activities as to Oceana and their unwillingness to provide information to me. Simply put, they are stonewalling. Aron and Diana’s history is one of improper conduct as evidenced by their breach of duty and good faith as per the annexed **Exhibits “B” and “C”**.

10. Upon information and belief, the officers and directors of the corporation may be paying themselves unreasonable compensation, failing to lease the property at fair and reasonable rates and may have also engaged in a conflict of interest, as to leases in entities in which they may have a pecuniary interest and have failed to maximize the assets of Oceana and have failed to demonstrate why Oceana should be converted from an “S” corporation to an LLC.

11. After years of no meetings, Petitioner received notice of a stockholder meeting held on October 10, 2013, but never received any of the necessary and required financial data appropriate to reasonably learn and know of corporate business activities. That said Shareholder meeting was called and held only after Petitioner’s Demand for Inspection dated September 16, 2013 was served, as indicated herein, to examine certain financial books, records and documents

of Oceana. A copy of the Notice of Annual Meeting of Shareholders is annexed as **Exhibit “D”**. Unbeknownst to me and without notice thereof, the Bronsteins, including their mother who was elected a director at the meeting (the Bronstein and their trusts control 70% of the outstanding shares) voted to change the corporation’s structure from an S Corp. to an LLC, without any consideration or discussion of the possible adverse tax implications to the corporation and shareholders. In part, the documents requested by me would permit a proper evaluation of the finances of Oceana.

12. On September 16, 2012, Petitioner forwarded and the corporation received a Demand to examine the minutes and proceedings of its shareholders, the meetings of its Board of Directors, Financial Statements, Federal and State Income tax returns, leases with tenants of the Oceana, profit and loss statements, employment agreements for the period 2010 to present of the Oceana by Federal Express, requested that an inspection take place at 10:00 A.M. on October 17, 2013 at the offices of the corporation, as per the annexed **Exhibit “E”**. My affidavit as to the purpose of the inspection is annexed as **Exhibit “F”**.

13. On October 15, 2013, after my attorney telephoned him, the Respondent Oceana’s attorney Igor Krol, Esq. advised my attorney that Petitioner would learn of Respondent Corporation’s position relating thereto in “due time”.

14. On October 16, 2013 by Igor Krol, Esq., Respondent Oceana advised Petitioner that the Demand had for all practical purposes and request had been denied, that certain profit and loss statements were not ready, and Oceana would not produce routine and necessary financial documents. A copy of the last minute Oceana response is annexed hereto as **Exhibit “G”**.

15. I have no other purpose than to find out what is going on in terms of the financial operations and business activities of Oceana. I believe space in the building is not being rented and that there are serious questions as to the leasing and employment arrangement at the corporation.

16. It is hard for me to imagine why this information in our closely held corporation would not be revealed. Respondent Oceana has unreasonably declined to allow the said inspection.

17. The inspection sought by Petitioner is not for the purpose of communicating with stockholders in the interest of a business or object other than the business of the corporation.

18. The Petitioner has not at any time sold or offered for sale any list of the Shareholder of Oceana in procuring any stock list for any purpose and has not been connected with any stock list as above.

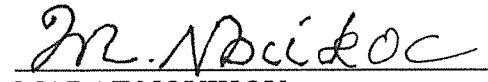
19. There is one other stock holder, to wit, The JAS Family Trust V, owning ten (10%) percent of the shares of Oceana with Svetlana Yusifov, as Trustee thereof.

20. No previous application has been made for the relief sought herein.

WHEREFORE, the Petitioner respectfully requests that the Court grant and issue an order commanding and directing Oceana Holding Corp., its officers and directors, who have custody of the records of the corporation to allow and set an immediate date and within reasonable office hours an inspection of the minutes and proceedings of its shareholders, the meetings of its Board of Directors, Financial Statements, Federal and State Income tax returns, leases with tenants of the Oceana Holding Corp., profit and loss statements, employment agreements for the period 2010 to present, together with other and such further relief as to this Court deems just and proper.

Dated: New York, New York
October 18, 2013

Yours, etc.,

A handwritten signature in cursive script, appearing to read "M. Novikov", is written over a horizontal line.

MARAT NOVIKOV

Petitioner

27 Amherst Street

Brooklyn, New York 11235

GARTNER + BLOOM, P.C.

Attorneys for Petitioner

801 Second Avenue -15th Floor

New York, New York 10017

(212) 759-5800

VERIFICATION

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

MARAT NOVIKOV, being duly sworn, deposes and says:

I am the Petitioner in the within action. I read the allegations of this Verified Petition and the allegations are true to my own knowledge, except as to the allegations upon information and belief and as to those allegations, I believe them to be true.

Mr. Novikov
MARAT NOVIKOV

Sworn to before me this
18 day of October 2013

Stuart E. Gartner
Notary Public

STUART E. GARTNER
Notary Public, State of New York
No. 31-1381833
Qualified in Bronx County
Commission Expires May 31, ~~19~~
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