

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

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Application of JEFFREY PIKUS, owner of 50% of all  
the outstanding Class A membership interests in  
TEN SHERIDAN ASSOCIATES, LLC,

Index No.

Petitioner,

**VERIFIED PETITION FOR  
JUDICIAL DISSOLUTION OF  
TEN SHERIDAN  
ASSOCIATES, LLC**

for the dissolution of TEN SHERIDAN  
ASSOCIATES, LLC, a New York Limited  
Liability Company, pursuant to Section 702 of  
the Limited Liability Company Law,

v.

STUART D. GOLDSTEIN, the other 50% owner of all the  
outstanding Class A membership interests in TEN SHERIDAN  
ASSOCIATES, LLC, and EDWARD M. FOX, DARIN  
GOLDSTEIN, SUSAN GOLDSTEIN, DARIN GOLDSTEIN  
TRUST, DANIELLE GOLDSTEIN TRUST, HANS P. UTSCH,  
MICHAEL ROSENBERG, DAVID FASTENBERG, PETER  
SCHWARTZ, GERI SCHWARTZ, JEFF SCHAKIN, ERIC  
SCHAKIN, DENIS CASLON, ROBERT MINESS, ALAN  
HOFFMAN, FREDERICK WEINER, MICHAEL WEINSTEIN,  
CHARLES ROSENBERG, MYRNA ROSENBERG, AARON  
JUNGREIS, ROBERT WILLIAMS, SUSAN PIKUS, STEVEN  
GELLES, RICK ASALS, JUAN CARLOS PARKER, LUIS  
ANDREOTTI, ERWIN GRONER, GERALD GERMAIN,  
MARTOM ASSOCIATES INC., LYNN BOOTH, ANDREA  
ANSON, JACQUELINE MARKS NON-EXEMPT TRUST,  
JACQUELINE MARKS EXEMPT TRUST, ARLENE  
REISMAN, and ANDREW L. FREY, the owners of all the  
outstanding Class B membership interests in TEN SHERIDAN  
ASSOCIATES, LLC,

Respondents.

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**NATURE OF THIS PROCEEDING**

1. The Court (Ramos, J.) recommended that Petitioner bring this special proceeding pursuant to Limited Liability Company Law (“LLC Law”) § 702 to affect the judicial dissolution of Ten Sheridan Associates, LLC (the “Company”).

2. Petitioner and respondent Stuart Goldstein are the Class A Members and the sole Managers of the Company. Petitioner is a co-Managing Member of, and owner of 50% of the outstanding Class A membership interests in, the Company.<sup>1</sup> The other respondents are the Class B Members of the Company.<sup>2</sup>

3. The Company owns an upscale residential (rental) apartment building known as 10 Sheridan Square, which is located in Manhattan's West Village (the "Property"). The Company's assets are the Property and the revenue generated thereby, and, more significantly, the development rights associated with the Property, including the right to convert the Property to a condominium and reap the substantial financial upside related thereto.

4. Recently, co-Managing Member Stuart Goldstein embarked on a scheme to use Company assets for his family's benefit and to the Company's detriment. Specifically, without Petitioner's required consent, Stuart Goldstein caused the Company to rent not one, not two, not three, but *four apartments* to his children Darin and Danielle Goldstein (who are Class B members of the Company) for an amount significantly below market rate (the "Sweetheart Leases").

5. Making things worse, Stuart Goldstein further breached his fiduciary duties by covertly re-registering his children's apartments as rent-stabilized, thereby providing them with both low rent and longevity protection. The value of the Property, and thus in turn of the Company, is significantly lessened by the Goldsteins' rent-stabilized leases.<sup>3</sup>

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<sup>1</sup> Stuart Goldstein previously owned the other 50% of the Class A membership interests, but has purportedly transferred 10% thereof to Edward Fox in violation of the Operating Agreement.

<sup>2</sup> The Class A interests and the Class B interests each represent 50% of the interests in the Company. Only Class A members are entitled to vote, with few exceptions.

<sup>3</sup> This is also true whether from the perspective of a sale of the Property or a conversion to condominium.

6. Consequently, the Goldsteins have deprived the Company of the additional rental income that would have been derived from market rents. As a further result, because the Company intends to convert the Property into a condominium, the Goldsteins have stockpiled apartments with the intent to purchase the units at insider prices instead of permitting the Company to sell those future condominium units on the open market. Stated differently, the Goldsteins have significantly reduced the Company's (market and sellout) value by creating these rent-stabilized units.

7. The Goldsteins' use of Company assets for their personal benefit and to the Company's detriment is contravening the Company's stated purpose – to generate as much revenue as possible from the leasing and sale of the Property.

8. Furthermore, there is conflict and disagreement between the Managing Members regarding the management of the Company's asset, the Property, which makes it unfeasible for the Company to carry on its business. For the last 17 years, and based upon an agreement between the Company and Petitioner, Petitioner oversaw virtually all facets of the Property's operation. When Petitioner objected to the Goldsteins' aforementioned self-dealing, Stuart Goldstein retaliated by suddenly causing the Company to stop paying Petitioner's percentage of the agreed-upon management fee and claimed (for the first time in 17 years) that Petitioner was merely an "at-will consultant." Stuart Goldstein then purported to "terminate" Petitioner, rejected Petitioner's requests for Company records, denied Petitioner access to the Property, and commenced a plenary action alleging, in essence, that Petitioner should have blessed the Goldsteins' self-dealing (the "Related Action").<sup>4</sup>

9. During a hearing in the Related Action, Petitioner advised the Court that he intended to seek dissolution of the Company, to which the Court responded: "**I would**

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<sup>4</sup> The Related Action is *Goldstein et al. v. Pikus et al.* (N.Y. Co. Index No. 651209/2014).

**recommend that by the way.”** (Ex. A at 13:25 – 14:2). A true and correct copy of the relevant pages from the transcript of the hearing held on June 25, 2014 is attached hereto as **Exhibit A**.

### **PARTIES, JURISDICTION & VENUE**

10. The Company is a limited liability company duly formed and existing under the laws of the State of New York, with its principal place of business located in the County of New York. A true and correct copy of the Company’s Certificate of Formation is attached hereto as **Exhibit B**.

11. Petitioner is a resident of the State of New York. At all relevant times, Petitioner was, and is, a Manager and owner of 50% of the outstanding Class A membership interests in the Company.<sup>5</sup>

12. Respondent Stuart Goldstein is a resident of the State of New York. At all relevant times, Stuart Goldstein was, and is, a Manager and owner of 50% of the outstanding Class A membership interests in the Company.

13. The remaining respondents are purported owners of Class B membership interests in the Company.

14. Venue is proper in this County pursuant to LLC Law § 702.

15. The Company was formed on December 10, 1996. It is in the business of owning, leasing, and selling the Property, and engaging in related activities.

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<sup>5</sup> Again, Mr. Goldstein purportedly transferred 10% of his Class A membership interest to Edward Fox.

## FACTS

### **I. The Agreements Concerning the Management of the Property**

16. In December 1996, Petitioner formed the Company for the purpose of acquiring, managing and operating the Property, and for such other business activities that are related thereto.

17. On or about January 9, 1997, respondent Stuart Goldstein and Petitioner entered into a written agreement (the “Agreement”) whereby they agreed, among other things, that: (a) they “shall both be the managers (the ‘Managers’) of the Company;” (b) Stuart Goldstein, or any management company controlled by him, would be retained by the Company to manage the Property *under Petitioner’s supervision*; (c) Petitioner would be paid 37.5% of the management fee; and (d) Petitioner would be paid 50% of any additional fees including, but not limited to, construction management fees, refinancing fees and brokerage commissions. A true and correct copy of the Agreement is attached hereto as **Exhibit C**.

18. On or about January 22, 1997, the Company and plaintiff SDG Management Corp. (“SDG Management”) entered into a written agreement (the “Management Agreement”) whereby the Company retained SDG Management Corp. to provide *specific, limited duties* with respect to the Property.<sup>6</sup> A true and correct copy of the Management Agreement is attached hereto as **Exhibit D**.

19. Pursuant to Section 2.3 of the Company’s Operating Agreement, “[t]he business and purpose of the Company is to acquire, own, hold, expand, renovate, lease, manage, sell, operate the real property located at 10 Sheridan Square, New York, New York ... and such other business activities and operations that are reasonably related thereto, subject to the conditions

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<sup>6</sup> For example, the Management Agreement prohibited SDG Management from entering into leases with tenants “without the prior consent of Owner....”

hereinafter contained.” A true and correct copy of the Operating Agreement, as written, is attached hereto as **Exhibit E**.

20. Pursuant to Section 5.1 of the Operating Agreement, Stuart Goldstein and Petitioner were designated as Class A Members and Managers of the Company. (Exh. E, § 5.1(a)). Pursuant to Section 5.1(c) of the Operating Agreement, “all determinations or consents to be made or actions to be taken by the Managers shall require the action of all the Managers,” except as is otherwise provided therein. (Id. § 5.1(c)).

## **II. The Oral Modification of the Operating Agreement**

21. After the Company acquired the Property in March 1997, the Company and its members orally modified the Operating Agreement so that it was consistent with the Agreement’s provisions pertaining to the management of the Property – *i.e.* Petitioner would actively supervise the management of the Property and would be paid 37.5% of the management fee and 50% of any additional fees including, but not limited to, construction management fees, refinancing fees and brokerage commissions (the “Oral Modification”).

22. In reliance solely upon that Oral Modification, and for 17 years, Petitioner managed the Property, including but not limited to negotiating the buyout of tenants, overseeing rent collections, negotiating both commercial and residential leases, signing commercial leases, determining preferential lease renewal amounts, marketing apartments, directing renovations, overseeing the replacement of windows, coordinating filings with local governmental agencies, approving various invoices, overseeing major capital improvements, interviewing building staff, approving uniforms for staff, and supervising litigation in Landlord-Tenant Court.

23. Indeed, Stuart Goldstein expressly acknowledged the Oral Modification. Prior to 2010, Stuart Goldstein purchased a Class B member's interest without Petitioner's required written consent. To remedy his violation of the Operating Agreement, Stuart Goldstein and Petitioner entered into a written agreement dated June 29, 2010, which gave Petitioner the option to purchase the next membership unit offered for sale and, until that occurred, entitled Petitioner to certain payments from Stuart Goldstein (the "June 2010 Agreement"). The June 2010 Agreement, which is signed by Mr. Goldstein, states: "As the managing members have historically and customarily shared equally any brokerage/refinance fees earned, the Payment shall be paid from Goldstein's portion of said earned brokerage fees." A true and correct copy of the June 2010 Agreement is attached hereto as **Exhibit F**.

24. Each month, over the course of 17 years, Stuart Goldstein caused Petitioner to be paid 37.5% of the management fee in furtherance of the Oral Modification.

**III. The Goldsteins Improperly Gave Themselves Below Market Rent and Rent-Stabilized Apartments and are Stockpiling Apartments to Personally Reap the Benefits of a Condominium Conversion at the Company's Expense**

25. As detailed herein, not only did co-Managing Member Stuart Goldstein improperly rent Company apartments to his children Darin and Danielle Goldstein (Class B members) for below market rents, but he further breached his fiduciary duties by creating a rent-stabilized relationship between the Company as landlord and his children as tenants. Both acts lessened the value of the Property. Petitioner did not consent to such improper acts.

**A. Darin Goldstein's Emails Acknowledge That He Put His Personal Interests Above Those of the Company**

26. Respondent Darin Goldstein wears many hats. He is: (a) the son of co-Managing Member Stuart Goldstein; (b) a Class B member; (c) the Chief Operating Officer of managing agent SDG Management; and (d) a tenant in many apartments at the Property.

27. Notably, one below-market rate apartment was insufficient for Darin Goldstein, and two combined below market rate apartments were also insufficient for him. After his father Stuart Goldstein arranged for him to reside in the combined units of 14D and 14E, Darin Goldstein wanted to add yet another Company asset, Unit 14F, to his residence.

28. By email delivered in October 2012, Darin Goldstein sought Petitioner's consent to combine Unit 14F with his already two-unit combination, 14D/14E.<sup>7</sup> In several emails that were exchanged, and given the impropriety of Darin's then-leasing of two units (Company assets) for below market rate, Petitioner objected to this deal for numerous reasons, including that *Darin agree that he would vacate the units upon a sale or conversion of the Property to a condominium*. As shown in the email chain attached hereto as **Exhibit G**, Darin steadfastly objected to such condition, thereby confirming that he wanted to personally reap the benefits of a sale or conversion at the Company's expense.

29. In an email delivered on November 13, 2012, Petitioner told Darin: "If building sold, apartments to be vacated if contingent on sale." Darin responded: "Why would I have to leave if we sell the building...?" On November 15, 2012, Petitioner explained to Darin something that he already knew: "As this building could potentially be marketed as a condo-conversion, vacant space would be a premium and could potentially add greater value to the building...." (Exh. G, p. 9 – 12).

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<sup>7</sup> Of course, Darin's father, Stuart Goldstein (co-Managing Member) immediately blessed the improper transaction.

30. In response, Darin acknowledged that his “vacating the premises as a condition of sale would add greater value” to the Company, but nonetheless he attempted to “punt” on agreeing to vacate upon conversion, stating that the conversation could be had when the Company was in the process of converting the Property. (Exh. G, p. 7 – 8).

31. Failing to put the Company’s interests above his own, despite him being a Class B member, Darin refused to accept Petitioner’s decision: “I can’t agree at this point to some provision forcing me to vacate if we decide to put the building on the market.” In that same November 16, 2012 email, Darin again admitted that he was solely concerned about his well-being, and not that of the Company: “I may want to vacate as the value created for myself could warrant that decision, but to make it now is not possible.” (Exh. G, p 7).

32. On November 19, 2012, Petitioner tried to make Darin understand his greedy behavior: not only was he asking the Company to rent to him yet a third apartment for below market value, but he wanted to compound personal benefit, and at the Company’s expense, by rendering his units unmarketable upon a conversion to condominium or reducing the Company’s value upon a sale: “As the partnership is willing to allow you to combine the apartments, you must be willing to vacate (if it will allow all of us to profit and/or is a condition of sale).” (Exh. G, p. 6).

33. In a November 25, 2012 email, Darin admitted that Petitioner properly put the Company’s interests first, but still wanted Petitioner to consider Darin’s personal benefits: “While I understand your desire to view this from a purely investment standpoint, I have been trying to find a middle ground which takes into account both the realities that this is my ‘home’ and has been for 9 years, and an investment simultaneously.” (Exh. G, p. 5).

34. After finally accepting that Petitioner would not consent to his self-dealing, Darin apparently conferred with his father Stuart Goldstein, who apparently told him to just pretend as if Petitioner had consented: “Stu brought to my attention that there are some issues with apartment 14F. ... Based on your email below, you addressed my final concerns and, in turn, granted me your permission to rent the apartment.” (Exh. G, p. 4). Darin and Petitioner then exchanged emails in which Petitioner reminded him that Petitioner had not consented and he responded by claiming that Petitioner did, thereby admitting that pursuant to the Oral Modification, Petitioner is responsible for managing the Property. (Exh. G, p. 1 – 3).

35. Upon information and belief, Darin Goldstein used approximately \$74,000 of the Company funds to renovate his apartment in 2008 (which was then Unit 14D and Unit 14E) and the Company has not been reimbursed for such improper expenses.<sup>8</sup>

36. In sum, the tortured emails make two things clear: (a) by repeatedly asking for Petitioner’s consent to his combination of units, he admitted that pursuant to the Oral Modification, Petitioner was responsible for managing the Property, and (b) Darin was only concerned about how he would personally benefit from the combination and he disregarded the detriment to the Company.

**B. In Retaliation for Petitioner’s Objection to the Goldsteins’ Self-Dealing, Stuart Goldstein Froze Petitioner Out of the Company**

37. As detailed above, Petitioner refused in October and November 2012 to give his consent to Darin Goldstein’s occupation of yet another Company asset (an apartment), which Darin acknowledged was required.

38. Immediately thereafter, in December 2012, Stuart Goldstein alleged, for the first time since the Company was formed, that Petitioner’s consent to management affairs was not

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<sup>8</sup> Furthermore, it appears that Darin Goldstein did not pay rent to the Company during the time that his multiple units were being renovated at the Company’s expense.

required or needed. A true and correct copy of the email chain from December 2012 is attached hereto as **Exhibit H**.

39. Stated differently, after Petitioner refused to consent to Darin Goldstein's self-dealing, Stuart Goldstein retaliated by claiming, for the first time since the Company's formation, that Petitioner was not entitled to manage the Property.

**C. Danielle Goldstein's Self-Dealing**

40. Stuart Goldstein's other child benefiting from the Sweetheart Leases is respondent Danielle Goldstein, who accepted tenancy and purportedly resides in Unit 14C at the Property.

41. Stuart Goldstein rents Apartment 14C to his daughter Danielle Goldstein for a monthly rent of \$2,750, which is a 40% discount when compared with the \$4,547.36 legal regulated rent of Apartment 12C. (**Exhibit I** ¶ 46).<sup>9</sup> Of course, Apartment 14C is a higher floor than Apartment 12C, and thus more valuable.

42. Furthermore, Danielle Goldstein's lease reflects that the legal regulated rent for Apartment 14C is \$4,589. (**Exhibit J**). Stuart Goldstein caused the Company to only charge his daughter \$2,750.<sup>10</sup>

43. Making the nepotism even more inappropriate is the fact that, upon information and belief, *Danielle Goldstein does not even reside in New York*, let alone Unit 14C. According to her company's website, Danielle Goldstein owns and operates the Starwyn Farms equestrian facility in *Wellington, Florida*. Starwyn Farms "offers full board and training with show jumper

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<sup>9</sup> Exhibit I is the Company's Verified Complaint filed in a separate case against the tenant of Apartment 12C seeking a declaration as to the legal regulated rent of that unit.

<sup>10</sup> In fact, between 2009 and 2013, Stuart Goldstein caused the Company to only raise his daughter's rent by a paltry \$50 per month, from \$2,400 to \$2,450. After Stuart Goldstein commenced the aforementioned plenary action wherein Danielle's rent is an issue, her rent was increased to \$2,750.

Danielle Goldstain [sic].” True and correct copies of pages from the website of Danielle Goldstein’s company are attached hereto as **Exhibit K**.

**D. The Goldsteins Admit That Their Scheme is to Rent as Many Apartments as Possible so That They Benefit From Insider Prices Instead of the Company Obtaining Market Price**

44. Stuart Goldstein arranged for his children to have steeply-discounted apartments, which are improperly rent-stabilized (as set forth below), all to the detriment of the Company (which should be receiving market rate).

45. In a January 28, 2013 email, Darin Goldstein admitted that his intention is to combine Unit 14C (leased to, but not occupied by, Danielle Goldstein) with his Unit 14DEF to create what he referred to as “the Goldstein units.” In that same email, Darin demanded that he “have the right to purchase *at the insider price*, apartments 14CDEF, *as well as any other units which I may subsequently rent in the future.*” A true and correct copy of the January 28, 2013 email is attached hereto as **Exhibit L**. Absent the Goldsteins’ self-dealing, those apartments would be sold to the public at the market price.

46. Thus, the Goldsteins admit that they are improperly “reserving” apartments for themselves so that they (and not the Company) are enriched upon a sale or conversion to condominium.

**E. The Goldsteins Improperly Regulated Their Apartments Even Though They Were Exempt from Rent-Stabilization**

47. As if the aforementioned self-dealing was not enough, Stuart Goldstein also improperly registered his children’s apartments with DHCR as rent-stabilized.

48. Until recently, certain units that are the subject of the Sweetheart Leases were listed by Stuart Goldstein as “temporarily exempt” from registration as they were owner-

occupied, and thus not listed on the Registration Rent Roll filed by the Company with DHCR. Pertinent pages from the Registration Rent Roll are attached hereto as **Exhibit M**.

49. For example, Danielle Goldstein's tenancy in Unit 14C commenced in 2009. From 2009 to 2013, Stuart Goldstein properly registered her unit as exempt, as it was owner-occupied. In 2014, Stuart Goldstein first and inexplicably registered her unit as rent-stabilized, even though it was contrary to the Rent Stabilization Code (RSC). (Exh. M, p. 54 of 54). Moreover, Unit 14C is also excluded from rent-stabilization pursuant to RSC § 2520.11(k) because it is not Danielle Goldstein's primary residence (she lives in Florida, as set forth above).

50. Darin Goldstein's tenancy in Units 14D and 14E commenced in 2008. Stuart Goldstein properly registered the apartments as temporarily exempt, as they were owner-occupied. In 2013, Stuart Goldstein properly registered Units 14D and 14E as temporarily exempt, however, he improperly registered Unit 14F as rent stabilized and at a rate significantly below the legal rent. (Exh. M, p. 53 of 54 and 54 of 54). In 2014, Stuart Goldstein suddenly and improperly registered all three units as rent-stabilized with a legal rent of \$10,500. (Id.). Not only was this clearly not the "legal rent," but all three apartments should have been registered as temporarily exempt, as they were owner-occupied.

51. In sum, Stuart Goldstein has improperly (and over Petitioner's objection) given his children (Class B members) protection under the RSC to ensure (a) below-market rents for years to come and (b) rights to purchase each of the units at insider prices, thus unduly profiting personally at the expense of the Company and its other members.

#### **IV. Stuart Goldstein's Refusal to Provide Company Documents to Petitioner**

52. On April 28, 2014, Petitioner requested that Stuart Goldstein provide him with the Company's monthly operating statement, general ledger and bank statements for March 2014. Petitioner also requested the Company's 2013 tax return, including the Schedule K-1s.

53. In response, Mr. Goldstein refused to provide Petitioner with the requested information and directed Petitioner to make such request to his counsel because he had commenced the aforementioned lawsuit against Petitioner. Petitioner reminded Mr. Goldstein that, irrespective of the litigation, Petitioner was a Managing Member of the Company and entitled to the requested records. Again, Mr. Goldstein refused to provide Petitioner with the Company's documents. Thereafter, by email delivered on May 23, 2014 to Mr. Goldstein's counsel, Petitioner's counsel Jeffrey Schreiber, Esq. reiterated the request for the Company's records. Again, Mr. Goldstein, through his counsel, refused to provide the Company's documents. A true and correct copy of the aforementioned email chain is attached hereto as **Exhibit N**.

54. On May 31, 2014, Petitioner requested that Mr. Goldstein provide him (and my accountant) with access to the Company's books and records, including 2014 monthly operating statements with paid bills and bank statements, tax returns for 2008 through 2013, annual GAAP-prepared financial statements, bank statements for 2008 through 2013, bank reconciliations for 2008 through 2013, paid bills for 2008 through 2013, tenant ledgers and leases. A true and correct copy of my May 31, 2014 email is attached hereto as **Exhibit O**.

55. Even after the Court assured Petitioner that he would receive "complete discovery" from Stuart Goldstein as part of discovery in the action that they commenced, Stuart Goldstein violated such directive and a subsequent Preliminary Conference Order by

withholding documents. The numerous categories of documents and information withheld by Stuart Goldstein are set forth a letter attached hereto as **Exhibit P** and incorporated herein.

56. Stuart Goldstein has failed and refused to provide Petitioner with: monthly Statements from 2008, 2009 and 2010; monthly Statements from July, August and September 2014; tenant ledgers from 2008 through 2011; access to paid bills; general ledger for August and September 2014; supporting documentation for the \$239,794 paid to RCGC LLC through July 2014;<sup>11</sup> bank statements for 2008 and 2014; proof that the Company was reimbursed for the renovations conducted in 2008 related to Darin Goldstein's apartments; documentation for how insurance was allocated between buildings covered by a master policy; documentation for transfers of membership interests, including proof that Petitioner consented to such transfers.

57. Despite agreement signed by Stuart Goldstein in 2010, in 2011, there was a transfer of a 2.5% interest from Edward Fox to Arlene Reisman. In 2012, there was a transfer of .0213% from Y. Velazquez (employee of SDG) to Stuart Goldstein. And in 2013, there was a transfer of 2.168% from Ed Fox to Arlene Reisman. No documentation was provided for any of these transfers.

58. Because Stuart Goldstein has withheld financial information from Petitioner, Mr. Goldstein has failed to keep Petitioner informed about the Company's economic status and decisions.

59. Of course, among other things, Stuart Goldstein has wasted the Company's assets by causing it to rent apartments to his children for less than what could be obtained on the open market.

60. Stuart Goldstein has refused to render an accounting of the Company despite demand.

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<sup>11</sup> RCGC LLC is an entity controlled by Stuart Goldstein.

61. Petitioner is entitled to an accounting of the Company's books and records to further determine how the Company's assets have been deployed.

**V. Dissolution is Warranted**

62. As set forth above, one Managing Member (Stuart Goldstein) is using the Company to enrich his family at the Company's expense while the other Managing Member (Petitioner) objects to, and is trying to stop, such self-dealing.

63. In an attempt to ensure that Petitioner, as co-Managing Member, would not stand in their way of profiting from "insider prices" at the Company's expense, the Goldsteins commenced the aforementioned Related Action against Petitioner seeking a declaration that only Stuart Goldstein (or his management company run by his son Darin) was entitled to manage the Property. A true and accurate copy of the Goldsteins' Verified Complaint is attached hereto as **Exhibit Q**.

64. However, as set forth above, pursuant to the Oral Modification, Petitioner is entitled to supervise the management of the Property. Petitioner asserted counterclaims in the Related Action seeking a declaration that he is entitled to manage the Property. A true and correct copy of Petitioner's Counterclaims is attached hereto as **Exhibit R**. Thus, there is conflict and disagreement among the Managing Members not only as to *how* the Property is to be managed, but also as to *who* is authorized to manage the Property.

70. An orderly dissolution of the Company and liquidation of its assets should result in the payment of all of its debts.

71. Attempts to settle the differences between the Managing Members have been and will continue to be fruitless.

72. There are no provisions in the Company's Articles of Organization that precludes the relief requested herein.

73. With no other reasonable alternatives, dissolution and liquidation of the Company's assets would be in the best financial and personal interests of the Company's members.

74. Due to the breakdown of trust between the Managing Members, it is critical that a neutral third party serve as receiver or liquidating agent and be responsible for winding up the Company's affairs.

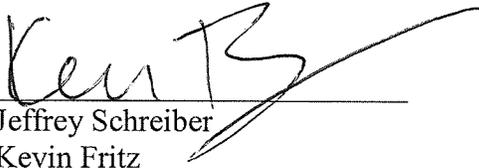
75. Notice of Petitioner's request for a Temporary Restraining Order was provided to all respondents by letter dated October 20, 2014 and sent via Fedex overnight delivery, a true and copy of which letter is attached hereto as **Exhibit S**.

76. No prior application for the relief requested herein has been made.

WHEREFORE, Petitioner respectfully requests an Order:

- A. pursuant to LLC Law § 702, dissolving the Company and directing the judicial sale of its assets, including the Property, in a manner the Court determines will yield the highest price;
- B. pursuant to LLC Law § 703(a), appointing a receiver to supervise the management and liquidation of the Company;
- C. awarding Petitioner the costs and disbursements of this proceeding;
- D. awarding Petitioner his reasonable attorneys' fees; and
- E. awarding Petitioner such other and further relief as the Court may deem just and proper.<sup>13</sup>

Dated: October 20, 2014  
New York, NY

  
\_\_\_\_\_  
Jeffrey Schreiber  
Kevin Fritz  
Meister Seelig & Fein LLP  
125 Park Avenue, 7<sup>th</sup> Floor  
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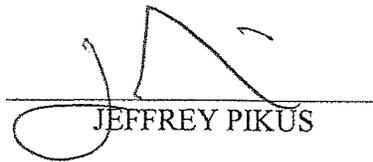
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<sup>13</sup> In the event that the Court permits the Company to pay for any of respondent's attorneys' fees and other costs and expenses in connection with this proceeding, then Petitioner requests that the Court order the Company to pay for Petitioner's attorneys' fees and other costs and expenses in connection with this proceeding.

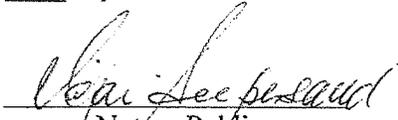
**VERIFICATION**

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

Jeffrey Pikus, being duly sworn, says that he is the Petitioner in the above-entitled proceeding; that he has read the foregoing Petition and knows the contents thereof; and that the same is true to the best of his own knowledge.

  
\_\_\_\_\_  
JEFFREY PIKUS

Sworn to before me  
20 day of October 2014

  
\_\_\_\_\_  
Notary Public

<b>VEJAI SEEPERSAUD</b> <b>NOTARY PUBLIC, STATE OF NEW YORK</b> Registration No. 01SE4968977 Qualified in Bronx County Commission Expires July 9, 2018
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