

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

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In the Matter of the Application of

DAVID CARASSO, HELAINE FRASER, HOWARD
GOLDBERG, ROBERT GOLDBERG, ARTHUR ISRAEL,
RICHARD ISRAEL, SOL ISRAEL, LORRAINE LEVY, BETH
CARASSO SPECTOR and SANDRA C. WEIN REVOCABLE
TRUST,

Index No. 14-

Shareholder-Petitioners,

-against-

VERIFIED PETITION
BCL §1104(a)(1), (2) and
(3); BCL §1104(c)

PAULINE J. PERAHIA REVOCABLE TRUST, MILDRED S.
QUAIN TRUST and SOLOMON SEVY,

Shareholder-Respondents,

for an order granting judicial dissolution of

CATALINA OPERATING CORP. and SEA ISLE REALTY
CORPORATION,

Corporate-Respondents.

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Shareholder-Petitioners, DAVID CARASSO, HELAINE FRASER, HOWARD
GOLDBERG, ROBERT GOLDBERG, ARTHUR ISRAEL, RICHARD ISRAEL, SOL
ISRAEL, LORRAINE LEVY, BETH CARASSO SPECTOR and SANDRA C. WEIN
REVOCABLE TRUST, by their attorneys, LEVENTHAL, CURSIO, MULLANEY &
SLINEY, LLP, allege:

CATALINA OPERATING CORP.

1. Corporate-respondent CATALINA OPERATING CORP. (“Operating Corp.”)
is a domestic corporation.

2. Operating Corp. is engaged in the business of operating and maintaining a beach club (the “Beach Club”) at 2045 Ocean Blvd., Atlantic Beach, New York 11509.

3. The Beach Club has been owned by members of the Carasso and Sevy families, in equal shares, for approximately seventy years.

4. The Beach Club has a membership of approximately 700 families, and includes beach and swimming pool facilities, cabanas, a summer camp for children, a cafeteria, entertainment, and other services and amenities.

5. The principal place of business of Operating Corp. is 2045 Ocean Blvd., Atlantic Beach, New York 11509, County of Nassau, State of New York.

6. The shareholder-petitioners are, collectively, the owners of fifty percent (50%) of the outstanding shares of corporate stock of Operating Corp.

7. The shareholder-petitioners’ respective ownership interests in the corporate stock of Operating Corp. are:

David Carasso	2 1/2 shares
Helaine Fraser	1 2/3 shares
Howard Goldberg	1 2/3 shares
Robert Goldberg	1 2/3 shares
Arthur Israel	1 2/3 shares
Richard Israel	1 2/3 shares
Sol Israel	1 2/3 shares
Lorraine Levy	5 shares
Beth Carasso Spector	2 1/2 shares
Sandra C. Wein Revocable Trust	5 shares

8. The shareholder-respondents are, collectively, the owners of fifty percent (50%) of the outstanding shares of corporate stock of Operating Corp.

9. The shareholder-respondents' respective ownership interests in the corporate stock of Operating Corp. are:

Pauline J. Perahia Revocable Trust 8 1/3 shares

Mildred S. Quain Trust 8 1/3 shares

Dr. Solomon Sevy 8 1/3 shares

10. The By-Laws of Operating Corp. provide for a three member Board of Directors.

11. Notwithstanding the fact that the By-Laws provide for a three member Board of Directors, four shareholders serve as directors of Operating Corp.

12. The directors of Operating Corp. are shareholder-petitioners Lorraine Levy and Sandra Wein; and shareholder-respondents Mildred Quain and Pauline Perahia.

13. The respective residence addresses of the directors of Operating Corp. are:

Lorraine Levy, 15383 Fiorenza Circle, Delray Beach, FL 33446

Pauline Perahia, 58 Grace Ave., Apt. 3M, Great Neck, NY 11021

Mildred Quain, 1149 Hillboro Mile, No. 407N, Hillsboro Beach, FL 33062

Sandra Wein, 3930 Oaks Clubhouse Drive, Apt. 106, Pompano Beach, Fl. 33069

14. Shareholder-respondent Dr. Solomon Sevy resides at 2440 Larkin St, San Francisco, CA 94109.

SEA ISLE REALTY CORPORATION

15. Corporate-respondent SEA ISLE REALTY CORPORATION ("Realty Corp.") is a domestic corporation.

16. Realty Corp. is engaged in the business of owning and managing real property, including the improved real property located at 2045 Ocean Blvd., Atlantic Beach, New York 11509, and a mortgage receivable.

17. The principal place of business of Realty Corp. is 2045 Ocean Blvd., Atlantic Beach, New York 11509, County of Nassau, State of New York.

18. The shareholder-petitioners are, collectively, the owners of fifty percent (50%) of the outstanding share of corporate stock of Realty Corp.

19. The shareholder-petitioners' respective ownership interests in the corporate stock of Realty Corp. are:

David Carasso	2 1/2 shares
Helaine Fraser	1 2/3 shares
Howard Goldberg	1 2/3 shares
Robert Goldberg	1 2/3 shares
Arthur Israel	1 2/3 shares
Richard Israel	1 2/3 shares
Sol Israel	1 2/3 shares
Lorraine Levy	5 shares
Beth Carasso Spector	2 1/2 shares
Sandra C. Wein Revocable Trust	5 shares

20. The shareholder-respondents are, collectively, the owners of fifty percent (50%) of the outstanding share of corporate stock of Realty Corp.

21. The shareholder-respondents' respective ownership interests in the corporate stock of Realty Corp. are:

Pauline J. Perahia Revocable Trust	8 1/3 shares
Mildred S. Quain Trust	8 1/3 shares
Dr. Solomon Sevy	8 1/3 shares

22. There are four authorized seats on the Board of Directors of Realty Corp.

23. The directors of Realty Corp. are shareholder-petitioners Lorraine Levy and Sandra Wein; and shareholder-respondents Mildred Quain and Pauline Perahia.

FAILURE OF DIRECTORS TO APPOINT A MANAGER

24. Serious disagreements have arisen between the shareholder-petitioners and the shareholder-respondents regarding the management of the corporate-respondents.

25. The disagreements between the shareholder-petitioners and the shareholder-respondents regarding the management of the corporate-respondents place the business interests and good will of the corporate-respondents in immediate danger of irreparable harm.

26. Sandra Wein has served as Owner Manager of the corporate-respondents for approximately twenty years.

27. As Owner Manager, Sandra Wein has overseen the management of all business operations of the corporate-respondents, including but not limited to ongoing renovations, marketing, repairs and maintenance, accounts receivable and payable, insurance, contracts for parking and catering, staffing, insurance, and corporate compliance.

28. Sandra Wein's compensation for the year ending December 31, 2014 is \$90,000.

29. In a letter from counsel dated November 26, 2014, Pauline Perahia wrote to the directors of the corporate-respondents accusing Sandra Wein of taking unauthorized compensation for the years 2009 through 2014.

30. The shareholder-petitioners strongly disagree that Sandra Wein took unauthorized compensation, and believe that she has faithfully discharged her duties in all respects.

31. In the same letter, Pauline Perahia demanded, among other things, that the Board of Directors of Operating Corp. commence legal proceedings against Sandra Wein for money damages and for equitable relief, including her removal as an officer and director of Operating Corp.

32. At a joint meeting of the Boards of Directors of the corporate-respondents held on December 15, 2014, a motion was made by director Pauline Perahia to approve the legal proceedings against Sandra Wein.

33. Directors Pauline Perahia and Mildred Quain voted in favor of the motion to approve the legal proceedings against Sandra Wein, and directors Lorraine Levy and Sandra Wein voted against; and the motion failed to carry.

34. At the joint meeting of the Boards of Directors of the corporate-respondents held on December 15, 2014, a motion was made by Lorraine Levy to reappoint Sandra Wein as Owner Manager of the corporate-respondents for the year 2015, and to fix her compensation at \$90,000.

35. Directors Lorraine Levy and Sandra Wein voted in favor of the motion to reappoint Sandra Wein as Owner Manager of the corporate-respondents for the year 2015 and

to fix her compensation at \$90,000, and directors Pauline Perahia and Mildred Quain voted against; and the motion failed to carry.

36. Thereupon, Sandra Wein resigned as Owner Manager of the corporate-respondents effective December 31, 2014.

37. The directors were unable to agree upon a replacement for Sandra Wein as Owner Manager of the corporate-respondents.

38. The directors have not appointed a replacement for Sandra Wein as Owner Manager of the corporate-respondents.

39. The directors are so divided respecting the management of the corporate-respondents' affairs that the votes required for action by the board cannot be obtained.

FAILURE OF SHAREHOLDERS TO ELECT DIRECTORS

40. Serious differences of opinion have arisen between the shareholder-petitioners and the shareholder-respondents regarding the management of the corporate-respondents.

41. The differences of opinion between the shareholder-petitioners and the shareholder-respondents regarding the management of the corporate-respondents place the business and good will of the corporate-respondents in immediate danger of irreparable harm.

42. The four directors of the corporate-respondents serve as holdovers, their terms having expired prior to September 27, 2013.

43. At the joint annual meeting of shareholders of the corporate-respondents held on September 27, 2013, the shareholders failed to elect directors to replace the four holdovers.

44. At the next joint annual meeting of shareholders of the corporate-respondents held on October 29, 2014, the shareholders again failed to elect directors to replace the four holdovers.

45. The current, divided, holdover Board of Directors has been unable to appoint an Owner Manager for the period commencing January 1, 2015.

46. The shareholders are so divided that they have failed, for a period which includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors.

IMMINENT HARM TO CORPORATIONS

47. The Beach Club is open to members from Memorial Day weekend through Labor Day weekend.

48. Most membership renewals are reserved by deposits made on or before September 15 of the previous year.

49. In order for the Beach Club to be ready for the start of its season on Memorial Day weekend, it is necessary to make continuous preparations during the winter months, including but not limited to the continuation of major ongoing renovations of facilities; painting of all facilities; repairs to various elements, chairs and fences; marketing and sales; billing for facility rentals, renewal of parking and catering contracts; and scheduling of entertainment and summer camp enrollment.

50. The current, divided, holdover Board of Directors has been unable to appoint an Owner Manager responsible for insuring that ongoing renovations will be completed and the Beach Club will be ready to open on Memorial Day weekend, 2015.

51. If the Beach Club is not ready for the start of its season on Memorial Day weekend, it will likely lose all, or a substantial part of its membership, and may be exposed to liability to members who reserved renewal memberships.

52. Due to the deadlock among the directors of the corporate-respondents, the appointment of a receiver is necessary to avoid imminent harm to the business interests of the corporate-respondents and to the financial interests of their shareholders.

53. The corporate-respondents are solvent and able to pay their obligations.

54. The shareholders are so divided that the votes required for the election of directors cannot be obtained.


55. There is internal dissension and the two factions of shareholders are so divided that dissolution would be beneficial to the shareholders.

56. The shareholder-petitioners seek voluntary dissolution of the corporate-respondents on the grounds specified in New York Business Corporation Law Section 1104(a)(1), (2) and (3); and Section 1104(c).

WHEREFORE, your petitioners pray for an order appointing a receiver to manage the business and property of the corporate-respondents, a judgment dissolving the corporate-respondents, and for such other and further relief as may be just and proper, with the costs of this proceeding.

Dated: Roslyn, New York
December 15, 2014

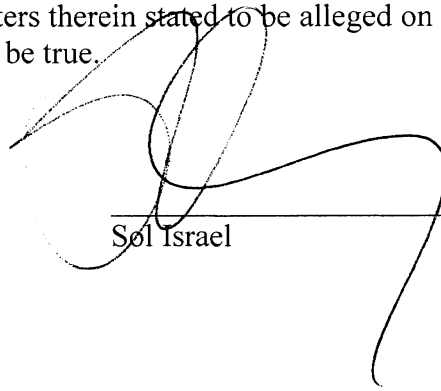
LEVENTHAL, CURSIO, MULLANEY
& SPECTOR, LLP
Attorneys for Petitioners

By: 
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15 Remsen Avenue
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VERIFICATION

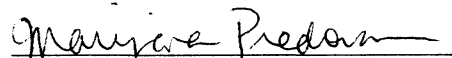
STATE OF NEW YORK)
) S.S.:
COUNTY OF NEW YORK)

SOL ISRAEL, being duly sworn, deposes and says: I am a petitioner in the within proceeding; I have read the foregoing Petition and know the contents thereof, the same is true to my own knowledge, except as to the matters therein stated to be alleged on information and belief, and as to those matters I believe it to be true.



Sol Israel

Sworn to before me this
15^M day of December, 2014


Notary Public, State of New York

MARIJANA PREDOVAN
Notary Public, State of New York
NO. 02PR6294444
Qualified in New York County
Commission Expires December 16, 2017

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Notary Public, State of New York
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Qualified in New York County
Commission Expires December 16, 2017