

STATE OF NEW YORK
SUPREME COURT : COUNTY OF ERIE

In the Matter of Arcara Zucarelli Lenda &
Associates CPAs, P.C. on the Petition of Diane
M. Straka for dissolution of Such Company
Pursuant to Business Corporation
Law § 1104-a

**VERIFIED PETITION FOR JUDICIAL
DISSOLUTION PURSUANT TO
BUSINESS CORPORATION LAW
ARTICLE 11**

Index No: _____

Petitioner,

Petitioner, Diane M. Straka, for her Verified Petition, alleges as follows:

1. This Petition is submitted to obtain the judicial dissolution of Arcara Zucarelli Lenda & Associates, CPAs, P.C. (the "Corporation"), formerly known as Arcara, Zucarelli, Lenda & Straka CPAs P.C., on grounds specified in Section 1104-a(a)(1) of the Business Corporation Law of the State of New York. Specifically, the directors or those in control of the Corporation have been guilty of oppressive actions toward Petitioner.

2. The Corporation is a duly organized New York professional service corporation, formed on July 10, 2014, with its principal place of business at 5214 Main St. #200, Williamsville, Erie County, New York 14221. The Corporation commenced its operations on or about January 1, 2015.

3. Upon information and belief, the Corporation is authorized to issue 200 shares of common stock, 100 of which are issued and outstanding.

4. The Corporation is not registered as an investment company under an act of Congress entitled "Investment Company Act of 1940."

5. No shares of stock of the Corporation are listed on a national securities exchange

or regularly quoted in an over-the-counter market by one or more members of a national or an affiliated securities association.

6. Petitioner, residing at 96 Dockside Parkway, East Amherst, New York 14051, owns 25% of the outstanding shares of the Corporation. Petitioner served as a corporate director and as Secretary of the Corporation from the date of the Corporation's formation until her resignation as director and officer on August 12, 2016 (the "Withdrawal Date").

7. Petitioner is entitled to vote in an election of shareholders and directors of the Corporation.

8. Upon information and belief, David A. Arcara ("Arcara"), residing at 27 Ashley Drive, West Seneca, Erie County, New York 14224, is a shareholder of the Corporation. Arcara owns 25% of the outstanding shares of the Corporation is one of the corporate directors and holds the title of President.

9. Upon information and belief, John V. Zucarelli ("Zucarelli"), residing at 17 Brook Court, East Amherst, Erie County, New York 14051, is a shareholder of the Corporation. Zucarelli owns 25% of the outstanding shares of the Corporation is one of the corporate directors and holds the title of Vice President.

10. Upon information and belief, Donald J. Lenda ("Lenda"), residing at 1011 Ostrander Road, East Aurora, Erie County, New York 14052, is a shareholder of the Corporation. Lenda owns 25% of the outstanding shares of the Corporation is one of the corporate directors and holds the title of Treasurer. (Arcara, Zucarelli and Lenda are sometimes collectively referred to herein as, the "Majority Shareholders.")

11. Upon information and belief, Paul Eusanio (“Eusanio”), is a shareholder of the Corporation and is one of the corporate directors, with his principal place of business at 5214 Main Street, Williamsville, New York 14221.

12. Upon information and belief, Paul Eusanio resides at 7355 Quaker Road, Orchard Park, Erie County, New York 14127.

13. Upon information and belief, other persons may have been issued shares of the Corporation or named a corporate director without Petitioner’s notice or knowledge and therefore Petitioner refers to such person(s) as John Doe.

14. Upon information and belief, the Corporation was formed by Petitioner, Arcara, Zucarelli and Lenda (each, a “Shareholder” and collectively, the “Shareholders”) as “Arcara, Zucarelli, Lenda & Straka CPAs, P.C.” for the purpose of providing professional accounting services to the public. Each Shareholder is an experienced Certified Public Accountant, is licensed as such in the State of New York, and has provided professional accounting services to their clients for some time.

15. Prior to formation of the Corporation, Petitioner and Arcara were the sole owners of Arcara & Borczynski, LLP (“A&B”) under the terms of a partnership interest purchase agreement entered into on or about January 1, 2012 whereby they purchased the partnership interests of the original founders (the “A&B Agreement”).

16. Upon information and belief, prior to the formation of the Corporation, Zucarelli and Lenda were shareholders of Brody, Weiss, Zucarelli & Urbanek, CPAs, P.C. (“BWZU”) [(BWZU had two other shareholders: Sidney Weiss (“Weiss”) and Thomas Urbanek (“Urbanek”)]. Both A&B and BWZU provided professional accounting services to the public, and each Shareholder had a successful practice and many clients before forming the Corporation.

17. A&B and BWZU did not merge to form the Corporation. Nor did either practice acquire the assets of the other. Rather, the Shareholders created a new Corporation, in which prior client relationships would continue to be respected without any change in attribution. For example, if a client had been an Arcara client prior to January 1, 2015, the client would continue to be treated as an Arcara client for compensation and other purposes once the client formally became a client of the Corporation.

18. Petitioner received assurances from the Majority Shareholders that she would continue to receive both compensation and dividends based on the work performed both for the clients she brought to the Corporation and to those she developed going forward.

19. Weiss and Urbanek did not become shareholders of the Corporation; rather, they served as *employees* of the Corporation, providing professional accounting services to the Corporation's clients.

20. Upon information and belief, the Shareholders each made the same cash capital contribution to the Corporation: \$100.00.

21. The Shareholders also each contributed, or arranged for their respective entities to contribute various furniture and equipment to the Corporation, but the asset transfers were not documented in writing. No bill of sale was entered into between the entities and the Corporation, and the transactions were not recorded on the books and records of the Corporation.

22. The Shareholders agreed that each would perform substantially the same work for the Corporation as they had formerly provided their prior entities, including the rendering of professional accounting services, marketing and client development, administration of human resources and overall business management.

23. After extensive discussions, the Shareholders agreed to a compensation plan that

would allocate to the Shareholders client revenues and firm expenses. This arrangement was called the “earnings matrix” (or the “Matrix”) and accounted for, among other things, each Shareholder’s generation of business, work performed, and fees billed and collected.

24. Although a draft shareholders’ agreement was circulated to the Shareholders for discussion, the Shareholders did not execute a written shareholders agreement.

25. Upon information and belief, the Corporation forwarded periodic payments to A&B (the “A&B Advances”) on behalf of Petitioner and Arcara to remit payment to the A&B founders under the terms of the A&B Agreement. These payments were funded from revenues derived by Arcara’s and Petitioner’s work for and on behalf of former A&B clients.

26. Petitioner has invested a great deal of time, money, and assets in the Corporation in order to develop the accounting practice of the Corporation, and introduced her A&B client portfolio to the Corporation. She was been actively involved in the business and management of the Corporation since its formation and her full-time commitment to the business of the Corporation continued essentially without interruption until shortly before the Withdrawal Date.

27. Upon information and belief, the Corporation has operated successfully for the duration of its existence.

28. In or about the spring of 2015, however, a series of events commenced that ultimately led to irreconcilable differences between Petitioner and the Majority Shareholders.

29. Urbanek made inflammatory remarks to Petitioner, including sexist and demeaning comments, such as, “Are you the one that’s going to make me coffee”? And, just before a meeting, “Can I sit on your lap, Diane”? This last comment was made in the presence of a Majority Shareholder.

30. Other female employees of the Corporation advised Petitioner that Urbanek often made similar, unsolicited, unwanted and harassing remarks to them and complained to one or more of the Majority Shareholders about Urbanek's behavior.

31. Urbanek repeatedly made inflammatory remarks about women in general, such as, "When did they make the CPA exam easier for women"? And, "In my next life, I want to come back as a woman because they don't do anything."

32. Although Petitioner brought Urbanek's remarks and his overall unlawful harassment of Petitioner and other females to the Majority Shareholders' attention, the situation was never resolved and Urbanek's conduct continued.

33. Upon information and belief, Arcara spoke with Urbanek about his behavior. Although, according to Arcara, Urbanek appeared take the conversation seriously, he did not alter his behavior. When further complaints emerged and Arcara spoke with him again, Urbanek said words to the effect of "Well, this is how I am, [and] I'm not going to change."

34. Although Urbanek was confronted about his behavior, the behavior persisted and the Majority Shareholders told Petitioner that Urbanek would likely retire soon and that she should simply "hang in there."

35. Petitioner was appalled that her colleagues and partners in business would take such a cavalier attitude toward a serious workplace issue, and fail to make any effort to remedy obvious gender-based discrimination and such a hostile workplace.

36. Urbanek's continuing harassment made the environment at the Corporation so toxic that the Shareholders ultimately had to relocate Urbanek's office away from Corporation staff. Moreover, Petitioner and several female employees chose not to eat in the corporate lunchroom as Urbanek's presence and comments made them uncomfortable.

37. Between mid-2015 and April 2016, several female employees resigned from the Corporation, including three accountants and a senior audit manager, citing the toxic atmosphere created by Urbanek's behavior as a contributing factor to their decisions.

38. Zucarelli, Lenda, Urbanek, and Weiss were also unreasonably resistant to and dismissive of Petitioner's ideas regarding administration of the Corporation, most of which were discussed before the formation of the Corporation, when the Majority Shareholders responded positively to them. For example, in May/June of 2015, Petitioner desired to move forward with the transition of the BWZU tax department to a "paperless environment" to save the Corporation money, increase efficiency and to be environmentally friendly and as A&B already operated in a paperless office. Zucarelli and Lenda, as well as Weiss and Urbanek, were dismissive of Petitioner's idea and this transition did not take place.

39. Petitioner also recommended that the Corporation apply for a corporate credit card for legitimate business purposes. She prepared the necessary paperwork but before issuing the card, the bank needed each of the Shareholders to sign an updated personal guarantee to reflect the credit card. Zucarelli and Lenda refused to sign it. After the application lapsed, Petitioner again went through the application process, and again Zucarelli and Lenda refused to sign the guarantee. No reasons were given by Zucarelli and Lenda for their action.

40. Soon it became clear to Petitioner that the Majority Shareholders cared little about her opinions and ideas related to running the business and were content to operate the Corporation as an "old boys' club." Although Petitioner owned a 25% interest in the Corporation, she had no influence in how the Corporation operated its business. It appeared to Petitioner that the Majority Shareholders wanted Petitioner as a Shareholder solely for her book of business, her accounting experience, and her reputation in the community. Petitioner felt that,

although a Director and Shareholder, she was only a “glorified employee” of the Corporation and a token female owner.

41. In January 2016, as result of the course of conduct maintained by Urbanek and the Majority Shareholders, Petitioner realized that she and the Majority Shareholders could not maintain an amicable, professional relationship, and that irreconcilable differences had developed between her and the Majority Shareholders.

42. Petitioner discussed her withdrawal from the Corporation privately with Arcara. Petitioner agreed to wait through the end of April before making a final decision regarding her future with the Corporation to see if the situation got any better or, at the very least, to stay at the Corporation through the “tax season.”

43. Both the Corporation and the Majority Shareholders benefitted from Petitioner’s work during tax season, when a substantial portion of its annual business was generated. The demands of tax season required each of the shareholders to work 10-12 hour days, six or seven days per week between January 1 and April 15.

44. Things did not improve and, at the end of April, Petitioner informed the Majority Shareholders that she wanted to withdraw from the Corporation as a shareholder and director and intended to consider her options. In fact, she reached this decision because she no longer could work in such a hostile, inflammatory and unprofessional environment.

45. Unfortunately for Petitioner, neither her partners’ attitude nor the environment at the Corporation changed. In June of 2016, Petitioner told the Majority Shareholders that she intended to withdraw from the Corporation as a shareholder and director, and she would stop performing accounting services for the Corporation in four-six weeks. Petitioner’s decision was based on Urbanek’s continuing and unlawful harassment and the Majority Shareholders’

unwillingness to acknowledge and to address the problem and effectively resolve it. In addition, the Majority Shareholders' unwillingness to adopt modern business processes and strategies or to allow Petitioner to meaningfully contribute to the operation and management of the Corporation were also significant factors in her decision to leave the Corporation.

46. Petitioner reasonably expected and understood that the Corporation and/or the Majority Shareholders would equitably redeem Petitioner's shares and otherwise compensate Petitioner for the services she performed for the Corporation through her withdrawal date of August 12, 2016 (the "Withdrawal Date"). The Shareholders had not agreed upon a valuation method for shares in the Corporation, but agreed that the value of Petitioner's shares would be established through negotiations between Petitioner and the Majority Shareholders.

47. On or around July 7, 2016, Petitioner circulated to the Majority Shareholders a draft separation agreement. The Majority Shareholders did not respond to Petitioner regarding the terms of the separation agreement.

48. On or around July 15, 2016, Petitioner was no longer able to access the Corporation's Microsoft Quickbooks file used to monitor the Corporation's finances because the universal password had been changed. Moreover, Petitioner noticed that certain mail at the office of the Corporation was being intercepted and opened before it reached her desk.

49. Although she was a Director and a Shareholder, Petitioner was excluded from all management decisions including staff promotions and changes in compensation.

50. On or around July 20, 2016, the Shareholders agreed that informal negotiations regarding Petitioner's separation from the Corporation could take place between Petitioner and Arcara, but that such discussions would be without prejudice, for settlement purposes only and would be inadmissible in any proceeding for any purpose. In addition to negotiating Petitioner's

separation from the firm, Petitioner and Arcara were also negotiating the distribution of A&B's clients and accounts that Petitioner and Arcara brought to the Corporation upon its formation (the "A&B Negotiation").

51. Between July 26, 2016 and August 3, 2016 Petitioner attempted without success to obtain access to the Corporation's books and records and to negotiate her withdrawal and compensation for her interest in the Corporation.

52. Discussions continued through August 3, 2016. Although there was no agreement concerning the terms of Petitioner's withdrawal, on August 3, 2016, the Corporation agreed to provide Petitioner the Corporation's Earnings Matrix updated through the Withdrawal Date as it was critical to the valuation of Petitioner's shares in the Corporation.

53. On August 12, 2016, in reliance on her agreement in principle with the Majority Shareholders that they would acquire, or the Corporation would redeem Petitioner's shares so that Petitioner could fully withdraw from the Corporation, Petitioner resigned from the Corporation as a director and officer, and she ceased performing accounting services for and on behalf of the Corporation.

54. On August 17, 2016, while the Shareholders were negotiating the terms of separation agreement and the redemption price to be paid for Petitioner's shares, the Corporation filed a certificate of amendment with the New York State Division of Corporations to change the Corporation's name from Arcara, Zucarelli, Lenda & Straka CPAs, P.C. to Arcara Zucarelli Lenda & Associates, CPAs, P.C., removing Petitioner's surname from the Corporation's name.

55. On September 8, 2016, the Corporation provided Petitioner with the Matrix updated through her Withdrawal Date.

56. Upon reviewing the Matrix as provided, however, Petitioner noticed that, among

other discrepancies, she was not being credited for accounts receivable (“AR”) and work in progress (“WIP”) as of the Withdrawal Date.

57. Petitioner notified the Majority Shareholders of her concerns in an email dated September 9, 2016. Petitioner requested additional financial reports of the Corporation so that the numbers in the Matrix could be verified, including a WIP report as of the Withdrawal Date, an invoice journal from January 1, 2016 through the Withdrawal Date, an AR report as of the Withdrawal date, a payroll summary for all employees past and current, a Profit and Loss Statement, Balance Sheet, and a general ledger report from January 1, 2016 through the Withdrawal Date.

58. Petitioner also noticed that certain amounts were improperly classified as amounts owed by Petitioner, including 25% of a \$30,000.00 retainer that was paid by the Corporation to hire counsel to represent the Corporation *in this matter*. It goes without saying that Petitioner should not be responsible for paying opposing counsel’s legal fees.

59. In addition Petitioner objected to other adjustments regarding WIP and certain expenses on the Matrix.

60. Further, the Earnings Matrix had been developed for ongoing operations only and had never been intended for, and was incapable of calculating the amounts due a departing or withdrawing Shareholder. Petitioner requested that the Matrix be revised to, among other things, fairly allocate her share of administrative expenses through the Withdrawal Date. The Majority Shareholders never responded.

61. On October 14, 2016, Petitioner emailed Zucarelli asking when the Majority Shareholders anticipated responding to her September 9, 2016 email. On October 17, 2016, Zucarelli finally responded to Petitioner by stating that the Majority Shareholders had provided

the information to counsel “three weeks ago” and that they “wanted the attorneys to handle the sharing of information.”

62. On October 31, 2016, the Corporation provided: (a) the Corporation’s updated Matrix, (b) an interim worksheet, (c) the Corporation’s profit and loss statement, (d) the Corporation’s balance sheet, (e) a period reconciliation, (f) a general ledger, (g) a WIP summary, and (h) the Corporation’s bank statement. However, these documents were updated through the Withdrawal Date only. No current information was provided.

63. The documents confirmed that Petitioner and the Majority Shareholders disagreed regarding classification of many of the Corporation’s expenses, including, among other things allocated to Petitioner of her “pro rata” share of the Corporation’s \$30,000.00 retainer payment to counsel to the Corporation. Moreover, the Matrix did not give Petitioner credit for her AR or WIP as of the Withdrawal Date or even provide numbers in these categories.

64. From mid-November of 2016 to mid-February of 2017, negotiations between Petitioner and the Majority Shareholders stalled as Petitioner and Arcara participated in the A&B Negotiation.

65. On February 15, 2017, counsel for Petitioner and the Corporation met to discuss the terms of the separation agreement and the valuation of Petitioner’s shares. The meeting seemed productive, as counsel to the Corporation agreed to report back with up to date information on the net collections of Petitioner’s AR and WIP.

66. On February 22, 2017, counsel to the Petitioner emailed counsel to the Corporation regarding the status of the information promised on Petitioner’s AR and WIP. The documents were not provided.

67. As of March 14, 2017, the information requests remained outstanding.

68. Additional efforts to obtain the information were made on March 24, 2017 and March 28, 2017. Still, documents were not provided.

69. On March 30, 2017, Petitioner, through counsel, demanded copies of certain corporate business and financial documents:

- a. Accounts Receivable aging as of February 28, 2017 and March 31, 2017 for all of the Corporation's clients that were under Petitioner's name as of August 12, 2016;
- b. Accounts Receivable ledger report from August 13, 2016 to present for all AZLA clients that were under Petitioner's name as of August 12, 2016;
- c. WIP reports as of March 31, 2016 for all of the Corporation's clients that were under Petitioner's name;
- d. QuickBooks account detail "due from A&B" from January 1, 2016 to present;
- e. QuickBooks account detail for "due to shareholder-[Petitioner]" from January 1, 2016 to present;
- f. The Corporation's Balance sheets as of February 28, 2017 and March 31, 2017;
- g. Profit & loss statement as of February 28, 2017 and March 31, 2017;
- h. WIP report for the Corporation as of February 28, 2017 and March 31, 2017; and
- i. An Accounts Receivable aging schedule for the Corporation as of February 28, 2017 and March 31, 2017.

70. No response was provided, despite follow up communications between counsel on April 3, 2017, April 12, 2017, April 21, 2017, April 27, 2017 and May 2, 2017.

71. In addition, upon information and belief, in the spring of 2017, without notice to Petitioner and without her having an opportunity to vote on this issue, the Majority Shareholders

voted Paul Eusanio a Director of the Corporation. Petitioner only learned of this fact from an article in Business First. See Exhibit A.

72. Up until this time, only shareholders were considered eligible to serve as Directors and Petitioner was not provided with any notice of a change in this policy or of the addition of any new shareholders of the Corporation. Petitioner was not provided with notice of a change in this policy or that any new shareholders were being added, and was not provided an opportunity to vote on these issues.

73. The lack of proper notice violated the New York Business Corporation Law.

74. The lack of proper notice violated the Corporation's By-Laws.

75. Upon information and belief, the Majority Shareholders elected Paul Eusanio a shareholder in an attempt to improperly dilute Petitioner's ownership interest in the Corporation.

76. As a result of the Majority Shareholders' unwillingness to provide the requested corporate documents, which Petitioner was entitled to receive, Petitioner has been treated differently than the other Shareholders, and prevented from pursuing negotiating with the Majority Shareholders on the value of her shares in the Corporation.

77. Despite agreeing in principle with Petitioner during the summer of 2016, the Shareholders now refuse to negotiate with Petitioner in good faith to redeem her shares and to allow Petitioner to fully withdraw from the Corporation. As a result, Petitioner remains liable for the Corporation's financial and legal obligations, including, but not limited to, the following:

- a. M&T Bank Business Access Line of Credit Note, dated September 25, 2014, in the amount of \$400,000.00;
- b. M&T Bank Multiple Disbursement Term Note, dated September 25, 2014, in the amount of \$150,000.00;

c. The Corporation's 401-k which, in accordance with past practice, Petitioner is obligated to contribute 25% of the Corporation's contributions made on behalf of Corporation employees; and

d. Payroll and associated taxes.

78. Despite agreeing in principle with Petitioner to compensate her for the accounting services she provided for and on behalf of the Corporation through the Withdrawal Date, the Corporation has not compensated Petitioner for such services.

79. Despite owning a 25% interest in the Corporation, Petitioner has been denied access to the corporate books and records and has received no distributions or payments from the Corporation.

80. Petitioner would not have invested her time, money and assets in the Corporation had she known that the Majority Shareholders would not agree to negotiate in good faith and pay Petitioner the fair market value of her interest in the Corporation.

81. Petitioner would not have invested her time, money and assets in the Corporation had she known that the Majority Shareholders would first agree to redeem her shares in an amicable withdrawal from the Corporation, and then refuse to negotiate in good faith with Petitioner such that Petitioner may remain liable for the Corporation's past, existing and future tax financial and legal obligations as a Shareholder in the Corporation after the Withdrawal Date.

82. Petitioner would not have invested her time, money and assets in the Corporation had she known that, in the event that she and the Majority Shareholders developed irreconcilable differences such that they could no longer maintain an amicable and healthy professional relationship, the other Shareholders would not negotiate with her in good faith regarding a price

for redemption of her shares, effectively holding Petitioner and her shares in the Corporation hostage.

83. Petitioner would not have invested her time, money and assets in the Corporation had she known that, in an attempt to negotiate her withdrawal from the Corporation as a shareholder, the Majority Shareholders would not provide her with access to the corporate books and records, thus making it impossible for Petitioner to participate in an informed negotiation or make an informed offer regarding the value of her shares and right to compensation under the Matrix for services provided for and on behalf of the Corporation prior to the Withdrawal Date.

84. Petitioner would not have invested her time, money and assets in the Corporation had she known that, in the event that she and the Majority Shareholders developed irreconcilable differences such that they could no longer maintain an amicable and healthy professional relationship, the Corporation would not compensate her for her pre-date of withdrawal for her services to the Corporation.

85. Petitioner would not have invested her time, money and assets in the Corporation had she known that, in the event that she and the Majority Shareholders developed irreconcilable differences such that they could no longer maintain an amicable and healthy professional relationship, Petitioner's only option would be to relinquish her shares in the Corporation.

86. Petitioner would not have invested her time, money and assets in the Corporation had she known that, in the event that she and the Majority Shareholders developed irreconcilable differences such that they could no longer maintain an amicable and healthy professional relationship, she would be required to maintain her shareholder status while deriving no income from the Corporation, and remaining potentially personally liable for various corporate obligations.

87. Despite multiple requests, the Majority Shareholders have been unresponsive and unwilling to negotiate with Petitioner regarding redemption of her shares and other compensation due and owing to her as a result of the services she performed for and on behalf of the Corporation through the Withdrawal Date.

88. By reason of the foregoing, the Corporation's liquidation is the only means whereby Petitioner can reasonably expect to receive a reasonable return on her investment.

89. Further, liquidation of the Corporation is necessary for the protection of the rights and interests of Petitioner.

90. No previous application has been made for this relief.

WHEREFORE, Petitioner respectfully requests that this Court:

- A. Issue an Order vacating any and all resolutions naming Paul Eusanio a shareholder of the Corporation and/or issuing shares of the Corporation to Paul Eusanio;
- B. Issue an Order vacating any and all resolutions naming Paul Eusanio a Director of the Corporation;
- C. Issue an Order vacating any and all resolutions naming John Doe, an unknown shareholder, vacating any and all resolutions naming John Doe, an unknown shareholder, a Director of the Corporation and/or vacating any and all resolutions issuing shares of the Corporation to John Doe, an unknown shareholder;
- D. Issue an Order voiding the issuance of any additional shares of stock in the Corporation in excess of the initial 100 shares;
- E. Issue an Order dissolving the Corporation pursuant to New York Business Corporation Law § 1104-a;

F. Issue an Order setting a valuation date for Petitioner's ownership interest of August 12, 2016;

G. Issue an Order or Orders, whether temporary, preliminary or final, as the Court in its discretion may deem justified to preserve the Corporation's assets and to carry on the business of the Corporation;

H. Issue an Order or Orders requiring an accounting and reconciliation of the Corporation's books since its inception;

I. Issue an Order or Orders, whether temporary, preliminary or final, appointing a receiver or liquidator to take immediate possession of the Corporation's business and property, to wind up and liquidate such business and property as may be indicated or as the Court may direct, to pay from the assets the obligations to creditors, and to remit equally to the Shareholders the remaining sums;

J. Issue an Order or Orders, whether temporary, preliminary or final, prohibiting, enjoining and restraining all Shareholders from: (1) transacting any business and from exercising any powers on behalf of the Corporation; and (2) collecting or receiving any debt or other property of the Corporation and from paying out, encumbering or otherwise transferring or delivering any property of the Corporation pending further Order of this Court or written permission of the Receiver;

K. Issue an Order or Orders that, pending a hearing and determination of this Petition on the merits, the Shareholders shall be prohibited from making any material decisions regarding the Corporation's operations unless such decisions are endorsed by Petitioner, including, without limitation, payroll disbursements, additional borrowings from the Corporation's line of credit and bank loan, capital expenditures and any transaction in excess of \$500.00; and

L. Issue an Order granting all such other and further relief as to this Court may seem just and proper, together with the costs and disbursements of this proceeding.

Dated: May 22, 2017
Buffalo, New York

HURWITZ & FINE, P.C.

By:



Andrea Schillaci
Attorneys for Petitioner
1300 Liberty Building
Buffalo, New York 14222
(716) 849-8900

VERIFICATION

Diane Straka, being duly sworn deposes and says that she is the Petitioner in this action; that she has read the foregoing Petition and knows the contents thereof; that the same is true to the knowledge of deponent, except as to the matters therein stated to be alleged on information and belief, and that as to those matters she believes them to be true.

Diane Straka

Subscribed and sworn to before me this
22 day of May, 2017

[Signature]
Notary Public

ANDREA SCHILLACI
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
My Commission Expires Apr. 15, 2018