

EXHIBIT C

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF NEW YORK : CIVIL TERM : PART 53
-----X

In the matte of the Application of
TESS H. WACHS,

Petitioner,
For an Order, Pursuant to Article 75 of the
Civil Practice Law and Rules to Modify and/or
Partially Vacate the Arbitration Award and to
Confirm the Award as Modified or Partially Vacated

Index
652586/2017

-against-

RICHARD TIENKEN,

Respondent.

-----X
60 Centre Street Street
New York, New York 10007
October 23, 2017

B E F O R E:

HONORABLE CHARLES E. RAMOS, Supreme Court Justice

APPEARANCES OF COUNSEL:

For the Petitioner

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Senior Court Reporter

Janelle C. London, R.P.R., Senior Court Reporter

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THE COURT OFFICER: All rise. Part 53 in the New York County Supreme Court is now in session. Please turn off all cell phones. There is absolutely no talking in the courtroom while the judge is on the bench.

THE COURT: Good morning everyone.

MR. LoPRESTI: Good morning, your Honor.

MR. ALTABET: Good morning, your Honor.

THE COURT: Okay, here we go again.

MR. ALTABET: Yes, your Honor.

THE COURT: This case doesn't seem to want to go away, but okay. This is the motion by petitioner in this case, correct?

MR. ALTABET: That is correct, your Honor.

THE COURT: There is the lectern.

MR. ALTABET: Thank you, your Honor.

Good morning. May it please the Court. We move by order to show cause in connection with an Article 75 proceeding that we had initiated seeking to enforce the arbitration award.

As the Court will recall, I had been -- plaintiff -- petitioner had previously moved to modify or amend the award. The Court denied that motion and confirmed the arbitration award as written.

THE COURT: Did I -- I do recall we discussed confirming the award and I wasn't sure if the motion had

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2 been made to confirm it, but we did confirm it, didn't we?

3 MR. LoPRESTI: Your Honor, forgive me. That was
4 prior counsel. I just appeared for the first time. From
5 what I've seen, a motion was made.

6 THE COURT: I know we discussed it. Was an order
7 entered?

8 MR. ALTABET: I believe an order was entered on to
9 the docket on October 20th, but I haven't been able to see
10 it. It was a settle order.

11 THE COURT: That's been taken care of?

12 MR. ALTABET: The award has been confirmed as
13 written. Pursuant to what's actually written in the
14 award --

15 THE COURT: My recollection is that the award
16 didn't do much other than say that the widow and the partner
17 were 50/50 owners and he couldn't, the arbitrator could not
18 conclude if anyone, if either of the sides had been taking
19 too much money out of the club.

20 MR. ALTABET: So I think --

21 THE COURT: And thought that dissolution was a good
22 idea, you know.

23 MR. ALTABET: I think that's nearly correct. Let's
24 do this. I mean, we had asked in connection with the
25 arbitration award, we brought various causes of claims of
26 action against Mr. Tienken, the club. The arbitrator found

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against the petitioner in connection with that. That's the past. The Court has ruled upon that, the Court upheld the decision.

THE COURT: I was reading the file, I was scratching my head. What is it that the respondent has not done pursuant to the award?

MR. ALTABET: They refused to have a shareholder's meeting and comply with the directives that were set out in the arbitration award regarding corporate governance going forward.

THE COURT: Since they're each 50 percent shareholders, can't they each -- I'm sorry. Who were the officers of the -- I think it's the comedy club of some sort?

MR. ALTABET: That's correct.

THE COURT: It's a corporation?

MR. ALTABET: It's a New York corporation, yes.

THE COURT: Not an LLC, is it?

MR. ALTABET: No.

THE COURT: It's a standard corporation?

MR. ALTABET: Correct.

THE COURT: There is a president?

MR. ALTABET: Well, this is questionable.

THE COURT: Okay. Maybe there is a president.

MR. ALTABET: Maybe -- what we have is actually a

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little complicated here. So what we have --

THE COURT: Well, can't your client call a meeting?

MR. ALTABET: She did. They didn't show up.

MR. LoPRESTI: Your Honor, if I --

THE COURT: They don't have to show up.

MR. LoPRESTI: Right.

MR. ALTABET: That's why I'm here. They didn't show up, she is entitled to be appointed as a director. There is a voting rights provision --

THE COURT: The defendant -- respondent just doesn't feel like showing up. Free country. He doesn't have an obligation to show up at this meeting. He can default, he cannot go.

MR. ALTABET: That's absolutely right. We took all the procedural steps necessary to get a standing to be here right now. There is a voting rights provision in the shareholder's agreement that requires each shareholder to vote their shares in favor of the other as a director. That's what I'm here to enforce because that's what the arbitration award set out.

Mrs. Wachs was entitled to -- she is entitled to a seat on the board of directors. Last time we were before this Court, the Court took the view that Mrs. Wachs was a shareholder.

THE COURT: Let's go slow because I'm dealing with

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an arbitration award. Now, I know I saw the award when I read the file.

MR. LoPRESTI: Your Honor, may we approach? We made copies of the two most operative documents, the shareholder agreement and the arbitration award.

THE COURT: Good. That will make it easy. I know you say both of them. I don't know if I saw the shareholder's agreement. Let me look at the award first.

MR. ALTABET: And I would direct the Court's attention to the middle -- to page three of the arbitration awards. "In response to the request for leave, it is hereby awarded as follows." That's what I'm here seeking to enforce.

THE COURT: "There shall be a duly noticed shareholder meeting within 30 days." Okay, your client duly noted the shareholder's meeting.

MR. LoPRESTI: There was -- there was a shareholder's meeting that occurred within 30 days of that date. They met, but no business of the corporation was conducted.

THE COURT: Because the defendant didn't show up?

MR. ALTABET: No. The first one that happened in March, the parties were there.

THE COURT: So everybody was there?

MR. ALTABET: But no resolutions were voted on or

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passed.

THE COURT: Well, didn't your client make a motion to be -- I'm sorry. This was a shareholder's meeting, shareholder's meeting -- all right that's where we elect directors?

MR. ALTABET: Correct. So nothing happened at that meeting. That was before I was retained as counsel. Mr. LoPresti and I had conversations throughout the summer, we noticed a special meeting of the shareholders for purposes of voting upon resolutions pursuant to the arbitration award.

THE COURT: Sounds positive.

MR. ALTABET: Pursuant to rights under the agreement, we proposed a variety of resolutions to discuss as well as other agenda items to discuss about the business in order to move to a regular order. There was no appearance by the other shareholder.

I understand it's a free country, however, pursuant to the shareholder's agreement, the rights of which according to the arbitrator Mrs. Wachs is acceded to, there is a voting rights provision in there in paragraph one. There are 200 shares of the club outstanding.

THE COURT: I'm not disagreeing with you, but I have a problem. This is an action to enforce the arbitration agreement?

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MR. ALTABET: Correct.

THE COURT: This is not a plenary action to enforce the shareholder's agreement?

MR. ALTABET: That is correct. The arbitrator --

THE COURT: The arbitrator -- see, you're asking for -- here's my problem. We have an arbitration agreement, we know that, right? If you feel that the respondent has failed to live up to the obligations under the shareholder's agreement, that's arbitrable, isn't it?

MR. ALTABET: No.

THE COURT: It's not?

MR. ALTABET: No. The Court -- the arbitrator has already made this determination. That's the issue here. Consider what the arbitrator wrote here. This is why I have to be -- this is why I think I have to --

THE COURT: Which paragraph are we looking at?

MR. ALTABET: I'm looking at paragraph A, B, C.

THE COURT: Okay. There is an agreement, it's valid, equal rights and there was a shareholder's meeting duly noticed, okay. That's it.

MR. ALTABET: She is entitled to have the appointment of directors made at that shareholder's meeting pursuant to the shareholders.

THE COURT: To determine the appointment of directors. Maybe the respondent wanted Harry Truman to be a

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director, I don't know.

MR. ALTABET: Except that the respondent can't -- he can post Harry Truman has his slot, but he's obligated to vote his shares in favor of Ms. Wachs.

THE COURT: Not pursuant to this.

MR. ALTABET: What the arbitrator said here is the December 16, 2010, shareholder agreement is a valid agreement and pursuant thereto, that's how the arbitrator's basis for the award unfolds.

THE COURT: But he didn't make any direction to either of them to vote for one or the other as a director.

MR. LoPRESTI: Exactly, your Honor.

THE COURT: There is nothing in the award. I can only enforce the award. You're asking me to go beyond that as if there was an action brought now pursuant to the shareholder's agreement -- hang on. These disputes, the shareholder disputes are not arbitrable?

MR. LoPRESTI: Excuse me, your Honor.

THE COURT: If there is a violation of the shareholder's agreement, isn't that pursuant to the arbitration agreement?

MR. LoPRESTI: Arbitration clause.

THE COURT: I hate to say this, but I think you have to go back to an arbitrator and say I want the arbitrator to compel -- you're asking for a whole lot of

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specific relief and you may be entitled to it, but that's not my role. There is an arbitration agreement and there's been no motion or no proceeding brought to enforce the arbitration as the shareholder's agreement in the way that you're seeking in this action.

MR. ALTABET: If there is only one possible outcome for a duly noticed shareholder's meeting.

MR. LoPRESTI: And there is not.

MR. ALTABET: There is. And the arbitrator has said there must be a shareholder's meeting, then it's within this Court's power within an Article 75 proceeding to enforce solely the resolution requiring them to both become directors. That is well within this Court's power. There are --

THE COURT: Generally speaking it is, but this is an action brought pursuant to Article 75.

MR. ALTABET: That's correct.

THE COURT: To enforce the arbitration agreement.

MR. ALTABET: Well, here's --

THE COURT: Looks like the arbitration agreement -- I'm sorry. The arbitration award was --

MR. ALTABET: Well, the award --

THE COURT: The provisions were complied with.

MR. ALTABET: I don't believe so, your Honor. The arbitration award can't be construed independent of the

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shareholder's agreement, which is expressly represented in paragraph A. There is a reason why the arbitrator made a declaration as to the validity of that agreement and also noted Mrs. Wachs had a seat --

THE COURT: Let's back up for a second. Look at paragraph C.

MR. ALTABET: Yes.

THE COURT: "There the arbitrator directs that there shall be a duly noticed shareholder meeting as required within 30 days to determine the appointment of directors to the corporation and at such meeting the directors shall elect officers of the corporation."

That meeting was held and apparently pursuant to what both parties wanted to do or didn't want to do, nothing happened. No one was elected a director and no one made a motion to be elected as a director.

Well, again, it's a free country. You don't have to do it. You don't have to comply with what the arbitrator said, but if you both agree not do it. Now you're saying there was a second meeting that was called.

MR. ALTABET: So, at the first meeting to the best of my knowledge there are no minutes. I don't know what occurred there because I was not there. I noticed a duly noticed second shareholder's meeting with a resolution. Under this agreement, under this agreement which the

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arbitrator is referencing here in his award, paragraph one of this document states the board of directors of the corporation shall consist of two members. The shareholders shall, one, vote their shares for the election of each other as members of the board of directors of any election of directors. There is a two-man board here and only two people can be constituted board of directors.

THE COURT: I can't disagree with you. It's what the agreement provides for, but unfortunately, I don't think it's -- let's get practical for a second.

We know that sooner or later there are going to be two directors and it's going to be the petitioner and the respondent.

MR. ALTABET: I agree.

THE COURT: Okay. Then what happens? You're going to have a stalemate.

MR. ALTABET: Well, at this point they won't even give us the information because they claim we're merely a shareholder, so the first -- the next step as a practical matter.

THE COURT: It seems pretty obvious this is not going to a good place. Have you fellows thought about sitting down and working this out?

MR. ALTABET: Your Honor, I noticed as a duly noticed shareholder, we've been trying to. There was

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discussions in fact.

THE COURT: Putting aside the legalities. As a practical matter, you have 50/50 shareholders. They don't get along. The arbitrators saw it, you fellows are seeing it every day. This is not a practical solution. You're going to have to bring a new proceeding.

This is my ruling. I'm denying this motion. You're going to have to bring a new proceeding, probably a petition, to enforce what you say is the respondent's refusal or to remedy the respondent's refusal to attend and to vote. I don't know if you can compel him to vote. I don't even know if you can compel him to attend.

MR. LoPRESTI: Your Honor, may I address that briefly?

THE COURT: Sure.

MR. LoPRESTI: So, in this bare bones three page -- in this bare bones three-page shareholder agreement that was signed just before Robert Wachs passed, it is very clear what the intent of the parties was and as counsel did not get to, they both agreed to vote each other -- Robert Wachs agreed to always keep Richard Tienken as the CEO, president, treasurer, which is years -- as we put in our papers -- years of practice and as you acknowledged in the transcript we attached to the last hearing. This was the practice of the company for a long time.

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We have that admission in our papers from Robert Wachs. He admitted he did not have anything to do with the operation of the company. It's in his verified pleadings.

So, 40 years of practice and I know you said this in our papers and, unfortunately, we'll say at the next argument, the petitioner wants to come and all of a sudden have an equal voting in the company. That's not the way this business ran for years. Even if you can interpret the arbitration agreement as requiring a vote, you are absolutely correct, your Honor, he can vote for Harry Truman if he wants to.

Their resolution that they drafted unilaterally I don't even know why, has appointed Ms. Wachs as chief operating officer and chief financial officer. I don't even know where that comes from. You can't just say I want to be this and force a man that's been running a business for 40 years to vote for that. Nothing in the arbitration as you said, your Honor, the arbitrator saw that --

THE COURT: What you're going to have -- let's assume there is a meeting and they each vote as they're supposed to vote pursuant to the shareholder's agreement and you have two directors 50/50 split, somebody puts up -- well, Mr. Tienken, he nominates himself as president/CEO.

MR. LoPRESTI: Forgive me.

THE COURT: And she doesn't. So he doesn't get

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2 elected and she nominates herself and he won't vote for her
3 and she doesn't get elected, so you get a stalemate.

4 MR. LoPRESTI: Your Honor, if I may. He has been
5 and is already the CEO, president and treasurer, so even if
6 they never have a meeting, that's his position and the
7 arbitrator is clear she couldn't remove him as that. That
8 was part of the reason they sought arbitration and it was
9 denied across the board.

10 THE COURT: If he's already an arbitrator, he can't
11 be removed.

12 MR. LoPRESTI: He is the CEO, president, director.
13 There is no vote to make him that.

14 MR. ALTABET: I'm sorry. That's simply -- couple
15 of things, your Honor. First, my relief. The requested
16 relief here is very narrow and requested two things. I'm
17 not talking about who should be an officer. That's a matter
18 for the board of directors. All I'm asking for is she be
19 declared to be a director and the voting rights agreement
20 that the arbitrator said is valid, be enforced. That's it.

21 THE COURT: That application is denied. I don't
22 have the power to do it.

23 MR. ALTABET: Two. I've asked for -- he is
24 supposed to pay \$7,000 roughly in costs and fees to
25 Ms. Wachs.

26 THE COURT: Your client paid for the fees

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initially, the arbitration fees? Any problem with that?

MR. LoPRESTI: Total fees your client paid for?

MR. ALTABET: The total --

THE COURT: The arbitrator awarded her an amount a little over \$6,000.

MR. ALTABET: I believe it was closer to seven.

THE COURT: Half the cost?

MR. ALTABET: Yes.

THE COURT: Apparently she fronted the entire cost?

MR. ALTABET: That's my understanding.

MR. LoPRESTI: I don't think it was costs. I think it was the fees for the arbitration, not necessarily attorney's fees, but if counsel can confirm that she's already paid the whole amount, I don't -- we'll concede that money is owed.

MR. ALTABET: I'm sorry?

THE COURT: There is an arbitration award that awarded her that sum of money. We don't go beyond that.

MR. LoPRESTI: Right.

THE COURT: That gets enforced, yes. That's granted.

MR. ALTABET: All right. One other point, your Honor. I think the Court knows how much we enjoy appearing before your Honor. Let me just talk a practical matter. I understand the Court's denial here, but if we're going to

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talk as a practical matter, what's going to happen is we got to go to arbitration or file a new petition. She's going to get declared to be a director, we'll be back here. At that point we'll have director's rights which the Court can enforce. Once she is a director, they can't deny any information from her. There is no keeping information from her. The books and records we do have shows the firm is paying Mr. LoPresti's attorney's fees.

MR. LoPRESTI: That's incorrect.

MR. ALTABET: I actually have a copy of the bank statement which says there is a check going to Mr. LoPresti. She is not getting any distributions. We're going to keep coming back until we get distributions. I've got varying different claims for them now. Next time the Court sees me and understands why we're here, right. We have claims that the -- varying claims that the business is insolvent in which case the whole point of having a board of directors is to get entrenched management. Alternatively now in the affidavits that I have, I've got claims by the affiants by his clients that say the club is returned to profitability. On the other hand, Mrs. Wachs has not received a distribution or a dividend since 2013. In fact, her husband hadn't received one for quite sometime before that.

MR. LoPRESTI: Many companies don't ever.

MR. ALTABET: Well, the problem here is all of his

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clients seem to be profiting from the club somehow and one 50 percent owner is not getting any information or getting limited information and not getting any money.

MR. LoPRESTI: That's not correct.

MR. ALTABET: But she hasn't gotten any money.

THE COURT: Well --

MR. ALTABET: I mean, we're --

THE COURT: The Court cannot produce money by affiant. The business has to throw off enough of a profit or enough of an operating income to be able to front for example petitioner's salary. He's working as president and CEO of the company. He may be absorbing all of the profit. I don't know, but you'll know when you get your hands on the records.

MR. ALTABET: Let me ask one other question. There is an arbitration award.

THE COURT: Is there any -- I don't recall. Was there any provision in the arbitration award that required the turning over of books and records to your client?

MR. ALTABET: No because we had the order from this Court and the books and records I believe we will be back before the Court shortly when a date is set in connection with Mr. LoPresti's motion.

THE COURT: We already did that.

MR. ALTABET: We have rights of books and records.

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We're continuing to enforce them. The Court has given us leave to take the depositions for example of Mrs. Tienken and Mr. Wachs, which we intend to do to find out where the rest of the information is.

THE COURT: Let's go off the record for a second.

(Whereupon, there is an off-the-record discussion held.)

THE COURT: Let's go on the record.

MR. LoPRESTI: Mr. Altabet and I have had many conversations trying to figure out constructive ways to fix this. And for us, the simple solution is of course she's a 50 percent owner. Of course she is entitled to certain records and documents as any 50 percent owner. No one has ever denied that. But the day-to-day operation and appointing herself as an officer, which was never in the 40 years of this business, she is not stepping into --

THE COURT: Sir, it's never going to happen, not with a 50/50 ownership and your client is the CEO or the president. He's an officer?

MR. LoPRESTI: Right.

THE COURT: He can't be removed without the vote of the board. The board is deadlocked, so he stays on. So that's reality. Let's deal with it and accomplish something.

MR. LoPRESTI: So, your Honor, so the idea that

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Mrs. Wachs can come in and say I want pink drapes and I want this, that should never be a part what was ever the practice of this business nor what the arbitrator agreed.

THE COURT: Without ruling on an advance, I think you're probably right. You're making what seems like a logical argument since he's the operating officer.

MR. LoPRESTI: Right. So what would work for everyone is fair disclosure. She's entitled to see what's going on with the company. No one has said that and as a 50 percent owner and any other company like IBM, if there is a profit, she is entitled to something. But all of her papers and everything she's done from day one is to argue that I'm stepping into my deceased husband when he never even -- our papers are full --

THE COURT: I don't care if he ran the company. I don't care if your guy was just cleaning out the toilets. He's the chief operating officer of the company, he cannot be removed without a vote or a board and the board is deadlocked.

MR. ALTABET: Your Honor, I'm sorry. I respectfully suggest that that is incorrect. That's an incorrect statement of the statement of affairs. The arbitration award essentially must be created as a blank slate. There are no directors --

THE COURT: He didn't make that ruling.

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MR. ALTABET: Your Honor, it's directed that there be a shareholder's meeting, it's directed that there be an appointment of directors, it's directed that there be an appointment of director, it's directed that there be an appointment of officers agreed to by the directors. If the directors have been agreed upon, there are no vote of the officers has taken place.

MR. LoPRESTI: Your Honor.

THE COURT: If there is the books or records somewhere the designation of Mr. Tienken, Richard as the president of the corporation, you've got a president. If there is no president of the corporation, then you got a nice deadlock.

MR. LoPRESTI: So, if I may, your Honor. The shareholder agreement is very clear and again --

THE COURT: The shareholder's agreement?

MR. LoPRESTI: Yes, that I gave you, your Honor.

MR. ALTABET: Under that shareholder's agreement, which Mrs. Wachs is acceded to. Sure, except Robert Wachs.

THE COURT: Tienken is president, treasurer and Wachs is vice president and secretary.

MR. LoPRESTI: He signs --

MR. ALTABET: In which case Mrs. Wachs acceded to that officer position as well.

MR. LoPRESTI: That's the issue. So, your Honor --

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THE COURT: I'm sorry. I didn't hear what you -- I didn't understand what you were saying.

MR. ALTABET: If Mr. Tienken's argument is because the agreement says he is president and treasurer, he denies to be president and treasurer and I have an arbitration award saying Mrs. Wachs is acceded to his rights.

MR. LoPRESTI: That's not what it says.

MR. ALTABET: It most certainly does say that and the Court -- the arbitrator held it was valid. Paragraph nine --

THE COURT: Hang on.

MR. ALTABET: Paragraph nine of this document is the agreement shall be binding.

THE COURT: Hold the phone. You made an interesting statement. I want to see if it's true.

No. She is a 50 percent shareholder.

MR. LoPRESTI: Exactly.

THE COURT: That's all.

MR. ALTABET: No, no.

THE COURT: What else is there?

MR. ALTABET: So, first you got to look at two provisions. The arbitrator said the agreement is valid and she steps into the shoes of Mr. Wachs. Paragraph nine of the shareholder's agreement says this agreement shall be binding upon --

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2 THE COURT: Wait a minute. I think, I think you're
3 adding language that's not in the arbitration award.

4 MR. LOPRESTI: Exactly. Which is why the
5 arbitrator first saw the gridlock.

6 THE COURT: She is a 50 percent shareholder and has
7 been since her husband's death on December 2, 2013. The
8 shareholder agreement is silent on delegation rights.

9 MR. ALTABET: And then it says in Subsection B, so
10 couple of points --

11 THE COURT: They're going to have equal vote in
12 determining the management and operations of the comic
13 strip.

14 MR. ALTABET: Now, if she needed to --

15 THE COURT: Because they're 50/50 shareholders.

16 MR. ALTABET: If she accedes to the rights under
17 the terms of this agreement, which the arbitrator has
18 held --

19 THE COURT: No. No, no, no. He says that she is a
20 50 percent shareholder.

21 MR. ALTABET: By what document? By this document,
22 so this document --

23 THE COURT: No, by this award. That's what the
24 award says. I don't care what the shareholder agreement
25 says. I am enforcing the arbitration award.

26 MR. ALTABET: Your Honor, it incorporates by

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reference. "The December 16, 2010, shareholder agreement is a valid agreement and pursuant thereto, claimant Wachs is a 50 percent shareholder and has been since her husband's death on December 2, 2013."

THE COURT: Period.

MR. ALTABET: Follow the logic on that.

THE COURT: We don't follow the logic on anything. We enforce arbitration awards. They don't have to be logical. They don't.

MR. ALTABET: But his was.

THE COURT: You're asking me to do something that I'm not permitted to do. You're asking me to be an arbitrator. You're asking me to rewrite an agreement. I can't do that.

MR. ALTABET: I'm not asking you to rewrite anything. Look at paragraph nine of this document.

THE COURT: I don't have to look at the shareholder's agreement. All I have to look at is the arbitration award. That's the operative document as far as I'm concerned. The arbitrator could have gotten it completely wrong as far as you claim that they did in fact and you made a motion, I denied it.

MR. ALTABET: The arbitrator held that this agreement is a valid agreement and Mrs. Wachs is a shareholder thereunder.

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2 THE COURT: Think in terms of as a kind of analogy
3 you can draw with an LLC. LLCs have members and managing
4 members. You can be a 90 percent member, but if you're not
5 the managing member, you don't run the company.

6 MR. ALTABET: That's right.

7 THE COURT: This is not an LLC, but the same
8 problem applies here. Unless the arbitrator held that your
9 client succeeded to the office of vice president and
10 secretary of the corporation, she's not. Right now that's a
11 vacancy and if it can't be filled, maybe that's a good
12 argument for saying there is a deadlock.

13 MR. ALTABET: Well, I think that --

14 MR. LoPRESTI: Your Honor, this should be resolved
15 in arbitration. We welcome going back to clarify this.
16 That's the issue.

17 MR. ALTABET: I mean, if that's the ruling of the
18 Court, I'm sure we will be back here in 60 days.

19 THE COURT: I know. Which is why I suggest
20 strongly that you consider sitting down and working out
21 something that makes some sense. I think your client, the
22 widow, has to understand unless the respondent consents,
23 she's never going to run the company, ever. She's not going
24 to have anything to say about the running of the company.
25 She's not going to be the secretary, she is not going to be
26 the vice president. She is a 50 percent shareholder. She

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has rights as a shareholder, but she is not an officer. She is not.

MR. ALTABET: Well, respectfully, that can't be right for the following reason: First of all, let's assume I run to arbitration. The arbitrator will enforce the voting rights provision, she becomes a director.

THE COURT: You're assuming something that may not happen. Go to the arbitrator, see what happens.

Okay, folks, the motion is denied. Thank you very much.

MR. ALTABET: Except as to the fees, your Honor?

MR. LoPRESTI: Thank you very much.

THE COURT: Except for fees. That's granted. Motion granted in part.

MR. LoPRESTI: Thank you, your Honor.

THE COURT: In part. Get that paid, please. I don't want to see that again. Thank you.

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C E R T I F I C A T E

Whereupon, the foregoing proceedings is certified to be a true and accurate recording of the stenographic minutes taken within.


Janelle C. London, R.P.R.,
Senior Court Reporter