

incapable of winding up the affairs of the LLCs in the absence of a Court-appointed receiver or liquidating trustee; and (3) Respondents Mor and Zichron have refused to confirm, despite demand, that no final tax returns will be filed on behalf of the LLCs without the prior express written consent of Petitioners.

THE PARTIES

2. Petitioner Gabriel Lazar (“Lazar”) is a resident of the State of Israel and a co-managing member of Attena LLC (“Attena”), Hemera LLC (“Hemera”) and Nessa LLC (“Nessa”) (Attena, Hemera and Nessa are collectively, the “LLCs”).

3. Petitioner Joel Sheinbaum (“Sheinbaum”) is a resident of the State of Israel and a co-managing member of Attena, Hemera and Nessa.

4. Respondent Arik Mor (“Mor”) is a resident of the State of Israel and a co-managing member of Attena, Hemera and Nessa.

5. Respondent Uriel Zichron (“Zichron”) is a resident of the State of Israel and a co-managing member of Attena, Hemera and Nessa.

6. Respondent Attena is a New York Limited Liability Company with its registered address at 176 Fifth Avenue, Suite 300, New York, New York. Attena is the sole member of 22 Bradhurst Ave LLC, and 515-519 West 156th Street LLC.

7. Respondent Hemera is a New York Limited Liability Company with its registered address at 174 Fifth Avenue, Suite 301, New York, New York. Hemera is the sole member of 118-120 West 137th Street LLC and 243 West 135th Street LLC and 60% member of 210 WEST 133rd Street LLC.

8. Respondent Nessa is a New York Limited Liability Company with its registered address

at 174 Fifth Avenue, Suite 301, New York, New York. Nessa has a 40% member interest in 210 WEST 133rd Street LLC.

VENUE

9. Venue is proper in New York County because the offices of the LLCs are located in New York County and LLC Law §702 requires applications to dissolve limited liability companies to be brought in “the supreme court in the judicial district in which the office of the limited liability company is located.”

FACTUAL SUMMARY

10. Lazar, Sheinbaum, Mor and Zichron are the managing members of the LLCs. (A true copy of the Attena Amended and Restated Operating Agreement is attached hereto as Exhibit 1). A true copy of the Hemera Amended and Restated Operating Agreement is attached hereto as Exhibit 2. (A true copy of the Nessa Operating Agreement is attached hereto as Exhibit 3).

11. Attena was formed in 2011, Hemera was formed in 2012 and Nessa was formed in 2013 – all for the purpose of acquiring multifamily properties located in Manhattan. After they were formed, the LLCs acquired five separate multi-family properties located in Manhattan, through five separate LLCs. Mor and Zichron sourced the properties, arranged bank loans, sourced the attorneys, attended the closings and chose the original management company that managed them.¹

The Acquisitions

12. In 2011, Mor and Zichron presented Lazar and Sheinbaum with an opportunity to invest in two multifamily properties in Manhattan, with all four making equal contributions and owning equivalent stakes.

¹ As set forth herein, a sixth property, 100 West 143rd Street LLC, was acquired through a separate entity that the parties owned a combined 30% interest in.

13. Lazar and Sheinbaum lived in Israel and had no experience investing in the New York real estate market, but they were impressed by the presentation and decided to go forward with the investments.

515-519 West 156th Street and 22 Bradhurst Avenue

14. In late 2011 and early 2012, Petitioners each wired funds into an account at Investors Bank opened by Mor and Zichron. Those funds were used to acquire 515–519 West 156th Street (acquired through 515-519 West 156th Street LLC) and 22 Bradhurst Avenue (acquired through 22 Bradhurst Avenue LLC), with both acquisitions closing on February 6, 2012.

15. Attena became the holding company for 515-519 West 156th Street LLC and 22 Bradhurst Avenue LLC.

118 – 120 West 137th Street and 243 West 135th Street

16. Shortly after that initial acquisition, Mor and Zichron presented Petitioners with an opportunity to acquire two other multi-family properties, with all four making equal contributions and owning equivalent stakes. Petitioners agreed and wired the necessary funds to the Investors Bank, as designated by Mor and Zichron.

17. The closing of the acquisition of 118-120 West 137th Street (acquired through 118-120 West 137th Street LLC) occurred in June 2012 and the closing of 243 West 135th Street (acquired through 243 West 135th Street LLC) occurred in August 2012. Neither Plaintiff attended those closings.

18. Hemera became the holding company for 118-120 West 137th Street LLC and 243 West 135th Street LLC.

210 West 133rd Street

19. In June 2013, a fifth multifamily property, known as 210 West 133rd Street, was acquired through 210 West 133rd Street LLC. The acquisition was made through Hemera and Nessa. Hemera held 60% and Nessa held 40% of 210 West 133rd Street LLC.

100 West 143rd Street

20. In the early Summer of 2013, Mor and Zichron advised Petitioners that they had made a deposit using their own funds for another multifamily property known as 100 West 143rd Street. They told Petitioners that that unless they could find funding to acquire that property, they would lose their deposit. Petitioners agreed to invest and contributed a total of 15% of the equity of the LLC holding the property. That property was acquired in October 2013 through 100 West 143rd Street LLC. Petitioners were members of that company, but not managing members.

Additional Members

21. Additional members/investors were brought in by Mor and Zichron during the course of 2012 and 2013 to provide additional capital for the acquisitions. The Membership Table for the LLCs (along with 100 West 143rd Street LLC) is as follows:

	Lazar	Sheinbaum	Mor	Zichron	Other Members
Attena LLC	21.5%	21.5%	21.5%	21.5%	14%
Hemera LLC	25%	17.214%	15%	15%	27.786%
Nessa LLC	25%	25%	25%	25%	--
100 West 143rd Street LLC.	7.5%	7.5%	7.5%	7.5%	70%

Mor Controls The Accountants

22. From the initial acquisition, Mor has controlled the accounting, tax and finances of the LLCs. He retained the New York based accounting firm Arik Eshel & Partners (“AEP”), which provided accounting and tax preparation services to the LLCs approximately at the beginning of 2012 and continued into 2014 when its successor, Eshel Aminov & Partners LLP (“EAP”) assumed those roles which it continues in today.

23. Mor has been actively involved in directing EAP (and AEP previously) and Tariel Aminov (“Aminov”) -- a partner of EAP who is principally responsible for performing accounting tax preparation services for the LLCs. Aminov has made clear on a number of occasions that he will only accept direction from Mor -- even though Mor is merely one of four co-managing members of the LLCs -- because Mor had previously been designated as Tax Matters Partner for the LLCs. Aminov erroneously perceives Mor as the only member of the LLCs who is authorized to provide him with direction, and has steadfastly refused to provide Petitioners with information concerning the LLCs’ financial accounts absent authorization from Mor.

24. Mor has abused his falsely perceived authority as Tax Matters Partner and his position as co-managing member of the LLCs to conceal material facts and information from Petitioners and otherwise engage in improper and unlawful transactions that have benefited himself and Zichron and harmed the LLCs and its members.

Properties Are Sold In December 2015

25. In late 2014 or early 2015, Mor and Zichron advised Petitioners that Zichron was having liquidity problems and needed to raise funds from a sale of the Properties. Following numerous negotiations, and an appraisal of the Properties, the parties agreed to sell the Properties. The closing of the sale of the Properties occurred on December 7 and 8, 2015.

26. Following the sale, Mor and Zichron took total control of the distribution of the sale proceeds and maintained control over all accounting and tax preparation functions.

Mor and Zichron' Fraudulent Activities Begin To Surface
The Shareholder Loans In Hemera Disappear Without Explanation

27. In late August/early September of 2016, Aminov circulated drafts of the LLC tax returns for 2015, which were due to be filed on September 15, 2016. Upon review the draft tax returns for Hemera, Petitioners noticed that shareholder loans in the amount of \$271,076 each to Mor and Zichron which appeared in the beginning of 2015 had been zeroed out at the end of 2015.

28. Petitioners were not aware of any loan repayments by Mor and Zichron. Despite being questioned repeatedly concerning the appearance and then elimination of these loans from the Hemera draft tax return, Mor and Zichron have refused to provide any evidence of loan repayment or otherwise provide any details concerning the matter. Aminov and EAP, likewise, have refused to provide any information concerning those loans to Mor and Zichron or any explanation for having zeroed out the loans.

The Shareholder Loans In Attena Disappear Without Explanation

29. Similarly, shareholder loans in the amount of \$116,727 appear in the Attena tax return for 2015 (which loans had to have been made to Mor and Zichron because Petitioners never received loans from Attena or any of the other LLCs). But, as Petitioners only recently discovered, that sum was later reclassified as a distribution to members, upon information and belief, at the

direction of Mor and Zichron -- when, in fact, there was no such distribution to Petitioners. The effect of these accounting gymnastics was to eliminate a substantial obligation of Mor and Zichron to Attena, without authorization, at the expense of the company and Petitioners.

30. Similarly, shareholder loans in the amount of \$116,727 appear in the Attena tax return for 2015 (which loans had to have been made to Mor and Zichron because Petitioners never received loans from Attena or any of the other LLCs). But, as Petitioners only recently discovered, that sum was later reclassified as a distribution to members, upon information and belief, at the direction of Mor and Zichron -- when, in fact, there was no such distribution to Petitioners.

The March 2017 Meeting

31. In March 2017, Petitioners, Mor and Zichron met with Aminov in New York to discuss the problems that had arisen. Among others, there were serious questions concerning the accuracy of the tax returns that had been filed and those that would be filed on behalf of the LLCs. Thus, it was agreed at that meeting that the financial accounts of the LLCs, as confirmed by Aminov, were incomplete and otherwise deficient and that Aminov would endeavor to reconstruct accurate financial accounts using original documents, including original purchase closing statements, bank statements, deposit and withdrawal slips and checks.² Aminov was to obtain the original closing documents from respective counsel, and the other materials were provided to Aminov during the period March to July 2017.

32. By then, Petitioners had serious concerns regarding the true sources of the capital contributions that Mor and Zichron had purportedly made to the LLCs. Significantly, during that meeting in March 2017, Petitioners demanded that Mor and Zichron provide documentary

² Later in 2017, Aminov's reconstruction project came to a halt. When Aminov requested a retainer to continue the project, Mor, who controlled the LLCs' finances, refused to contribute LLC funds towards completing the project.

evidence as to the source of their contributions. In response, however, Mor told Petitioners, “I will never reveal to you where those funds came from”.

The 100 W. 143rd Street Fraud Revealed

33. After that meeting, Petitioners obtained evidence which proved that Mor and Zichron had lied when they represented to Petitioners that their deposit for the acquisition of 100 West 143rd Street was from their personal funds. Specifically, Petitioners obtained a copy of a check drawn on Hemera’s account in the amount of \$290,000, payable to the law firm representing the seller of the 100 West 143rd Street, and apparently signed by Mor.

34. Despite that property having been sold in December 2015, Mor and Zichron never repaid the \$290,000 that they secretly and improperly took from Hemera and used to acquire their personal stakes in 100 West 143rd Street LLC.

Mor Withholds Information

35. Since the inception of the LLCs, Mor has refused to provide Petitioners with source documents which comprise the LLCs’ financial accounts. Instead, Mor has provided spreadsheets that he has prepared which as time progressed appeared of dubious validity.

36. Furthermore, Mor has repeatedly refused to provide basic information concerning the LLCs in writing; instead, always insisting that such information be provided in person so as to avoid any paper trail. The following emails illustrate Mor’s refusal to provide information in writing or otherwise email documents:

From: Arik Mor <arik@sequoia-invs.com>
Sent: 11 January 2017 14:23
To: Joel Sheinbaum <yoels747@gmail.com>
Cc: Gaby Lazar <gaby@gilprojects.com>; Uriel Zichron <uriel@galimtel.com>
Subject: RE: recent correspondence

Hi

U are repeating yourself and as u said we are in dead end, both of u as smart guys should understand better for the sake of all involved why I cant and will not transfer any documents by e mail and it is nothing to do with the wrong figures gaby mentioned in his e mail.

* * *

From: Arik Mor <arik@sequoia-invs.com>
Sent: 10 January 2017 16:17
To: Gaby Lazar <gaby@gilprojects.com>
Cc: 'Gmail2' <yoels747@gmail.com>; 'Uriel Zichron' <uriel@galimtel.com>; 'Tariel Aminov' <Tariel@eshelcpa.com>
Subject: RE: Draft Accounts 2015

Hi

As explained and advised on previous e mails I will not be able to transfer by e mail any information beside that was transfer before.

The only way to progress is to meet in NY as explained and advised.

* * *

From: Arik Mor <arik@sequoia-invs.com>
Sent: 06 December 2016 11:22
To: Joel Sheinbaum <yoels747@gmail.com>
Cc: Gaby Lazar <gaby@gilprojects.com>; Uriel Zichron <uriel@galimtel.com>
Subject: RE: 2015 files

. . . Therefore as advised we will not transfer by e mail any information to u or other third party, we however transferred all needed info to our accountant in NY that will help him finalize the files, as tax partner I will do whatever is needed by our accountant to help him finalize the amended files and personal tax return that will be lodged until the 15 of dec. . . .

37. Petitioners found Mor's consistent refusals to provide source documents and otherwise provide information in writing deeply troubling, and even more so after they uncovered the unlawful conduct of Mor and Zichron.

***Mor Interferes With Petitioners' Lawful Efforts
To Obtain Information From Accountants***

38. In an apparent effort to conceal his and Zichron's unlawful activities, Mor also interfered with Petitioners' attempts to obtain LLC records directly from Aminov and EAP. Indeed, Petitioners made repeated requests to EAP and Aminov, both formally and informally, for copies of the general ledgers of the LLCs, as well as the closing documents relating to the purchase of the Properties (the "Closing Documents") – copies of which were in the possession of EAP.

39. For example, by letter from their accountants dated July 23, 2018, Petitioners requested EAP and Aminov to provide (i) the Closing Documents, and (ii) the general ledgers of the LLCs. Aminov, however, responded that the release of those materials would have to be authorized by Mor, whom Aminov referred to as the "tax matters partner". Specifically, by email sent August 1, 2018, Aminov stated:

. . . The 2017 info is still not available as we are trying to finalize the necessary filings. As far as the info that you are requesting prior to 2017, ***I will have to review your request with the managing member and tax matters partner Arik Mor and get back to you. . . .*** [(Emphasis added).]

40. By letter from counsel dated August 22, 2018, Petitioners made clear to Aminov and EAP (i) that they were entitled to the materials sought in their capacities as co-managing members of the LLCs, (ii) that Mor's tax matters partner designation was inconsequential, (iii) that legal action would be taken in the event that the requested materials were not produced to Plaintiff's agent by August 29, 2018; and (iv) that their continued refusal to comply would lead Petitioners to conclude that EAP and Aminov were conspiring with Mor to conceal material financial information from Petitioners and the LLCs. Specifically, Petitioners wrote:

Our clients have made repeated requests to you and your firm for the books and records of the LLC's, including the request made through their accountants, Yehezkel LLC, by letter dated July 23, 2018, for (i) the Closing Documents (both

purchase and sale), and (ii) the general ledgers of the LLCs through December 31, 2017 (or a later date, such as June 30, 2018, if available).

Despite these requests, and our clients' indisputable status as Managing Members of the Main LLCs, you have refused to provide access to the documents requested. In your email to Yehezkel LLC sent August 1, 2018, you stated that you would have to review our clients' request "with the managing member and tax matters partner Arik Mor and get back to you."

As you know, while Mr. Mor is a Managing Member of the Main LLCs, he is not the only Managing Member. Rather, he is one of four Managing Members, which include our clients. And while Mr. Mor may have had the status of Tax Matters Partner, this is not a TEFRA proceeding and we are not the IRS. Therefore, Mr. Mor's Tax Matters Partner status is irrelevant and has no bearing on our clients' rights, as Managing Members of the Main LLCs, to inspect the books and records and Closing Documents. Because you and your firm should know that, your deflection of our clients' attempts to access books and records is deeply concerning and has raised red flags, to say the least.

PLEASE TAKE NOTICE THAT Lazar and Sheinbaum, in their capacity as a Managing Members of the Main LLCs, hereby demand that you and your firm provide to their agent, Yehezkel LLC, all of the general ledgers requested (that are complete through the date of this letter) and the Closing Documents, in the same manner as they are maintained by your firm (be it electronic format or paper format), by close of business, *Wednesday, August 29, 2018*.

Should you continue in your refusal to comply with foregoing demand, we can only conclude that you and your firm are conspiring with Mr. Mor (and perhaps others) to conceal material financial information from our clients and the Main LLCs and, as a consequence, our clients will take appropriate legal action.

41. Aminov, no doubt under the orders of Mor and Zichron, continued to refuse to produce the requested materials to Petitioners.

Mor and Zichron Force Petitioners To File Suit Against EAP and Aminov

42. Petitioners, thus, had no alternative but to file a lawsuit, as co-managing members of the LLCs, and seek a preliminary injunction against EAP and Aminov in Supreme Court, New York County, to compel the accountants to produce the LLC records requested by Petitioners. That lawsuit, entitled *Lazar et. al. v. Eshel Aminov & Partners et. al.*, Index No. 655082/2018, was filed on October 12, 2018 (the “EAP Action”).

43. Even while the EAP Action was pending, Mor was actively directing EAP and Aminov to “fight” Petitioners “on each document” and not provide copies of the LLC records to Petitioners – as illustrated by the following email from Mor to Aminov, EAP and Zichron, sent on November 13, 2018:

From: Arik Mor <arik@sequoia-invs.com>
Sent: Tuesday, November 13, 2018 6:52 PM
To: Tariel Aminov <Tariel@eshelcpa.com>
Cc: Arik Eshel <Arik@eshelcpa.com>; uriel@galimtel.com
Subject: Re: Lazar Vs Aminov

Hi
As we discussed I would have if he was acting in good faith. But as he is not, as we saw in the past, I don’t want to help him in any way. . . . As a managing member ***I would like your attorney to fight him on each document . . .***

(Emphasis added).

The Court Compels EAP and Aminov To Produce The Records

44. As co-managing members of the LLCs, there was no question that Petitioners were entitled to review all records of the LLC, including general ledgers and closing statements. The Court agreed and, following a hearing, entered an Order on December 6, 2018, granting the preliminary injunction and compelling EAP and Aminov to provide Petitioners with copies of the documents sought.

45. Specifically, the Court compelled EAP and Aminov as follows:

- Within 14 days of the date that this Order is signed, and upon payment of reasonable copying costs (which costs shall include the time needed for that work), Mor and Zichron shall to produce to Petitioners (or their designee) (in the same format – electronic or paper – that they are maintained by Mor and Zichron) the general ledgers of each of the LLCs spanning the period from their inception through October 31, 2018;
- Within 14 days of the date that this Order is signed, and upon payment of reasonable copying costs (which costs shall include the time needed for that work), Mor and Zichron shall to produce to Petitioners (or their designee) copies of the closing documents related to the acquisition of the properties formerly owned by 118-120 West 137th Street LLC, 210 WEST 133rd Street LLC, 243 West 135th Street LLC, 22 Bradhurst Ave LLC, and 515-519 West 156th Street LLC;

(See Exhibit 4).

Mor and Zichron Use LLC Funds To Pay EAP's Legal Fees

46. Further demonstrating that Mor and Zichron orchestrated EAP's refusal to provide Petitioners with the LLC records, Mor and Zichron secretly paid EAP's counsel fees in connection with EAP Action, using LLC funds. Specifically, Petitioners have recently obtained a copy of a check drawn on Hemera's account in the amount of \$10,000, made payable to Eshel Aminov & Partners, dated January 10, 2019, signed by Mor, which reflects that it was "For Attorney Fees".

47. Incredibly, Mor and Zichron caused Petitioners to incur significant legal fees in prosecuting the EAP Action derivatively *on behalf of the LLCs*, by directing EAP and Aminov to take untenable legal positions, and then unlawfully used LLC funds to pay EAP's legal fees in that lawsuit.

48. Adding insult to injury, despite Petitioners' success in prosecuting the EAP Action on

behalf of the LLCs, Mor and Zichron have refused to allow Petitioners to obtain reimbursement of those legal fees from the LLCs.

More Questions Arise From The Records Produced

49. The records that EAP and Aminov were compelled to produce raised more questions. For example, while general ledgers were produced for Hemera, none were produced for Attena for the years 2012, 2013 and 2014. Nor, in response to a subsequent request, were any Attena financial statements produced for those years, despite the fact that EAP (and its predecessor AEP) were providing accounting and tax preparation services to the LLCs during that period. Nor were any bank statements provided.

50. By letter dated June 21, 2019, Petitioners requested that EAP provide, among other things, detailed explanations concerning the shareholder loans taken by Mor and Zichron, their use of Hemera's \$290,000 as their capital contribution for the 100 West 143rd Street acquisition, and further requested a ledger setting forth all contributions from, loans and cash distributions made to, the members of the LLCs.

More Stonewalling

51. Due to their failure to provide a substantive response, a follow up letter was sent to EAP and Aminov on July 12, 2019.

52. On July 15, 2018, Petitioners sent an email to Mor and Zichron forwarding the June 21 and July 12 letters to EAP and Aminov, thereby formally placing Mor and Zichron on notice of Petitioners' demands.

53. Still without a substantive response, on July 27, 2019, Petitioners sent the following email to Mor and Zichron, reiterating their demand for the long overdue responses:

From: Gaby <gaby@gilprojects.com>
Sent: 27 July 2019 22:40
To: 'Arik Mor' <arik@sequoia-invs.com>
Cc: 'uriel@galimtel.com' <uriel@galimtel.com>
Subject: RE: Letters to EAP

Arik,

By all accounts you have been pulling the strings and instructing Tariel since day one how he should respond (and, more so, not respond) to our numerous enquiries. It appears that he was so concerned about countering your directives that he forced us to get a court order before producing, and this only in part, the records that we were clearly entitled to as co-managing members. So it is unfathomable that Tariel Aminov had not informed you of our 21 June 2019 demand!

I would also note that we have still not received responses to the above mentioned letter of 21 June 2019 nor indeed reminder of 12 July 2019. Please therefore ensure that we are provided with full and clear answers to all the points raised in the said letter of 21 June 2019 and that by close of business on Wednesday 31 July 2019. Your time is running out.

54. To date, Mor and Zichron and EAP have failed to substantively respond to

Petitioners requests of June 21, 2019.

Mor and Zichron Divert LLC Funds To A Company They Control

55. In the interim, Petitioners have discovered that Mor and Zichron unlawfully diverted more funds from the LLCs – this time to a company they control, Shlaf LLC (“Shlaf”).

56. Specifically, on November 8, 2018, while the EAP Action was pending, Mor and Zichron secretly transferred \$3,500 to Shlaf from Attena’s account at Investors Bank.

57. Shlaf is neither a member nor a vendor of the LLCs. Thus, there is no justification To transfer LLC funds to that company.

58. That same day, Mor and Zichron secretly closed out Nessa’s account at Investors Bank and unlawfully transferred the remaining funds, in the amount of \$655.54, to Shlaf.

The Pending Damages Action

59. As result of the foregoing, on August 8, 2019, Petitioners, individually and derivatively on behalf of the LLCs, filed a Summons and Complaint against Mor and Zichron, in Supreme Court, New York County, Index No. 654538/2019 (the “Damages Action”). That action is currently pending.

Demand To Refrain From Filing Final Tax Returns

60. Additionally, in light of the foregoing conduct of Mor and Zichron, as well as the questions in the letter of June 21, 2019 that remain unanswered, Petitioners have demanded that Respondents Mor, Zichron and EAP refrain from filing any final tax returns on behalf of the LLCs.

61. More specifically, on August 30, 2019, Petitioners, through their counsel, instructed EAP, through its counsel, to confirm by September 3, 2019 that no final tax returns (as distinct from 2018 tax returns) will be filed in the absence of the express written consent of Petitioners – the failure of which would lead to an application to the Court for injunctive relief:

Given all of the outstanding issues, as well as your client’s abject failure to provide basic information that our clients, as co-managing members, have repeatedly requested and are lawfully entitled to, please instruct your client that no final returns may be filed on behalf of any of the LLCs (Hemera, Attena & Nessa), without the prior express written consent of our clients.

We hereby demand that your client acknowledges, in writing, to us by no later than **September 3, 2019**, that it will not file any such final tax returns without the prior express written consent of our clients.

Please be advised that if we do not receive such acknowledgement by such time, our clients will make an emergent application to the Court seeking appropriate injunctive and other relief.

(A true copy of the August 30, 2019 email from Petitioners’ counsel to EAP’s counsel is attached as Exhibit 5)

62. Petitioners made the identical demand to Mor and Zichron by email sent August 31, 2019. (A true copy of the August 31, 2019 email from Petitioners' counsel to EAP's counsel is attached as Exhibit 6).

63. The September 3, 2019 deadline has expired and Respondents Mor, Zichron and EAP have failed to confirm to Petitioners that no final tax returns will be filed on behalf of the LLCs without the express written permission of Petitioners.

FIRST CAUSE OF ACTION

[Judicial Dissolution Pursuant to LLC Law §702]

62. Petitioners repeat and reallege each and every allegation contained in the preceding paragraphs with the same force and effect as if set forth at length herein.

63. LLC Law §702 provides that “[o]n application by or for a member, the supreme court in the judicial district in which the office of the limited liability company is located may decree dissolution of a limited liability company whenever it is not reasonably practicable to carry on the business in conformity with the articles of organization or operating agreement.”

64. Petitioners are members of the LLCs.

65. The sole purpose and business of the LLCs was to acquire, own and operate five multi-family properties located in Manhattan.

66. The operating agreements of the LLC contemplate the operation of the business of the LLCs.

67. The properties were sold in December of 2015. Consequently, the LLCs have run their course and can no longer be operated consistent with their purpose.

68. Because it is no longer practicable to carry on the business – in fact, there is no business to carry on -- in conformity with the operating agreement, judicial dissolution should be ordered in accordance with LLC Law §702.

SECOND CAUSE OF ACTION

[Appointment of Receiver or Liquidating Trustee Pursuant to LLC Law §703(a)]

69. Petitioners repeat and reallege each and every allegation contained in the preceding paragraphs with the same force and effect as if set forth at length herein.

70. LLC Law §703(a) provides that “[u]pon cause shown, the supreme court in the judicial district in which the office of the limited liability company is located may wind up the limited liability company’s affairs upon application of any member, or his or her legal representative or assignee, and in connection therewith may appoint a receiver or liquidating trustee.”

71. In light of the unlawful actions of Mor and Zichron, distrust, bitter feelings and pending litigation between the parties, as described above, good cause exists for the appointment of a receiver or liquidating trustee, pursuant to LLC Law §703(a), to wind up the affairs of the LLCs.

WHEREFORE, Petitioners demand judgment against Respondents as follows:

- (i) Dissolving the LLCs pursuant to LLC Law §702;
- (ii) Appointing a receiver or liquidating trustee to wind up the affairs of the LLCs pursuant to LLC Law §703(a);
- (iii) Restraining and enjoining Respondents from filing any final tax returns on behalf of the LLCs without the prior express written consent of Petitioners or Court-appointed receiver/liquidating trustee; and

(iv) For such relief as the Court deems equitable and just.

Dated: New York, New York
September 5, 2019

KRANJAC TRIPODI & PARTNERS, LLP
Attorneys for Petitioners

By: Joseph Tripodi
JOSEPH TRIPODI

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ATTORNEY'S VERIFICATION

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

JOSEPH TRIPODI, an attorney duly admitted to practice law in the courts of the State of New York, being duly sworn, deposes and says:

I am a partner in the law firm of Kranjac Tripodi & Partners LLP, counsel for Petitioners in this lawsuit. I have read the foregoing Complaint and know the contents thereof. The same are true to my knowledge, except as to matters therein stated to be alleged on information and belief and as to those matters I believe them to be true. To the best of my knowledge, information and belief, formed after an inquiry reasonable under the circumstances, the presentation of these papers or the contentions therein are not frivolous as defined in subsection (c) of section 130-1.1 of the Rules of the Chief Administrator (22 NYCRR).

I make this verification instead of Petitioners because they reside outside of New York County where my office is located.

I affirm that the foregoing statements are true under penalty of perjury.

Dated: New York, New York
September 5, 2019

Joseph Tripodi

JOSEPH TRIPODI