

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX

Index No.

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BETTY SEBROW, Individually and as a Shareholder of
WORBES CORPORATION,

Dated Filed
November 20, 2019

Plaintiff,

SUMMONS

-against-

ZVI SEBROW, NYCTL 2017-A TRUST and
THE BANK OF NEW YORK MELLON as
Collateral Agent and Custodian,

Plaintiff designates Bronx County as the
place of trial. Venue is base upon CPLR
§507 since the property which is the
subject of this action is located at 815 East
135th Street, Bronx, New York 10454, in
Bronx County of Kings, City and State of
New York.


Defendants.
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To the above named Defendant

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on the Plaintiff's Attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if the summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: Cedarhurst, New York
November 20, 2019

JONATHAN A. STEIN, P.C.
Attorney for Plaintiff Betty Sebrow

By: 
JONATHAN A. STEIN
132 Spruce Street
Cedarhurst, New York 11516-1915
(516) 295-0956

DEFENDANTS' ADDRESSES:

Zvi Sebrow
596 Rutland Avenue
Teaneck, New Jersey 07666

NYCTL 2017-A Trust and The Bank of New York Mellon as Collateral Agent and Custodian
240 Greenwich Street
New York, New York 10286

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX

-----X
BETTY SEBROW, Individually and as a Shareholder of
WORBES CORPORATION,

Index No.

Plaintiff,

VERIFIED COMPLAINT

-against-

ZVI SEBROW, NYCTL 2017-A TRUST and
THE BANK OF NEW YORK MELLON as
Collateral Agent and Custodian,

Defendants.
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Plaintiff Betty Sebrow, individually and as a Shareholder of Worbes Corporation, as and for her verified complaint against Defendant, alleges the following, upon information and belief:

COMMON ALLEGATIONS

1. At all times hereinafter mentioned and relevant hereto, Plaintiff Betty Sebrow was a natural person, residing at 12 Beechwood Drive, Lawrence, New York 11559, in the County of Nassau, State of New York.

2. At all times hereinafter mentioned and relevant hereto, Worbes Corporation (“Worbes”) was a domestic corporation, formed on or about December 26, 1947, in accordance with and pursuant to the laws of the State of New York.

3. At all times hereinafter mentioned Defendant Zvi Sebrow was a natural person residing at 596 Rutland Avenue, Teaneck, New Jersey 07666, in the County of Bergen, State of New Jersey.

4. At all times hereinafter mentioned and relevant hereto NYCTL 2017-A Trust (“NYCTL”) was a Delaware statutory trust which is governed by that certain Amended and Restated

Declaration and Agreement of Trust dated as of August 3, 2017 between The City of New York and Wilmington Trust Company, as Issuer Trustee. NYCTL is authorized to purchase, own, and manage the collateral of the Trust.

5. The Bank of New York Mellon (“BNYM”) as Collateral Agent and Custodian, is a New York banking corporation. BNYM is the Collateral Agent and Custodian for NYCTL pursuant to an indenture dated as of August 3, 2017 between NYCTL as Issuer, MTAG Services, LLC as Servicer, Tower Capital Management, LLC as Servicer, and BNYM as Indenture Trustee.

6. NYCTL is the owner and holder of certain tax and other City of New York liens (the “Tax Lien”) as evidenced by a certain Tax Lien Certificate (the “Tax Lien Certificate”) dated August 10, 2017 and recorded in the Office of the City Register for the Borough of Bronx, County of Bronx, on August 15, 2017 in City Register File Number (“CFRN”) 2017000303426.

7. NYCTL and BNYM are permissible defendants in this action pursuant to RPAPL § 904 based upon their tax lien on the Premises, and no affirmative relief is sought against them.

8. By deed dated July 10, 1950 Worbes acquired fee title to the premises located at 815 East 135th Street, Bronx, New York 10454, located in the County of Bronx, City and State of New York, also known by the tax map designation of the New York City Register as Block 2587, Lot 21 (the “Premises”).

9. Worbes was a closely held family corporation of members of the Sebrov family.

10. By shareholder agreement made as of January 2, 1997 (the “Shareholder Agreement”) the then four signatories acknowledged a twenty-five percent (25%) ownership in the shares of Worbes and two other closely held corporation.

11. Ultimately, the interest of two of the shareholders, Abraham Sebrow and Joseph Sebrow, passed to their sons Zvi Sebrow and David Sebrow.

12. In accordance with the provisions of the Shareholder Agreement, after Zvi Sebrow and David Sebrow became the only shareholders of Worbes, there was a requirement of unanimity with respect to all decisions of the Board of Directors (the "Board") of Worbes.

13. For many years David Worbes, acting as Vice President and Zvi Worbes, acting as President, operated Worbes without incident.

14. Notwithstanding their respective titles, David Worbes managed the day to day affairs of Worbes.

15. In or around 2014 David Sebrow was diagnosed with cancer, and became extremely ill, making it difficult for him to continue managing the day to day operations of Worbes and the other closely held family corporations.

16. During that period of time Zvi Sebrow took over the day to day management of Worbes and the other closely held family corporations.

17. On May 29, 2017, after battling cancer for over two years, David Sebrow passed away.

18. Upon his death, David Sebrow's shares of Worbes as well as the other closely held family corporations passed to his wife, Plaintiff Betty Sebrow, who then became and currently is the owner of fifty percent (50%) of the shares of Worbes.

19. After she acquired her late husband's interest in the shares of Worbes and the other closely held family corporations, Zvi Sebrow cut Betty Sebrow out of all decisions, including, but not limited to failing to provide financial information and an accounting of Worbes.

20. During the course of his management as its President, Zvi Sebrov has failed to act in the best interests of Worbes.

21. Most egregiously, Zvi Sebrov has claimed to have paid monies for real estate taxes and insurance, but in fact has failed to make timely or any payments for the same, leaving a current debt of over \$500,000.00 in unpaid real estate and related taxes.

22. Moreover, the unpaid real estate taxes matured to tax liens and were ultimately sold at tax lien sales due to the failure of Worbes, which Zvi Sebrov was running on a day to day basis, to pay real estate taxes and related charges.

23. On or about April 11, 2017 an action to foreclose upon a tax lien was commenced in the Supreme Court, Bronx County, in the matter of *NYCTL 2016-A Trust, and The Bank of New York Mellon, etc. v. Worbes Corporation, et.al.*, under Index No. 22876/2017E ("2017 Foreclosure"), seeking in excess of \$125,000.00 in recoupment of tax liens.

24. Worbes was served with the summons and complaint in the 2017 Foreclosure on April 25, 2017, but defaulted in its appearance.

25. Notwithstanding Worbes' default, the 2017 Foreclosure was discontinued on or about August 31, 2017.

26. Thereafter, on August 23, 2018, a new action to foreclose upon a tax liens was commenced in the Supreme Court, Bronx County, in the matter of *NYCTL 2017-A Trust, and The Bank of New York Mellon, etc. v. Worbes Corporation, et.al.*, under Index No. 29805/2018E ("2018 Foreclosure"), seeking approximately \$500,000.00 in recoupment of tax liens.

27. Worbes was served with the summons and complaint on August 31, 2018, by service upon the New York Secretary of State.

28. By stipulation dated September 28, 2018 and eFiled on March 29, 2019, Defendant Zvi Sebrow, holding himself out to be an attorney and President of Worbes and another Defendant, closely held family corporation, signed a “stipulation extending time to answer”, waiving any jurisdictional defense – not that one existed – and giving Worbes and the other entity until October 19, 2018 to answer the complaint.

29. Notwithstanding the foregoing, and his representation to the Plaintiff’s attorney in the 2018 Foreclosure, Zvi Sebrow is not now and had never been an attorney admitted to the bar of New York or any other state.

30. Notwithstanding the foregoing, Worbes did not answer the complaint in the 2018 Foreclosure and defaulted thereupon.

31. Zvi Sebrow never advised Plaintiff Betty Sebrow of the status of the 2018 Foreclosure, or even its very existence.

32. An order granting Plaintiff’s motion in the 2018 Foreclosure for default judgments, the appointment of a referee and order to compute amounts due was entered on June 18, 2019.

33. Because of the nature of tax liens and tax lien foreclosures, the interest accruing on the unpaid tax liens is aggregating at an exponential rate.

34. Aware that there were unpaid real estate taxes, but unaware of the extent of the same, and unaware of either the 2017 Foreclosure or 2018 Foreclosure Plaintiff Betty Sebrow approached Defendant Zvi Sebrow about selling the Premises.

35. Zvi Sebrow advised Plaintiff Betty Sebrow that he would only consent to the sale of the Premises if she would consent to pay him for monies unrelated to the operation of Worbes.

36. Interestingly, one of the items Zvi Sebrow sought reimbursement for was his purported payment of real estate taxes, which in fact he did not pay.

37. Because of the malfeasance and misconduct as set forth above, Worbes is at risk of losing its only asset, i.e., the Premises, or at the very least losing a substantial amount of the equity in the Premises, to which Plaintiff Betty Sebrow is entitle to fifty percent (50%).

AS AND FOR A FIRST CAUSE OF ACTION

(Accounting)

38. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 through 37 of the complaint as though fully set forth herein.

39. Plaintiff Betty Sebrow and Defendant Zvi Sebrow have a mutual and confidential relationship.

40. Defendant Zvi Sebrow has a fiduciary duty to Worbes to act in its best interests in his management of its day to day affairs.

41. Plaintiff Betty Sebrow has repeatedly requested and demanded an accounting, but Defendant Zvi Sebrow has totally ignored her requests for the same.

42. Plaintiff Betty Sebrow has no adequate remedy at law without a full and proper accounting and demands judgment therefor.

AS AND FOR A SECOND CAUSE OF ACTION

(Shareholder Derivative Action)

43. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 through 42 of the complaint as though fully set forth herein.

44. This cause of action is brought pursuant to BCL § 626 as a shareholder derivative action against Defendant Zvi Sebrow.

45. Specifically, Plaintiff Betty Sebrow is bringing this action to compel Defendant Zvi Sebrow to act in accordance with his duties as an officer and director of Worbes and do what is in the best interests of the corporation and demands judgment therefor, together with the reimbursement of reasonable attorneys' fees related to this action in accordance with BCL § 626 and demands judgment therefor.

AS AND FOR A THIRD CAUSE OF ACTION

(Imposition of Constructive Trust)

46. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 through 45 of the complaint as though fully set forth herein.

47. Plaintiff Betty Sebrow believes that Defendant Zvi Sebrow has received funds on behalf of Worbes which he has failed to account for.

48. Plaintiff Betty Sebrow and Defendant Zvi Sebrow have: (1) a confidential or fiduciary relationship, (2) a promise, (3) a transfer in reliance thereon, and (4) unjust enrichment.

49. As such, in addition to the foregoing, this Court should impose a constructive trust upon any funds received by Defendant Zvi Sebrow in connection with his interest in Worbes, and demands judgment therefor.

AS AND FOR A FOURTH CAUSE OF ACTION

(Dissolution)

50. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 through 49 of the complaint as though fully set forth herein.

51. Plaintiff is entitled to the dissolution of Worbes and the partition and sale of the Premises.

52. Based upon Plaintiff Betty Sebrow's ownership interest in Worbes, and further, in accordance with the provisions of BCL § 1104 Plaintiff is entitled to the dissolution of Worbes and demands judgment therefor.

AS AND FOR A FIFTH CAUSE OF ACTION

(Partition)

53. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 through 52 of the complaint as though fully set forth herein.

54. Concurrent with the filing of the complaint, Plaintiff Betty Sebrow is filing a Notice of Pendency for the Premises, more specifically described as follows:

All that certain lot, piece or parcel of land situate, lying and being in the Borough and County of the Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point in the northerly side of East 135th Street distant 253.46 feet easterly from the corner formed by the intersection of said northerly side of East 135th Street and the easterly side of Willow Avenue; running thence northerly along a line which forms on its easterly side an angle of 81 degrees 37 minutes 07 seconds with said northerly side of East 135th Street 202.16 feet to a point in the southerly side of East 135th Street which point is distant 282.92 feet easterly from the corner formed by the intersection of said southerly side of East 136th Street and said easterly side of Willow Avenue; thence easterly along said southerly side of East 136th Street 95.43 feet; thence southerly along a line which forms on its westerly side an angle of 81 degrees 37 minutes 07 seconds with said southerly side of East 136th Street 37.33 feet; thence westerly at right angles to the last mentioned course 6.05 feet; thence southerly at right angles to the last mentioned course 127.10 feet, thence easterly at right angles to the last mentioned course 6.05 feet; thence southerly at right angles to the last mentioned course 37.73 feet to said northerly side of East 135th Street; thence westerly along said northerly side of East 135th Street 95.43 feet to the point or place of beginning.

SAID premises being known as 815 East 135th Street, Bronx, New York 10454.

SAID premises designated at Block 2587, Lot 21.

55. Based upon all of the foregoing, upon the dissolution of the Worbes, Plaintiff Betty Sebrow is entitled to the partition of the Premises in accordance with the provisions of RPAPL § 901 and demands judgment therefor.

WHEREFORE, Plaintiff Betty Sebrow, respectfully demands judgment as follows:

(a) On the first cause of action, ordering an accounting of the books and records of Worbes Corporation;

(b) On the second cause of action compelling defendant Zvi Sebrow to act in accordance with the interests of Worbes Corporation, and in accordance with BCL § 626 awarding Plaintiff Reasonable attorneys' fees thereupon;

(c) On the third cause of action, the imposition of a constructive trust for any monies received by defendant Zvi Sebrow for sums owed to Worbes Corporation;

(d) On the fourth cause of action, the dissolution of Worbes Corporation pursuant to BCL § 1104;

(e) On the fifth cause of action, the partition of the Premises located at 815 East 135th Street, Bronx, New York 10454;

(f) Reasonable attorneys' fees pursuant to BCL § 626; and

(g) Such other and further relief as to this Court may seem just, proper and equitable.

Dated: Cedarhurst, New York
November 20, 2019

JONATHAN A. STEIN, P.C.
Attorney for Plaintiff Betty Sebrow

By: 
JONATHAN A. STEIN

132 Spruce Street
Cedarhurst, New York 11516-1915
(516) 295-0956

INDIVIDUAL VERIFICATION

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

BETTY SEBROW, being duly sworn, deposes and says:

1. Deponent is the Plaintiff in the within action.
2. Deponent has read the foregoing Complaint and knows the content thereof; and same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters, deponent believes them to be true.



BETTY SEBROW

Sworn to before me this

20th day of November, 2019



Notary Public

JONATHAN A. STEIN
Notary Public, State of New York
No. 02ST4755192
Qualified in Nassau County
Commission Expires February 28, 2022.