

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

-----X	:	
	:	Index No. _____/2016
RAQUEL WOLF, as Executrix of the	:	
ESTATE OF HIRSCH WOLF,	:	Date Purchased: January 18, 2016
	:	
Plaintiff,	:	<b><u>SUMMONS</u></b>
	:	
- against -	:	Plaintiffs' Address:
	:	1501 Coney Island Avenue
SOL WAHBA, MICHAEL WAHBA, and	:	Brooklyn, New York 11230
SIGULA 1145 BROADWAY LLC,	:	
	:	
Defendants.	:	Venue is based on
	:	Plaintiff's Residence
-----X	:	

To the above-named Defendants:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer on the plaintiff's attorney within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after the service is complete if this 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 herein.

Dated: Brooklyn, New York  
January 18, 2016

LAW OFFICE OF DANIEL FRIEDMAN

By:  Daniel Friedman   
Daniel Friedman, Esq.  
*Attorney for Plaintiff*  
5417 18<sup>th</sup> Avenue  
Brooklyn, New York 11204  
(917) 406-8568

Defendants' Addresses:  
SOL WAHBA  
1625 East 4<sup>th</sup> Street  
Brooklyn, New York 11230  
or

1076 East 5<sup>th</sup> Street  
Brooklyn, New York 11230

MICHAEL WAHBA  
1770 East 9<sup>th</sup> Street  
Brooklyn, New York 11223

SIGULA 1145 BROADWAY LLC  
Att: Michael Wahba  
1770 East 9<sup>th</sup> Street  
Brooklyn, New York 11223

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

-----X  
: RAQUEL WOLF, as Executrix of the :  
ESTATE OF HIRSCH WOLF, : Index No. \_\_\_\_\_/2016  
: Plaintiff,, :  
: - against - : **COMPLAINT**  
: SOL WAHBA, MICHAEL WAHBA, and :  
SIGULA 1145 BROADWAY LLC, :  
: Defendants. :  
: -----X

Plaintiff, RAQUEL WOLF, as Executrix of the ESTATE OF HIRSCH WOLF, by her attorneys, LAW OFFICE OF DANIEL FRIEDMAN, complaining of defendants, SOL WAHBA, MICHAEL WAHBA, and SIGULA 1145 BROADWAY LLC, alleges as follows:

**NATURE OF THE ACTION**

1. Defendants took advantage of the widow of a co-owner and member of an LLC, which owned a building, by fraudulently inducing her to sell her interest in the LLC for \$2.75 million, while, behind her back, they simultaneously sold the property for \$8.9 million without disclosing to her that they had surreptitiously made an agreement to sell it at the higher price. While her rightful 49% share should have been \$4.361 million, they only paid her \$2.75 million, intentionally defrauding her of \$1.611 million. The morally reprehensible nature of defendants' fraudulent conduct, in flagrant breach of fiduciary obligations, warrants punitive damages at least equal to, or exceeding, the actual compensatory damages.

2. Accordingly, by this action, asserting claims based upon fraudulent inducement to contract, aiding and abetting thereof, breaches of fiduciary duty, and unjust enrichment, plaintiff

seeks to recover actual compensatory damages of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million.

### **PARTIES**

3. Plaintiff is RAQUEL WOLF, as Executrix of the ESTATE OF HIRSCH WOLF. RAQUEL WOLF. The ESTATE OF HIRSCH WOLF is an Estate domiciled in the State and City of New York, County of Kings. RAQUEL WOLF, who resides in the State and City of New York, County of Kings, is the widow of HIRSCH WOLF, and the Executrix of the ESTATE OF HIRSCH WOLF.

4. Defendant SOL WAHBA is a resident of the State and City of New York, County of Kings.

5. Defendant MICHAEL WAHBA is the son of SOL WAHBA, and he is a resident of the State and City of New York, County of Kings.

6. Defendant SIGULA 1145 BROADWAY LLC is a New York limited liability corporation domiciled in the State, City and County of New York, formed on December 8, 2014.

7. Upon information and belief, defendant MICHAEL WAHBA is the sole owner and managing member of SIGULA 1145 BROADWAY LLC.

### **JURISDICTION AND VENUE**

8. The causes of action alleged herein arose in the State and City of New York, County of Kings.

9. The Membership Interest Purchase Agreement, dated December 31, 2014, between and among RICHMOND PROPERTIES LLC, ESTATE OF HIRSCH WOLF, SOL WAHBA and SIGULA 1145 BROADWAY LLC, with MICHAEL WAHBA as Managing Member, provides: "The parties hereto agree that any suit or proceeding arising out of this

Agreement or the consummation of the transactions contemplated thereby shall be brought only in a federal or state court located in the State of New York; provided however that neither party waives its right to request the removal of such action or proceeding from the state court to a federal court in such jurisdiction.. The parties hereto each waive any claim that such jurisdiction is not a convenient forum for any such suit or proceeding and the defense of lack of personal jurisdiction.”

10. Venue is designated in the State and City of New York, County of Kings, based on the residence of plaintiff, as well as both individual defendants.

#### **ALLEGATIONS COMMON TO ALL CLAIMS**

11. HIRSCH WOLF and SOL WAHBA were the co-owners and members of RICHMOND PROPERTIES LLC, a domestic limited liability corporation, which was formed in 1999 and dissolved on June 15, 2015.

12. The sole asset of RICHMOND PROPERTIES LLC was the building and property located at 1145 Broadway, New York, New York, a five-story, commercial use loft building located between 26<sup>th</sup> and West 27<sup>th</sup> Streets in Manhattan, housing two retail spaces and 4 office units (referred to herein as the “Real Property”).

13. SOL WAHBA, who was the Managing Member and designated Manager of RICHMOND PROPERTIES LLC, owned 51% of the LLC, and HIRSCH WOLF owned 49%. However, the Operating Agreement provided that HIRSCH WOLF and SOL WAHBA would each have 50% voting rights and, further, that the Manager shall not sell the Real Property without the consent of 51% of the voting interests. It also provided for specific procedures for written notification upon the receipt by either member of a bona fide offer to purchase the Real Property.

14. HIRSCH WOLF passed away in June 2011, and the ESTATE OF HIRSCH WOLF, succeeded to his interest.

15. At all relevant times, SOL WAHBA and/or his son, MICHAEL WAHBA, managed the Real Property.

16. MICHAEL WAHBA, who was not a member of RICHMOND PROPERTIES LLC, or a party to its operating agreement, actively managed the premises, and signed leases on behalf of the LLC.

17. In 2014, discussions were had between the parties regarding the potential sale of Real Property, or the sale of the ESTATE OF HIRSCH WOLF's interest to SOL WAHBA and/or MICHAEL WAHBA.

18. In connection therewith, SOL WAHBA stated on several occasions that he had no intention of ever selling the Real Property.

19. In April 2014, MICHAEL WAHBA, as Managing Member of United Equity Investments, offered to purchase the Real Property for \$4.5 million.

20. Thereafter, a Real Estate Appraisal was obtained by the ESTATE OF HIRSCH WOLF valuing the Real Property at \$6 million as of July 29, 2014.

21. SOL and MICHAEL WAHBA offered \$2.5 million for the ESTATE OF HIRSCH WOLF's 49% interest.

22. The ESTATE OF HIRSCH WOLF eventually compromised, in good faith, on a price of \$2.75 million for the sale of its interest, in a written agreement, dated December 31, 2014.

**The December 31, 2014 Membership Interest Purchase Agreement**

23. On December 31, 2014, the Membership Interest Purchase Agreement was made by and among RICHMOND PROPERTIES LLC, ESTATE OF HIRSCH WOLF, SOL WAHBA and SIGULA 1145 BROADWAY LLC, with MICHAEL WAHBA as Managing Member (herein the “December 31, 2014 MIPA”).

24. The December 31, 2014 MIPA provided for the sale of ESTATE OF HIRSCH WOLF’s 49% interest in RICHMOND PROPERTIES LLC to SIGULA 1145 BROADWAY LLC, an LLC owned by MICHAEL WAHBA, for a purchase price of \$2.75 million, to be paid with a \$100,000 deposit, which was made; and for the \$2.65 million balance to be paid at closing, to be set in 90 days.

25. While there was no formal closing, MICHAEL WAHBA’s attorney remitted payment for the purported balance on April 16, 2015, by personally hand delivering a cashier’s check in the sum of \$2,657,196.93, which included certain adjustments for rent, taxes and other such items. However, that was not the final figure actually due, as the adjustments were still subject to review and, in fact, contained errors.

26. In the interim, the signed Assignment of Interest of RAQUEL WOLF, as Executor of the ESTATE OF HIRSCH WOLF, was not yet transmitted.

27. An \$11,428.54 adjustment was subsequently agreed upon, and a check in that sum was received by the ESTATE OF HIRSCH WOLF on May 13, 2015.

28. On that date, May 13, 2015, the signed Assignment of Interest of RAQUEL WOLF, as Executor of the ESTATE OF HIRSCH WOLF, was transmitted to counsel for MICHAEL WAHBA.

29. At MICHAEL WAHBA's counsel's request, the Assignment was made directly to MICHAEL WAHBA rather than SIGULAR 1145 BROADWAY LLC, which, upon information and belief, remains a shell corporation.

**The Surreptitious Sale of the Real Property**

30. In or about August 2015, an attorney representing of the ESTATE OF HIRSCH WOLF discovered, via perusal on the ACRIS website, which is the official New York City Department of Finance, Office of City Register, Real Property Automated City Register Information System, that the Real Property was sold for \$8.9 million, via a Deed dated and recorded on April 16, 2015.

31. The filing with ACRIS showed that the Deed, dated April 16, 2015 and recorded on that same date, was signed by MICHAEL WAHBA, as "member" of RICHMOND PROPERTIES LLC; and that, the Real Property was sold for \$8.9 million to 1145 NOMAD PARTNERS LLC, a subsidiary or affiliate of Pan Brother Associates, which was represented on the transaction by Edward D. Fusco, Esq.

32. That was the same date, April 16, 2015, that MICHAEL WAHBA's counsel hand delivered the cashier's check to purchase plaintiff's interest in RICHMOND PROPERTIES LLC, albeit subject to adjustments and the later May 13, 2015 transmittal of the Assignment of Interest.

33. However, at no time did either SOL or MICHAEL WAHBA disclose that they had a better offer or agreement to sell the Real Property.

34. Unbeknownst to RACQUEL WOLF or THE ESTATE OF HIRSCH WOLF, this deal for the sale of the Real Property was apparently in the works for quite some time.

35. The filing with ACRIS also contained the Title Report number L586334MZ, and showed that the Title Insurance Company was Ridge Abstract Corp., of Brooklyn, New York.

36. Upon information and belief, on December 18, 2014, the law office of Edward D. Fusco, Esq., attorney for purchaser 1145 NOMAD PARTNERS LLC, contacted Ridge Abstract Corp. and ordered a Title Report on the Real Property.

37. This was some two (2) weeks prior to the signing of the December 31, 2014 MIPA.

38. Generally speaking, a purchaser's attorney orders a Title Report after a contract is signed, or at least when the parties are very seriously about to do so.

39. Yet, at no time, prior to the making of the December 31, 2014 MIPA, nor subsequent thereto, did either SOL WAHBA or MICHAEL WAHBA ever disclose to RAQUEL WOLF or the ESTATE OF HIRSCH WOLF that they had an offer or agreement to sell the Real Property.

40. That discovery was only made long after the sale was consummated.

41. Also interesting is the name of the purchaser, 1145 NOMAD PARTNERS LLC. The address of the Real Property is 1145 Broadway, and it is in the Manhattan neighborhood known as NoMad, derived from the area's location north of Madison Square Park.

42. In any event, it is obvious that the entity, matching the address of 1145 Broadway, was formed for the purpose of this acquisition.

43. A perusal of the official New York State Division of Corporations website shows that 1145 NOMAD PARTNERS LLC, was formed on January 6, 2015, barely a week after the December 31, 2014 MIPA was signed, with New Year's holiday weekend in between.

44. The fact that the purchaser ordered the Title Report on December 18, 2014, prior to the signing of the December 31, 2014 MIPA, and then filed the formation of an LLC (with the property address in its name) on January 6, 2015, indicates the existence of an offer or agreement to sell the Real Property that should have been disclosed to plaintiff.

45. Upon information and belief, in and between November 2014 and April 2015, SOL WAHBA and MICHAEL WAHBA had an offer or agreement to sell the Real Property, or sufficient information regarding a potential offer or agreement to sell the Real Property, which triggered fiduciary and/or contractual obligations to disclose same to plaintiff.

46. SOL WAHBA had a fiduciary and contractual obligation to plaintiff as a co-member of the RICHMOND PROPERTIES LLC to disclose a bona fide offer or agreement to sell the Real Property, and fraudulently concealed that information to induce and facilitate the sale of plaintiff's interest.

47. MICHAEL WAHBA aided and abetted SOL WAHBA, and also had a fiduciary obligation, as de facto Manager of the LLC and its Real Property, to disclose a bona fide offer or agreement to sell the Real Property, and fraudulently concealed that information to induce and facilitate the sale of plaintiff's interest.

49. SOL WAHBA AND MICHAEL WAHBA were fiduciaries, with a duty to disclose the subject offer or agreement, until the moment the buy-out transaction closed, and the plaintiff's interest in the LLC was assigned.

50. Defendants took advantage of plaintiff by fraudulently inducing the sale of its 49% interest in RICHMOND PROPERTIES LLC for \$2.75 million, while they secretly sold the Real Property for \$8.9 million without disclosing that they had surreptitiously made an agreement to sell it at that higher price.

51. While plaintiff's rightful 49% share should have been \$4.361 million, they only paid \$2.75 million, intentionally defrauding plaintiff of \$1.611 million.

52. Furthermore, the morally reprehensible nature of defendants' fraudulent conduct, in flagrant breach of fiduciary obligations, warrants punitive damages at least equal to, or exceeding, the actual compensatory damages.

**FIRST CAUSE OF ACTION**  
(Fraudulent Inducement to Contract)

53. Plaintiff repeats and re-alleges each of the foregoing allegations as if fully set forth herein at length.

54. Defendants failure to disclose the existence of an offer or agreement to sell the Real Property, was a material omission of fact, which induced plaintiff to make and enter into the December 31, 2014 MIPA, and continued to induce plaintiff to complete performance thereunder.

55. Defendants knew and concealed that material omission of fact, knowingly inducing plaintiff to make and enter into the December 31, 2014 MIPA, and to complete performance thereunder.

56. Defendants thus deceived plaintiff into selling its 49% interest in RICHMOND PROPERTIES LLC for \$2.75 million, which defendants orchestrated to enable them to secretly profit on the undisclosed offer or agreement for the sale of the Real Property for \$8.9 million.

57. Plaintiff would not have made the December 31, 2014 MIPA, and would not have proceeded to complete performance thereunder, if defendants had disclosed the offer or agreement to purchase the Real Property.

58. Plaintiff justifiably relied upon, and was deceived by, defendants' material omission of fact, and was injured as result.

59. While plaintiff's rightful 49% share should have been \$4.361 million, they only paid \$2.75 million, intentionally defrauding plaintiff of \$1.611 million.

60. SOL WAHBA and MICHAEL WAHBA also aided and abetted each other, to their mutual profit, at the expense of plaintiff.

61. By virtue of the foregoing, and by reason of the morally reprehensible nature of defendants' conduct, plaintiff is entitled to a judgment against defendants SOL WAHBA and MICHAEL WAHBA, and each of them, jointly and severally, of actual compensatory damages in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

**SECOND CAUSE OF ACTION**  
(Breach of Fiduciary Duty)

62. Plaintiff repeats and re-alleges each of the foregoing allegations as if fully set forth herein at length.

63. SOL WAHBA had a fiduciary obligation to plaintiff as a co-member of the RICHMOND PROPERTIES LLC to disclose a bona fide offer or agreement to sell the Real Property, and fraudulently concealed that information to induce and facilitate the sale of plaintiff's interest.

64. MICHAEL WAHBA aided and abetted SOL WAHBA, and also had a fiduciary obligation as de facto Manager of the LLC and its Real Property to disclose a bona fide offer or agreement to sell the Real Property, and fraudulently concealed that information to induce and facilitate the sale of plaintiff's interest.

65. SOL WAHBA AND MICHAEL WAHBA were fiduciaries, with a duty to disclose the subject offer or agreement, until the moment the buy-out transaction closed, and the plaintiff's interest in the LLC was assigned.

66. SOL WAHBA and MICHAEL WAHBA also aided and abetted each other, to their mutual profit, at the expense of plaintiff.

67. By virtue of the foregoing, and by reason of the morally reprehensible nature of defendants' conduct, plaintiff is entitled to a judgment against defendants SOL WAHBA and MICHAEL WAHBA, and each of them, jointly and severally, of actual compensatory damages in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

### **THIRD CAUSE OF ACTION**

(Breach of Contract, and Inducement thereof)

68. Plaintiff repeats and re-alleges each of the foregoing allegations as if fully set forth herein at length.

69. SOL WAHBA had a contractual obligation to plaintiff as a co-member of the RICHMOND PROPERTIES LLC to disclose a bona fide offer or agreement to sell the Real Property, and concealed that information to induce and facilitate the sale of plaintiff's interest.

70. That obligation existed until the moment the buy-out transaction closed, and the plaintiff's interest in the LLC was assigned.

71. MICHAEL WAHBA aided and abetted SOL WAHBA, in concealing that information to induce and facilitate the sale of plaintiff's interest.

72. SOL WAHBA and MICHAEL WAHBA also aided and abetted each other, to their mutual profit, at the expense of plaintiff.

73. By virtue of the foregoing, and by reason of the morally reprehensible nature of defendants' conduct, plaintiff is entitled to a judgment against defendants SOL WAHBA and MICHAEL WAHBA, and each of them, jointly and severally, of actual compensatory damages in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

#### **FOURTH CAUSE OF ACTION**

(Unjust Enrichment)

74. Plaintiff repeats and re-alleges each of the foregoing allegations as if fully set forth herein at length.

75. Defendants SOL WAHBA and MICHAEL WAHBA were benefited and unjustly enriched at the plaintiff's expense.

76. It is against equity and good conscience to permit Defendants SOL WAHBA and MICHAEL WAHBA to retain the ill-gotten benefits.

77. Equity and good conscience require restitution to plaintiff.

78. By virtue of the foregoing, and by reason of the morally reprehensible nature of defendants' conduct, plaintiff is entitled to a judgment against defendants SOL WAHBA and MICHAEL WAHBA, and each of them, jointly and severally, of actual compensatory damages in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

WHEREFORE, plaintiff, RAQUEL WOLF, as Executrix of the ESTATE OF HIRSCH WOLF, respectfully demands Judgment as follows:

A. On the First Cause of Action, as against SOL WAHBA, MICHAEL WAHBA, and SIGULA 1145 BROADWAY LLC, and each of them , jointly and severally, for in the sum

of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

B. On the Second Cause of Action, as against SOL WAHBA, MICHAEL WAHBA, and SIGULA 1145 BROADWAY LLC, and each of them , jointly and severally, for damages in in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

C. On the Third Cause of Action, as against SOL WAHBA, MICHAEL WAHBA, and SIGULA 1145 BROADWAY LLC, and each of them , jointly and severally, for damages in in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

D. On the Fourth Cause of Action, as against SOL WAHBA, MICHAEL WAHBA, and SIGULA 1145 BROADWAY LLC, and each of them , jointly and severally, for damages in in the sum of \$1.611 million, plus interest, and punitive damages of no less than an additional \$1.611 million, for total of no less than \$3,222,000.00.

E. For such other relief as the Court may deem just and proper, including the costs of this action and attorneys' fees.

Dated: Brooklyn, New York  
January 18, 2016

LAW OFFICE OF DANIEL FRIEDMAN

By:           Daniel Friedman            
Daniel Friedman, Esq.  
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