

SUPREME COURT OF NEW YORK
COUNTY OF BRONX

SUMMONS

WORBES CORPORATION and ZVI
SEBROW, individually and
derivatively as Stockholder of
WORBES CORPORATION,

DATE PURCHASED &
FILED: _____

Plaintiffs,

INDEX NO.: _____

-against-

PLAINTIFF DESIGNATES BRONX
COUNTY AS THE PLACE OF TRIAL

BETTY SEBROW and BETTY
SEBROW as Executor of the Estate
of DAVID SEBROW,

Defendants.

To The Above Named Defendants:

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 Attorneys 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 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 in the complaint.

The basis of the venue designated is: **County in which Plaintiff Worbes Corporation is located.**

Dated:

Law Offices of Jan Meyer & Associates, P.C.

TO:



Jonathan L. Leitman, Esq.
Attorney for Plaintiff(s)
1029 Teaneck Road, Second Floor
Teaneck, New Jersey 07666

Maintains a New York Office At:

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Kindly correspond with our NJ office.

SUPREME COURT OF NEW YORK
COUNTY OF BRONX

WORBES CORPORATION and ZVI
SEBROW, individually and
derivatively as stockholder of
WORBES CORPORATION,

Index No.:

COMPLAINT

Plaintiffs,

-against-

BETTY SEBROW and BETTY
SEBROW as Executor of the Estate
of DAVID SEBROW,

Defendants

Plaintiff, Worbes Corporation, and Plaintiff, Zvi Sebrow, individually and derivatively as stockholder of Worbes Corporation, say:

THE PARTIES

1. Plaintiff Worbes Corporation [hereinafter "Plaintiff" or "Worbes"] is located at and owns real property located at 815 East 135th Street, Bronx, New York.
2. Plaintiff Zvi Sebrow resides Teaneck, New Jersey.
3. Hereinafter, Plaintiffs Worbes Corporation and Zvi Sebrow are referred to individually and/or collectively as "Plaintiffs."
4. Defendant Betty Sebrow resides at 12 Beechwood Drive, Lawrence, New York 11559, in the County of Nassau, State of New York.
5. Decedent David Sebrow died in May 2017.
6. Hereinafter, Betty Sebrow individually and Betty Sebrow as executor of the Estate of David Sebrow are referred to individually and/or collectively as "Defendants."

FACTS RELEVANT TO ALL CAUSES OF ACTION

7. Plaintiff Worbes Corporation was incorporated in 1947.
8. Worbes Corporation is governed by the Stockholders' Agreement dated January 2, 1997, attached hereto as **Exhibit "A"**.
9. As of the date of the Stockholder's Agreement, Abraham Sebrow, Joseph Sebrow, Plaintiff Zvi Sebrow, and decedent David Sebrow were each the owners of 25 shares of stock and 25% of each corporate entity.
10. As of the date of the Stockholder's Agreement, the exclusive business of Worbes was to hold, own, operate, and maintain certain improved real property located at 815 East 135th Street, Bronx, New York 10454 (the "Building").
11. Section 6 of the Stockholders' Agreement prevents stockholders of Worbes from transferring shares without the unanimous consent of all the other stockholders.
12. The "sole exception" is made for a testamentary disposition of a stockholder's shares to "his issue."
13. The Stockholders' Agreement further provides that "[a]ny other attempted transfer or disposition of such shares shall be a nullity and unenforceable."
14. Abraham Sebrow, prior to his death, made a testamentary disposition of his shares to his issue, Plaintiff Zvi Sebrow.
15. Joseph Sebrow, prior to his death, made a testamentary disposition of his shares to his issue, decedent David Sebrow.
16. In approximately 2000, Abraham Sebrow died, causing Plaintiff Zvi Sebrow to become a 50% stockholder of Worbes.

17. In approximately 2009, Joseph Sebrow died, causing decedent David Sebrow to become a 50% stockholder of Worbes.
18. Between 2010 and 2017, the sole directors of Worbes were Plaintiff Zvi Sebrow and decedent David Sebrow.
19. David Sebrow died on May 29, 2017.
20. David Sebrow, during his lifetime, failed to make a testamentary disposition of his shares in Worbes to his issue.
21. On July 10, 2017, the Surrogate's Court of the County of Nassau issued Letters Testamentary to Betty Sebrow, appointing her as sole executor of the Estate of David Sebrow.
22. Upon the death of David Sebrow in 2017, David Sebrow's directorship in Worbes terminated.
23. Upon the death of David Sebrow in 2017, David Sebrow's shares reverted back to Worbes in accordance with Section 6 of the Stockholders' Agreement.
24. In approximately 2018, Zvi Sebrow determined that Worbes could not operate profitably and sought to wind up its affairs, including arranging for sale of the Building.
25. On November 20, 2019, Betty Sebrow filed an action in the Supreme Court of the State of New York, Bronx County styled *Betty Sebrow v Zvi Sebrow et al.*, which was assigned index number 33784/2019E (the Prior Action).
26. In the Prior Action, Defendant Betty Sebrow asserts that she, in her individual capacity or as executor of the Estate of David Sebrow, is a 50% stockholder in Worbes with 50% voting rights in Worbes.
27. On October 9, 2020, the court dismissed the complaint in the Prior Action,

holding that defendant was the sole shareholder of Worbes pursuant to Section 6 of the Stockholders' Agreement, the lack of a testamentary disposition to David Sebrow's issue, and David Sebrow's death.

28. Betty Sebrow filed a notice of appeal on October 13, 2020. That appeal remains pending.

29. On March 17, 2021, Betty Sebrow moved for leave to reargue, renew, and to amend the complaint in the Prior Action. The proposed amended complaint names Betty Sebrow, executor of the estate of David Sebrow, as an additional, alternative plaintiff.

30. Defendant Betty Sebrow, individually and in her capacity as executor of the Estate of David Sebrow, has refused her consent to sale of the Building that is in the best interests of Worbes and its stockholder.

31. Worbes lacking adequate funds to pay taxes on the Building, Zvi Sebrow has outlaid significant personal funds, including at least \$437,138.78 of personal funds to forestall a tax lien foreclosure against the Building. However, Zvi Sebrow is now also running out of personal funds with which to bail out Worbes.

32. The delay in the sale of the Building has also harmed Worbes by causing the taxes owed by Worbes to accrue additional interest.

33. On October 12, 2021, a tax lien foreclosure action was filed in the Supreme Court of the State of New York, Bronx County, bearing index number 813866/2021E (the Foreclosure Action).

34. The uncertainty surrounding ownership and control of Worbes, caused by Betty Sebrow's continued prosecution of the Prior Action despite the clear and unambiguous

language of the has interfered with the ability to sell the Building and discharge Worbes' debts.

35. On or about January 5, 2022, Zvi Sebrow, as sole director and stockholder of Worbes, entered into a contract of sale, on behalf of Worbes, Corp., to sell the building for \$5,500,000 to Maujer, LLC. A true and correct copy of said Contract is annexed hereto as **Exhibit "B"**.

36. The Contract informs the buyer, at ¶ 7.1.11 of the existence of litigation which, if adversely decided, would impact Worbes's ability to consummate the transaction. This is a reference to the litigation initiated by Betty Sebrow.

37. The Contract provides that if the Worbes is unable to convey clear title within 180 days, the Purchaser may cancel the Contract.

38. Given the lack of an operative complaint in the Prior Action and the uncertain timeframe for a decision on the pending appeal and motion for leave to reargue, renew, and to amend the complaint in the Prior Action, Plaintiffs have proactively filed this action, seeking a declaration of Zvi Sebrow's status as sole director and stockholder of Worbes and seeking to hold Defendants to account for the harm caused to Plaintiffs.

FIRST CAUSE OF ACTION
(Declaratory Judgment [CPLR 3001])

39. Plaintiffs repeat each prior paragraph of the Complaint with the same force and effect as if set forth fully herein.

40. There exists a justiciable controversy between the parties as to ownership and control of Worbes Corporation.

41. Specifically, Betty Sebrow, both individually and as Executor of the Estate of David Sebrow, has asserted a right to 50% ownership and control of Worbes

Corporation.

42. In so doing, Betty Sebrow, both individually and as Executor of the Estate of David Sebrow, has refused her consent to sale of the Building.

43. Pursuant to Section 6 of the Stockholders' Agreement, Betty Sebrow, both individually and as Executor of the Estate of David Sebrow, cannot own or vote shares in Worbes Corporation without the consent of all stockholders, including Zvi Sebrow.

44. Having failed to secure the consent of Zvi Sebrow, Betty Sebrow, both individually and as Executor of the Estate of David Sebrow, cannot and does not own or vote shares in Worbes Corporation.

45. Resolution of this dispute by entry of judgment concerning the ownership and control of Worbes Corporation is necessary and appropriate under the existing facts and circumstances.

46. Judgment will serve a useful purpose in clarifying and settling the legal relationships between Plaintiffs and Defendants.

WHEREFORE, pursuant to CPLR 3001, Plaintiffs request a declaratory judgment as follows:

- A. That Betty Sebrow, individually or as Executor of the Estate of David Sebrow, is not a Director of Worbes Corporation.
- B. That Betty Sebrow, individually and as Executor of the Estate of David Sebrow, is not a stockholder of Worbes Corporation.
- C. That Betty Sebrow, individually and as Executor of the Estate of David Sebrow, holds no voting stock in Worbes Corporation.
- D. That Zvi Sebrow is the sole Director of Worbes Corporation.

- E. That Zvi Sebrow is the sole Stockholder of Worbes Corporation.
- F. That Zvi Sebrow owns 100% of the voting shares of Worbes Corporation.
- G. That Worbes Corporation is entitled to close on sale of the Building, pursuant to the January 5, 2022 contract between Worbes Corporation and Matujer, LLC, over the objection of Betty Sebrow.

SECOND CAUSE OF ACTION
(Tortious Interference with Prospective Business Relations)

- 47. Plaintiffs repeat each prior paragraph of the Complaint with the same force and effect as if set forth fully herein.
- 48. Defendants have tortiously interfered with Plaintiffs' attempts to sell the Building.
- 49. Defendants have engaged in wrongful means in interfering with Plaintiffs' attempts to sell the Building.
- 50. Defendants' wrongful means include fraud, misrepresentation, and civil suits.
- 51. Defendants have also acted with the sole purpose of inflicting intentional monetary harm on Plaintiffs.

WHEREFORE, Plaintiffs demand judgment against all Defendants jointly, severally, and in the alternative, as follows:

- A. Monetary damages, in an amount to be proven at trial;
- B. Compelling arbitration or other appropriate dispute resolution for any matters required to be thus resolved pursuant to relevant statute, regulation and/or contractual agreements;
- C. Costs of Suit;
- D. Attorney Fees;

- E. Indemnification;
- F. Contribution;
- G. Other relief as the Court may deem equitable and just.

THIRD CAUSE OF ACTION
(Abuse of Process)

52. Plaintiffs repeat each prior paragraph of the Complaint with the same force and effect as if set forth fully herein.

53. Defendants' filing of a lis pendens in the Prior Action and continued prosecution of the Prior Action comprises regularly issued civil process.

54. Defendants intended to do harm without excuse or justification.

55. Defendants' actions constitute use of process in a perverted manner to obtain a collateral objective.

56. As a result of Defendants' actions or omissions, Plaintiffs sustained damages.

WHEREFORE, Plaintiffs demand judgment against all Defendants jointly, severally, and in the alternative, as follows:

- A. Monetary damages, in an amount to be proven at trial;
- B. Compelling arbitration or other appropriate dispute resolution for any matters required to be thus resolved pursuant to relevant statute, regulation and/or contractual agreements;
- C. Costs of Suit;
- D. Attorney Fees;
- E. Indemnification;
- F. Contribution;
- G. Other relief as the Court may deem equitable and just.

FOURTH CAUSE OF ACTION
(Malicious Prosecution / Abuse of Process)

57. Plaintiffs repeat each prior paragraph of the Complaint with the same force and effect as if set forth fully herein.
58. Defendants prosecuted the Prior Action, a civil action against Plaintiff Zvi Sebrow, by or at the instance of Defendants.
59. Defendants prosecuted the Prior Action without probable cause.
60. Defendants prosecuted the Prior Action with malice.
61. The Prior Action terminated in favor of Plaintiff Zvi Sebrow.
62. Defendants caused special injury to Plaintiff Zvi Sebrow.

WHEREFORE, Plaintiffs demand judgment against all Defendants jointly, severally, and in the alternative, as follows:

- A. Monetary damages, in an amount to be proven at trial;
- B. Compelling arbitration or other appropriate dispute resolution for any matters required to be thus resolved pursuant to relevant statute, regulation and/or contractual agreements;
- C. Costs of Suit;
- D. Attorney Fees;
- E. Indemnification;
- F. Contribution;
- G. Other relief as the Court may deem equitable and just.

FIFTH CAUSE OF ACTION
(In the Alternative, Breach of Fiduciary Duty)

63. Plaintiffs repeat each prior paragraph of the Complaint with the same force and effect as if set forth fully herein.
64. Plaintiff Zvi Sebrow controls at least 50%, if not 100%, of Worbes.
65. Defendants alleged in the Prior Action, and continue to allege, their right to control Worbes as a 50% stockholder.
66. To the extent, if any, that one or both of Defendants are entitled to such control, a demand on the stockholders of Worbes to bring this litigation against Defendants would be futile.
67. To the extent, if any, that one or both of Defendants are entitled to such control, they are acting as a fiduciary of Worbes, as a closely held corporation.
68. To the extent, if any, that one or both of Defendants are entitled to such control, they breached their fiduciary duties to Worbes, including, *inter alia*, the duty of loyalty and the duty of care.
69. Specifically, Defendants have refused to consent to a sale of the Building that is in the best interest of Worbes unless their demands, made exclusively for purposes of personal financial gain, are met.
70. Plaintiff Worbes Corporation suffered damages as a result of the breach.

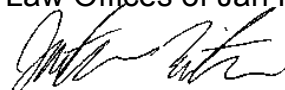
WHEREFORE, Plaintiffs demand judgment against all Defendants jointly, severally, and in the alternative, as follows:

- A. Monetary damages, in an amount to be proven at trial;
- B. Compelling arbitration or other appropriate dispute resolution for any matters required to be thus resolved pursuant to relevant statute, regulation and/or contractual agreements;

- C. Costs of Suit;
- D. Attorney Fees;
- E. Indemnification;
- F. Contribution;
- H. Other relief as the Court may deem equitable and just.

Dated: January 13, 2021

Law Offices of Jan Meyer & Associates, P.C.



Jonathan L. Leitman, Esq.

Attorney for Plaintiff(s)

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Kindly correspond with our NJ office.

INDEX NO.:

SUPREME COURT OF NEW YORK
COUNTY OF BRONX

WORBES CORPORATION AND ZVI SEBROW, INDIVIDUALLY AND
DERIVATIVELY AS STOCKHOLDER IN WORBES CORPORATION,

PLAINTIFFS,

-AGAINST-

BETTY SEBROW AND BETTY SEBROW AS EXECUTOR OF THE ESTATE OF
DAVID SEBROW,

DEFENDANTS.

**SUMMONS
&
COMPLAINT**

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KINDLY CORRESPOND WITH OUR NJ OFFICE.

TO:

SERVICE OF A COPY OF THE WITHIN
DATED: _____, 202_
NEW YORK, NEW YORK.