

SUPREME COURT OF NEW YORK
COUNTY OF BRONX

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

Plaintiffs,

-against-

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

Defendants.

Index No.: 800583/2022E

**AFFIDAVIT OF ZVI SEBROW IN
SUPPORT OF PLAINTIFFS'
MOTION BY ORDER TO SHOW
CAUSE FOR A PRELIMINARY
INJUNCTION**

STATE OF New Jersey)
) ss.:
COUNTY OF Bergen)

ZVI SEBROW, being duly sworn, alleges and states as follows:

1. I am a named plaintiff in this Action. I am also the sole and exclusive shareholder, officer, employee, and owner of plaintiff Worbes Corporation (Worbes).
2. I respectfully submit this Affidavit in support of Plaintiffs' motion by order to show cause for a preliminary injunction, pursuant to CPLR 6301, in furtherance of the sale of property owned by Worbes, and for such other and further relief as the Court may deem just and proper.
3. Worbes was founded over 70 years ago by my father, Abraham Sebrow and my uncles Joseph Sebrow, Sol Sebrow and Norman Sebrow. Thereafter, the corporation and other family businesses were consolidated between Abraham, Joseph, me, and my first-cousin, David Sebrow.
4. Worbes was formed along with three "family" business: Worbes

Corporation, Worbes Leasing Corporation, and S&S Soap Co., Inc.

5. All of the family businesses were governed by a single Stockholders' Agreement, entered into on January 2, 1997. (A true copy of the Stockholders' Agreement is attached hereto as **Exhibit "A"**).

6. Pursuant to the Stockholder' Agreement, Abraham, Joseph, I, and David were each the owners of 25 shares of stock and 25% of each corporate entity.

7. Initially, Abraham was named president, David - Vice President, Myself - Treasurer, and Joe - Secretary.

8. 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"). The Building had been acquired by Abraham and Joseph in or around 1950.

9. Section 6 of the Stockholders' Agreement prevents stockholders of Worbes from transferring or entering any agreement to transfer his shares without the unanimous consent of all the other stockholders. The "sole exception" is made for a testamentary disposition of a stockholder's shares to "his issue." The Stockholders' Agreement further provides that "[a]ny other attempted transfer or disposition of such shares shall be a nullity and unenforceable."

10. Each of Abraham and Joseph complied with this provision by making a testamentary disposition of their shares to their children - - Me and David, respectively - - who, upon the deaths of Abraham and Joseph, each became 50% owners of Worbes.

11. The parties' intent to restrict the transfer of shares to any other party, including to surviving spouses, is further evidenced by Section 5 of the Stockholders'

Agreement, which ensures that each widows of a stockholder is provided with a six month pension after the death of their shareholder stockholders.

12. In or about 1991, David married Defendant Betty Sebrow.

13. Sadly, on May 29, 2017, David passed away.

14. I have not consented to any third party becoming a stockholder of Worbes pursuant to Section 6 of the Stockholder's Agreement.

15. During his lifetime and tenure as a director of Worbes Corporation, David and I agreed that in the event that the businesses ceased to be viable, were the Building to be sold, vendors of the other businesses would be paid from the proceeds of such sale.

16. Sadly, since David's death, Betty Sebrow has attempted to take control of the family businesses - - including Worbes. She has made untenable demands, resisted any reasonable operation of the affairs of the businesses, retained numerous counsel to fight my actions on behalf of Worbes and, for the most part, tried to control the Building and its disposition.

17. Since David's incapacitation in September 2014, and continuing after David's death, I—the sole stockholder and officer of the businesses—have exclusively devoted significant time, effort, resources, and personal funds to the family businesses and the Building. I have paid taxes, expenses, and salaries. I ran and managed the companies.

18. I have paid at least \$437,138.78 of personal funds, including \$292,876.51 on February 25, 2020 and \$144,193.28 on April 1, 2021, toward taxes owed by Worbes Corporation. A true and correct copy of the payoff letters of the 2020 and 2021 tax

liens and/or proof of my payment of each, are collectively annexed hereto as **Exhibit “B”**.

19. Other than covering for the secretary by answering the phones on the few occasions when the secretary was out and I needed to be off premises, Betty Sebrow has contributed nothing to the businesses or the Building.

20. In approximately 2018, I determined that the businesses could not operate profitably and sought to wind up their affairs, including arranging for sale of the Building.

21. As a mere courtesy, I informed Betty Sebrow of my intention to sell the Building. However, she indicated that she would not consent to such sale, and asserted, incorrectly, that her consent was required for such sale. Further, she refused my offer to arbitrate our dispute as contemplated by Paragraph 9 of the shareholders agreement.

22. At no point did Betty Sebrow object to the sale of the Building based on any assertion that the sale of the Building is not necessary or in the best interests of Worbes. Instead, Betty Sebrow indicated that she would not consent to the sale of the Building until and unless I acceded to certain unrelated financial concessions.

23. Specifically, *inter alia*, Betty Sebrow insisted that she would prevent the sale and not agree to the sale of the Building, on any terms, unless Worbes will not pay the expenses of the companies out of “her share”, despite the paying of such expenses being explicitly agreed to, at all times, between myself and David, as set forth in ¶ 15 above.

24. 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). The Prior Action was made in her own name and as a "shareholder" of Worbes Corporation seeking, once again, to force its actual sole shareholder—me—to take certain actions in the manner that she demands. A true and correct copy of such Complaint is annexed hereto as **Exhibit "C"**.

25. The complaint in the Prior Action identified a shareholder agreement made as of January 2, 1997 (complaint ¶ 10) but did not attach a copy thereof.

26. The complaint in the Prior Action contended that upon the death of David Sebrow, his shares passed to his wife, Betty Sebrow (complaint ¶ 18).

27. The complaint in the Prior Action requested, among other things, dissolution of Worbes in accordance with BCL § 1104 and partition of the Building in accordance with of RPAPL § 901.

28. I moved to dismiss the complaint in the Prior Action, attaching a copy of the Shareholder's Agreement attached hereto as Exhibit A.

29. On October 9, 2020, the court dismissed the complaint, holding that I was the sole shareholder of Worbes due to Section 6 of the Stockholders' Agreement, the lack of a testamentary disposition to David's issue, and David's death. A true and correct copy of such Order of dismissal is annexed hereto as **Exhibit "D"**.

30. Betty Sebrow filed a notice of appeal on October 13, 2020. Her appeal remains pending.

31. 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, attached hereto as Exhibit B, names Betty Sebrow, executor of the estate of David Sebrow, as

an additional, alternative plaintiff.

32. Like the original complaint, the proposed amended complaint seeks dissolution of Worbes in accordance with BCL § 1104 and partition of the Building in accordance with of RPAPL § 901.

33. Significantly, the proposed amended complaint does not allege that the Shareholder's Agreement was a forgery or that some other version of the Shareholder's Agreement applies to governance of Worbes.

34. To complicate matters further, on October 12, 2021, the holders of certain tax liens on the Building have filed a tax lien foreclosure action in the Supreme Court of the State of New York, Bronx County, bearing index number 813866/2021E (the Foreclosure Action). A true and correct copy of such foreclosure action is annexed hereto as **Exhibit "E"**.

35. A forced sale of the property, as contemplated by the Foreclosure Action, is not in the best interests of Worbes and its stockholder(s). The price obtained at a tax lien auction will likely be lower than a price obtained through a sale on the open market. In addition, the tax lien creditors will collect fees and costs from the proceeds of any such sale.

36. Given the economic realities of the businesses, since at least April 2021, I resumed my attempts to secure a buyer for the Building, notwithstanding Betty Sebrow's deliberately attempts to prevent the property to be sold.

37. Since that date, despite my best effort, multiple attempts to sell the building have failed to be consummated, due to, *inter alia*, difficulty in obtaining title insurance as well as delivering clear Title, as a result of Betty Sebrow's claim that she

must consent to the sale and the pending appeal in the Prior Action..

38. On or about January 5, 2022, I 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 "F"**.

39. 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.

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

41. To date, I have been unable to secure a title commitment for the Building due to the cloud on title placed on the Building by the continued proceedings in the Prior Action.

42. Betty Sebrow continues to prevent and to refuse her consent to a sale of the Building, despite suing for precisely that relief in the Prior Action.

43. Accordingly, unless the Plaintiff is granted the right to sell the building over Betty Sebrow's objection, within 180 days, Worbes will likely lose a sale which all parties agree is clearly in the best interest of Worbes.

44. I have been in contact and made inquiry with a title company, who has indicated that they will insure title for the Building upon my securing a court order authorizing me to bind Worbes to a disposition of the Building.

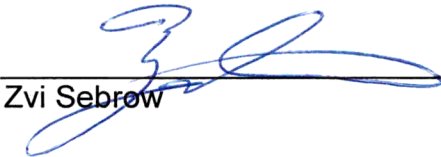
45. I have offered to deposit the proceeds from sale of the Building, less expenses that I paid out for tax payments related to the building, the usual closing costs, the customary obligations under the contract to clear title (including the closing

adjustments) taxes and for the cost of my attorney, into escrow pending resolution of any monetary disputes with Betty Sebrow. Despite those assurances, Betty Sebrow continues to prevent the transaction to happen and refuse her consent to a sale.

46. As sole shareholder of Worbes, I have determined that the sale of the Building is in the best interests of the corporation.

47. I know of no basis for Betty Sebrow's objection to the sale of the Building apart from trying to harm me financially so as to extract unrelated financial concessions.

Dated: Jan 13-2022



Zvi Sebrow

State of New Jersey
County of Bergen) SS

On the 13 day of January in the year 2022, before me, the undersigned, personally appeared Zvi Sebrow, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearances before the undersigned in the State of New Jersey, County of Bergen.



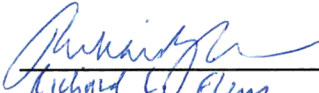
Notary Public

Richard L. Eleni, Esq.
Attorney at Law
State of New Jersey

CERTIFICATE OF CONFORMITY OF ACKNOWLEDGMENT IN FOREIGN STATE

State of New Jersey)
County of Bergen)SS

The undersigned, Richard L. Elenz, does hereby certify that s/he is an attorney-at-law admitted to practice in the State of New Jersey, with offices at 1029 Teaneck Road, [attorney's office address] , in the City/Town of Teaneck, County of Bergen, State of New Jersey, and that the acknowledgment executed by [notary's name] Richard L. Elenz on the 13 day of January in the year 2022 _____ to the [document title] *Affidavit* herein was taken in the manner prescribed by and in conformity with the laws of the State of NEW JERSEY, which is the place where the acknowledgment was taken.
IN WITNESS THEREOF, I have hereunto set my hand this 13 day of January, in the year 2022



Richard L. Elenz
Attorney of the State of New Jersey