

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x Index No.:

SAGE SYSTEMS, INC.,

SUMMONS

Plaintiff,

- against -

ROBERT LISS,

Defendant.

-----x

TO THE ABOVE-NAMED DEFENDANT:

You are hereby summoned and required to serve upon plaintiff's attorney an answer to the complaint in this action within twenty days after the service of this summons, exclusive of the day of service, or within thirty days after service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

The basis of the venue designated is the County of New York, the county in which the plaintiff has its principal office and the county in which the defendant resides.

Dated: New York, New York
June 23, 2010

Respectfully,

/s/ Nathan M. Barotz*
Nathan M. Barotz
Attorney for plaintiff
52 Vanderbilt Avenue, 14th Floor
New York, NY 10017-3899
Telephone: (212) 905-6536
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* Electronic signature pursuant to the Rules of the Chief Administrative Judge, §202.5-b(f)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x Index No.:

SAGE SYSTEMS, INC.,

Plaintiff,

VERIFIED
COMPLAINT

- against -

ROBERT LISS,

Defendant.

-----x

Plaintiff, by its attorney Nathan M. Barotz, as and for its
complaint, alleges as follows:

The Parties

1. The plaintiff Sage Systems, Inc. ("Sage") is a corporation organized and existing under the laws of the State of New York with its principal offices located at 246 West 38th Street, 10 Floor, New York, New York 10018.

2. The defendant Robert Liss (the "Defendant" or "Mr. Liss") is an individual who, upon information and belief, resides at 531 Main Street, Roosevelt Island, New York 10044.

3. On February 17, 1984 Sage and the Defendant entered into a general partnership with the name of S-L Properties (the

"Partnership" or "S-L") for the purposes of purchasing sixty-six (66) shares of the stock in 246 West 38th Street Tenants Corp. (the "Cooperative Corporation") which were allocated to the 10th floor of the commercial cooperative building at 246 West 38th Street, New York, New York 10018(the "Unit").

4. The Partnership purchased the Unit and entered into a proprietary lease and rider with the Cooperative Corporation (the "Proprietary Lease and Rider") on February 21, 1984.

The Partnership Agreement

5. Sage and the Defendant (hereinafter referred to collectively as the "Partners") entered into a partnership agreement dated February 17, 1984 and amendment to the partnership agreement dated January 1, 1985 (hereinafter referred to collectively as the "Partnership Agreement"). The Partnership Agreement is attached as Exhibit A.

6. Pursuant to Article XIII, Section 13.02(b) of the Partnership Agreement the "Partnership and the other partners shall be indemnified and held harmless by each Partner from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever

arising out of or incidental to any act performed by a Partner...which arises out of the fraud, bad faith, willful misconduct or negligence of such Partner" (the "Indemnification Provision").

The Dissolution Litigation

7. On January 6, 2006, the Defendant commenced the action of Robert Liss v. Sage Systems, Inc., Supreme Court of the State of New York, County of New York, Index Number: 100205/2006 in which Mr. Liss demanded judicial dissolution of the Partnership (the "Dissolution Litigation").

8. After close to three years of discovery and motion practice and upon Sage's motion for summary judgment, on February 10, 2009 the Honorable Debra A. James dismissed Mr. Liss' complaint and awarded costs and disbursements to Sage (the "Decision and Order"). A copy of the Decision and Order is attached as Exhibit B.

9. In the Decision and Order, Justice James states, *inter alia*, that (a) Mr. Liss had "unclean hands with respect to his demand for the equitable relief of dissolution" and (b) it was Mr. Liss and not Sage who was "persisting in placing the

partnership in violation" of the Proprietary Lease and (c) Mr. Liss did not "come forward with any evidence of any prejudice or lack of reasonable practicability of carrying out the partnership's business that the sublets pose or that defendant has placed the Partnership in violation of any local or state building codes."

FIRST CAUSE OF ACTION

(Contractual Indemnification)

10. Plaintiff re-alleges and re-states each and every paragraph numbered 1-9, inclusive.

11. The Defendant acted in bad faith by commencing and prosecuting the Dissolution Litigation.

12. The Defendant acted with willful misconduct by commencing and prosecuting the Dissolution Litigation.

13. The Defendant acted negligently by commencing and prosecuting the Dissolution Litigation.

14. The Defendant committed fraud by commencing and prosecuting the Dissolution Litigation.

15. Sage is entitled to indemnification under the Indemnification Provision.

16. Sage has been damaged by the Defendant's actions and has suffered costs, damages and expenses in the amount of Three Hundred Thousand Dollars (\$300,000).

WHEREFORE, plaintiff demands

Upon the FIRST CAUSE OF ACTION, a judgment against the Defendant for the sum to be determined at trial but not less than Three Hundred Thousand Dollars (\$300,000) with interest together with costs, disbursements and reasonable attorney's fees.

Dated: New York, New York
June 23, 2010

Respectfully,

/s/ Nathan M. Barotz*
Nathan M. Barotz
Attorney for plaintiff
52 Vanderbilt Avenue, 14th Floor
New York, NY 10017-3899
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VERIFICATION

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

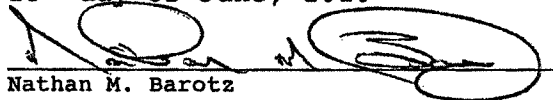
I, Shahen Chekijian, being duly sworn, deposes and says:

I am the president of Sage Systems, Inc., a New York corporation and the plaintiff in this action.

I have read the foregoing complaint and know the contents thereof; and the same are true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe them to be true.


Shahen Chekijian

Sworn to me this
23rd day of June, 2010


Nathan M. Barotz
Notary Public of the State of New York
No. 02BA5060954
Qualified in New York County
Commission Expires May 28, 2014