

1 SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF BROOKLYN: TRIAL TERM PART: 31  
2 - - - - - X  
3 DAVID ARONOV,  
Plaintiff,  
4  
- against -  
5  
EUGENE KHAVINSON, 290 13TH STREET LLC ET AL  
6 Defendants.  
7 - - - - - X  
360 Adams Street  
8 Brooklyn, New York 11201  
December 5, 2023  
9

10 BEFORE:  
HONORABLE PATRIA FRIAS-COLON, Justice  
11 (A jury of 6 and 2 alternates.)  
(Appearances as previously noted)  
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24 CASSANDRA JOHNSON,  
25 SENIOR COURT REPORTER

## PROCEEDINGS

2

1 THE SUPREME COURT CLERK: Good morning ladies and  
2 gentlemen. This is the case of David Aronov verses Eugene  
3 Khavinson, 290 13th Street LLC, Aleksandra Bogoslavski,  
4 Artyom Kirzhner, Michael Khavinson, Mikhail Kremerman,  
5 Nikola Volenski, Omnibuild Inc., Vitaly Kochnev, Vyacheslav  
6 Faybyshev, and Yana Soskil. Index number 500499/2016.  
7 Attorney's state your appearance for the record.

8 MR. GRASING: Good morning, Your Honor. Raymond  
9 Grasing. The law firm of Grasing & Associates P.C. for the  
10 plaintiff.

11 MR. MESTECHKIN: Good morning, Your Honor. Oleg  
12 Mestechkin, Mestechkin Law Group representing all  
13 defendant's.

14 MR. CHIU: Good morning, Your Honor Wing Chiu of  
15 the Mestechkin Law Group also representing all of the  
16 defendant's.

17 THE COURT: Your mic is on. Good morning  
18 everyone. I know before I bring in the injury once you go  
19 and get them while we take care of something. We left off  
20 yesterday with the off-the-record discussion surrounding a  
21 reference to a conviction while Mr. Aronov is on the stand.  
22 It's my understanding that that issue has been resolved?

23 MR. GRASING: Yes.

24 THE COURT: And the objection is withdrawn or is  
25 the question withdrawn?

## PROCEEDINGS

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1 MR. GRASING: The question is withdrawn and will be  
2 rephrased the way it was requested.

3 THE COURT: Okay. On consent of Counsel?

4 MR. GRASING: On consent, yes that's what you would  
5 like me to do.

6 THE COURT: Just so that the record is clear on  
7 what we're doing because I want to bring the jury in and  
8 continue with Mr. Aronov's testimony. You can dive right  
9 in. Go ahead Mr. Grasing.

10 MR. GRASING: Instead of referring to it as do you  
11 know if the LLC paid for Mr. Kremerman's criminal, the  
12 attorney in his criminal case. I will refer to it as do you  
13 know if the LLC paid for Mr. Kremerman's criminal attorney.

14 THE COURT: And you're okay with that?

15 MR. MESTECHKIN: Yes, Your Honor.

16 THE COURT: Okay.

17 THE COURT OFFICER: All rise. Jury's now  
18 entering.

19 THE COURT: Everyone may be seated. Good morning.  
20 Thank you again everyone for being timely and respectful of  
21 everyone's time. I am going to say that I know things  
22 happen that we can't get here on time, but let's try to do  
23 our best. As you know the holidays are upon us very soon  
24 and the goal is to get this done before then, that is our  
25 goal to do this together. Can we just close this door here.

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1 Counsel, are we ready to proceed?

2 MR. GRASING: Yes, Your Honor I'd like to recall  
3 David Aronov to the stand.

4 THE COURT: Mr. Aronov, please come up to the  
5 witness stand. And I remind you that you're still under  
6 oath.

7 MR. GRASING: And if I could have the mobile  
8 microphone.

9 THE COURT: We also have a lapel microphone. I  
10 don't know if you want to get fancy like that.

11 MR. GRASING: Whatever you want.

12 THE COURT: Mr. Grasing, you may proceed when  
13 you're ready.

14 DIRECT EXAMINATION BY MR. GRASING:

15 Q Good morning Mr. Aronov.

16 A Good morning.

17 Q I'm going to try to pickup exactly where we left off.

18 A Okay.

19 Q Okay. It was a question that was asked yesterday --

20 THE COURT: Mr. Grasing, just ask the question.  
21 We've already took care of that. We're here with the jury  
22 now. Our witness is here. Just ask your next question.

23 Q Do you know if the LLC 290 13th Street LLC paid for  
24 Mr. Mikhail Kremerman's criminal attorney at any point?

25 A Yes, the corporation, the LLC did pay for

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1 Mr. Kremerman's legal fees in the unrelated case.

2 Q And how do you know that?

3 A I saw it on the finance papers meaning from the banks.

4 I saw it on the ledger that Mr. Khavinson wrote out on his own  
5 handwriting that he threw in my face. It's on there.

6 Q How much?

7 A Umm, upwards of \$50,000.

8 Q Do you recall the attorney's name?

9 A No, not really.

10 Q Did it have anything to do with the operation of your  
11 LLC, 290 13th Street?

12 A Nothing whatsoever.

13 Q How do you know that?

14 A Because we didn't commit any crime as an LLC.

15 Q Did you ever have a discussion with anyone as to why it  
16 was being paid with Mr. Eugene Khavinson or anyone else?

17 A Say it again.

18 Q Did you ever have a discussion with Eugene Khavinson  
19 about why the LLC was paying that money?

20 A I don't recall, because you know not while I was being  
21 constructed and while this money came out of the account. I did  
22 question him afterwards when the unit sold and I got my money  
23 and I got all the accounting. I did question Mr. Khavinson as  
24 to why are we paying for all these legal fees for unrelated  
25 cases to us.

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1 Q What did Mr. Eugene Khavinson tell you?

2 A He brushed me off.

3 Q Did he give you an answer one way or the other?

4 A No, there was no answer. It was just like he owned the  
5 money. It was his money. Basically he operated as if it was  
6 his own money.

7 MR. MESTECHKIN: Objection, opinion.

8 THE PLAINTIFF: It's on the papers.

9 THE COURT: So Mr. Aronov remember what we talked  
10 about yesterday. You're a witness so all you do is answer  
11 all the questions that are posed. You do not get to respond  
12 to anything anyone is stating. Not any attorney or myself.

13 THE PLAINTIFF: Clear.

14 THE COURT: I understand that you've been living  
15 with this case since 2016, probably before then. And we're  
16 here now. And we're going to get through this, but I don't  
17 want to keep telling you the same thing, okay.

18 THE PLAINTIFF: I hear you, yes.

19 THE COURT: There's an objection. Mr. Mestechkin  
20 what's your objection?

21 MR. MESTECHKIN: Objection that witness stating  
22 his own opinion about manner in which one of my client's  
23 have been operating.

24 THE COURT: Mr. Grasing, response to that, if any?

25 MR. GRASING: Yes, it's what the man observed.

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1 He's competent to say it. If you want I'll ask more details  
2 about why he says that.

3 THE COURT: I'm going to overrule the objection.

4 But I may not overrule at the same time. Go ahead.

5 Q What makes you say that?

6 A Umm, as you will see I guess in future testimony and  
7 documentation that we have on hand, this is not the only  
8 transaction that Mr. Khavinson.

9 Q Okay. But maybe you did not understand my question.  
10 What, and I'll be more clear so I apologize. What I'm asking is  
11 you described what Mr. Khavinson did a certain way. I'm not  
12 talking about any other transaction then the payment to  
13 Mr. Kremerman's criminal attorney. What made you say he acted  
14 that way? Can you be anymore specific?

15 A Okay. So I believe at that time the money, the LLC's  
16 money was in Mr. Khavinson's escrow account. His law office's  
17 escrow account. And he would write a check. He wrote a check  
18 to Mr. Kremerman's attorney without asking anybody.

19 Q Did Mr. Eugene Khavinson ever ask for your consent?

20 A No.

21 Q Did Mr. -- did any other member, owner of the LLC ever  
22 tell you that Mr. Eugene Khavinson asked for their consent  
23 before paying that?

24 A No. Nobody approached me from the group to tell me  
25 that Mr. Khavinson ever approached them, no.

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1 Q How long after the units, the four condo's in which  
2 these properties sold, did you talk to Mr. Khavinson and ask him  
3 about why the LLC paid that money for Mr. Kremerman's attorney?

4 A I would say that that happened when I got less than my  
5 initial investment.

6 Q So you're initial investment was what?

7 A \$150,000.

8 Q How much money did you receive after the unit sold?

9 A \$125,000 I believe or somewhere near that, or around  
10 that number.

11 Q Well if you received \$125,000 out of the \$150,000  
12 investment how -- so is that all you lost \$25,000?

13 A I would say I lost a lot more than \$25,000.

14 Q So how much did you lose?

15 A My initial investment plus whatever was -- whatever  
16 number represents three and a third of the LLC's profits.

17 THE COURT: So Mr. Aronov the question was very  
18 specific. How much did you lose. If you know the answer in  
19 terms of a number then you give that. If you don't know the  
20 answer then you say I can't answer that.

21 THE PLAINTIFF: I don't have an exact number.

22 Q What did the unit sell for?

23 A The unit in total sell, the whole building sold for  
24 over \$4,000,000.00.

25 Q Now were there construction delays during the



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1 renovation of the building, the conversion of the building?

2 A Yeah, there were construction delays. There were  
3 violations on the part of the contractor, I believe.

4 MR. MESTECHKIN: Objection.

5 THE COURT: Basis?

6 MR. MESTECHKIN: Witness is not -- first of all,  
7 he's not an expert. And there's nothing in the evidence  
8 that shows that there were any violations on behalf of the  
9 contractor that contributed to the delays.

10 THE PLAINTIFF: Can I answer this?

11 THE COURT: No. Response?

12 MR. GRASING: Okay. On the record he's competent  
13 to say what he knows. This is -- I believe --

14 THE COURT: I'm sorry. The specific objection is  
15 that this witness is not competent in terms of his expertise  
16 in the area, one. And two, I believe foundation in terms of  
17 knowledge of any violations that are being referenced. That  
18 is the specific objection. So to that specific objection do  
19 you have a response before I make my decision on the  
20 objection?

21 MR. GRASING: Yes, it's totally within the can of  
22 the lay witness. There's no expert needed. It's within his  
23 ordinary basis, control.

24 THE COURT: Okay, thank you. I'm sustaining the  
25 objection. The answer is stricken. Next question.

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1 MR. GRASING: Can I have a brief side bar?

2 THE COURT: Yes.

3 (Off-the-record discussion.)

4 THE COURT: All right. Back on the record. We  
5 had a productive side bar. Thank you Counsel. I am  
6 sustaining the objection. Mr. Aronov please do not only  
7 speak of what you know and listen to the question very  
8 carefully.

9 THE PLAINTIFF: Okay.

10 THE COURT: Mr. Grasing ask your next question.

11 Q Do you know whether there were any delays on the  
12 construction project for 290 13th Street?

13 A Yes there were delays.

14 Q And how do you know that?

15 A Because I saw violations stuck to the front of the  
16 building by the Building Department.

17 Q What were those violations that you saw?

18 A I can't tell you for sure, but the structure, safety,  
19 and stuff like that.

20 Q Did you talk about them to Mr. Khavinson or -- well, to  
21 Mr. Eugene Khavinson?

22 A Yes.

23 Q Okay. What, if anything did you say to Mr. Eugene  
24 Khavinson about what you saw?

25 A I told him I went over the violations and why is the

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1 contractor or general contractor making all these mistakes.

2 Q What were you referring to?

3 A To the violations. Exactly I don't know what the  
4 violations exactly were for.

5 Q Approximately, how long ago was this?

6 A It was a long time. There were a few violations at  
7 different times.

8 Q Well the one time that you're talking about now, how  
9 long before today did you go there and see this?

10 A 2009 maybe, 2010 maybe. I don't exactly know, but from  
11 the time of the construction in 2008 until the sale of the  
12 buildings, there were a bunch of violations by the Building  
13 Department.

14 Q When did the building sell?

15 A The building sold from what I remember, and don't quote  
16 me on it, I believe 2014 if I'm right.

17 Q Were there any other delays that you're aware of on the  
18 construction project?

19 A Umm, other than violations and the contractor making a  
20 huge mistake by building out. By blueprints I guess.

21 MR. MESTECKIN: Objection. Call for speculation.

22 THE COURT: Sustained.

23 Q What, if anything -- please don't guess. What other  
24 delays are you aware of?

25 A Okay, so.

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1 Q May I withdraw that question. Are you aware of any  
2 other delays?

3 A Other than violations and -- no.

4 Q Are you -- what were you referring to by the blueprint,  
5 is that a delay of which you're aware?

6 A So the front and in the back --

7 Q No, no please just answer yes or no.

8 A Say again so I can answer the question.

9 Q Sure. Is there any other delay on the project that  
10 you're aware of?

11 A Yes.

12 Q Okay. What is that delay?

13 A The reconstruction of the front and the back of the  
14 building.

15 Q What do you mean by that? Can you be anymore specific?

16 A The contractor overbuilt onto the front and onto the  
17 back of the building. And they had to cut off part of the  
18 building for his mistake.

19 MR. MESTECHKIN: Objection.

20 Q How?

21 THE COURT: Wait. Hold on there's a objection  
22 Mr. Grasing that has to be addressed. You can't just  
23 continue as if there's no objection. Mr. Mestechkin, what's  
24 the basis for your objection?

25 MR. MESTECHKIN: Your Honor witness continues to

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1       testify of a mistake of the general contractor even though  
2       there is nothing in the record that states that witness has  
3       any professional expertise in stating connecting what needed  
4       to be done to the building and whether it was a mistake by  
5       the contractor.

6               THE COURT:    I'm overruling the objection.  The  
7       answer will stand.  But I am going to give Mr. Aronov  
8       reminder, Mr. Aronov that what you want to testify is what  
9       you know.  Not why you think something happened.  You have  
10      to only testify about what you know, okay.  All right.

11             THE PLAINTIFF:  Can I answer?

12             THE COURT:  Restate the last question.  Let's read  
13      back the last question.

14             (Court Reporter did a read back.)

15      A       It's a public record.

16             THE COURT:  Next question.

17      Q       What is there a public record of that you're referring  
18      to?

19      A       The records are in the Buildings Department.  Those  
20      records are public.  Say if you wanted to buy this building  
21      you'd have to go back and do a title search which includes also  
22      building violations.  And that would give you the true and  
23      honest violations that are not speculations, but are the record  
24      in the Building Department.

25      Q       Was it your understanding -- have you looked at those

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1 public records?

2 A I may have looked at some of those.

3 Q What's the basis when you say that the general  
4 contractor overbuilt the building?

5 A So as Mr. Mestechkin stated to the jury, the building  
6 had to be cut off in the front for 18 inches because the  
7 contractor overbuilt 18 inches on to the sidewalk. And the  
8 building had to be cut in the back also off four stories,  
9 because he overbuilt into the back.

10 Q What was the result of that, if you know?

11 A The results was a long delay.

12 Q Approximately, how long?

13 A I'd say anywhere from six months to a year.

14 Q What happened? What was done to correct that, as far  
15 as you know?

16 A As far as I know, they had to re-disassemble the front  
17 and the back of the building, the back wall and the front wall.  
18 And make the building smaller to its blueprint size.

19 MR. MESTECHKIN: Objection.

20 THE COURT: Hold on. There's an objection. Basis  
21 Mr. Mestechkin.

22 MR. MESTECHKIN: Your Honor, witness continuously  
23 refers to blueprints. There is nothing in the record that  
24 blueprints are in evidence. There is nothing also in  
25 evidence that there is something was built. Nothing

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1 compliance with something that is not in evidence.

2 THE COURT: So I understand it's a standing  
3 objection.

4 MR. MESTECHKIN: Yes, Your Honor.

5 THE COURT: I'm overruling the objection and  
6 you'll have an opportunity to cross-examine Mr. Aronov.

7 MR. MESTECHKIN: Thank you, Your Honor.

8 THE COURT: Next question.

9 MR. GRASING: Can I have the last question read  
10 back?

11 THE COURT: Instead of that what we're going to do  
12 let's see what the answer was to see if it was complete.

13 (Court Reporter did a read back.)

14 THE COURT: Next question.

15 Q Who are you referring to by they?

16 A Omnibuild.

17 Q Was it eventually correct?

18 A Yes.

19 Q Were the units eventually sold?

20 A Yes, sir.

21 Q Was that after it was corrected?

22 A Yes, sir.

23 Q So the sales price that you said before that accounts  
24 for whatever that delay might have been, it might have cost, is  
25 that right?

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1 A Right.

2 Q Are you trying to recover any of the cost with the  
3 construction project delays?

4 A Umm, yeah.

5 Q The major part of your claim, is it because the  
6 construction was delayed or for any other reason?

7 MR. MESTECHKIN: Objection compound and leading.

8 THE COURT: I'm going to sustain the objection.

9 Just rephrase your question. And one question at a time.

10 Q What was -- what's the major part of your claim?

11 A The major part of my claim is the losses I incurred in  
12 this project. And I guess I could say through fraudulent  
13 dealings from the members of the LLC.

14 Q Well we'll take it one at a time. What was the money  
15 -- what fraudulent dealings are you talking about?

16 A So, that group of people besides me, they all know each  
17 other. I only know Eugene Khavinson from that group. And I  
18 knew a little bit of Mr. Kremerman. And I met Mr. Khavinson's  
19 brother, Mikhail Khavinson, Michael Khavinson a few times in my  
20 life. Other than that, I don't know nobody else in that group.

21 Q When you say that group, who are you referring to?

22 A Members of the LLC; including Omnibuild's owner and  
23 contractor, or general contractor Vyacheslav.

24 Q So when you say the other members, you mean the other  
25 owners of the LLC?



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1 A That's right.

2 Q So those are the only one's that you know?

3 A I only knew of Mr. Khavinson, his younger brother, and  
4 about or heard of Mr. Kremerman.

5 Q Mr. Khavinson's younger brother is who?

6 A Michael Khavinson.

7 Q How do you know at that time when you got involved with  
8 the LLC and invested your money, how did you know Michael  
9 Khavinson?

10 A Michael Khavinson I met maybe a few years before that  
11 at a gathering in Mr. Khavinson's home for his birthday or  
12 something. I don't remember for sure.

13 Q And at that time, you invested your money in the LLC  
14 how did you know Mr. Mikhail Kremerman?

15 A I know of him, or I know him from his visits to  
16 Mr. Khavinson's law firm.

17 Q And at the time you invested the money in the LLC how  
18 did you know Mr. Faybyshev?

19 A I didn't know him.

20 Q Did you know any other member besides the one you just  
21 said at the time that you invested?

22 A No I didn't.

23 Q Did you ever have -- did you ever ask Mr. Eugene  
24 Khavinson about whether the LLC was going to get any money back  
25 from the general contractor because of the violations you said

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1 you saw?

2 A I approached at the time. I approached Mr. Khavinson  
3 and I told him that it's a mistake that was done by Omnibuild or  
4 Mr. Faybyshev and why should the LLC carry the cost of general  
5 contractor's mistakes. And we should probably as a group ask  
6 him to either reimburse us, or pay for it himself, or fix it  
7 himself.

8 Q What, if anything did Mr. Khavinson say to you at that  
9 time?

10 A He brushed me off.

11 Q What do you mean, can you be anymore specific?

12 A He said "no that is happening we're going to pay for  
13 it."

14 Q Did he ask for your consent?

15 A No.

16 Q Now you said in your answer the way I recall it that  
17 there were other reasons that you say you lost money. Could you  
18 tell us what they were?

19 A One of the reasons is Mr. Khavinson misappropriated  
20 funds and distributed them to people that were not involved in  
21 this project at all. Their names are not on the operating  
22 agreement and they got hundreds and hundreds and thousands of  
23 dollars.

24 Q Can you be anymore specific about who you mean?

25 A Something in legal fees for Mr. Kremerman. Legal fees

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1 for Mr. Faybyshev.

2 Q Why don't we take it one at a time. Mr. Faybyshev,  
3 what legal fees are you talking about?

4 A Jersey Schnap injury case.

5 Q So just before you go on. Let's make sure the record  
6 is clear. Jersey Schnap or Jersey Schnap, do you know who he is  
7 and what his connection to this is?

8 MR. MESTECHKIN: Objection, compound.

9 THE COURT: Overruled. You may answer.

10 A He is the subcontractor that got injured on the job  
11 site at 290 13th Street.

12 Q So what does Mr. Jersey Schnap have to do with what you  
13 say -- with what you're saying was done wrong?

14 A I know that Jersey Schnap was not hired by 290 13th  
15 Street LLC. I know that Mr. Khavinson personally did not hire  
16 him to work over there. He was hired by Zoom who was hired by  
17 Omnibuild.

18 Q So when you say Zoom, who are you referring to?

19 A Another corporation that I believe Mr. -- don't take my  
20 word for it, but I believe Mr. Jersey Schnap works, was employed  
21 by Zoom.

22 Q Were they a subcontractor on the construction project  
23 as far as you know?

24 A Yes, sir they were subcontractor hired by Omnibuild.

25 Q So again, what does this have to do with the money you

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1 say you lost?

2 A I asked the same question of Mr. Khavinson, how  
3 Omnibuild mistake -- why does Omnibuild mistake, financial  
4 mistake reflect on our bottom line.

5 Q So far the only mistake we're talking about is the  
6 building front and back wall had to be moved. Are you referring  
7 to anything else?

8 A Yes, sir.

9 Q What?

10 A Other mistakes such as Omnibuild was not properly  
11 insured to do this project and hired the subcontractors.

12 Q Just one at a time. What do you mean by that, can you  
13 be anymore specific?

14 A Yes. At that time Omnibuild was insured by Northfield  
15 Insurance Company I believe.

16 Q So the general contractor on the construction project.  
17 You're talking about their liability policy, am I right?

18 A Right. And if anything like this happened as in the  
19 Jersey Schnap case where contractor or subcontractor gets  
20 injured, it should be covered at least partially by the general  
21 contractor's insurance.

22 Q Well, just before you go on. I'm not asking about what  
23 should be. I'm asking about what you know whether it was or was  
24 not?

25 A Omnibuild did not have proper insurance to build or

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1 operate in 290 13th Street.

2 Q What do you mean by not proper insurance, could you  
3 just explain?

4 A I can't explain exactly what it means because there's a  
5 lot of legal language involved. But, Northfield disclaimed the  
6 coverage, disclaimed problem, receded the policy. And  
7 disclaimed coverage because at that time I believe Omnibuild did  
8 not indemnify.

9 Q Before you get into -- I'm not asking about the  
10 reasons. Is it your understanding that they had a policy?

11 A Yes they did.

12 Q Did that policy cover them for the Jersey Schnap  
13 personal injury?

14 A It did not.

15 Q Okay. How do you know that?

16 A From the records we have in our file.

17 Q Could you be -- did you ever have any conversation with  
18 anybody about that that's a member of the LLC?

19 A Mr. Khavinson, Eugene.

20 Q What was that conversation?

21 A The conversation was, again, why should we as an LLC  
22 cover Omnibuild, the contractor or the general contractor's  
23 mistakes and expenses.

24 Q Okay. One second. But what does that have to do with  
25 Omnibuild not having insurance coverage for that personal injury

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1 action?

2 A Umm, because I guess when Jersey Schnap brought on the  
3 suit, brought the suit up the named defendant's were Omnibuild.  
4 I believe it was Khavinson personally and 290 13th Street LLC.

5 Q Which Khavinson?

6 A Eugene Khavinson.

7 Q Okay. So that was a lawsuit?

8 A Yeah, filed by Jersey Schnap's attorney's.

9 Q And where was that lawsuit filed?

10 A I believe in Kings.

11 Q This court?

12 A Yeah, I think so. I believe so.

13 Q Has that been resolved or is that still ongoing?

14 A It's been resolved years ago.

15 Q Do you know how it was resolved?

16 A Zoom whose Jersey Schnap's employer or subcontractor,  
17 somebody who hired him independently paid out a million dollars.

18 And Omnibuild paid \$749,800. And Eugene Khavinson paid \$100.

19 And 290 13th Street paid \$100. So a total of \$1,00,750,000 for  
20 his grave injuries. They were really grave. Very bad injuries.

21 Q So if the LLC 290 13th Street LLC only had to pay \$100,  
22 are you saying that you're out \$100 is that what you're asking  
23 for?

24 A I'm actually out \$9.50 from this closing as far as  
25 Jersey Schnap case goes. As far as being a member of the LLC

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1 but --

2 Q Was there anything else involved in that settlement  
3 that effected the amount of money that you received?

4 A Yes. Mr. Khavinson claimed that \$750,000 was suppose  
5 to be paid by the LLC to Jersey Schnap.

6 Q When did he claim that? Well, first how do you know  
7 that?

8 A Mr. Khavinson told me himself.

9 Q When?

10 A When we were -- when I was picking up the check for 125  
11 or close to that number.

12 Q So when you received whatever money you got back from  
13 your investment, where did you go?

14 A To get this money?

15 Q To get the money?

16 A Mr. Khavinson's office.

17 Q And where was Mr. Khavinson's office at that time?

18 A On east -- on Gravesend Avenue in East 16th Street.

19 Q Approximately, how long after the condo's in the  
20 property sold, all four units sold, did you pickup that money?

21 A There were delays in getting this money back because of  
22 the Jersey Schnap case.

23 Q What were those delays? So we're only talking about --  
24 just so it's clear we're just talking about from the time the  
25 units sold to when you got whatever money back that you

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1 received?

2 A It took a few months.

3 Q And what was the delays that you're talking about?

4 THE COURT: I'm sorry Mr. Aronov you said how long  
5 did it take for you to receive your portion of the money  
6 after the sale of the property?

7 THE PLAINTIFF: A few months. I don't know exactly  
8 the number of days or months.

9 THE COURT: You answered the question. It's fine.  
10 Next question.

11 MR. GRASING: Can I have the last one read back I  
12 don't believe it was answered.

13 (Court Reporter did a read back.)

14 THE WITNESS: So total proceeds of the sale went in  
15 independently hired attorney's office escrow account to be  
16 held until Jersey Schnap got paid for his injuries. And as  
17 he got paid he released us or the money and that's when we  
18 all got paid money minus the 750.

19 Q What attorney are you talking about?

20 A Suslovich Firm. I don't recall the name for sure.

21 Q So this firm that you're talking about, they were hired  
22 for what specifically, as far as you know?

23 A To keep all the proceeds of the sales of the condo's in  
24 an independently owned escrow account.

25 Q So whatever money came in, because those four units



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 25

1 were sold you're saying went to this one particular?

2 A I believe Suslovich Firm.

3 Q And when did that money come out of that escrow account  
4 and go to the LLC as far as you know?

5 A As far as I know when Jersey Schnap released the  
6 corporation and everybody else from his lawsuit and got  
7 reimbursed for his injuries.

8 Q And by the way, what was the dollar figure you said he  
9 got?

10 A \$1.75.

11 Q \$1.75 million. How was that arrived at?

12 A So Zoom's insurance paid \$1,000,000. Faybyshev and  
13 Omnibuild paid \$749,800. Mr. Khavinson paid \$100 and was  
14 released. And 290 13th Street LLC paid \$100 and was released.

15 Q And do you know how those dollar figures were arrived  
16 at and assigned to each part, was that a court order or  
17 something else?

18 A It was a settlement.

19 Q Okay. By a settlement, what do you mean?

20 A I believe it was a settlement agreed upon by the  
21 attorney's representing the plaintiff and the defendant's.

22 Q And when was the money released from the Suslovich Firm  
23 escrow account you said it was?

24 A Umm, hmm.

25 Q Please put your answers in words.

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1           A       Yes, I believe it was Suslovich.

2           Q       I'm just saying if you could, it's easier for the Court  
3 Reporter if you actually put it into words.

4           A       Right, I got it.

5           Q       So when did they release it? What did that have to do  
6 with the settlement?

7           A       I believe it was a court ordered agreed upon between  
8 the attorney's as well that the money could not leave -- not be  
9 distributed until Jersey Schnap got paid for his injuries. And  
10 that's when somebody came up with this bright idea to keep the  
11 money in an independent escrow account.

12          Q       The Suslovich Firm, that's what you're talking about?

13          A       That's right.

14          Q       Well, as far as you know did the LLC ever pay the \$100  
15 that you said?

16          A       Yes.

17          Q       As far as you know, did Mr. Eugene Khavinson ever pay  
18 the \$100 share of that settlement?

19          A       I believe he did.

20                   THE COURT:   Mr. Grasing, what's the relevance of  
21 whether those people paid out and how much they actually --

22                   MR. GRASING:  Next question.

23                   THE COURT:   Let me finish. Do not interrupt me.  
24 To this derivative action case. In other words, we now have  
25 heard I'm just trying to get us regrouped to what we need to

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1 do here. And whether someone paid a responsibility that  
2 they had on some other lawsuit, I don't see how that's  
3 relevant.

4 MR. GRASING: May I answer you off the record in a  
5 side bar?

6 THE COURT: Okay. Off the record.

7 (Off-the-record discussion.)

8 THE COURT: Back on the record. Thank you for the  
9 side bar. The court has been informed of the strategy in  
10 the case. Thank you Mr. Grasing. Thank you Mr. Mestechkin.  
11 We will now continue with the next question to move along.

12 Q Did Omnibuild pay their \$749,800 as far as you know  
13 towards the Jersey Schnap settlement?

14 A As far as I know, yes.

15 Q Where did they get the money?

16 A From Eugene Khavinson.

17 Q Do you know where Mr. Eugene Khavinson got the money  
18 from?

19 A 290 13th Street.

20 Q How do you know that?

21 A The financial papers by bang documents.

22 Q What was the transaction that your talking about?

23 A So, there's a record of --

24 Q No. Just please if you could what do you personally  
25 know?

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1           A       I personally know that Mr. Khavinson paid \$100.

2           Q       No, no I'm not asking about that. I'm asking about  
3 where -- how do you know where the money came from that you just  
4 testified came from the LLC and Omnibuild?

5           A       From the handwritten ledger by Mr. Khavinson where it  
6 says that the money was loaned to Omnibuild. The money, when we  
7 followed the money, the money went from Khavinson's escrow  
8 account to V&E Corporation which probably stands for Vislov  
9 (phonetic) and Eugene.

10                   MR. MESTECHKIN:    Objection.

11                   THE COURT:       Hold on. There's an objection.

12                   What's the objection?

13                   MR. MESTECHKIN:    Witness conjecture how the name  
14 of the entity relates to any particular party.

15                   THE COURT:       I'm going to overrule the objection.

16                   The answer will stand. Next question.

17           Q       How much money, based on your personal knowledge, how  
18 much money went from the LLC to Omnibuild to pay their share of  
19 the Jersey Schnap settlement?

20           A       \$750,000.

21           Q       What form did that take, was that a payment, a loan, or  
22 something else?

23           A       To me.

24           Q       No, no as far as you know personally, not your opinion?

25           A       Not my opinion. Eugene told me this was a payment for

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1 290 13th Street owes to Jersey Schnap. That's what it was  
2 brought to me.

3 Q When did Mr. Eugene Khavinson say that to you?

4 A As the case was settling with Jersey Schnap and as the  
5 case settled. And when he gave me my \$125,000 back of part of  
6 my investment, he told me that the company had a \$750,000 loss  
7 because we were responsible for Jersey Schnap's injuries.

8 Q Was that money -- did Mr. Khavinson ever ask you  
9 whether you agreed to Omnibuild?

10 A No.

11 Q Did any member of the LLC ever ask for your consent  
12 about whether to give that money to Omnibuild?

13 A No.

14 Q Now you say that it was given, has that ever been paid  
15 back?

16 A Not when I was there, no.

17 Q Have you received -- did you ever ask Mr. Khavinson  
18 whether any of that money was paid back?

19 A The last time I saw Mr. Khavinson I never spoke to him.  
20 And the last time I spoke to him was the day that he threw  
21 papers in my face that he says "count the papers yourself." And  
22 he left.

23 Q When was that?

24 A This was in 2014.

25 Q Was that before or after you picked up your check?

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1           A       It was a few months after I picked up the check.

2           Q       So what happened that day?

3           A       I demanded a full accounting of 290 13th Street LLC as  
4 a member. We met in Mr. Khavinson's conference room in his  
5 office in Gravesend. The words were exchanged because I didn't  
6 --

7                   THE COURT:    I'm sorry, hold on. What was the  
8 question? I don't believe this is responsive. What was  
9 your question?

10                  MR. GRASING:   Could we have it read back please.

11                               (Court Reporter did a read back.)

12                  THE COURT:    I believe the question was a follow-up  
13 Mr. Aronov what happened that day. The day I believe that's  
14 what you're referencing Mr. Grasing, is that accurate?

15                  MR. GRASING:   Your Honor I'll withdraw the  
16 question.

17           Q       What happened the day that you said you went to  
18 Mr. Eugene Khavinson's office and documents were thrown at you  
19 and he said count it yourself?

20           A       When I demanded the full accounting of 290 13th Street  
21 LLC and where the money went, and you know to gather information  
22 to see where the rest of my money is.

23           Q       Were you introduced --

24                   THE COURT:    No, no. The question hasn't been  
25 answered. What happened that day? That was what you asked.

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1 MR. GRASING: Yes.

2 THE COURT: What happened that day Mr. Aronov? If  
3 there's something that happened say what it was so that we  
4 can move onto the next question.

5 THE PLAINTIFF: He refused to do the accounting  
6 with me. He threw the papers on the table in my face rudely  
7 and said to "count it myself" and he left.

8 Q Did you count it yourself?

9 A Of course I did.

10 Q What papers were you looking at?

11 A Handwritten notes that were made by Mr. Khavinson.

12 Q How do you know they were made by Mr. Khavinson,  
13 Mr. Eugene Khavinson?

14 A Hunh?

15 Q How do you know they were made by Mr. Eugene Khavinson?

16 A Because Mr. Eugene Khavinson was the one holding all  
17 the money in his escrow. He was writing out checks left and  
18 right. So it was Mr. Khavinson who made the final decision.

19 Q What was the operating account for the LLC at that  
20 point?

21 A There was no operating account. Two banks rejected our  
22 account actually. It was Chase and then it was Citibank I  
23 believe.

24 Q Then what account was used as the operating account  
25 after that point?

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1           A     Mr. Khavinson's escrow account. Khavinson and  
2 Associates.

3           Q     So did you count the numbers from the ledger for that  
4 escrow account or some other escrow account?

5           A     That escrow account.

6           Q     Okay. And what did it show you?

7           A     It showed a nice profit in the corporation, in the LLC.

8           Q     Can you be anymore specific?

9           A     There was I believe a \$1,000,000 in profit.

10          Q     Based on what?

11          A     Based on the accounting of Mr. Khavinson's handwriting  
12 as well.

13                   MR. GRASING: Your Honor may I have two minutes for  
14 a mid morning break.

15                   THE COURT: Okay. Yeah that's a good idea. Let's  
16 see if the jury needs to stretch their legs. We'll take a  
17 break. Off the record.

18                   THE COURT OFFICER: All rise. Jury's now exiting.  
19 (Off-the-record discussion.)

20                   THE COURT: Mr. Aronov, I remind you you're still  
21 under oath and please do not discuss your testimony with  
22 anyone. If you need to step down and relieve yourself you  
23 can do that, as well.

24                   MR. GRASING: Thank you.

25                   MR. MESTECHKIN: Your Honor with your permission



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1 May I step out?

2 THE COURT: Yes.

3 (Off-the-record discussion.)

4 THE COURT OFFICER: All rise. Jury is entering.

5 THE COURT: All right. Everyone may be seated.

6 Back on the record. Mr. Grasing, you may proceed with your  
7 next question.

8 MR. GRASING: I'd like to show the witness what's  
9 been entered into evidence as Plaintiff's Number Two.

10 Q Have you ever seen that document before?

11 A Yes.

12 Q What is it?

13 A Basically --

14 THE COURT: So before we continue with that, so  
15 these are already in evidence. If you want, as we  
16 indicated, this is Plaintiff's Two in evidence. It may take  
17 more time for him to try to figure out what the document is.  
18 You can tell him what it is.

19 MR. GRASING: Sure.

20 THE COURT: Just trying to move it along  
21 Mr. Grasing.

22 Q That's the 2014 account ledger for 290 13th Street LLC.  
23 And you've seen it before?

24 A Yes.

25 Q All right. Are any of the transactions that you were

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1 talking about in there?

2 A Let me look at the transactions.

3 Q Well first, if you look on the first page do you see  
4 the name A Bogoslavski?

5 A Yes, sir.

6 Q And what does it say the LLC paid to A Bogoslavski?

7 A One twelfth, \$844.

8 Q In dollars? You have the document in front of you.

9 A In dollars, yeah.

10 Q Do you know who A. Bogoslavski is?

11 A No.

12 Q Is he a member of the LLC as far as you know?

13 A No, sir.

14 Q Did he ever sign the operating agreement that's in  
15 evidence?

16 THE COURT: Hold on. So again, you wait for the  
17 question and Mr. Grasing will wait for your answer. I know  
18 I am trying to expedite this, but we also have to get the  
19 record properly.

20 THE PLAINTIFF: Sorry.

21 THE COURT: Next question Mr. Grasing.

22 Q Were there any payments made to you? In that ledger,  
23 does that ledger reflect any payments made to you?

24 A Yes.

25 Q Okay. How much?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 35

1 A \$125,253.

2 Q When was it paid to you?

3 A September 10, 2014.

4 Q Is that the money you received back on your investment?

5 A Yes.

6 Q Was there a payment made to a Yana Soskil in there?

7 A Soskil is not on the first page, maybe on the second  
8 page but I know that she did. Yeah, on the second page.

9 Q What was the amount of the payment?

10 A \$125,514.

11 Q On what date?

12 A April 5, 2014.

13 MR. MESTECHKIN: Objection.

14 THE COURT: Basis?

15 MR. MESTECHKIN: It's not the amount that was  
16 disbursed on April 5, 2014.

17 THE COURT: So you will have an opportunity to  
18 cross-examine, but right now this witness is stuck with the  
19 answer that he gave.

20 MR. MESTECHKIN: Understood, thank you Your Honor.

21 THE PLAINTIFF: No.

22 THE COURT: Hold on. When I'm speaking and  
23 there's an objection you cannot be involved Mr. Aronov. Is  
24 the objection withdrawn?

25 MR. MESTECHKIN: Yes, Your Honor.

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1 THE COURT: The objection is withdrawn. The  
2 answer stays. Next question.

3 Q Did Yana Soskil, is she a member of the LLC?

4 A No she was not a member of the LLC and she got paid on  
5 that day \$24,644.

6 Q Is that what the ledger says?

7 A Yeah.

8 Q Do you have any understanding as to why the LLC paid  
9 her that money?

10 A I don't have no understanding.

11 Q Did she ever sign an operating agreement that you saw?

12 A No.

13 Q Did you ever ask anyone from the LLC why they paid that  
14 money?

15 A Didn't have a chance to ask.

16 Q Do you have any understanding as to why, any personal  
17 knowledge as to why they paid that?

18 A I don't have any understanding as far as why she got  
19 paid. The only thing I know I found out later was that Yana  
20 Soskil is Kremerman's wife.

21 Q Mikhail Kremerman?

22 A Yes.

23 Q Were they still married at that time?

24 A I don't know. I don't know.

25 THE COURT: If you don't know Mr. Aronov, you

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1 don't know. Next question.

2 Q Any of the other payments that you referred to, were  
3 they reflected in there?

4 A So Yana Soskil another payment for \$12,000.

5 Q What was the date?

6 A September 10, 2014. And then Dennis Neyberg (phonetic)  
7 \$38,000.

8 Q Do you have any idea who Dennis Neyberg is?

9 A No.

10 Q Did anybody ever ask you your consent to pay Dennis  
11 Neyberg any money?

12 A No.

13 Q Is he a member of the LLC?

14 A No.

15 Q All right. Are there any other payments that you  
16 referred to there?

17 A There was a payment for F&H Construction.

18 Q Do you know who F&H Construction is? What was the  
19 amount of the payment?

20 A F&H Construction was \$39,500.

21 Q What was the date?

22 A March 19, 2014.

23 Q Did they have anything to do with the construction  
24 project?

25 A No, not based on what I know.

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1 Q Were there any payments to Mr. Faybyshev?

2 A Mr. Faybyshev is part of SDM Consulting.

3 Q What was the name of that company?

4 A SDM Consulting.

5 Q How do you know he's -- withdrawn. What do you mean  
6 he's part of SDM Consulting?

7 A I believe he owns SDM Consulting.

8 Q Do you know if he owns it?

9 A Yeah.

10 Q How do you know?

11 A I don't remember now, but I did the record search and  
12 found out.

13 Q SDM Consulting, did they have anything to do with the  
14 construction project?

15 A No.

16 Q What did the LLC pay them?

17 A Well it was one payment for \$17,490.

18 Q What was the date?

19 A April 5, 2014. And then right above that there's two  
20 Omnibuild payments on the same date. And they all went out to  
21 the same person.

22 Q I know. I only asked about SDM. So now that we're  
23 done with SDM, are there any payments to Omnibuild?

24 A Yes, right above that.

25 Q No, just please answer one question at a time.

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1 A Check number --

2 Q Just give me the date first?

3 A The date is for 4/1.

4 Q We're going to take it one transaction at a time. So  
5 the earliest one, what was the date?

6 A April 1, 2014.

7 Q For how much?

8 A For \$76,000.

9 Q Is there another one?

10 A Another one for -- on 4/5/2014, Omnibuild for \$15,960  
11 and \$819.

12 Q Are there any others to SDM, on any other page of that  
13 ledger?

14 A Any SDM, no. Yeah, there is one in the beginning on  
15 3/2/2014.

16 Q How much?

17 A For \$22,000.

18 Q Are there any others to Omnibuild? One at a time by  
19 date first if there are.

20 A Omnibuild. Could I go through the whole thing?

21 Q Yes, please.

22 A There's another one for Omnibuild for legal settlement.

23 Q What's the date?

24 A The date on that is 9/10/2014.

25 Q What's the amount?

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1 A \$749 and --

2 Q Is that \$749,800?

3 A \$749,800.

4 Q Is that the payment you referred to before that Eugene  
5 Khavinson told you about?

6 A Yes.

7 Q That's the one where he said -- well, withdrawn. I  
8 move on. Are there any individual payments to Mr. Faybyshev,  
9 not to one of his companies, but to Mr. Faybyshev?

10 A I don't see.

11 Q Take your time before you answer. Please review the  
12 document then give an answer.

13 A Mr. Faybyshev got on March 1, 2014.

14 Q How much?

15 A He got a check for \$20,000.

16 Q Are there any others?

17 A I'll tell you.

18 Q No, just please answer the question first.

19 A I don't see any other payments. I might be --

20 Q Are you done with the document?

21 A Hunh?

22 Q Are you done looking through the document for any?

23 A Yes. And then I have the.

24 Q Is there anything else important that you note in that  
25 document that you want to bring out in terms of payment from the



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1 LLC?

2 A I'm not seeing anything else. I may be missing  
3 something.

4 Q No, we're moving on. We're trying to get this done.  
5 So is there any other transaction, any payment from the LLC on  
6 that ledger that's important to your claim? That's a yes or no  
7 question first.

8 A I believe there is.

9 Q Is that a yes?

10 A Yes.

11 Q What's the first one you see? Please identify it first  
12 by date.

13 A Umm, so for some reason it doesn't say the total sale.  
14 But when you add all the sales from the Department of Finance  
15 then they add up to over \$4,000,000.

16 Q Does it list each sale, for each unit in the condo?

17 A Yes, I believe so.

18 Q Okay. You could read them one at a time. Start with  
19 the date?

20 A Condo sales it says \$3,000,056. \$3,000,000 56,257.04.

21 Q Could you give me the date please.

22 A On 2/27/14.

23 Q All right. You say it doesn't give a total. Are there  
24 any other entries related to the sale of any of the units in  
25 that condo?

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1           A       Not on this ledger. I believe, because this ledger is  
2 prepared by, I guess by person and --

3                   MR. MESTECHKIN: Objection.

4                   THE COURT: What's the objection?  
5 Mischaracterization?

6                   MR. MESTECHKIN: Mischaracterization Your Honor.

7                   THE COURT: I'm sustaining the objection.

8 Mr. Aronov, and I'm going to strike that last portion of, I  
9 believe it was an adjective that was used. That's stricken.  
10 Please just answer the question. And Mr. Grasing the  
11 document is in evidence.

12                   THE WITNESS: Okay. So all the payments.

13                   THE COURT: No, I don't believe there is a  
14 question.

15           Q       Are there any other payments that are important to your  
16 claim -- well, withdrawn.

17                   THE COURT: All right. So let me just say this.  
18 Be more specific with your questions because now you put a  
19 document in front of this witness and said look at it and  
20 tell me what's relevant to you. I think is your question.  
21 I think this witness has testified about disbursements and  
22 income to the LLC. We now have this 2014 ledger that's in  
23 evidence as Plaintiff's Exhibit Two. I believe you asked  
24 that question at least three times since I'm here, sitting  
25 here. And I'm not going to let you continue to give this

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1 person more time to review a document that should have  
2 already been reviewed and the response is what it is. We  
3 have the document in evidence. So you do whatever you need  
4 to do with it. Do you have any other questions related to  
5 Plaintiff's Exhibit Two for this witness?

6 MR. GRASING: No.

7 THE COURT: Let's get back Plaintiff's Exhibit Two  
8 from the witness.

9 MR. GRASING: I'd like to show the witness  
10 Plaintiff's Exhibit Three.

11 THE COURT: Ask your question.

12 Q This is Omnibuild bank receipts journal. First, have  
13 you ever seen it before?

14 A Yes.

15 Q Do you see -- well, is there any entry for a payment  
16 from the LLC, 290 13th Street to Omnibuild?

17 A Yes.

18 Q Give me the date please?

19 A I can't really make it out. I believe it says 9/8/14.

20 Q What's the amount?

21 A The amount is \$749,800 dollars.

22 Q Is there an entry after that for that same amount of  
23 money being paid by Omnibuild to anyone else?

24 A No I don't see it. There's a third party loan  
25 returned.

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1 Q What's the third party loan, who is it returned to?

2 A It doesn't say who got reimbursed but it's on 9/11/2014  
3 check number 1130.

4 Q What's the amount?

5 A \$749,800.

6 Q Have you ever heard of 35 West End Avenue LLC?

7 A Yes I did.

8 Q Who owns 35 West End Avenue LLC?

9 A At the time of our project, or at the completion of our  
10 project and sale of our project, Eugene Khavinson and  
11 Mr. Faybyshev started a new project some time during that time.

12 THE COURT: I'm sorry Mr. Aronov. The question  
13 was very specific. It was who owned -- what was the  
14 address?

15 MR. GRASING: 35 West End Avenue LLC.

16 THE COURT: That's the question. Who owned that?  
17 Everything else is extra. Who owned that, if you know? If  
18 you don't know it's okay to say you don't know. But you  
19 have to have faith that your attorney will ask you the  
20 questions that he needs to ask you.

21 THE WITNESS: I believe it was owned by  
22 Mr. Faybyshev.

23 THE COURT: Next question.

24 Q Do you know whether it was owned by Mr. Faybyshev?

25 A I'm not so sure.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 45

1 MR. MESTECHKIN: Objection.

2 THE COURT: So we have an answer. The answer is I  
3 believe, and that's what the answer is. Ask your next  
4 question.

5 Q Are there any payments from Omnibuild to the LLC in  
6 that ledger?

7 A So, it says third party loan returned.

8 Q Are there any payments in there, yes or no? If you see  
9 them, you see them. If you don't, you don't.

10 A There's no payments back to the LLC, no.

11 MR. GRASING: Thank you. I'm done with that.

12 THE COURT: No. The answer was no, I don't see  
13 any payments. Do you have a follow-up question?

14 Q I have one follow-up question. Are there any other  
15 payments in that ledger that are important to your claim?

16 A Yes, there are.

17 Q Just name them one at a time, start by the date.

18 A September 3, 2014.

19 Q What's the amount?

20 A For \$98,874.65.

21 Q To whom?

22 A From Khavinson & Associates to Omnibuild.

23 Q Are there any others?

24 A No.

25 MR. GRASING: All right. I'm done with that

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 46

1 exhibit. I'd like to show -- can I show the witness Exhibit  
2 4A, the 2007 corporate income tax returns for 290 13th  
3 Street LLC.

4 THE COURT: Before we do that, let me have a side  
5 bar just to understand what we're going to do for the rest  
6 of the morning.

7 (Off-the-record discussion.)

8 THE COURT: All right, back on the record. We've  
9 had an opportunity to discuss additional trial strategies.  
10 What we're going to do now is put a series of documents in  
11 front of you Mr. Aronov. I believe this is going to be, and  
12 correct me if I'm wrong Mr. Grasing, we're going to put the  
13 documents that have already been admitted in to evidence  
14 which is Plaintiff's Exhibit 4A through H which is each year  
15 tax return of the LLC. And that starts from 2007 which will  
16 be A through 2014 which will be the H. We're just going to  
17 put that in front of you. Listen closely to the questions  
18 that Mr. Grasing is going to ask you about each document and  
19 I think we're going to be able to get through this in the  
20 way that we need to and that Mr. Grasing needs to.

21 MR. GRASING: Thank you.

22 THE COURT: So let's do that. Let the record  
23 reflect that we've put in front of Mr. Aronov Plaintiff's  
24 Exhibit 4A through H. And Mr. Aronov, you'll see a yellow  
25 sticker on each document. That's what you want to look at

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 47

1 when Mr. Grasing tells you to look at Plaintiff's Exhibit  
2 4A, you will see that it's on that yellow sticker so that  
3 know exactly where you need to look. And he may direct you  
4 to a particular page. You have the floor again Mr. Grasing,  
5 go ahead. Thank you.

6 MR. GRASING: You mind if I look at my copy of the  
7 marked exhibit.

8 THE COURT: Absolutely, you do what you need to  
9 do. And if you want, I'm sure our jury won't mind, if you  
10 want to sit down so your hands are free and you have access  
11 to the microphone and we can hear you. It's okay for you  
12 not to stand. I'm sure we don't mind. And if you can turn  
13 off that mic so there's no feedback. Now you have your  
14 hands free just direct your witness to each document and ask  
15 your question and we'll take them one at a time.

16 Q Mr. Aronov, could you take a look please at Exhibit 4A,  
17 the 290 13th Street LLC partnership returns?

18 A Yes, I got it. I'm looking at it.

19 THE COURT: And that's for year 2007, correct me if  
20 I'm wrong?

21 MR. GRASING: Yes.

22 THE PLAINTIFF: You're right.

23 Q Give me one second I'll direct you to the right spot.  
24 Please turn to the Scheduled -- the K1 scheduled partner share  
25 of income, deductions, credit, etc. It begins on page six.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 48

1 A I'm looking at it. K1, right?

2 Q K1. The first one is for Mr. Eugene Khavinson.

3 A Yes.

4 Q Mr. Eugene Khavinson, it says he has 10 percent  
5 interest in the company, is that accurate?

6 A Yes, sir.

7 Q Please turn to the K1 for Mr. Faybyshev. It's on page  
8 eight. Do you have it?

9 A Yes, I'm looking at it.

10 Q It says he owns 40 percent share of the profit, loss,  
11 and capital. Do you see that?

12 A Yes.

13 Q Is that accurate?

14 A Compared to what accurate?

15 Q Is that accurate based on your personal knowledge?

16 A No.

17 Q Did Mr. Faybyshev --

18 THE COURT: I'm sorry. Which defendant were you  
19 referencing on page eight?

20 MR. GRASING: Vyacheslav Faybyshev.

21 Q Did Mr. Faybyshev contribute any money to the LLC to  
22 get whatever his ownership share was?

23 A He didn't. Financially he didn't invest any money into  
24 the LLC.

25 Q With the 40 percent ownership share listed here isn't



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 49

1 correct, what is correct?

2 A If we go back to our operating agreement, I believe  
3 his share was 30 percent. But, I just want to point your  
4 attention this is before --

5 Q What would you like to point out?

6 THE COURT: No, no it doesn't work like that.  
7 This is a witness on the stand Mr. Grasing. You ask the  
8 question. He doesn't get to ask the questions.

9 THE PLAINTIFF: No, I'm not asking the questions.

10 THE COURT: Mr. Aronov you're the witness here.  
11 Mr. Grasing ask your next question.

12 Q Sure. If you can turn to the following page, the K1  
13 for Mikhail Kremerman?

14 A Yes.

15 Q It list him as having 40 percent of the profit, loss,  
16 and capital. Do you see that?

17 A Yes, sir.

18 Q Is that accurate?

19 A No.

20 Q What was it?

21 A Based on our --

22 Q No, not what's it's based on except for your personal  
23 knowledge? What was it --

24 A Thirty percent in 2008.

25 Q If you turn to the 2008 tax returns there, Exhibit 4B.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 50

1 A Okay.

2 Q Could you turn to the first K1, it's for Eugene  
3 Khavinson.

4 A Yes, sir.

5 Q Do you see it?

6 A Yes.

7 Q In 2008 you signed was the year you signed the  
8 operating agreement, right?

9 A Excuse me.

10 Q 2008 was the year you signed the operating agreement?

11 A That's right, sir.

12 Q It list here that Mr. Eugene Khavinson has 13.33  
13 percent of the profit, loss, and capital. Do you see that?

14 A Yes, sir.

15 Q Is that accurate?

16 A I think he was ten percent on the agreement.

17 Q Turn to the following page. It's the K1 for Michael  
18 Khavinson. Do you see that?

19 A Yes.

20 Q It list the profit, loss, and capital for Michael  
21 Khavinson as 13.33 percent. Do you see that?

22 A Yes.

23 Q Is that accurate?

24 A No.

25 Q What was it?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 51

1           A       I believe it was at ten percent.

2           Q       Again, this is in 2008 turn to the next one Vyacheslave  
3   Faybyshev. It's the next page. Do you see his K1, it list his  
4   share of the profit, lost, and capital as 30 percent. Do you  
5   see that?

6           A       Yes, sir.

7           Q       Is that accurate?

8           A       Yes.

9           Q       You go down to page, I believe ten of the exhibits K1  
10   for the Mikhail Kremerman. Do you see that for 2008?

11          A       Yes I do.

12          Q       It list 30 percent as his share for the profit, loss,  
13   ^ an ^ and capital. Do you see that?

14          A       Yes.

15          Q       Is that accurate?

16          A       Yes, sir.

17          Q       Turn to the following page. It's the K1 for David  
18   Aronov. Do you see that?

19          A       Yes, sir.

20          Q       Is that yours?

21          A       Yes.

22          Q       It list your share as 3.33 percent. Do you see that?

23          A       Yes, sir.

24          Q       Is it accurate?

25          A       Yes, sir.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 52

1 Q Did that remain the same throughout the construction  
2 project from the beginning to the end?

3 A I believe so, yes.

4 Q Do you know one way or the other? I'll withdraw it.  
5 Did you ever sell any of your shares?

6 A I never sold any of my shares. We never signed any  
7 other --

8 Q Did you ever sell any of your shares, yes or no?

9 A No.

10 Q Did you ever offer to sell of any your shares, yes or  
11 no?

12 A I don't believe so.

13 Q Did anyone ever offer you a chance to buy anybody  
14 else's shares at any time from the moment you became a member up  
15 until today?

16 A No.

17 Q Okay. We're done with that one. Please go to '09.  
18 Give me one second.

19 THE COURT: That's Plaintiff's Exhibit 4C  
20 Mr. Aronov.

21 THE WITNESS: Yes. Mr. Grasing, do you want me to  
22 find K1?

23 Q Yes, but just wait one second please. I need to pull  
24 it up on my end. It's taking me a second. It's a large  
25 document. Could you turn to the K1 for Aleksandra Bogoslavski

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 53

1 in 2009. That's in Exhibit 4C.

2 A I'm in. I'm there.

3 Q Do you know who Aleksandra Bogoslavski is?

4 A I don't.

5 Q Is Aleksandra Bogoslavski a member of the LLC?

6 A Not on the contract that I signed.

7 Q That's a yes or no question?

8 A No, he's not a member.

9 Q Is a member as far as you know?

10 A He's not a member as far as I know.

11 Q This says that he's entitled to ten percent of the  
12 loss. Do you see that?

13 A Yes.

14 Q Is that accurate?

15 A No.

16 MR. GRASING: I have nothing else on this one.

17 Q Did anyone ever ask you whether Aleksandra Bogoslavski  
18 could be added as a member to the LLC?

19 A No, sir.

20 Q Could you please look at 4D. That's a corporate return  
21 from 2010. Could you turn to the K1's please.

22 A I did.

23 Q Could you turn to the K1 for Vyacheslav Faybyshev. Do  
24 you have it?

25 A Give me one second.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 54

1 Q Do you see where it says profit is 30 percent, loss is  
2 25 percent, and capital is 30 percent. That's what the man is  
3 entitled to. Do you see that?

4 A Yes I see what -- do I have to look at it again.

5 Q Do you see where it says profit he's entitled to 30  
6 percent at the beginning and the end, loss he's entitled to 25  
7 percent at the beginning and the end. Capitals he's entitled to  
8 30 percent at the beginning and the end. Do you see that?

9 A Yes, I do.

10 Q Is that accurate? In 2010 was that accurate?

11 A Yeah, I guess. 30 percent, yes.

12 Q Then if you look on the following page the K1 for  
13 Mikhail Kremerman. Tell me when you have it in front of you?

14 A It's in front of me.

15 Q Do you see where it says on the K1, that the man's  
16 entitled to a profit of 30 percent, loss of 25 percent, capital  
17 of 30 percent. Do you see that?

18 A Yes, sir.

19 Q Is that accurate?

20 A Yes.

21 Q Turn to the K1 for Aleksandra Bogoslavski. Please tell  
22 me when you have it in front of you?

23 A Got it in front of me.

24 Q Do you see where it says the man's entitled to 0  
25 percent of the profit, ten percent of the loss, and zero percent

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 55

1 of the capital?

2 A I see it.

3 Q Is that accurate? In 2010 was it accurate?

4 A No.

5 Q Do you see down at the bottom in the box labeled I  
6 partners capital account analysis. It says beginning capital  
7 account \$149,963. Do you see that?

8 A Yes.

9 Q Was that accurate?

10 A No.

11 Q The capital account, do you have any understanding as  
12 to what that was?

13 A Capital account is a total capital, I guess collected  
14 to build this project.

15 Q Turn back to yours please. For the year 2010. Do you  
16 see where it says your capital account?

17 A Yes.

18 Q On your K1, what does it say?

19 A Capital account has \$149,863.

20 Q Was that accurate in 2010?

21 A I guess so.

22 Q Do you know one way or the another?

23 A I don't know exactly to this date, but I know the  
24 numbers that are here are actually the numbers that I invested  
25 all throughout the period of the investment.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 56

1 Q Okay. Look at the, it should be the 17 page of the  
2 document federal statement, statement two form 1065 schedule L  
3 line eight other investments. Please tell me when you have that  
4 page in front of you?

5 A Line eight.

6 Q I said page eight. Page 17. It's the page 17 federal  
7 statements, statement two, form 1065. Tell me when you have it  
8 in front of you.

9 A I'm not.

10 Q It has a --

11 A Federal statements.

12 Q The one on the top says statement two dash form 1065,  
13 schedule L, line eight, other investments. That's the top box.

14 A I have line 20.

15 THE COURT: Mr. Grasing, I'm going to give you  
16 permission to get up. Come to the witness stand and let's  
17 do it right away.

18 MR. GRASING: Thank you.

19 THE COURT: You may approach the witness  
20 Mr. Grasing and go to the page where you want the witness to  
21 testify about.

22 MR. GRASING: Yes.

23 Q Do you see in statement three it says loan third party?

24 A Yes.

25 Q \$4,000.



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 57

1 A Right.

2 Q Anyone ask you who ran that LLC whether it was okay to  
3 loan someone \$4,000?

4 A No.

5 Q Do you see underneath that there's a loan to A.  
6 Gorlicht (phonetic) for \$48,000 at the end of the year. Do you  
7 see that?

8 A Yes, sir.

9 Q Did anyone ever ask you for your consent to loan A.  
10 Gorlicht \$48,000 or anybody else \$48,000?

11 A No.

12 Q Look beneath that loan. It says loan 2546 East 17th  
13 Street \$88,000. Do you see that?

14 A Yes, sir.

15 Q Did anyone ever ask you your permission or consent for  
16 the LLC to loan 2546 East 17th Street \$88,000?

17 A No.

18 Q Okay. I'm done with that. Please turn to 2011. That  
19 would be the Exhibit 4E.

20 A Going back to K1's?

21 Q Yes, please. Just give me a second to get there.  
22 Please turn to the one from Mr. Faybyshev. Tell me when you're  
23 there.

24 THE COURT: Which exhibit is this Mr. Grasing, are  
25 we at 4E?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 58

1 MR. GRASING: I'm sorry.

2 THE COURT: Are we still at 2010?

3 MR. GRASING: We're actually on 2011.

4 THE COURT: Okay, thank you.

5 MR. GRASING: And it's 4F.

6 MR. MESTECHKIN: No, it's not. It's 4E.

7 MR. GRASING: 4E. I misspoke.

8 THE COURT: Let's get to the question.

9 Q Do you have the K1 for 2011 for Mr. Faybyshev in front  
10 of you?

11 A Yes.

12 Q Do you see where it says profit, loss, and capital?

13 A All equal 30 percent.

14 Q Each says 30 percent, correct?

15 A Yes.

16 Q Do you have any understanding as to why that's  
17 different from the year before?

18 A I don't have an understanding, no.

19 Q Turn to your K1 please for 2011. You have it in front  
20 of you?

21 A I'm looking right now. Give me a second. Yes, I'm  
22 looking at it.

23 Q Do you see where it says beginning capital account  
24 \$149,813, do you see that?

25 A Yes.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 59

1 Q And then current year income or loss minus the \$3,533,  
2 do you see that?

3 A Yes.

4 Q And that the ending capital account was \$146,280, do  
5 you see that?

6 A Yes.

7 Q Were those numbers accurate to the best of your  
8 knowledge?

9 A Accurate, yeah. I would say the \$149,813 is the  
10 accurate number or close to the number that I invested  
11 initially.

12 Q Please look at the K1's. Do you have any understanding  
13 as to why there is no K1 for Aleksandra Bogoslavski for the  
14 calendar year 2011?

15 A I have -- no I don't understand why.

16 Q First of all the document does not have a K1 for  
17 Aleksandra Bogoslavski during the year 2011, isn't that correct?

18 A Yes, sir it is.

19 Q Do you have any personal knowledge one way or the other  
20 as to why that is?

21 A No.

22 Q Okay. I'm done with that. Hold on, no I misspoke.  
23 Please turn to page 26 of the exhibit. It's a federal  
24 statements, the top statement would be statement two form 1065,  
25 schedule L, line L, other investments. That's to identify the

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 60

1 page. Tell me when you have it?

2 A Line eight other investments, yeah I got it.

3 Q Do you see statements four about a third of the way  
4 down, it says statement four, form 1065, Schedule L, line 17  
5 other current liabilities. Do you see that?

6 A Yes I do.

7 Q Second line down?

8 A I see Bogoslavski.

9 Q Hold on you have to let me ask the questions please and  
10 thank you. Do you see where it says loan A. Bogoslavski end of  
11 year \$250,000?

12 A Yes I do.

13 Q First, did anyone ever ask your permission as to  
14 whether the LLC could take a \$250,000 loan from Mr. Bogoslavski?

15 A No.

16 Q Did anybody permission and consent, anybody ever ask  
17 you to consent?

18 A No.

19 Q That would be personally. Anybody ever ask you face to  
20 face in person?

21 A No.

22 Q Anybody ever ask you in writing?

23 A No.

24 Q Anybody ever ask you over the phone even in a formal  
25 conversation?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 61

1 A No.

2 Q Did Mr. Eugene Khavinson ask you?

3 A No.

4 Q Did Mr. Mikhail Kremerman ask you?

5 THE COURT: I'm sorry Mr. Grasing you've asked  
6 this question if anyone asked him. He said no. For you to  
7 list each person we can go on this too long. Remember we're  
8 trying to get through this. We're only at 2011. Ask your  
9 next question.

10 Q Same statement. So that's statement four, form 1065,  
11 Schedule L, line 17. You see on the top it say loan for the  
12 2546 East 17th Street beginning of the year \$88,000, end of the  
13 year \$88,000.

14 A Right.

15 Q Did anyone ever ask your consent for the LLC to loan  
16 that business that amount of money?

17 A No.

18 Q Or any amount of money?

19 A No.

20 Q Okay. I'm done. Go on to 2012.

21 THE COURT: Which is Plaintiff's Exhibit 4F?

22 MR. GRASING: Yes.

23 THE COURT: Let's make sure you indicate that.

24 MR. GRASING: Yes.

25 THE COURT: What's the question.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 62

1 Q Could you turn to the K1's employees. I'm turning  
2 there myself.

3 A I'm at the K1's.

4 THE COURT: All right. This is what we're going  
5 to do. It's 12:30, we're going to stop here. We're going  
6 to stop at 2012 and when we come back we're going to have a  
7 different strategy. There's a reason we have -- so for now  
8 I'm going to release the jury until promptly at 2:30. We'll  
9 be back ready to go and continue at 2:30.

10 THE COURT OFFICER: All rise. Jury's now exiting.

11 THE COURT: Everyone may be seated. Mr. Grasing  
12 I'm going to make a request that you link your computer to  
13 our system. And we're going to go as you scroll to where  
14 you need to be and ask your question. That's what we're  
15 going to do.

16 MR. GRASING: Okay.

17 THE COURT: I think that's a better way then you  
18 wait for him to get to where you want him to be. The  
19 document is in evidence. You know where you want him to go.  
20 He's able to see it right in front of him on that screen.  
21 That's what we're going to do. If you don't know how to do  
22 that I can get assistance for you.

23 MR. GRASING: I'm sure I can.

24 THE COURT: Let's connect your computer. That's  
25 why I told everyone to leave so that you can work through

## PROCEEDINGS

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1       this to make sure. And I'm going to ask that that's how  
2       we're going to do it. That's the beauty of having a smart  
3       court room. So let's try to work through it and get  
4       ourselves use to that, because I think that will help us.

5               MR. GRASING: May I ask something from that  
6       procedurally?

7               THE COURT: No, right now I need you to connect  
8       and tell me when you're ready to do that. So what we want  
9       to have here is both Counsel to be able to see what the  
10      witness is going to see. And because it's already in  
11      evidence, because -- we're going to return the mic for now.  
12      Because it's already in evidence, if you want, we can also  
13      have it on the juror's screens because it's already in  
14      evidence. So I will leave that to you Mr. Grasing to tell  
15      us if you want the jury to follow you, as well. Otherwise  
16      it will just be you, defendant's table, and Mr. Aronov. I'm  
17      able to see what you're seeing right now. So until we  
18      figure this out we're to go off the record.

19              (Off-the-record discussion.)

20              THE COURT OFFICER: All rise. Jury's entering.

21              THE COURT: Everyone may be seated. Mr. Aronov  
22      please take the stand. I'm going to remind you that you are  
23      under oath. Thank you. So we will continue with  
24      Mr. Aronov's direct examination by Mr. Grasing. One of the  
25      things that we attempted to do that we left a little early

## PROCEEDINGS

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1       for was to put all of these physical documents through the  
2       computer so that the witness can see it and hopefully that  
3       will expedite the question and answer session that we're  
4       having now. So Mr. Grasing let us know when you're done.  
5       What I've also done is I've given each Counsel the  
6       opportunity to do that. Mr. Grasing is going to try and do  
7       that. During the cross-examination Mr. Mestechkin will --  
8       may or may not do that, but each one will do their own  
9       style. We're trying to expedite given that it's such a high  
10      volume document case so that we can move as quickly as  
11      possible for all of us. The other thing I wanted to let the  
12      jury know. Tomorrow is Wednesday. I expect you here at  
13      3:00 p.m. Not in the morning. So we're going to be  
14      promptly here. I need you back here at 3:00 p.m. so that we  
15      can start in the afternoon. My expectation is to go today  
16      until 5:00 and tomorrow until 5:00. On Thursday we're going  
17      to start later. We're going to start at 11:30 so I need  
18      everybody ready to be in those chairs at 11:30. And we'll  
19      go to 5:00. And Friday -- actually I'm sorry on Thursday  
20      we're starting at 10:00. So I need you here at 10:00. On  
21      Friday we will be here at 11:30. But we will end at 3:00  
22      p.m. on Friday. And then we'll figure out the following  
23      week as we get there. If there's any issues please make  
24      sure you let us know.

25                   MR. MESTECHKIN: Your Honor, I thought that we



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 65

1 decided those who cannot be here will be remote. We're  
2 still finishing at 3:00?

3 THE COURT: Well I'll leave that up to Counsel,  
4 because I believe the issue is with observers is that they  
5 can't do any work. This is work. So if Counsel is okay  
6 with that I'm okay with that, but that's why we would cut  
7 off at 3:00 to make sure we don't interrupt our observing  
8 families.

9 THE PLAINTIFF: Thank you.

10 THE COURT: Let us know when you're ready  
11 Mr. Grasing.

12 CONTINUED DIRECT EXAMINATION BY MR. GRASING:

13 Q Good afternoon Mr. Aronov. I'll direct your attention  
14 to Exhibit 4F of the tax returns for 2012. Those are corporate  
15 tax returns for 290 13th Street LLC. I'm going to direct your  
16 attention to where the K1's begin. Do you see the K1 for Eugene  
17 Khavinson?

18 A Yes, I do.

19 Q During that year it says he owned 13.34 percent. He  
20 was entitled to that percentage of profit, loss, and capital.  
21 Is that correct as far as you know?

22 A No, it's ten percent on the working agreement, right.

23 Q Could you speak up into the microphone please.

24 A I believe it was ten percent from the working  
25 agreement.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 66

1 Q Did your ownership percentage change during the course  
2 of this LLC from the beginning until today?

3 A No.

4 Q Did anybody else that you're aware of, any other  
5 member, change as far as what we've seen as far as what you  
6 know?

7 A No.

8 Q Now if you look, the same tax return there's a K1 for  
9 Mikhail -- Eugene Khavinson, Mikhail Khavinson, Vyacheslav  
10 Faybyshev, Mikhail Kremerman, you David Aronov, Artyom Kirzhner,  
11 Mikola Volinski, Vitaly Kochnev. And there's nothing for  
12 Aleksandra Bogoslavski.

13 A Correct.

14 Q Do you have any understanding, did you know any reason  
15 why he originally was listed as an owner but does not have a K1  
16 in 2012?

17 A No I don't know.

18 Q Direct you to the same tax return, federal statements.  
19 And the top one is statement two. I'm particularly looking at  
20 statement four, form 1085, Schedule L, line 17 under current  
21 liabilities. Do you see where it says loan 2546 East 17th  
22 Street?

23 A Yes.

24 Q \$88,000?

25 A Yes.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 67

1 Q Both at the beginning and the end of the year, right?

2 A Right.

3 Q Now during this year, did anybody ask your consent for  
4 the LLC to loan that money or to take a loan from 2546 East 17th  
5 Street?

6 A No.

7 Q You see right below that it says A. Bogoslavski  
8 \$250,000?

9 A Yes.

10 Q You see that both at the beginning and the end of the  
11 year?

12 A Yes.

13 Q Those are the liabilities. During this year did anyone  
14 from the LLC ask for your consent to take a loan from  
15 Mr. Aleksandra Bogoslavski for that 120?

16 A No.

17 Q For any amount of money?

18 A No.

19 Q And beneath that there's a loan from A. Gorlicht both  
20 at the beginning and the end of the year. It was for \$48,000.  
21 During this year did anyone ask your consent for the LLC to take  
22 a loan from A. Gorlicht, yes or no?

23 A No.

24 Q Do you know who A. Gorlicht is?

25 A No.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 68

1 Q Is A. Gorlicht a member, a owner of the LLC?

2 A No.

3 Q Beneath that it says I. Michlin (phonetic,) \$13,000  
4 both at the beginning and the end of the year. That's the size  
5 of the indebtedness the LLC owes him. Did anyone ever ask you,  
6 your consent as to whether the LLC could take a loan from I.  
7 Michlin for that much money?

8 A No.

9 Q At the bottom it says loan 561 11th Street beginning of  
10 the year is \$47,000. Same at the end of the year. First, did  
11 anyone from the LLC ever ask you whether they could take out a  
12 loan from 561 11th Street?

13 A No.

14 Q For any amount of money?

15 A No.

16 Q Do you have any understanding who 561 11th Street is?

17 A First time I see it.

18 Q Now I'd like to draw your attention to Plaintiff's 4G.  
19 That's the 2013 return. Give me one second. I'm going to draw  
20 your attention to the K1's. The first one is for Mr. Eugene  
21 Khavinson. The second one is for Michael Khavinson. The third  
22 one is for Mr. Faybyshev. Now, do you see I'll draw your  
23 attention to the K1 for Mikhail Kremerman for 2013 it says that  
24 he's entitled an owner of 30 percent of the profit, 30 percent  
25 of the loss, and 30 percent of the capital. Do you see that?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 69

1           A       Umm hmm.

2           Q       Were the operating accounts from the commercial banks  
3 for the 290 13th Street LLC already closed by 2013?

4           A       I believe so.

5           Q       The next K1 is for you. Then Artyom Kirzhner, then  
6 Mikola Volinski, and then Vitaly Kochnev. Again, do you have  
7 any understanding as to why there's no K1 for Aleksandra  
8 Bogoslavski?

9           A       Nope.

10                   THE COURT:    You have to answer Mr. Aronov.

11                   THE WITNESS:  No.

12           Q       Then I'm going to draw your attention to the federal  
13 statements. Now do you see that there's a loan, again I'm going  
14 to take it one at a time. 2546 East 17th Street during that  
15 year for \$88,000. Did anybody ask your consent for the LLC to  
16 take on a debt of this found now?

17           A       No.

18           Q       During that year?

19           A       No, nobody did, no.

20           Q       How about during this year 2013, did anyone from the  
21 LLC whether you could take on indebtedness, or the LLC could  
22 take on indebtedness for the amount listed here of \$250,000?

23           A       No.

24           Q       Same with Mr. A. Gorlicht for \$48,000. Did anybody  
25 from the LLC during the year of 2013 ask you for your consent to

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 70

1 take on than indebtedness?

2 A No.

3 Q Then next, did anyone from the LLC for your consent to  
4 take on indebtedness from I. Michlin for \$13,000?

5 A No.

6 Q And then again during this year from calendar year  
7 2013, did anyone ask you whether your consent for the LLC to  
8 take on the indebtedness in the amount of \$47,000 from 561 11th  
9 Street?

10 A No.

11 Q I'm going to draw your attention to Plaintiff's 4H, the  
12 corporate return for 2014. And we'll go right to where the K1's  
13 begin. Well, we'll go back to the K1's. Let's go to the  
14 federal statements first. Now, if you see it's for the federal  
15 statement, statement four, form 1065, Schedule L, line 17 under  
16 current liabilities. The first one is a loan to 2546 East 17th  
17 Street beginning of the year was \$88,000. The end of the year  
18 the liability was less \$61,890. Do you see that?

19 A Yes.

20 Q Again, during this year did anyone from the LLC ask  
21 your consent as to whether they could take on that indebtedness?

22 A No.

23 Q Do you have any understanding as to what the terms of  
24 that indebtedness was?

25 A No.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 71

1 Q Do you know what that money was used for?

2 A No.

3 Q Next do you see where it says loan A Bogoslavski the  
4 beginning of the year the indebtedness was \$250,000. Do you see  
5 that?

6 A Yes.

7 Q At the end of the year there was nothing?

8 A Right.

9 Q So the money was paid back. But during that year, did  
10 anyone from the --

11 MR. MESTECHKIN: Objection.

12 MR. GRASING: Objection for what?

13 THE COURT: So there's an objection. You wait to  
14 hear the court. What is your objection? I believe I know  
15 what it was, but I need to hear it.

16 MR. MESTECHKIN: Your Honor, first of all it's  
17 leading. And second of all it's mischaracterization of what  
18 the document represents.

19 THE COURT: So I'm sustaining the objection  
20 because you're testifying by indicating what these numbers  
21 represent if there's nothing at the end of the year. So all  
22 I need -- I didn't hear the witness say or testify as to  
23 what you indicated.

24 MR. GRASING: Can I have a brief side bar?

25 THE COURT: Okay.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 72

1 (Off-the-record discussion.)

2 THE COURT: Back on the record. So we had an  
3 off-the-record discussion on the last question and answer.  
4 We're going to strike the last comment from Counsel Grasing  
5 regarding the ledger. Mr. Grasing, next question.

6 Q Referring to the same part of the same exhibit, that's  
7 4G 2013 tax returns for the LLC. If you look at that statement  
8 four, form 1065, Schedule L, line 17 under current liabilities.

9 THE COURT: I'm sorry just to correct the record.  
10 You said 4G it's actually 4H which is 2014.

11 MR. GRASING: Yes, I misspoke.

12 THE COURT: I want the record to be clear. So  
13 Mr. Aronov you're directing you back to Plaintiff's Exhibit  
14 4H which are the tax returns for the LLC for the year 2014.  
15 You may proceed Mr. Grasing.

16 Q If you look where it stays the loan to A. Bogoslavski  
17 it says at the beginning of the year there was \$250,000  
18 liability to Mr. Bogoslavski, do you see that?

19 A Yes.

20 Q Do you see where there's nothing in the column for the  
21 end of the year?

22 A Yes.

23 Q Do you have any understanding as to what that means?

24 A This is the year that all the disbursements were made.  
25 And the one from Bogoslavski was paid back on that year.



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 73

1 Q By whom?

2 THE COURT: By whom Mr. Aronov?

3 THE WITNESS: By Mr. Eugene Khavinson.

4 Q And how do you know that?

5 A From the records we have. From the handwritten ledger  
6 and bank records.

7 Q The loan from the LLC to A. Gorlicht for \$48,000 at the  
8 beginning of the year, do you see that?

9 Yes I do.

10 Q There's nothing written next to that under the end of  
11 the year in column, do you see that?

12 A Yes.

13 Q What do you understand that to mean?

14 A Same as the one above. Same thing, the year that  
15 disbursements were made, and it was paid from same year.

16 Q Who paid?

17 A Mr. Khavinson.

18 Q From whose money?

19 A From 290 13th Street LLC.

20 Q See where it says loan I. Michlin \$13,000 is the  
21 liability at the beginning of the year, do you see that?

22 A Yes, sir.

23 Q There's nothing under the end of the year in column.  
24 Do you see that?

25 A Yes, sir.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 74

1 Q What's your understanding?

2 A Same as the one's above.

3 Q Just could you say what it is without referring to the  
4 one's above?

5 A It was the year when disbursements were made. And  
6 that's when this \$13,000 were paid.

7 Q You see underneath that where it says loan the  
8 beginning of the year the indebtedness is \$2,650. Do you see  
9 that?

10 A Yes, sir.

11 Q Next to that, under the end of the year column there's  
12 nothing. Do you see that?

13 A Yes, sir.

14 Q What's your understanding as to that?

15 A Same year disbursements and it was paid on that year.

16 Q Who paid?

17 A Mr. Khavinson.

18 Q From whose money?

19 A From 290 13th Street LLC.

20 Q Then underneath that there's a loan of indebtedness to  
21 561 11th Street for \$47,000. Do you see that?

22 A Yes.

23 Q That's at the beginning of the year. At the end of the  
24 year it's blank in that column. Do you have any understanding  
25 as to what that means?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 75

1           A       Disbursements were made that year. And from 290 13th  
2 Street LLC by Mr. Khavinson. And that was paid from those  
3 disbursements.

4           Q       Underneath that, there's a loan of indebtedness to  
5 someone identified as Celenchuck (phonetic) for \$30,000 at the  
6 beginning of the year. Do you see that?

7           A       Yes.

8           Q       And it's nothing at the end of the year column, do you  
9 see that?

10          A       Yes, sir.

11          Q       Do you have any understanding as to what that means?

12          A       The disbursements of 290 13th Street LLC were made on  
13 that year. And that debt was paid, or that loan was paid for  
14 Mr. Celenchuck by Mr. Khavinson.

15          Q       Where did the LLC, 290 13th Street LLC get the money to  
16 pay those loans?

17          A       From the sales of the four condo's.

18          Q       So did the sale of the four condo's occur during the  
19 calendar year 2014 or some other time?

20          A       I believe it happened on 2013, end of September 2013, I  
21 believe. I don't know for sure, but around that time 2014 is  
22 when the money was disbursed.

23          Q       If you see this same statement four of the same tax  
24 return do you see where under the end of the year liabilities  
25 there is just, the total amount is \$61,890. Do you see that?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 76

1 A Yes.

2 Q And do you see that the only one of these liabilities  
3 that there is any outstanding liability at the end of the year  
4 is the first one 2546 East 17th Street for that exact amount,  
5 \$61,800?

6 A Yes, sir.

7 Q Do you have any understanding as to why those two  
8 numbers match?

9 A That's probably what was the liability left on that  
10 year from 290 13th Street LLC.

11 Q Same exhibit, 2014 federal statements, statement seven  
12 form 4797 page one, line one property held more than one year.  
13 Do you see this page?

14 A Yes.

15 Q Let me draw your attention, it list four condo  
16 apartments listed individually as unit one, unit two, unit  
17 three, and unit four?

18 A I do.

19 Q If you look it list a sales price for each of those  
20 units.

21 A Correct.

22 Q The first one is condo apartment unit one. They sold  
23 2/27/14 sales price \$1,000,300. Do you see that?

24 A Yes, sir.

25 Q Is that how much that unit was sold for?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 77

1           A       I don't know for sure if that's the exact one. But  
2 looks like that's the correct number.

3           Q       The second apartment, condo unit apartment two, says it  
4 was sold on 2/10/14, sales price \$960,000. Is that how much  
5 that condo unit was sold for?

6           A       I mean I don't know for sure if that's the exact  
7 number. But that was what it went for. When I adopt all the  
8 numbers here it's approximately the same number that we saw the  
9 whole project for.

10          Q       Did the LLC, 290 13th Street LLC own any other property  
11 other than 290 13th Street?

12          A       No.

13          Q       Did they do any construction projects?

14          A       No.

15          Q       Did they have any other sources of income other than  
16 the sales of the four units once the project was completed?

17          A       No.

18          Q       So whatever they sold that for, is that all the money  
19 they had to divvy up, pay the expenses, and distribute to the  
20 owners?

21          A       Yes.

22          Q       Same exhibit, the corporate return from 2014,  
23 Plaintiff's Exhibit 4H. I want to direct your attention to the  
24 K1 for Yana Soskil. It says she's entitled -- do you see where  
25 it says she's entitled to 27.504 percent of the capital?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 78

1 A Yes I see it.

2 MR. MESTECHKIN: Objection.

3 THE COURT: What's the basis?

4 MR. MESTECHKIN: Your Honor, Mr. Grasing uses the  
5 terms that may not necessarily apply to the document. He's  
6 talking about entitlement.

7 THE COURT: What are you objecting to  
8 specifically?

9 MR. MESTECHKIN: That Mr. Grasing is testifying  
10 with respect to what he sees.

11 MR. GRASING: May I have a side bar?

12 THE COURT: No. Can you read back the question  
13 that prompted the objection.

14 (Court Reporter did a read back.)

15 THE COURT: What's the objection?

16 MR. MESTECHKIN: The objection is that a certain  
17 person entitled to something. There is no such thing as  
18 entitlement with respect to numbers that appear on the  
19 screen.

20 THE COURT: I'm overruling the objection. You'll  
21 have an opportunity for cross-examination.

22 MR. MESTECHKIN: Thank you Your Honor.

23 THE COURT: Now I see that the question indicates  
24 a number that I do not see here. It's a different number.

25 MR. GRASING: If you'd like I'll withdraw it. The

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 79

1 actual number, the way it reads is party's share, profit,  
2 loss, and capital. At the beginning of the year 27.504  
3 percent. At the end of the year 27.504 percent. That's  
4 what the document says.

5 Q Mr. Aronov, do you see that?

6 A Yes.

7 Q Is that accurate as far as you know?

8 A No.

9 Q Did Yana Soskil at any time own any share of 290 13th  
10 Street LLC?

11 A No she never did.

12 Q You previously said that Yana Soskil was married to  
13 Mikhail Kremerman. So did Mikhail Kremerman ever own -- was  
14 Mikhail Kremerman's share of profit, loss, and capital ever  
15 27.504 percent as far as you know?

16 A No, his percentage was 30 percent.

17 Q Now if you look in column 19 for distributions do you  
18 see where it says \$125,514?

19 A Yes I do see.

20 Q Do you have any understanding as to why Yana Soskil  
21 distribution was issued to Yana Soskil for \$125,514 in the  
22 calendar year 2014?

23 A No I don't have any idea.

24 Q Next I'll draw your attention to Aleksandra  
25 Bogoslavski's K1 for the calendar year 2014. In particular, in

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 80

1 row J under partner's share, profit, loss and capital. It says  
2 beginning profit five percent, ending profit five percent.  
3 Loss, beginning five percent, ending five percent. Capital,  
4 beginning five percent, ending five percent. Do you see that?

5 A Yes.

6 Q Is that accurate as far as you know?

7 A No.

8 Q Did Mr. Bogoslavski ever own any part of the LLC?

9 A No, sir.

10 Q Did you ever agree to allow Mr. Bogoslavski to become a  
11 member of the LLC?

12 A No.

13 Q If you look in row 19 under distributions on the same  
14 K1, it says distributions \$112,844. Do you see that?

15 A Yes, I do.

16 Q Do you have any understanding as to why the LLC issued  
17 Aleksandra Bogoslavski a distribution of \$112,844 in the  
18 calendar year 2014?

19 A I have no idea.

20 Q Did there come a point in time when Mikhail Kremerman  
21 sold any of his shares in the LLC?

22 A No.

23 Q Did anyone ever ask you if you would buy or --  
24 withdrawn. Did anyone from the LLC ever ask you if you were  
25 interested in buying any shares from Mr. Kremerman?



DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 81

1 A No.

2 Q Quickly turning to your K1 from the same calendar year  
3 2014, Plaintiff's H4. Under distributions in row 19 it says the  
4 distribution was issued to you of \$125,253. Do you see that?

5 A Yes I do.

6 Q Is that accurate?

7 A Yes it is.

8 Q Is that the money you got back on your investment?

9 A Yes.

10 Q That's less than the \$150,000 you invested, isn't that  
11 right?

12 A Yes.

13 Q Have you received any money since this from the LLC?

14 A Zero.

15 Q Do you see the K1 for Mr. Vyacheslav Faybyshev?

16 A Yes, I do.

17 Q It says partner's share, a profit, loss and capital.

18 At the beginning of the year his share of the profit was 55.008  
19 percent. And it was the same at the end of the year. The loss  
20 at the beginning of the year his share was 55.008 percent. At  
21 the end of the year it was the same. And his share of the  
22 capital at the beginning of the year was 27.504 percent. And at  
23 the end of the year it was 27.504 percent. Do you see that?

24 A Yes I do.

25 Q Is that accurate?

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 82

1 A Nope.

2 Q What were the accurate numbers?

3 A Thirty percent.

4 Q Did anyone ever ask you from the LLC if you were  
5 interested in buying any of his membership shares?

6 A No, sir.

7 Q You see where it says the distribution to Mr. Faybyshev  
8 of \$167,474?

9 A Yes I do.

10 Q Do you have any understanding as to why Mr. Faybyshev  
11 received that money?

12 A He was a member of the LLC.

13 Q Did he receive any other money from the LLC before this  
14 time, other than distributions?

15 A As we previously went over some profits and losses and  
16 payments his name showed up a few times on those ledgers prior  
17 to this one.

18 Q Do you have any understanding as to why there is no K1  
19 in 2014 for Mikhail Kremerman?

20 A No.

21 Q Did anyone ever tell you that Aleksandra Bogoslavski  
22 bought a membership share from Mr. Kremerman?

23 A No.

24 Q Did you ever agree to any such transaction?

25 A No.

## PROCEEDINGS

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1                   MR. GRASING: I'm done with the exhibit. At this  
2                   time I'd like to pull up the bank records that we discussed  
3                   at the beginning, and show them to the witness and ask him  
4                   about particular pages.

5                   THE COURT: Are these the financial records?

6                   MR. GRASING: Those are the bank records that I  
7                   mentioned to you at the beginning that the defendant's  
8                   attorney brought to my attention. And I consented to them  
9                   being in evidence from the Chase account.

10                  THE COURT: Do we have an electronic copy?

11                  MR. MESTECHKIN: We do, Your Honor.

12                  THE COURT: So let's load it up so that the  
13                  witness can see it. I know they're not in evidence, but you  
14                  want to ask questions about these documents?

15                  MR. GRASING: I want them offered. I consented to  
16                  them being admitted into evidence. And after they are, I'd  
17                  like this witness to answer specific questions about  
18                  individual pages within them.

19                  THE COURT: So I think what I'm hearing from  
20                  Mr. Grasing is that he's not looking to introduce them into  
21                  evidence, but that you're interested to introduce evidence  
22                  you have an objection to having them marked now, admitted  
23                  into evidence since it's on consent?

24                  MR. GRASING: Yes.

25                  THE COURT: And then we can have the witness answer

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1 questions from Mr. Grasing on his direct examination before  
2 we conclude.

3 MR. MESTECHKIN: Your Honor, Mr. Grasing did agree  
4 to enter this document into evidence on consent. And we  
5 agree to have it marked and used.

6 THE COURT: So the only question for me is, is it  
7 going to be Plaintiff's Exhibit 7 or Defendant's Exhibit A?  
8 We'll go with Defendant's Exhibit A.

9 MR. MESTECHKIN: I believe so.

10 THE COURT: So it is an electronic copy. So we  
11 don't have a physical copy. Is there anything that needs to  
12 be redacted? For purposes of this afternoon we will mark  
13 that as Defendant's Exhibit A. let's get it up so that we  
14 can continue with the testimony. But we will fix all of  
15 this outside of our jury so that we don't waste their time  
16 and outside of the witness so that we don't waste his time.  
17 So right now just let the record reflect there is now  
18 Defendant's Exhibit A which will be what specifically?

19 MR. MESTECHKIN: This is a subpoenaed Chase Bank  
20 records produced by bank to -- by Chase Bank to plaintiff's  
21 attorney who use to represent plaintiff.

22 THE COURT: Right, so all I need to know is these  
23 are Chase Bank statements for what years or year?

24 MR. MESTECHKIN: Correct.

25 THE COURT: And for which account, the LLC or for

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1 a particular defendant?

2 MR. MESTECHKIN: This is for the bank account  
3 ending with 9324 for 290 13th Street LLC, years December of  
4 2009 through May 2012.

5 THE COURT: Give me that month in 2009.

6 MR. MESTECHKIN: December 2009 through May 2012.  
7 And January 2010 through March 2012.

8 THE COURT: Okay.

9 MR. MESTECHKIN: Your Honor if I may, there is  
10 also account number ending 1806.

11 THE COURT: That's going to be a different  
12 exhibit.

13 MR. MESTECHKIN: This is all same one large  
14 document.

15 THE COURT: Okay. So give me the next account  
16 ending.

17 MR. MESTECHKIN: 1806 also for 290 13th Street  
18 LLC.

19 THE COURT: Same time period.

20 MR. MESTECHKIN: The period of time actually  
21 December 2009 through March of 2012. And March 2012 through  
22 end of April of 2012.

23 THE COURT: We're going to figure out a way to  
24 separate these exhibits. I am going to mark for purposes of  
25 our record, Defendant's A will be the Chase Bank statements

## PROCEEDINGS

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1           for account ending 9324. And Defendant's B will be Chase  
2           Bank statement for account ending 1806.

3                   MR. MESTECHKIN: Got it, Your Honor.

4                   THE COURT: That's how we'll mark it. Can we get  
5           those statements on so that Mr. Grasing can ask his next  
6           question.

7                   MR. MESTECHKIN: Your Honor I'm ready whenever.

8                   THE COURT: We're ready. So we just got to get  
9           his screen up. Can you see that Mr. Grasing? Our witness  
10          can see it now. These documents are in evidence. Is there  
11          any objection to, and I don't know how Counsel feel about  
12          this can we put it on for the jury to see?

13                  MR. MESTECHKIN: Your Honor, since these are  
14          non-redacted yet I would prefer not to do it.

15                  THE COURT: Understood that make sense. We can  
16          redact them at some point before they go into evidence.  
17          Mr. Grasing, please continue. We're now looking at  
18          Defendant's A which is account ending 9324.

19                  MR. GRASING: Your Honor, if they're in evidence I  
20          would like them published to the jury. If there's anything  
21          that needs to be redacted, in my opinion they should be  
22          redacted before they're published to the jury. I didn't  
23          produce these.

24                  THE COURT: Mr. Grasing, there's no issue with  
25          redaction and there's no issue with publishing to the jury.

DIRECT EXAMINATION -- DAVID ARONOV -- PLAINTIFF COUNSEL 87

1 We can't do it now because I need you to ask questions. And  
2 the jury works for the entire time. You get to publish it  
3 to them. Mr. Mestechkin will get to publish it to them, but  
4 it will be done in a way that you are both comfortable  
5 because as you know there's a lot of personal information  
6 and things need to be redacted to safeguard that. Because  
7 it's not just our jury who we trust, but it's really what  
8 happens with these documents down the road since they're not  
9 going to be in evidence forever. So let's just go ahead and  
10 ask the next question if it's related to those exhibits that  
11 were just entered. And just keep in mind the time, it's now  
12 3:35.

13 CONTINUED DIRECT EXAMINATION BY MR. GRASING:

14 Q Could you turn to page 158 -- 159. Mr. Aronov, do you  
15 see what's on the screen? It's a check from 2546 East 17th  
16 Street Realty LLC dated 8/16/10, paid to the order of 290 13th  
17 Street LLC in the amount of \$20,000. And it says in the memo  
18 loan.

19 A Right.

20 Q Did anyone from the LLC ever ask you for your consent  
21 to take a loan from 2546 East 17th Street on or about 8/16 of  
22 2010?

23 A No.

24 Q Who signed that document, that check?

25 A It looks like Vyacheslav Faybyshev, one of the members

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1 of the LLC.

2 Q Could we go to the next page please.

3 THE COURT: Before we go to the next page I just  
4 wanted the record to reflect it will be simpler if there are  
5 a series of checks. Mr. Grasing I know that you want to get  
6 all the information on the check but let's ensure we  
7 identify the check number which is in this case 1166. I  
8 know you referenced page 159 of these voluminous records.  
9 Just make sure you preface with the check number so there's  
10 no misunderstanding about what you're asking this witness to  
11 identify.

12 MR. GRASING: Yes. Give me one second. I need to  
13 scroll through the particular pages. I only had these  
14 documents briefly. I might be able to do it really quickly  
15 rather than have Mr. Mestechkin manually click page by page.  
16 I thought I could do it on the I-pad, the I-pad isn't  
17 agreeing with me right now?

18 THE COURT: No problem Mr. Grasing. Thank you for  
19 accommodating. While you're going through that. Do any of  
20 my jurors need water? And Mr. Aronov are you okay with  
21 water? And for the witness, thank you.

22 THE PLAINTIFF: Thank you very much.

23 THE COURT: Are there any other jurors that need  
24 water, okay. Counsel can we approach.

25 (Off-the-record discussion.)



## PROCEEDINGS

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1                   THE COURT:    To expedite this process, given that  
2                   these records although being admitted on consent, are  
3                   voluminous we're going to give the attorney's both an  
4                   opportunity to review them a little further.   So Mr. Grasing  
5                   other than these documents, is there any other question you  
6                   have for this witness?

7                   MR. GRASING:   Yes and I'm pulling up a document  
8                   that I'd like him to refer to right now. Your Honor, may I  
9                   ask for court to stop then broadcasting this document?

10                  THE COURT: Sure.

11                  MR. MESTECHKIN:   Thank you. I'd like to show the  
12                  plaintiff, Mr. Aronov Exhibit Six if I can pull it quickly  
13                  up on the screen I might be able to share my screen. I'm  
14                  having technical difficulties on my end. I'm going to move  
15                  on to the next document.

16                  THE COURT:    We have something published. I don't  
17                  know if you see it. We have Plaintiff's Exhibit Six on the  
18                  screen.

19                  MR. GRASING:   Are you looking at what's on mine?  
20                  What I'm telling you is that please shut it off for a  
21                  second.

22                  THE COURT:    This is not Plaintiff's Exhibit six?

23                  MR. GRASING:   That's what I was trying to tell you  
24                  and I apologize.

25                  THE COURT:    All right. So let's just go with the

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1 document. It's in front of the witness. Ask your question.

2 MR. GRASING: Sure.

3 THE COURT: And just so the record's clear

4 Plaintiff's Exhibit Six is the amended verified complaint,  
5 correct?

6 MR. GRASING: Correct.

7 THE COURT: Dated November 6, 2018. What's the  
8 question?

9 MR. GRASING: Please give me one second.

10 THE COURT: You may be able to pull it up on  
11 NYCEF.

12 MR. GRASING: Yes.

13 THE COURT: Alternatively you can approach the  
14 witness and ask your question from the document.

15 MR. GRASING: I'm on NYCEF I'm just scrolling to get  
16 to the case.

17 THE COURT: I believe it's document 123 you're  
18 looking at. That's indicated proposed amended complaint  
19 attached to the motion, or 126 which says amended complaint,  
20 correct me if I'm wrong.

21 MR. MESTECHKIN: Actually it's 115.

22 THE COURT: 115 amended complaint filed 11/6/2018.  
23 Thank you.

24 MR. GRASING: Yes.

25 THE COURT: All right. Ask your question.

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1 MR. GRASING: Just let me get to the right spot.

2 CONTINUED DIRECT EXAMINATION BY MR. GRASING:

3 Q Mr. Aronov Plaintiff's complaint --

4 THE COURT: Is that microphone on?

5 Q Mr. Aronov, Plaintiff's amended complaint I want to  
6 draw your attention to paragraph 26 where it says Khavinson's  
7 estimated project will cost approximately \$2,000,000 to  
8 construct?

9 A Right.

10 Q Is that what you Eugene Khavinson told you?

11 A Yes.

12 Q What were the final costs on the project, not counting  
13 the money that was paid unrelated to the project that we've  
14 already been to?

15 A Approximately that, more or less.

16 Q So even if with all the delays and the problems with  
17 the construction project, the overall cost with that building,  
18 those four condo units still came out approximately the same?

19 A Approximately, more or less.

20 Q I want to draw your attention to paragraph 38 -- no 37.  
21 It says upon information and belief the total funds collected  
22 from all the initial investors for the construction of the  
23 project was \$2,000,157,322. That's accurate?

24 A I believe so.

25 Q During the course of the construction project did

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1 anyone from the LLC ask you to contribute more money after you  
2 put in \$150,000?

3 A No.

4 Q I want to draw your attention to paragraph 38, upon  
5 information and belief all project condominiums sold for a total  
6 of \$4,000,185,000 leaving a substantial profit after  
7 construction expenses, mortgage payoff, and related expenses.  
8 Is that accurate?

9 A Yes.

10 THE COURT: What paragraph are you reading from?

11 MR. GRASING: Thirty eight.

12 THE COURT: And this is the summons and complaint.  
13 The amended summons and complaint.

14 MR. GRASING: The amended summons and complaint.

15 THE COURT: And you're asking this witness if the  
16 complaint that he used to file his lawsuit is accurate?

17 MR. GRASING: I'm asking the witness whether that  
18 factual statement which he did verify, his attorney verified  
19 and I have two more and I'm moving on.

20 THE COURT: What was the third paragraph, I just  
21 want to follow you. What was the third paragraph you  
22 directed this witness to?

23 MR. GRASING: I'm sorry I didn't hear.

24 THE COURT: What was the third paragraph you  
25 directed this witness to? I have paragraph 26 indicating

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1 \$2,000,000. Paragraph 37 that the investors put in \$2.1  
2 plus million dollars. What was the next paragraph that you  
3 just finished discussing with this witness?

4 MR. GRASING: Thirty eight.

5 THE COURT: Give me a moment. Okay, you may  
6 continue.

7 Q Did you ever ask Eugene Khavinson or anyone on behalf  
8 of the LLC to give you an accounting of all the money in and all  
9 the money out of the LLC?

10 A Umm, yeah that was the last time we actually met. That  
11 was from me to Mr. Khavinson.

12 Q What was his answer?

13 A He brushed me off as usual.

14 Q Did you ever ask Mr. Khavinson whether any money would  
15 be coming back from the payment to Omnibuild for \$750,000 that  
16 was sent from the LLC to Omnibuild to pay the Jersey Schnap  
17 settlement?

18 A Oh, Omnibuild did not pay the bills. By Mr.  
19 Khavinson's words it was our payment, we were responsible for  
20 it. Not Mr. Faybyshev as Omnibuild.

21 Q Did you ever ask Mr. Khavinson whether any of that  
22 would be the paid back by Omnibuild or anybody else?

23 A Once again, it was presented to me as our liability at  
24 290 13th Street LLC. And it was a payment made to Jersey Schnap  
25 for his personal injury case settlement. That's what was

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1 brought to me.

2 Q Did you ever see any settlement papers in that case?

3 A Never, although I demanded it many times.

4 Q Demanded it from who?

5 A From Mr. Khavinson himself.

6 Q Were there any other sources of income from the LLC  
7 after that Jersey Schnap settlement and the four condo units  
8 were sold?

9 MR. MESTECHKIN: Objection, asked and answered.

10 THE COURT: Sustained. Don't answer that. If  
11 there was an answer, strike it. So we don't want to go over  
12 the testimony that we've been doing for the last two days.  
13 We want to try and complete the testimony.

14 Q Did Mr. Khavinson ever make any promise to you after  
15 the condo units were sold that you would receive any more money  
16 than the \$125,000 that you received back?

17 A Yes. Mr. Khavinson --

18 Q What did he say?

19 A Mr. Khavinson mentioned that there was an ongoing suit  
20 with Dinver Associates.

21 Q Who is Dinver Associates?

22 A Those are the insurance brokers that sold insurance to  
23 Omnibuild at the time of the project. The project was suppose  
24 to be insured by Northfield, I believe. And Dinver Associates  
25 put that altogether.

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1 Q What does that have to do with Mr. Khavinson promising  
2 you any more money?

3 A So the way it was presented to me was that Dinver and  
4 Associates are liability for this misrepresentation from  
5 Omnibuild, by Omnibuild. And as such, their policy, their  
6 malpractice policy I guess, will have to pay the money up that  
7 we spent.

8 Q To whom?

9 A To 290 13th Street.

10 Q What does that have to do with you getting more money?

11 A I don't know. I asked the same question.

12 MR. GRASING: All right. Thank you, I have nothing  
13 further.

14 THE COURT: With the exception of any additional  
15 inquiry for this witness by you Mr. Grasing regarding the  
16 Chase statements, I will give you that opportunity once you  
17 had a chance to review it and that will be no later than  
18 tomorrow. So be prepared tomorrow. Do you have any  
19 cross-examination for this witness at this time?

20 MR. MESTECHKIN: Certainly, Your Honor. I would  
21 only ask for five minutes a restroom break for me to collect  
22 my thoughts.

23 THE COURT: Yes. We're going to do about five  
24 minutes, come back and continue with the testimony. Thank  
25 you.

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1 THE COURT OFFICER: All rise Jury is now exiting.

2 (Off-the-record discussion.)

3 THE COURT OFFICER: All rise. Jury entering.

4 THE COURT: Everyone may be seated. Thank you,  
5 good afternoon. Before we continue I do want to address two  
6 points that the jury inquired about. First of all, thank  
7 you as to one point which was the heat in the jury room.  
8 We've already made some request to have the heat in there  
9 adjusted. I don't think we're going to be able to get a  
10 space heater in there so just come prepared to bundle up.  
11 Some parts are very cold. Some parts are super hot. So we  
12 always have issues with adjusting the heat and the coolness.  
13 But we're going to the work on that. Thank you for letting  
14 me know that. In terms of the schedule I did say initially  
15 we were going to start at 10:15. Tomorrow we're definitely  
16 starting at 3:15. So at 3:15 we're sitting in here ready to  
17 go and we're going until 5:00. On Thursday we're going to  
18 start at 10:15 but now my meeting has been moved up earlier  
19 so we can start at 9:45. So I need you here ready to go at  
20 9:45 and we'll go until 5:00 on Thursday. And then on  
21 Friday we're not starting until 11:30 and we're going to go  
22 until 3:00. But we're going to write that down for  
23 everybody. All right, Mr. Mestechkin are you ready to  
24 proceed with your cross-examination?

25 MR. MESTECHKIN: Yes, Your Honor.



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1 THE COURT: You may proceed.

2 MR. MESTECHKIN: Thank you, Your Honor. Your  
3 Honor, may I approach the witness for the purposes of  
4 sharing with him paper documents with regard to documents.

5 THE COURT: Yes you may.

6 MR. MESTECHKIN: Yes, your Honor. Also if I can  
7 ask the court to share my document share everyone including  
8 the jury.

9 CROSS-EXAMINATION BY MR. MESTECHKIN:

10 Q Good afternoon, Mr. Aronov.

11 A Good afternoon.

12 Q I know we've met once before when I was deposing you,  
13 but my name Oleg Mestechkin. I am an attorney for the  
14 defendant's. I'll be asking you a few questions pertaining  
15 mostly your testimony that you have been giving us yesterday and  
16 today.

17 A Okay.

18 Q Before we do that, I would like to give you for the  
19 record exhibits that is marked as exhibit Plaintiff's One this  
20 is operating agreement that is dated February 9, 2008.

21 A Okay.

22 Q Mr. Aronov, before yesterday how many times did you  
23 review this document?

24 A A dozen times.

25 THE COURT: So Mr. Aronov, I need you to take that

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1 microphone and remember to speak in to the mic. Get seated  
2 in a comfortable position that you can speak into the mic.

3 A I've seen it a bunch of times.

4 Q And when did you read it in its entirety the last time?

5 A Don't remember.

6 Q I would like to draw your attention to page three,  
7 article four entitled management?

8 A Sure. Page three?

9 Q Correct.

10 A Okay.

11 Q I know your attorney already actually even asked you to  
12 read it into the record. I just want to make sure that it's  
13 clear and jury hears me, I want to read it again.

14 THE JURORS: I'm sorry, we can't see it. It's not  
15 broadcast on the screens.

16 THE COURT: All right. Thank you for that we have  
17 our jurors paying very close attention. You may proceed  
18 Mr. Mestechkin.

19 MR. MESTECHKIN: Thank you, Your Honor.

20 Q Particularly I would like to read the subpart B in  
21 article four. The company shall be managed by the operating  
22 managers, and the conduct to the company's business shall be  
23 controlled and conducted solely and exclusively by operating  
24 managers in accordance with this agreement. In addition and not  
25 in limitation of any rights and powers conferred by law and

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1 other provisions of this agreement, Eugene Khavinson and Mikhail  
2 Kremerman shall have rights to exercise financial transactions  
3 on behalf of the company with all powers and rights, necessary,  
4 proper, convenient or advisable to effectuate and carry out the  
5 purposes and business objective of the company, and to maximize  
6 company profits. Mr. Aronov, was it your always -- withdrawn.  
7 Was it your understanding that Mr. Khavinson have the right to  
8 make financial decisions and effectuate financial transactions  
9 on behalf of the company?

10 A To an extent.

11 Q And in the subparagraph under B there is a subparagraph  
12 F and G. To execute, acknowledge, and deliver any and all  
13 instruments to effectuate the foregoing and to take all such  
14 action in connection therewith as the operating managers deem  
15 necessary and appropriate. Do you remember reading this when  
16 you were reviewing the last time you read this document?

17 A Yes.

18 Q Was it your understanding that Mr. Khavinson had the  
19 authority to make financial decisions on behalf of the company?

20 A To a limited extent.

21 Q And I assume to limit, you're talking about subsection  
22 C?

23 A I'm talking about limits.

24 Q Can you elaborate for the jury what limit do you mean?

25 A When it clearly states anything over \$100,000 has to be

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1 agreed upon by all the members.

2 Q Do you have a paper copy of the document next to you?

3 A Yes, I have it on screen as well.

4 Q Can you please point me to the section and the page

5 where it says that any transaction over \$100,000 had to be

6 agreed by all members?

7 A It says had to be signed by at least two members.

8 Q But it's not what you just testified, right?

9 A No, that's what I'm saying to you. It has to be agreed  
10 upon at least by two members.

11 Q Any two members?

12 A Over \$100,000, that's my understanding.

13 Q So let me get this straight, in a financial  
14 transactions on behalf of the company there was suppose to be an  
15 agreement by two members?

16 A At least two members.

17 Q Any two members?

18 A I guess any two members, yeah. Let's just say any two  
19 members.

20 Q Can you point me to the section in the operating  
21 agreement that you're referring to right now?

22 A Subsection B, in case of a transaction amount do not  
23 exceed \$100,000 the signature of one of the operating managers  
24 is sufficient. Less than \$100,000 which puts operating managers  
25 to less than \$100,000 limits.

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1 Q You just read only half of that subsection, correct?

2 A The other half is if a transaction amount equals or  
3 exceeds to \$100,000 signatures of both operating managers are  
4 required.

5 Q So operating managers were the one who were suppose to  
6 approve transactions over \$100,000, correct?

7 A Not correct. Not my understanding.

8 Q Mr. Aronov, can you read for the jury again the  
9 subsection you just read?

10 A Okay. If transaction amount is equal or exceeds  
11 \$100,000 signatures of both operating managers are required.

12 Q So signatures of both operating managers were required,  
13 correct?

14 A Yes, sir.

15 Q For the transactions that would exceed \$100,000,  
16 correct?

17 A Yes, sir.

18 Q Were you an operating manage for 290 13th Street LLC?

19 A I was not an operating manager of 290 13th Street but  
20 Mikhail --

21 MR. MESTECHKIN: Objection, non-responsive.

22 THE PLAINTIFF: Okay.

23 THE COURT: Mr. Aronov, I need you to listen to  
24 the question and answer only the question. I will tell you  
25 that if your attorney feels he needs to ask you another

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1 question, he will have that opportunity. I need you to have  
2 faith in this process. But the way Mr. Grasing asked you  
3 questions, now it's Mr. Mestechkin's turn to ask you  
4 questions.

5 THE PLAINTIFF: Okay.

6 THE COURT: If he asks you to explain your answer  
7 then you can explain your answer. But you need to be able  
8 to only answer what's been asked. Next question.

9 MR. MESTECHKIN: Thank you, Your Honor.

10 Q So did operation managers require your consent to any  
11 financial transactions exceeding \$100,000?

12 A I would imagine so.

13 Q Where does it say that in operating agreement?

14 A Where does it say it?

15 Q Yes.

16 A I don't see it where it says, no.

17 Q Thank you. You mentioned that there are other  
18 limitations to what operating managers could have done. Can you  
19 give us another example?

20 A Another example would be not pay Michael Kremerman's  
21 legal fees in and unrelated case of \$350,000. Not pay \$98,000  
22 to Mr. Faybyshev's attorney for his legal fees. That's examples  
23 of what really happened. Money was thrown around and given away  
24 to people that were not part of this deal, operating agreement.

25 Q Mr. Aronov didn't I just read to you section B in which

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1 it clearly stated that Eugene Khavinson and Mikhail Kremerman  
2 had authority to do financial transactions on behalf of the  
3 company?

4 A I don't see how Mikhail's Kremerman's criminal attorney  
5 --

6 MR. MESTECHKIN: Objection.

7 A Has anything to do with this agreement.

8 THE COURT: Are you withdrawing your objection?

9 MR. MESTECHKIN: For now I withdraw my objection  
10 Your Honor.

11 THE COURT: It's either for now or ever.

12 MR. MESTECHKIN: I withdraw my objection Your  
13 Honor. Thank you.

14 Q You testified that or at least -- you know, I withdraw  
15 for now. Subsection C in operating agreement on page three  
16 outlines limitations of what operating managers would have done,  
17 correct?

18 A Right.

19 Q And it says acquire, sell, or sign otherwise transfer  
20 any interest to any property, correct?

21 A Correct.

22 Q It also says to make, execute, or deliver on behalf of  
23 the company any assignments for the benefit of creditors or any  
24 guarantee, indemnity bond, or surety bond. It also had to  
25 create indebtedness for borrowed money whether or not secured.

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1 It also had to confess any judgment on behalf of the company and  
2 it has -- not to do any act that makes it impossible to carry on  
3 the ordinary business of the company, or to make any decisions  
4 regarding any employee. Do this limitations apply to -- I  
5 withdraw. Does it include requiring them to obtain your consent  
6 to issue a loan to anyone?

7 A I guess you don't need my consent, as long as the loan  
8 is paid back and the money is equally divided.

9 Q So the fact that a loan for \$750,000 was issued, did  
10 not require your consent, correct?

11 A May I answer the question.

12 MR. GRASING: Objection. Can I have a side bar  
13 please.

14 THE COURT: What's the basis for your objection?

15 MR. GRASING: Totally immaterial. I'll say it on  
16 the record. The meaning of the clear language of the  
17 operating agreement does not need extrinsic evidence. This  
18 should have been thought about years ago if there was any  
19 ambiguity about it in that written contract. Black letter  
20 law the way I understand it, is extrinsic evidence including  
21 the interpretation of the parties is meaningless. The only  
22 real interpreter for the meaning of a contract is the court  
23 that decides the meaning of whether it's clear or  
24 unambiguous or not. That's what I was going to say in a  
25 side bar.



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1 THE COURT: The objection is overruled. You may  
2 restate the question so that Mr. Aronov can answer it. And  
3 I'll remind Counsel that this is your document that was  
4 introduced from which you had this witness read and from  
5 where you asked questions from in terms of this witness  
6 interpreting what the document meant to him. So now, we're  
7 on cross-examination. Please answer the question.

8 (Court Reporter did the read back.)

9 A The answer is I did not see a loan for \$750,000.

10 Q That's not my question.

11 THE COURT: Mr. Aronov, the question was whether a  
12 loan of \$750,000 required your consent? Whether it happened  
13 or didn't that's of no consequence.

14 THE PLAINTIFF: I imagine a number of \$750,000 has  
15 to be consented by all parties involved.

16 THE COURT: Next question.

17 Q Mr. Aronov, can you show me in operating agreement  
18 where there is a condition stating that financial transaction  
19 exceeding a certain amount requires your consent as a member?

20 A The \$750,000 was not presented to me as a loan. They  
21 don't need my consent to give this loan amount.

22 THE COURT: Mr. Aronov.

23 THE PLAINTIFF: Yes.

24 THE COURT: The question specifically was, where  
25 in the agreement does it say what you just said.

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1 THE PLAINTIFF: Okay. Can I read from the  
2 agreement?

3 MR. MESTECHKIN: Of course.

4 THE PLAINTIFF: To do any aggregate makes it  
5 possible to carry on the ordinary course of the company.

6 THE COURT: Where are you reading from? And don't  
7 read fast so that our Court Reporter can get it down.

8 THE PLAINTIFF: Subsection C.

9 THE COURT: Subsection C.

10 THE PLAINTIFF: Paragraph four. Not to do any act  
11 that makes it impossible to carry on ordinary business of  
12 the company. To make any decisions regarding any employee.  
13 Nope that's not it. They are not allowed to pay --

14 THE COURT: Where are you reading from?

15 THE PLAINTIFF: I'm on H and I on subsection C.

16 THE COURT: So hold on we're going to get to those  
17 subsections. And then, did you have a chance to review that  
18 section Mr. Aronov?

19 THE PLAINTIFF: Yes.

20 THE COURT: So you're at section H?

21 THE PLAINTIFF: Subsection C, sub sub H and I.

22 THE COURT: Okay. You may proceed. You have to  
23 go down some. It's subsection C, H, I.

24 THE PLAINTIFF: Not allowed. Can I continue?

25 THE COURT: Yes.

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1 THE PLAINTIFF: Not allowed to acquire, serve,  
2 assign, transfer any interest in any property. Not allowed  
3 to create any indebtedness for borrowed money or more  
4 secured.

5 THE COURT: You have to scroll to C. But we need C  
6 because he's starting from C. Thank you Mr. Chiu.

7 THE PLAINTIFF: Now in subsection 1 of that C. Not  
8 to make, execute, or deliver on behalf of the company any  
9 assignment for the benefit of creditors, or any guarantee,  
10 indemnity bond, or surety bond to obligate not allowed to  
11 obligate or any member as a surety, guarantee. Party to any  
12 obligation not allowed to confess any judgment on behalf of  
13 the company. Number four I read. You want me to still read  
14 it?

15 Q I'm still waiting for your answer to my question.

16 A The answer is these are the limitations. They're not  
17 allowed to. It clearly states that they're not allowed to in  
18 debt the company. They're not allowed to make decisions as to  
19 how much money we as a company could borrow or owe and be not  
20 profitable. Also I read in this agreement they are not allowed  
21 to make any decisions to hurt the company or make -- for the  
22 company to make the most profit available out there. That's the  
23 decision they are suppose to make.

24 Q Mr. Aronov, can you point to the section and subsection  
25 of what you just said exactly?

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1 A Sure. You got to read the whole thing though.

2 THE COURT: No we're not reading the whole thing.

3 MR. MESTECHKIN: I just need a subsection.

4 THE COURT: Everyone stop. Mr. Aronov, right now  
5 you're just directing. You're not going to read anything  
6 more into the record. The document speaks for itself.  
7 You've indicated that this operating agreement says that you  
8 have to provide your consent. Mr. Mestechkin is asking you  
9 where does it say that. And all you need to do is point to  
10 the section. Just say the section and subsection that  
11 indicates that for Mr. Mestechkin to review it and determine  
12 whether he needs to ask you a follow-up question to that.

13 THE PLAINTIFF: Your Honor, with all due respect  
14 I've never seen a contract in my life where it says what you  
15 just said. Contracts are made from my understanding and in  
16 the business contract.

17 THE COURT: Mr. Aronov, we're not getting into a  
18 debate. Mr. Aronov we're not going to do this.

19 THE PLAINTIFF: There is no section here.

20 THE COURT: Okay. That's what I thought. There's  
21 your answer. Next question.

22 Q Thank you, Your Honor. Mr. Aronov, is there a section  
23 in this agreement that states that sale of other members share,  
24 partly or fully requires your consent?

25 A From what I believe it says that if anybody comes in or

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1 comes out it should be a new contract written out.

2 Q Mr. Aronov, I know it's a long day. All I'm asking you  
3 is point me to the section and subsection that indicates that  
4 other members of the LLC, the decision to sell his or her share  
5 fully or partially to anyone else requires your consent?

6 A No certification.

7 Q Mr. Aronov, I should have asked that before but I  
8 apologize I'll do it now. I just want to make sure that  
9 everyone, court and the jury are fully apprised of all the  
10 facts. Are you a license civil engineer?

11 A No.

12 Q Are you an attorney?

13 A Not yet.

14 Q Are you in law school right now?

15 A Graduate.

16 Q Are you licensed, certified public accountant?

17 A Not yet.

18 Q Have you sat for the CPA exam?

19 A No.

20 Q Do you have a license of general contracting?

21 A No.

22 Q The documents that was before you was dated February 9,  
23 2008?

24 A Right.

25 Q Do you remember at the time of you signing this

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1 document did you remit the entire \$150,000 that you pledged for  
2 this LLC?

3 A Say again.

4 Q On the day when you signed the document that is before  
5 you, did you remit to the LLC the entire \$150,000?

6 A No I remitted my \$150,000 over time. As funds were  
7 needed and requested by Mr. Khavinson.

8 Q And do you remember when did you complete the remittal  
9 of the entire \$150,000?

10 A No, I don't remember.

11 Q Do you remember whether it happened within one year  
12 from the signing of this document?

13 A No.

14 Q More than one year?

15 A More than one year.

16 Q More than two years?

17 A I don't know.

18 Q You stated that you were remitting this payment when  
19 such were requested by Mr. Khavinson?

20 A Yes.

21 Q And that's Eugene Khavinson?

22 A Eugene Khavinson.

23 Q And in what form was your request sent to you?

24 A Verbal.

25 Q There were nothing in writing, correct?

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1 A I met him almost every day in the office.

2 Q So your communications with him were mostly verbal?

3 A Verbal.

4 Q Nothing in writing?

5 A No.

6 Q Besides \$150,000, did you pay any money to the LLC at  
7 all between 2008 and now?

8 A Between 2008 and now, besides the 150?

9 Q Besides the \$150,000?

10 A Just the \$150,000.

11 Q Do you know if you had to pay anything else in addition  
12 to the \$150,000 that you contributed?

13 A No.

14 Q There's nothing in the agreement that states that you  
15 had to contribute some additional money?

16 A No.

17 Q I would like to direct your attention to article five  
18 on page four of the same exhibit. And specifically subsection C  
19 A?

20 A Article five.

21 Q And I will read it for the record. Members, Eugene  
22 Khavinson --

23 THE COURT: Hold on. So Mr. Aronov, we do have it  
24 on the screen for you, as well.

25 THE PLAINTIFF: I know. C and subsection A, right?

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1 MR. MESTECHKIN: Correct.

2 THE COURT: Go ahead Mr. Mestechkin.

3 MR. MESTECHKIN: Thank you Your Honor.

4 Q Members, Eugene Khavinson, and Michael Khavinson shall  
5 be required to make additional contributions in the amount of  
6 \$100,000 to the company to cover soft costs. Soft costs consist  
7 of architectural fees, condominium, offering plan cost, tax  
8 abatement cost. They also shall be required to make mortgage  
9 payments, real estate taxes, and insurance for the period of 12  
10 months comma after which time all members of the company shall  
11 become responsible for those payments in accordance with their  
12 share in the company.

13 A Okay.

14 Q Mr. Aronov, before today do you remember reading this  
15 paragraph?

16 A Yes.

17 Q Between 2000 -- well, I'll withdraw. After signing  
18 this agreement in 2008 and until now, did you contribute  
19 anything in addition to \$150,000 to the LLC?

20 MR. MESTECHKIN: Objection, asked and answered.

21 THE COURT: Sustained. You do not have to answer  
22 that.

23 Q Mr. Aronov, did you contribute your share -- you know  
24 what, I withdraw. You don't need to answer. Mr. Aronov, can  
25 you repeat for the jury what is your membership interest in the



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1 LLC?

2 A Three and one third percent.

3 Q Between February 9, 2008 and today did you contribute  
4 six percent of all amounts required to pay for mortgage payments  
5 on the property, real estate taxes, and insurance?

6 A I imagine --

7 Q This is a yes or no question.

8 A Yes. Can I explain?

9 Q Didn't you just testify that besides the \$150,000 you  
10 did not contribute any amount?

11 A Can I explain?

12 Q This is a yes or no question.

13 A So what's the question?

14 Q Did you not testify a few seconds ago that besides the  
15 \$150,000 you did not pay any additional amount for the LLC?

16 A I was not required to. I didn't have to. That's what  
17 I wanted to explain to you.

18 THE COURT: So I think the question is Mr. Aronov  
19 and listen very closely is, wasn't it your testimony just  
20 seconds ago that you did not contribute toward the other  
21 expenses of maintaining the LLC, wasn't that your testimony?  
22 I believe.

23 THE WITNESS: I testified that I invested \$150,000.  
24 And other people invested money in to the corporation. And  
25 from that money all the expenses were made including

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1 Mr. Khavinson's \$2,000 a month salary for that project.

2 THE COURT: So Mr. Aronov, I'm not going to the  
3 strike that answer, but it was completely unresponsive to  
4 what the court asked you.

5 THE PLAINTIFF: Okay.

6 THE COURT: No, I'm giving you an instruction that  
7 you're not being responsive to what's being asked of you.  
8 It's easy. All you have to do is listen to the question and  
9 have confidence that your attorney is diligently taking  
10 notes to be able to ask you questions or redirect.

11 THE PLAINTIFF: Okay.

12 THE COURT: I know it is okay.

13 THE PLAINTIFF: I'm sorry.

14 THE COURT: I'm not sure that you are. And I'm  
15 going to end here and tell you to listen to the question and  
16 only answer what's going to be asked. We're not going to be  
17 here waiting here all day for you to do what I'm asking you  
18 to do.

19 THE PLAINTIFF: I hear you. Sorry for that. Yeah,  
20 go ahead.

21 Q Mr. Aronov, just for clarity, again for the sake of the  
22 jury --

23 THE COURT: Mr. Mestechkin just ask your question.  
24 I don't need you to preface every question with an  
25 explanation or an apology. I just need you to just ask your

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1 question. Ask him your question.

2 Q Did you contribute any additional dollar in addition to  
3 \$150,000 that you contributed for the LLC?

4 A No, I didn't.

5 Q Thank you. Mr. Aronov, was it your understanding when  
6 you were reading the document that you were not only responsible  
7 to share the profits, but also responsible for sharing losses if  
8 such were for the company?

9 A I didn't understand the question.

10 Q I believe it was yesterday that you testified that you  
11 expected to recoup your entire investment of \$150,000 plus  
12 profit in proportion with your share in the LLC, was that  
13 correct?

14 A That's right.

15 Q My question is, isn't it true that this document also  
16 provides for you to be responsible for equal percentage of  
17 losses if company declares losses?

18 A Okay, yeah.

19 Q Is that correct?

20 A I guess, yeah.

21 Q So if company would lose \$100 you would be responsible  
22 for three percent of that loss, is that correct?

23 A Correction, three and a third.

24 Q I apologize, but thank you for correcting me.

25 A Yeah, that's right.

1           Q     You stated previously that you have seen Mr. Eugene  
2     Khavinson almost daily because you were working for him,  
3     correct?

4           A     Employed by him, yes.

5           Q     So all of these communications between you and him were  
6     verbal, correct?

7           A     Most, yeah.

8           Q     Do you remember every conversation that you had with  
9     Mr. Khavinson?

10          A     No.

11          Q     How many times did you visit the job site for the  
12     construction of the project related to 290 13th Street?

13          A     At least a dozen times.

14          Q     A dozen times?

15          A     At least. To make it clear I remember when it was  
16     still a single family home on that property, meaning when they  
17     purchased it in 2007 after that, and in 2008 I saw the first  
18     time I saw that property.

19          Q     If I will show you the picture of that property that  
20     was initially purchased, would you recognize it?

21          A     Probably.

22          Q     But you're not sure?

23          A     It's been from 2008. It's been a while.

24                     MR. MESTECHKIN: Your Honor, with your permission  
25     may I show the witness an enlarged image of the property the

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1 way it was purchased?

2 THE COURT: Not if it's not in evidence, because  
3 an enlarge image means we're showing it to the jury and it's  
4 not in evidence yet.

5 MR. MESTECHKIN: That's fine.

6 THE COURT: Now alternatively, if you have the  
7 photo you can show it to the witness on the screen without  
8 publishing it to the jury, and then if you want to we can  
9 put it on the big screen. Is there any objection to these  
10 photos going into evidence, or have you had a chance to  
11 review them given that this is some time ago?

12 MR. GRASING: No, not sure which one it is.

13 THE COURT: So why don't we do this, it's 4:45.  
14 I'm sure you're not close to being done with your  
15 cross-examination. We're going to end here. You'll gather  
16 your thoughts for tomorrow. Tomorrow we're going to --  
17 we're going to start promptly at 3:15. So try and get here  
18 by 3:00 or 3:05 so that we can get in the room for 3:15 for  
19 Mr. Aronov's continued cross-examination by Mr. Mestechkin.  
20 And then we're going to do something a little different  
21 because Mr. Grasing still has one more another section of  
22 questions for Mr. Aronov regarding the Chase statements that  
23 he needed a little more time to review. He's going to have  
24 that time. The plan is to conclude with the  
25 cross-examination. And then we're going to have you go back

1 to your direct on the Chase so that you conclude that. And  
2 then if you have any redirect from any of the  
3 cross-examination you'll hop right into that, okay  
4 understood?

5 MR. MESTECHKIN: Your Honor, if I will have any  
6 cross from the record that was shown I will be able to ask  
7 my questions?

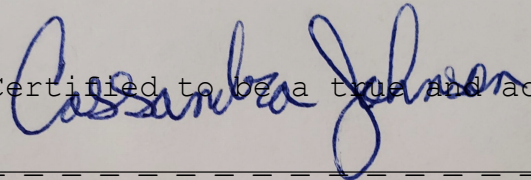
8 THE COURT: Absolutely.

9 MR. MESTECHKIN: Thank you, Your Honor.

10 THE COURT: All right. Good night everyone.

11 THE COURT OFFICER: All rise. Jury is exiting.

12 \* \* \* \* \*

13  
14  Certified to be a true and accurate transcript.

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16 Cassandra Johnson - Senior Court Reporter

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