

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

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REAL ESTATE HOLDINGS GROUP, LDC.

Plaintiff,

-against-

BOARD OF MANAGERS OF SPENCER  
CONDOMINIUM, HALSTEAD MANAGEMENT  
COMPANY, LLC., BERNARD FRIEDMAN, NANCY  
CALIFANO, MITOFSKY SHAPIRO NEVILLE &  
HAZEN, LLP, SCOT MACKOFF,  
JOAN RIVERS, JOHN DOES 1-10, AND JANE DOES  
1-10.

Defendants.

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Index No.:

**SUMMONS**

Plaintiff Designates New  
York as the County of Venue  
Given Defendants' domicile.

To the above named Defendants:

YOU ARE HEREBY SUMMONED to answer the complaint and to serve a copy of your answer on Plaintiffs' Attorney within twenty (20) days after the service of this summons, exclusive of the day of service or within thirty (30) days after the service is complete, if this summons is not personally delivered to you within the State of New York; and in case of your failure to appear or answer, judgment will be taken against you by default on the relief demanded in the verified complaint, with interest thereon, together with the costs of this Action.

Dated: October 7, 2013  
New York, NY

Respectfully Submitted,



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Darius A. Marzec, Esq.  
Marzec Law Firm, P.C.  
Attorneys for Plaintiff  
225 Broadway, Suite 3000  
New York, NY 10007  
(212) 267-0200  
dmarzec@marzeclaw.com

**Defendants' Addresses:**

Board of Managers of Spencer Condominium  
1 East 62<sup>nd</sup> Street  
New York, New York 10065

Nancy Califano  
Halstead Management Company, LLC.  
770 Lexington Avenue, 7<sup>th</sup> Floor  
New York, New York 10065

Bernard Friedman  
Halstead Management Company, LLC.  
770 Lexington Avenue, 7<sup>th</sup> Floor  
New York, New York 10065

Halstead Management Company, LLC  
770 Lexington Avenue, 7<sup>th</sup> Floor  
New York, New York 10065

Joan Rivers  
1 East 62<sup>nd</sup> Street  
# Penthouse  
New York, New York 10065

Scot Mackoff, Esq.  
Mitofsky, Shapiro, Neville & Hazen LLP  
152 Madison Avenue, 3<sup>rd</sup> Floor  
New York, New York 10016

John Does 1-10  
Jane Does 1-10

NOTE: the law provides that: (a) If the summons is served by its delivery to you personally within the city of New York, you must appear and answer within TWENTY days after such

service; or (b) If this summons is served by delivery to any person other than you personally, or is served outside the city of New York, or by publication, or by any means other than personal delivery to you within the City of New York, you are allowed THIRTY days after proof of service thereof is filed with the Clerk of this Court within which to appear and answer.

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

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REAL ESTATE HOLDINGS GROUP, LDC.

Plaintiff,

-against-

BOARD OF MANAGERS OF SPENCER  
CONDOMINIUM, HALSTEAD MANAGEMENT  
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CALIFANO, MITOFSKY SHAPIRO NEVILLE &  
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JOAN RIVERS, JOHN DOES 1-10, AND JANE DOES  
1-10.

Defendants.

Index No.:

**VERIFIED COMPLAINT**

Plaintiff Designates New  
York as the County of Venue  
given domicile and office  
address of Defendants.

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Plaintiff, by and through its attorneys, Marzec Law Firm, P.C., suing on behalf of itself  
and derivatively and for other similarly situated unit owners of Spencer Condominium, by way  
of its complaint herein respectfully allege as follows:

**PARTIES**

1. At all the times hereinafter mentioned, Plaintiff Real Estate Holdings Group LDC  
("Plaintiff" or "Holdings Group") is a limited duration company organized in Belize, with an  
address of 1 East 62nd Street, Apt 1-A, New York, NY 10065.

2. Plaintiff is the owner of the premises known as 1 East 62nd Street, Apt 1-A, New  
York, NY 10065.

3. At all the times hereinafter mentioned, Board of Managers of Spencer  
Condominium ("Board of Spencer Condominium" or "Board") is a condominium form of real  
estate duly created by N.Y. R.P.T.L. Article 9-B and exists to permit each unit owner to hold a

real property interest in his or her unit and its N.Y. R.P.T.L. Section 339-g appurtenances which consist of an exclusive possessory interest in the unit and an undivided interest in the common elements of the condominium. The Condominium's unit owners are afforded a mutual interest in the common profits and expenses of the condominium which are distributed among, and charged to, the owners according to their respective common interests. The address of The Condominium is 1 East 62nd Street, New York, New York 10065.

4. Upon information and belief, at all the times hereinafter mentioned, Defendant Board of Managers of Spencer Condominium is an unincorporated association charged with handling any and all duties relating to the maintenance, administration and governance of The Condominium, with a business address of 1 East 62<sup>nd</sup> Street, New York, New York 10065.

5. Upon information and belief, at all the times hereinafter mentioned, Defendant Halstead Management Company, LLC. ("Halstead") is a New York registered Limited Liability Company with a business address of 770 Lexington Avenue, 7<sup>th</sup> Floor, New York, New York 10065.

6. Upon information and belief, at all the times hereinafter mentioned, Defendant Bernard Friedman ("Friedman"), is an agent of the Board and an executive retained by Halstead with a business address of 770 Lexington Avenue, 7<sup>th</sup> Floor, New York, New York 10065.

7. Upon information and belief, at all the times hereinafter mentioned, Defendant Nancy Califano ("Califano"), is an agent for the Board and an account executive at Halstead with a business address of 770 Lexington Avenue, 7<sup>th</sup> Floor, New York, New York 10065.

8. Upon information and belief, at all the times hereinafter mentioned, Defendant Mitofsky, Shapiro, Neville & Hazen LLP ("Mitofsky Shapiro") is a Limited Liability Partnership

representing the Board and acting as agent to it, with a business address of 152 Madison Avenue, 3<sup>rd</sup> Floor, New York, New York 10016.

9. Upon information and belief, at all the times hereinafter mentioned, Defendant Scot Mackoff (“Mackoff”), is an agent of the Board and a partner with Mitofsky, Shapiro, Neville & Hazen LLP with a business address of 152 Madison Avenue, 3<sup>rd</sup> Floor, New York, New York 10016.

10. Upon information and belief, at all the times hereinafter mentioned, Defendant Joan Rivers (“Rivers”) is a member of the Board, and an individual who was and still is a resident of 1 East 62nd Street, Penthouse, New York, New York 10065.

11. Upon information and belief, John Doe and Jane Doe defendants are currently unknown members of the Board and other agents of the named defendants.

#### **JURISDICTION AND VENUE**

12. Jurisdiction is proper in New York because all parties are residents of or do business in New York. All transactions, violations and offending conduct complained of herein have taken place in New York State and New York County.

#### **FACTUAL BACKGROUND**

13. On or about July 22, 2013, Plaintiff Holdings Group became a title owner of unit 1A of the property located at 1 East 62nd Street, New York, New York 10065.

14. Internal governance decisions for The Condominium are to be decided by the Members of the Board based on the Condominium Declaration, its by-laws, and rules and regulations propounded as part of the initial condominium offering plan and later amended by the unit owners / shareholders and the Board.

15. Pursuant to the Declaration of the Condominium, by-laws, and Rules and Regulations, unit owners are to elect the members of The Board. Further, the members of The Board are to elect the Officers, comprised primarily of the President, Secretary and Treasurer.

16. Upon information and belief, Defendant Rivers was and currently is the President of the Board.

17. Upon information and belief, Defendant Friedman was and currently is a member of the Board.

18. Pursuant to The Board's bylaws, annual meetings are to be held by the Officers every year.

19. Further pursuant to The Board's bylaws, The Board may not take certain actions, unless authorized by a vote of a sufficient number of Board members after a duly called meeting.

20. The Board and Officers are also required to adhere to condominium rules.

21. The Defendants have failed to act in accordance with the Declaration of the Condominium and its By-laws and other Rules and Regulations of the building.

22. Defendants have ignored the demands of Plaintiff for the Defendants' to adhere to the Condominium by-laws.

23. Upon information and belief, Defendants have failed to hold an annual meeting, or to provide a notice thereof.

24. Defendants, upon information and belief, have failed to properly govern, maintain and service the Condominium, by acting completely outside of their authority and treating the Condominium, the Board and the unit owners as their own play-thing, subject to their whims, impulses and wants, regardless of the rules and procedure and law.

25. The Board and its agents, acted intentionally to single out unit 1A of the building, and act to, among other things, intentionally destroy and cause waste to the unit by physically cutting off electricity, placing glue in the lock causing the owner to incur repairs, preventing mail and courier delivery, accepting and intercepting mail and failing to provide it to the unit owner, and failing to permit owner to perform repairs to the unit, including emergency repairs. While a portion of the intentional acts given herein is offered as background only, these acts exhibit a pattern of intentional conduct where unit 1A<sup>1</sup> is singled out time and time again, and discriminated against.

26. Given the Defendants' behavior, Defendants have caused waste of the assets of the Condominium and personally damaged the Plaintiff.

27. Since July 2013, on several occasions, the Holding Trust manager, Mr. S. Neil Meehan ("Mr. Meehan"), sought access to the premises, with such access being refused by the doorman receiving his instructions from the Defendants.

28. Since July 2013, on numerous occasions, Mr. Meehan sought to authorize his guest, Ms. Elizabeth Hazan, a Canadian Citizen and a non-domiciliary of New York, to stay at the premises. The requests were made to the Board, its agents, attorneys and building management company Halstead. On more than 10 occasions, Mr. Meehan was denied the unit owner's right to permit a guest to utilize the owner's condominium unit for a short duration stay.

29. Despite the Defendants being provided with specific corporate documents and resolutions including corporate seal authorizing the guest of the Plaintiff herein to utilize the premises, the Defendants simply refused.

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<sup>1</sup> Unit 1A, upon information and belief, is the smallest unit in the seven unit building, constituting two rooms and one part of the basement. It has no separate kitchen.



30. Defendants failed to give a reason for the exclusion, as nothing in the by-laws would prevent Plaintiff from utilizing the unit it owns, or permitting its guest to utilize the unit.

31. The Plaintiff has raised numerous concerns with regard to the Board concerning election of members to The Board, building agenda, and so forth. The demands went unanswered.

32. The same concerns with regard to the Board have been raised with Halstead and individual defendants (except Defendant Rivers).

33. Defendants have failed in their decision-making and the decisions made were motivated purely for self-gain rather than for the Plaintiff's benefit. None of these decisions were made in good faith or with the best interests of the Condominium and the Unit Owners in mind; they were made purely to benefit the Defendants.

34. Any attempt by Plaintiff to require The Board to bring an action against the individual Defendants would be futile as the individual Defendants are the Board and have, upon information and belief, acted improperly with respect to the Condominium. Because the Defendants have completely ignored Plaintiff's requests to adhere to the by-laws and their duties as Board agents, and because the Defendants have failed in their duties and to properly act with the authority of the Condominium and Unit Owners, the Plaintiff has declined to request that the Board bring its own lawsuit, on the Condominium's behalf, to correct these wrongs. The Plaintiff believes that, much like their requests to review the Condominium's decision in failing to permit the unit owner enter its own premises, any request by them seeking to have a lawsuit filed on behalf of the Condominium would be utterly disregarded. Plaintiff, therefore, has decided to bring this lawsuit on behalf of the Unit Owners and the Condominium.

## AS AND FOR A FIRST CAUSE OF ACTION

35. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 34 in full force and effect, as if fully set forth herein.

36. Plaintiff is an owner of the unit in the Condominium and brings this action on its own behalf and on behalf of all other unit owners similarly in the right and on behalf of the Condominium for its benefit.

37. At all times, Defendants are governed and must adhere to the Board's by-laws.

38. The majority of the board, including but not limited to Defendants Mackoff and Rivers, has a contrary interest in the dispute, as set supra and infra.

39. Defendants have, among other things, refused to allow Plaintiff's agents access to the unit, failed to hold an annual meeting, failed to seek Plaintiff's authorization before acting and failing to act where warranted.

40. All of the said improper actions have occurred without Plaintiff's consent.

41. Defendants continue to take these and other improper actions.

42. Unless restrained, Defendants will continue to conduct these actions and more.

43. Unless restrained, Defendants will continue to cause the Condominium to engage in improper actions without proper authorization.

44. Any demand upon The Board to bring an action against the Defendants for the wrongs herein complained of would have been futile since they are the wrongdoers and would never give consent.

45. As a direct and proximate result of this breach, Plaintiff has sustained damages and will incur further damages in an amount to be determined at trial. In addition, the harm

suffered is immediate and irreparable, and Defendant's continued wrongdoing will continue to imbue such injury upon Plaintiff until such conduct is preliminarily and permanently enjoined.

### AS AND FOR A SECOND CAUSE OF ACTION

46. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 45 in full force and effect, as if fully set forth herein.

47. Upon information and belief, Defendants Rivers and Friedman are members of the Board governing the Condominium.

48. The Board governs the Condominium.

49. Halstead, upon information and belief, was hired as agent of the Board to manage the Condominium.

50. Defendants, as members and representatives, of the Board are authorized to act on behalf of Plaintiff. As such, a special, fiduciary relationship exists between Defendants and Plaintiff.

51. Said Defendants owed certain fiduciary duties to Plaintiff.

52. Said Defendants have breached their duties by, *inter alia*, conversion of Plaintiff's ownership interests and rights, and wrongfully diverting to themselves, or intending to divert, or to associated, break-away, or otherwise-related entities, businesses, or individuals, a significant amount of the Condominium and its unit owners' assets. By virtue of their relationship and position, the said Defendants desecrated their fiduciary duties of loyalty, due care, and confidentiality by: (1) swindling from Plaintiff its rightful ownership interests and voting rights; (2) refusing to cooperate with Plaintiff's reasonable requests for unit access and proper governance; (3) improperly diverting Condominium resources in furtherance of their own agenda

and whims; (4) improperly excluding Plaintiff from its rights and benefits as beneficial owner of the premises; and (5) discriminating against and singling out Plaintiff and treating Plaintiff differently than other owners in the building.

53. As a direct and proximate result of this breach, Plaintiff has sustained damages and will incur further damages in an amount to be determined at trial. In addition, the harm suffered is immediate and irreparable, and Defendants' continued wrongdoing will continue to imbue such injury upon Plaintiff until such conduct is preliminarily and permanently enjoined.

#### **AS AND FOR A THIRD CAUSE OF ACTION**

54. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 53 in full force and effect, as if fully set forth herein.

55. Defendants have made false representations of fact. At the time they were made, the representations were knowingly false.

56. Defendants made the false representations with the intention to defraud Plaintiff.

57. Defendants intended that Plaintiff rely on those representations.

58. As such, Plaintiff's suffered damages in the sum to be proven at trial. The actions of the Defendant were willful and malicious and as result the Plaintiff's demand punitive damages as against the Defendants.

#### **AS AND FOR A FOURTH CAUSE OF ACTION**

59. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 58 in full force and effect, as if fully set forth herein. Defendants have been unjustly enriched through their actions herein.

60. A direct relationship exists between Plaintiff and Defendants.

61. Defendants, through their actions, have been enriched at Plaintiff's expense.

62. If the Defendants are allowed any of the claimed interests, Defendants will be unjustly enriched to the detriment of Plaintiff.

63. As such, Plaintiff suffered damages in the amount to be proven at trial.

#### **AS AND FOR A FIFTH CAUSE OF ACTION**

64. Plaintiff repeat and re-allege each allegation contained in Paragraphs 1 through 63 in full force and effect, as if fully set forth herein.

65. Plaintiff demands an accounting.

66. Defendants have interfered with Plaintiff's interests and rights in the Condominium, and such interference was unauthorized, unwanted, and unlawful.

67. As a direct and proximate result of the Defendants' actions, Plaintiff has sustained damages and will incur further damages in an amount to be determined at trial. In addition, the harm suffered is immediate and irreparable, and Defendants' continued wrongdoing will continue to imbue such injury upon Plaintiff until such conduct is preliminarily and permanently enjoined. The actions of the Defendants were willful and malicious and as result the Plaintiff demands punitive damages as against the Defendants.

#### **AS AND FOR A SIXTH CAUSE OF ACTION**

68. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 67 in full force and effect, as if fully set forth herein.

69. Defendants designed and implemented a scheme to defraud Plaintiff.

70. Defendants made fraudulent representations to induce Plaintiff to pay common charges and other charges without basic services being offered or provided.

71. Plaintiff relied on such fraudulent representations to their detriment.

72. Defendants had never intended to perform and never did perform per their promises and agreements with Plaintiff.

73. As a result, Plaintiff sustained damages.

74. The actions of the Defendants were willful and malicious and as result the Plaintiff demands punitive damages as against the Defendants.

#### **AS AND FOR A SEVENTH CAUSE OF ACTION**

75. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 74 in full force and effect, as if fully set forth herein.

76. Plaintiff requests that this Court issue a declaratory judgment concerning the rights and obligations of the parties and order that the Defendants acted without any authority to act on behalf of the Condominium and its unit owners.

#### **AS AND FOR AN EIGHTH CAUSE OF ACTION**

77. Plaintiff repeats and re-alleges each allegation contained in Paragraphs 1 through 76 in full force and effect, as if fully set forth herein.

78. Defendants intentionally and without authority, assumed and exercised control over Plaintiff's assets and personal property.

79. Defendants knowingly and intentionally sought to harm the Plaintiff and to benefit themselves by misusing assets collected from Plaintiff for purposes other than for the best interests of the Condominium.

80. Defendants intentionally denied Plaintiff access to the Condominium's Board governance, upon information and belief, to conceal their wrongdoing.

81. Defendants further decided to forgo both holding, and announcing an annual meeting and requesting authorization from Unit Owners before acting on Plaintiff's behalf so as to, upon information and belief, continue misusing the Condominium's resources for personal goals, by failing to adhere to building by-laws, rules and procedures.

82. Defendants' actions resulted in damage to the Plaintiff both in loss of assets and loss in the value of the Condominium property.

83. Defendants have no excuse for their actions and were not justified in committing these acts against Plaintiff.

84. The actions of the Defendants were willful and malicious and as result the Plaintiff demands damages and punitive damages, both in amounts to be determined at trial.

**WHEREFORE**, Plaintiff demands a declaratory and compensatory money judgment against the Defendants, in the amount to be proven at trial, and for the costs and disbursements of this action. Plaintiff further demands a punitive damages award in a sum of no less than \$15,000,000.00 for malicious, willful, blatant, intentional, and nefarious conduct of the Defendants. In addition, the harm suffered is immediate and irreparable, and Defendants' continued wrongdoing will continue to imbue such injury upon Plaintiff until such conduct is preliminarily and permanently enjoined.

Dated: October 7, 2013  
New York, NY

**MARZEC LAW FIRM, P.C.**

By:

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Darius A. Marzec, Esq.  
Attorneys for Plaintiff  
225 Broadway, Ste. 3000  
New York, NY 10007  
(212) 267-0200



VERIFICATION

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

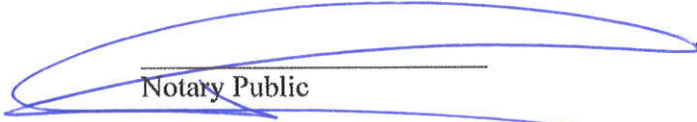
S. NEIL MEEHAN, on behalf of Real Estate Holdings Group, L.D.C., being duly sworn, deposes and says:

I am the duly authorized agent for Real Estate Holdings, Group, LDC. I have read the Complaint and know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief, and as to those matters I believe them to be true.

  
S. NEIL MEEHAN

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

Sworn to me on the 7 day of October, 2013.

  
Notary Public

Darius A Marzec  
Notary Public State of New York  
NO. 02MA6272827 -Qualified in  
New York County  
Commission Expires 11/26/2016

**SUPREME COURT OF THE STATE OF NEW YORK  
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Defendants.

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**SUMMONS AND VERIFIED COMPLAINT**

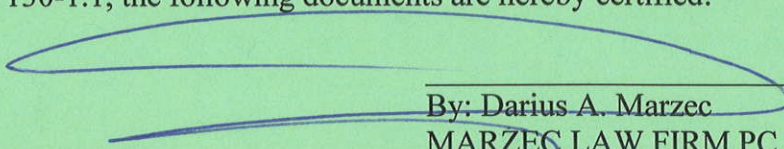
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**ATTORNEYS FOR PLAINTIFF  
REAL ESTATE HOLDINGS GROUP, LDC  
Marzec Law Firm, P.C.  
Darius A. Marzec, Esq.  
225 Broadway, Suite 3000  
New York, NY 10007  
212-267-0200**

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**CERTIFICATION**

Pursuant to Section 130-1.1, the following documents are hereby certified:

  
By: Darius A. Marzec  
MARZEC LAW FIRM PC  
Attorneys for Plaintiff  
225 Broadway, Ste. 3000  
New York, NY 10007  
(212) 267-0200