

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

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EDUCATIONAL INSTITUTE OHOLEI TORAH OF	:	Index No.:
BROOKLYN, INC.,	:	
	:	
Plaintiff,	:	<u>SUMMONS</u>
	:	
-against-	:	
	:	
VALERIE SEBBAG a/k/a VALERIE ZILBERMAN,	:	
SCHNEUR ZILBERMAN, 555 PROPERTIES LLC,	:	
INTERBORO PROPERTIES LLC, TOMER CAPITAL	:	
LLC, and JOHN DOES 1-10,	:	
	:	
Defendants.	:	
-----X	:	

To the Parties Named as Defendants Above:

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your Answer on the undersigned attorneys for plaintiff Educational Institute Oholei Torah of Brooklyn, Inc. within 20 days after the service of this Summons, exclusive of the day of service (or within 30 days after the service is complete if this Summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: New York, New York
November 22, 2024

OFFIT KURMAN, P.A.

By: Franklyn H. Snitow
Franklyn H. Snitow, Esq.
590 Madison Avenue, 6th Floor
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Tel. (212) 545-1900
Attorneys for Plaintiff

TO: Valerie Sebbag a/k/a Valerie Zilberman
718 Lefferts Avenue, Apartment 3
Brooklyn, New York 11203

Schneur Zilberman
718 Lefferts Avenue, Apartment 3
Brooklyn, New York 11203

555 Properties LLC
251 Troy Avenue
Brooklyn, New York 11213

Interboro Properties LLC
251 Troy Avenue
Brooklyn, New York 11213

Tomer Capital LLC
251 Troy Avenue
Brooklyn, New York 11213

Parties

2. Plaintiff is a Religious Corporation duly organized and existing under the Religious Corporations Law of the State of New York, with its principal office located at 867 Eastern Parkway, Brooklyn, New York 11213.

3. Defendant Valerie Sebbag a/k/a Valerie Zilberman (“Sebbag”) is an individual who, upon information and belief, resides in Kings County at 718 Lefferts Avenue, Apartment 3, Brooklyn, New York 11203 and maintains a principal place of business at 427 Kingston Avenue, 3rd Floor, Brooklyn, New York 11213 and is a real estate broker licensed by the State of New York.

4. Defendant Schneur Zilberman (“S. Zilberman”) is an individual who, upon information and belief, resides in Kings County at 718 Lefferts Avenue, Apartment 3, Brooklyn, New York 11203 and maintains a principal place of business at 251 Troy Avenue, Brooklyn, New York 11213.

5. Defendant 555 Properties LLC (“555 Properties” and together with Sebbag referred to collectively as “Sebbag”) is a domestic limited liability company with a registered service of process address at 251 Troy Avenue, Brooklyn, New York 11213.

6. Defendant Interboro Properties LLC (“Interboro Properties”) is a domestic limited liability company with an address at 251 Troy Avenue, Brooklyn, New York 11213.

7. Defendant Tomer Capital LLC (“Tomer Capital”) is a domestic limited liability company with a registered service of process address at 251 Troy Avenue, Brooklyn, New York 11213.

8. Defendants John Does 1-10 are individuals or entities that may reside in or have a principal place of business in Kings County and whose identities are currently unknown but may

be revealed to be individuals or entities involved in the facts common to all causes of action as detailed herein giving rise to Plaintiff asserting claims against them.

Jurisdiction and Venue

9. This Court has personal jurisdiction pursuant to CPLR 301 based on Defendants doing business in New York and/or pursuant to CPLR 302 based on the causes of action alleged having arisen out of Defendant's transaction of business in New York.

10. Venue in this County is proper pursuant to CPLR 503(a) because Plaintiff has its principal place of business in Kings County.

Facts Common to All Causes of Action

11. Plaintiff sought to purchase the real property located at 1327-1333 President Street, Brooklyn, New York 11213 (the "Property").

12. In mid-2024, Plaintiff began communicating with Sebbag for Sebbag to be the exclusive agent for Plaintiff to purchase the Property.

13. Sebbag sent to Plaintiff an Exclusive Buyer Agent Agreement (the "Contract").

14. Plaintiff executed the Contract on August 2, 2024.

15. The Contract's Section 2 states that Plaintiff's initial offer for the Property was \$8,250,000.

16. On August 2, 2024, Plaintiff executed a "Letter of Offer" to purchase the Property for \$8,250,000.

17. The Letter of Offer stated: "I/We understand that if this offer is accepted by the Seller it must then be formalized on the appropriate standard Contract form and I/We request this to be done fore with."

18. The Contract also authorized Sebbag to increase Plaintiff's offer and therefore outlined a commission schedule for a purchase price up to \$8,770,000.

19. Subsequently, Sebbag advised Plaintiff that she felt that Plaintiff had to increase its offer from \$8,250,000 to \$8,700,000.

20. Therefore, Sebbag asked Plaintiff to sign a new agreement that authorized her to go up to a bid of \$9,000,000, with a revised commission schedule up to \$9,000,000 as well (the “Second Contract”).

21. Plaintiff executed the Second Contract on September 6, 2024.

22. The Second Contract’s Section 3 states that Plaintiff would compensate Sebbag a broker fee of 3% or \$250,000 if the purchase price of the Property was between \$8,250,000 and \$8,500,000 and that the broker fee would be \$200,000 if the purchase price of the Property was between \$8,501,000 and \$9,000,000.

23. Plaintiff requested that Sebbag submit a bid to purchase the Property for a maximum of \$9,000,000.

24. Sebbag represented to Plaintiff that she transmitted Plaintiff’s bid of \$8,700,000 to purchase the Property to the Property’s seller and/or seller’s agent.

25. Upon information and belief, Sebbag did not transmit Plaintiff’s bid to purchase the Property for \$9,000,000 to the Property’s seller and/or seller’s agent.

26. Upon information and belief, the seller of the Property required that any offer made to purchase the Property be in writing and that oral offers would not be accepted.

27. Upon information and belief, the winning bid for purchase of the Property was submitted by Tomer Capital.

28. Tomer Capital is a domestic limited liability company that S. Zilberman formed on or about February 25, 2019.

29. Upon information and belief, S. Zilberman is Sebbag’s husband.

30. Upon information and belief, Tomer Capital's winning bid for purchase of the Property was \$8,700,000 or \$8,750,000.

31. Plaintiff had authorized Sebbag to offer a maximum of \$9,000,000, but Sebbag never submitted the offer to the seller and never increased the bid to the \$9,000,000 that Plaintiff authorized.

32. Sebbag approached Plaintiff and told its representatives that, unfortunately, Plaintiff was outbid but that she "found out" who has the purchase contract with the seller and hoped that she could convince them to sell it to Plaintiff for \$9,500,000.

33. Sebbag therefore asked Plaintiff to sign a new contract authorizing her to offer \$9,500,000 and giving her a commission on that sale.

34. Sebbag refused to divulge who the "seller" was or what the winning bid was, saying that they do not want anyone to know who they are.

35. Upon learning that the winning bid was submitted by an entity called Tomer Capital and that Tomer Capital was owned by her husband, representatives of Plaintiff confronted Sebbag concerning her breach of fiduciary duty.

36. Sebbag represented to Plaintiff that if Plaintiff paid an additional \$200,000 toward the purchase of the Property, Plaintiff could then proceed with purchasing the Property.

37. Upon information and belief, Defendants have marketed the Property to other individuals or entities to purchase the Property.

First Cause of Action
(Breach of Contract Claim)
*As Against Defendants Valerie Sebbag a/k/a Valerie Zilberman
and 555 Properties LLC*

38. Plaintiff repeats and realleges each and every allegation contained in Paragraphs numbered 1 through and including 37 of this Complaint as if fully set forth herein.

39. A contract exists between Plaintiff and Sebbag.

40. Pursuant to the Contract and Second Contract, Sebbag agreed to act as an agent and broker for Plaintiff's purchase of the Property.

41. Plaintiff performed its obligations under the Contract and Second Contract.

42. Sebbag did not transmit Plaintiff's offer to purchase the Property to the Property's seller and/or seller's agent.

43. Sebbag then orchestrated for S. Zilberman, Sebbag's husband, to make an offer—through the company that he owns, Tomer Capital—to purchase the Property at a lower price than Plaintiff had authorized to Sebbag to bid.

44. Sebbag did not perform her obligations under the Contract and Second Contract.

45. Sebbag breached the Contract and Second Contract.

46. Plaintiff has suffered damages in an amount to be determined at trial but believed to well exceed the jurisdictional requirement of this Court.

Second Cause of Action
(Breach of Fiduciary Duty Claim)
*As Against Defendants Valerie Sebbag a/k/a Valerie Zilberman
and 555 Properties LLC*

47. Plaintiff repeats and realleges each and every allegation contained in Paragraphs numbered 1 through and including 46 of this Complaint as if fully set forth herein.

48. The Contract and Second Contract created a fiduciary duty owed by Sebbag to Plaintiff.

49. Sebbag's fiduciary duty prohibited her from advancing any interest adverse to Plaintiff.

50. Sebbag's fiduciary duty prohibited her from sharing any of Plaintiff's confidential information.

51. Sebbag's fiduciary duty required her to disclose to Plaintiff any conflicts of interest.

52. Sebbag's fiduciary duty required her to exercise reasonable care and diligence toward Plaintiff.

53. Sebbag's fiduciary duty required her to account for their actions to Plaintiff.

54. Sebbag advanced an interest adverse to Plaintiff by arranging for Tomer Capital to submit the winning bid for purchase of the Property.

55. Sebbag shared Plaintiff's confidential information with Defendants so as to craft and submit Tomer Capital's winning bid for purchase of the Property.

56. Sebbag did not disclose her conflicts of interest to Plaintiff that arose by virtue of their intertwined nature with the co-defendants.

57. Sebbag did not exercise reasonable care and diligence toward Plaintiff.

58. Sebbag did not account for her actions to Plaintiff, giving rise to this litigation.

59. Plaintiff has suffered damages in an amount to be determined at trial but believed to well exceed the jurisdictional requirement of this Court.

Third Cause of Action

(Breach of Covenant of Good Faith and Fair Dealing Claim)
*As Against Defendants Valerie Sebbag a/k/a Valerie Zilberman
and 555 Properties LLC*

60. Plaintiff repeats and realleges each and every allegation contained in Paragraphs numbered 1 through and including 59 of this Complaint as if fully set forth herein.

61. By entering into the Contract and Second Contract, Sebbag covenanted to Plaintiff to not do anything which will have the effect of destroying or injuring Plaintiff's right to receive the fruits of the contract.

62. To the extent that Sebbag had discretion to exercise with respect to her obligations under the Contract and Second Contract, Sebbag acted arbitrarily and irrationally in exercising that discretion as related to Plaintiff.

63. Plaintiff has suffered damages in an amount to be determined at trial but believed to well exceed the jurisdictional requirement of this Court.

Fourth Cause of Action
(Unjust Enrichment Claim)

*As Against Defendants Valerie Sebbag a/k/a Valerie Zilberman,
Schnur Zilberman, 555 Properties LLC, Interboro Properties
LLC, and Tomer Capital LLC*

64. Plaintiff repeats and realleges each and every allegation contained in Paragraphs numbered 1 through and including 63 of this Complaint as if fully set forth herein.

65. Defendants have benefitted from their actions through their course of conduct toward Plaintiff.

66. This enrichment was at Plaintiff's expense as Plaintiff's offer to purchase the Property should have been accepted by the seller.

67. It would be inequitable and unjust for Defendants to retain the benefits conferred without payment therefore because such benefits provided substantial value to them that has not been paid for.

68. Plaintiff has suffered damages in an amount to be determined at trial but believed to well exceed the jurisdictional requirement of this Court.

Fifth Cause of Action

(Violations of New York General Business Law § 349 Claim)
*As Against Defendants Valerie Sebbag a/k/a Valerie Zilberman,
Schnur Zilberman, 555 Properties LLC, Interboro Properties
LLC, and Tomer Capital LLC*

69. Plaintiff repeats and realleges each and every allegation contained in Paragraphs numbered 1 through and including 68 of this Complaint as if fully set forth herein.

70. Defendants and/or their agents have engaged in an act or practice that was materially deceptive toward Plaintiff as Defendants and/or their agents have undertaken a course of conduct to unlawfully profit from Plaintiff's attempt to purchase the Property.

71. Upon information and belief, Defendants' and/or their agents' actions toward Plaintiff are part of a pattern and practice oriented to individuals and entities purchasing real estate in Kings County, New York.

72. Upon information and belief, Defendants and/or their agents has been engaged in similar conduct with respect to property purchases in Kings County, New York.

73. Plaintiff has suffered damages in an amount to be determined at trial but believed to well exceed the jurisdictional requirement of this Court.

WHEREFORE, Plaintiff Educational Institute Oholei Torah of Brooklyn, Inc. demands judgment against Defendants Valerie Sebbag a/k/a Valerie Zilberman, Schnur Zilberman, 555 Properties LLC, Interboro Properties LLC, and Tomer Capital LLC, as follows:

- a. On the First Cause of Action for Breach of Contract, awarding damages against Defendants Valerie Sebbag a/k/a Valerie Zilberman and 555 Properties LLC in an amount to be determined at trial plus interest from the date of and upon the amount of the defendants' breach of contract;

- b. On the Second Cause of Action for Breach of Fiduciary Duty, awarding damages against Defendants Valerie Sebbag a/k/a Valerie Zilberman and 555 Properties LLC in an amount to be determined at trial plus interest from the date of and upon the amount of the defendants' breach of fiduciary duty;
- c. On the Third Cause of Action for Breach of Covenant of Good Faith and Fair Dealing, awarding damages against Defendants Valerie Sebbag a/k/a Valerie Zilberman and 555 Properties LLC in an amount to be determined at trial plus interest from the date of and upon the amount of the defendants' breach of the covenant of good faith and fair dealing;
- d. On the Fourth Cause of Action for Unjust Enrichment, awarding damages against Defendants Valerie Sebbag a/k/a Valerie Zilberman, Schneur Zilberman, 555 Properties LLC, Interboro Properties LLC, and Tomer Capital LLC in an amount to be determined at trial plus interest from the date of and upon the amount of damages caused by Defendants;
- e. On the Fifth Cause of Action for Violations of New York General Business Law § 349, awarding damages against Defendants Valerie Sebbag a/k/a Valerie Zilberman, Schneur Zilberman, 555 Properties LLC, Interboro Properties LLC, and Tomer Capital LLC in an amount to be determined at trial plus interest from the date of and upon the amount of damages caused by Defendants;
- f. Awarding Plaintiff its reasonable attorneys' fees, costs, and disbursements incurred in prosecuting this action; and

g. Such other and further relief as the Court may deem just and proper.

Dated: New York, New York
November 22, 2024

OFFIT KURMAN, P.A.

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