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THE COURT: All right. This is one of the most unusual cases I've had in my 22 years on the bench. I've never heard so much fiction under oath. It's really unbelievable. I don't know even know where to start.

I don't want to leave Mr. Attisha out because at one point he tried to impeach the minutes by saying that comments made attributed to Mr. Arabo were probably really from him. And then you look at the rest of the dialogue, they're clearly Mr. Arabo's. They were not Mr. Attisha's. The only reason he's not a defendant in this case is that the plaintiffs tried to add him at -- too late in my mind. I wouldn't allow it because it was going to make the case another year or two old. I don't know where that would have gone with him, but I have my doubts as to his credibility.

Mr. Shaba, I don't know what to say about him. He -- in some regards he's sort of a loose cannon in this thing.

Mr. Shammam calling his own -- calling the bishop a liar and a perjurer? That's amazing. That's what he did in so many words.

I think the position that the A&B is not a member in good standing, that's because they were forced to not be a member in good standing. Both Mr. Kassab and Ms. Virabouth and maybe some others -- I don't

1 remember right offhand -- said that people weren't
2 kicked out of the organization if they didn't pay by
3 January 1st. As a matter of fact, billing statements
4 were sent out months later for dues. So this concept
5 that he hadn't paid his dues on time, that makes no
6 sense at all, especially for a voluntary association.
7 Why would you kick somebody out or call them in -- not
8 in good standing when all they had to do was cash the
9 check that had been presented? The reason was
10 pretextual in my mind to not give out any more
11 information than necessary in face of an election.

12 The -- I don't even know where to go with the
13 witnesses. We had -- well, let me start with Mike
14 Habib. I don't believe anything he said. He came in
15 here under oath and said everything in his letter was
16 true. And Toni Donnet, who has -- who is not only a
17 licensed real estate broker but an officer of the court
18 as an attorney refuted every bit of it. I believe her.
19 I don't believe him.

20 Why he was doing it? I don't know other than
21 future business or something like that. Connection with
22 Mr. Attisha who claims to be a quite wealthy gentleman.
23 But I don't -- I don't believe Mr. Habib, especially
24 since declarations were being prepared and he
25 participated in the creation of them and then tried to
26 disavow them all together even his own reworks of them.
27 That doesn't make any sense to me.

28 So the letter clearly in my mind was the

1 driving force for the \$210,000 bonus or commission or
2 whatever you want to call it. And it was a false
3 representation to the board. They were not properly
4 informed as to what happened.

5 And I think -- Mr. Arabo, I think you knew
6 that at the time. I think you participated in that and
7 I think you took that money knowing -- maybe you weren't
8 in the room when the board decided to give you \$210,000,
9 but you knew what was happening and you know the basis
10 that they were being sold that. Mr. Attisha was pushing
11 it for you. He was in the room; maybe you weren't.

12 Your testimony, Mr. Arabo, is also incredible.
13 To sit here on this stand and tell me you can't tell if
14 that's your own handwriting when even I could tell by
15 looking at the -- the birthday card and then the copy of
16 the driver's license. They're identical. And then when
17 faced with a concept that they're taking your
18 handwriting exemplars and they're going to give them to
19 an expert, then all of a sudden you go home and you look
20 at it further and come to a realization that probably is
21 your handwriting. You could tell right here. And to
22 try to say that you can't recognize your own handwriting
23 is very difficult for me to believe. And I don't
24 believe.

25 The \$210,000, the board was misled. There's
26 no question in my mind that they were told of all the
27 fabulous things that you did in the sale of the property
28 supposedly, which were not true, and that was a

1 motivating factor because they probably attributed
2 somewhat of the increased -- or they perhaps attributed
3 all of the increase in the price to your efforts. Had
4 they known the true facts, it might have been a totally
5 different thing, especially in view of the fact that at
6 the time the NMA was losing lots of money.

7 So the board didn't have a chance to act as
8 true fiduciaries because they didn't have all the true
9 information. So it's not a matter of the business
10 judgment rule. That would require that they be fully
11 informed, fairly informed, honestly informed, and I
12 don't think they were. So I think that \$210,000 ought
13 to come back to the association.

14 The \$38,000, that makes no sense to me. As
15 Mr. Attisha said, if it wasn't out of your own pocket
16 and you were using the NMA credit card, you shouldn't
17 have gotten the \$38,000 check. He called it
18 double-dipping if I remember his testimony correctly.
19 So I think the \$38,000 ought to come back to the
20 association.

21 Now, whether Mr. Oram should be responsible
22 for that -- for those things or not, I'm not clear. He
23 didn't get the benefit of either of those. And to the
24 extent that he was misled like other people by what was
25 being told to the board, I'm not clear about that
26 either. I don't know how -- I mean, clearly people were
27 being misled by information that was not true.

28 As to the excessive -- well, the personal

1 expense account was -- was a manufactured idea I think
2 originally brought to the board by Mr. Arabo. Or was it
3 Mr. Attisha? One of them said they heard from Congress
4 how to do this.

5 MR. COUGHLIN: Your Honor, that's the exhibit
6 we objected to vehemently because that was October of
7 2011. The personal expense account was instituted in
8 July of 2010.

9 THE COURT: Okay.

10 MR. LIMANDRI: But how to apply it is the
11 question, and that was --

12 THE COURT: well, in any event, it doesn't
13 matter --

14 MR. LIMANDRI: Okay.

15 THE COURT: -- where they got -- who got --
16 brought them the idea. It was clearly a tax-dodge
17 arrangement admittedly to save the association having to
18 pay employment taxes on w-2 type compensation,
19 theoretically. well, you can't do that.

20 The -- the expense reimbursement paragraph in
21 the employment agreement is talking about a standard
22 business practice of trying to have business-related
23 expenses approved prior to them being incurred. If they
24 exceed, in this case, a thousand dollars, there's a
25 similar kind of clause you see many places all the time
26 with not just nonprofits but for-profit corporations.
27 That's -- that's not that unusual, and I agree with
28 Mr. Ravin, I think, who said that it's honored in the

1 breach many times more than not because as things get
2 active and -- and things have to be spent, sometimes
3 they don't get -- they're not getting preauthorization
4 and it gets cleared up later on hopefully, and that's
5 probably true in a lot -- especially in nonprofits with
6 volunteer people involved in it.

7 Now, as to the -- as to the excessive
8 compensation, I'm -- I'm not sure that I -- it -- it may
9 exist, but to the extent Mr. Meacock's characterized it,
10 I don't know what that's based on exactly. I mean, he
11 said it was a reasonable estimate and the other side
12 says it's an arbitrary determination. I don't know from
13 this analysis as it was presented in court that we
14 can -- that I can make a determination as to how much
15 excessive compensation, if any, was obtained by
16 Mr. Arabo. I'm not satisfied with that, the extent of
17 that evidence. And it would require probably a much
18 more detailed evaluation than perhaps the value of this
19 case might be if it really is a failing organization.

20 So I think -- well, back -- back to Mr. Oram.
21 He didn't get the benefit of the \$248,000. Now, maybe
22 he wasn't watching what he should have been watching or
23 maybe he was misled like all the others, but I don't
24 think he should be responsible for that necessarily. He
25 could have been a victim for all I know.

26 The excess compensation, I don't -- I don't
27 know how to award any number on that because I don't --
28 maybe it's a guess by Mr. Meacock. Maybe -- I mean,

1 he's probably right in the extent he said office
2 expenses in an organization like this are excessive. On
3 the other hand, there were some sort of explanations as
4 to why food was available and that sort of thing. I
5 don't know. I just don't know.

6 I do know this. This organization should not
7 be run by the people who are running it now in terms of
8 administering it. And to have a full and free election,
9 reelection is probably an appropriate thing to do with
10 the current voting list available to the candidates with
11 appropriate conditions on them such that this membership
12 list would not be disbursed publicly otherwise and be
13 used only to make sure that those who are up for
14 election or wish to be candidates can contact the
15 members to solicit their votes, which is not an
16 inappropriate use of a list, but there needs to be
17 protections to protect the list. I'll leave that to you
18 all to figure out how to do that.

19 I do think there should be an election, a full
20 and fair election, with an inspector. And as
21 Mr. LiMandri says, that's not a very expensive
22 undertaking for the inspector.

23 Now, as to the receiver, I don't -- I don't
24 know what other thing can be done in the interim because
25 I'm not confident of the current administration with
26 Refined Management and the way -- and the way things
27 have been done in the past and keeping the board
28 uninformed rather than fully informed. So something

1 needs to be done. If there's something less expensive
2 than a receiver, I'd like to hear about it, but I don't
3 know what that is at this stage.

4 Mr. LiMandri mentions Mr. Kipperman. He's
5 well known in this community. He's a bankruptcy
6 trustee, he's a receiver, he's run many businesses, and
7 he would be a fine candidate as far as I'm concerned.

8 MR. MARR: Your Honor, I personally know
9 Mr. Kipperman from 25 years of practice because I'm in
10 bankruptcy. If -- if the Court wanted to somehow
11 utilize him, I think he would be a fine and fair choice.
12 He's an honest and reputable man.

13 THE COURT: He is.

14 MR. MARR: And perhaps Mr. LiMandri and I and
15 the other parties could discuss --

16 THE COURT: That's fine.

17 MR. MARR: -- some type of proposal or what
18 his duties or limitations would be.

19 THE COURT: That's fine.

20 MR. LIMANDRI: That's fine with us,
21 Your Honor.

22 THE COURT: Okay. He's a good choice.

23 AS I said, this is an amazing credibility case
24 as far as I'm concerned, and I haven't gone into all of
25 the witnesses and all -- all the problems with what
26 they're saying, but I hope I covered most of it.

27 So the -- it would be a cash or a monetary
28 award to the association of the 248 from Mr. Arabo, not

1 from Mr. Oram, and that's about as far as I'd go on
2 monetary matters; a new and fair election using the list
3 with protections and the assistance of Mr. Kipperman in
4 some capacity between here and the election because I
5 think the current administration is not properly
6 treating the association or the members or even the
7 board as it stands now --

8 MR. MARR: Your Honor, when would you view the
9 new election to be relative to the calendar?

10 THE COURT: I don't know how long it would
11 take -- Mr. LiMandri mentioned three months, but I don't
12 know if -- is that practical or is that too long or is
13 that too short?

14 MR. LAHIRI: I think one of the issues,
15 Your Honor, is -- and I apologize, I'm not a 100 percent
16 familiar with the election rules and the bylaws. I
17 believe it takes -- the election process takes three
18 months. I don't know how long of a lead time it would
19 be required to get the independent election inspector
20 selected and procedures in place. If that's something
21 that you want the parties to work out --

22 THE COURT: I'd appreciate it if the parties
23 would get together and work something out.

24 MR. LIMANDRI: We looked at that previously,
25 and it was -- I think we're talking between 90 and
26 120 days.

27 THE COURT: All right. I'll leave it to you
28 all to select a date that you think works for everybody.

1 MR. LAHIRI: And, Your Honor, just then with
2 respect to the A&B's membership and then the request for
3 the financial records?

4 THE COURT: I -- well, A&B did everything they
5 possibly could do to be a member in good standing, and I
6 think they should be -- they can pay their dues or past
7 dues and should be a member in good standing and have
8 access to the financial records and, as candidates, the
9 membership list if that's -- if A&B is going to have a
10 candidate. Fair enough?

11 MR. LIMANDRI: Yes, Your Honor.

12 THE COURT: Any other questions?

13 MR. LIMANDRI: No, Your Honor. We bought the
14 transcript.

15 THE COURT: Okay.

16 MR. LIMANDRI: Thank you.

17 THE COURT: And you'll prepare a statement of
18 decision, please?

19 MR. LIMANDRI: Yes, Your Honor.

20 THE COURT: And any other required
21 documentation?

22 MR. LIMANDRI: Yes, Your Honor.

23 THE COURT: All right. Thank you.

24 (Proceedings adjourned at 3:58 p.m.)

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