This memorandum is uncorrected and subject to revision before publication in the New York Reports. No. 237 SSM 45 Kayla James, &c., et al., Appellants, v. Loran Realty V Corp., Defendant, Frank Palazzolo, et al., Respondents.

Submitted by Brian J. Shoot, for appellants. Submitted by Lawrence M. Gottlieb, for respondent Palazzolo.

MEMORANDUM:

The order of the Appellate Division should be affirmed, with costs, and the certified question answered in the affirmative.

Plaintiffs, as the party seeking to pierce the

corporate veil, had the burden to show that the individual defendants "abused the privilege of doing business in the corporate form to perpetrate a wrong or injustice against" them (<u>Matter of Morris v New York State Dept. of Taxation & Fin.</u>, 82 NY2d 135, 141 [1993]). Plaintiffs did not meet this burden, inasmuch as they failed to produce evidence that the individual defendants took steps to render the corporate defendant insolvent in order to avoid plaintiffs' claim for damages or otherwise defraud plaintiffs.

- 2 -

* * * * * * * * * * * * * * * *

On review of submissions pursuant to section 500.11 of the Rules, order affirmed, with costs, and the certified question answered in the affirmative, in a memorandum. Chief Judge Lippman and Judges Ciparick, Graffeo, Read, Smith and Pigott concur.

Decided November 29, 2012