

**Matter of United Grand Ch. Order of E. Star State of  
N.Y., Inc.**

2024 NY Slip Op 34641(U)

November 25, 2024

Supreme Court, Kings County

Docket Number: Index No. 512440/2024

Judge: Aaron D. Maslow

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This opinion is uncorrected and not selected for official publication.

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

In the Matter of the Application of UNITED GRAND  
CHAPTER ORDER OF EASTERN STAR STATE OF  
NEW YORK, INC. For Approval to Sell Real Property  
Pursuant to Sections 510 and 511 of the New York  
State Not-for-Profit Corporation Law

KINGS COUNTY CLERK  
FILED

2024 NOV 29 A 10:42

Index No.: 512440/2024

Motion No. 1

**DECISION AND ORDER  
(AMENDED)**

**Calendar Date: 9/20/24**

**Calendar Number: 36**

The following numbered papers were used on the motion: NYSCEF Document numbers 20, 21, 30-108.

Upon the foregoing papers, having heard oral argument on September 20, 2024, due deliberation having been had, and a decision having been rendered on the record in open court,

IT IS HEREBY ORDERED AS FOLLOWS:

The petition of petitioner is denied. The application is dismissed. The decision of the Court delivered on the record is as follows:

In the matter of in the application of United States Grand Chapter Order of Eastern Star State of New York, Inc., for approval to sell Real Property Pursuant to Sections 510 and 511-a of the New York Not-For-Profit Corporation Law.

The purpose for the Statute at issue is to protect charitable assets and to make sure that they are not improperly dissipated, especially since these assets have not undergone taxation and, therefore, it is in the public interest to ensure that any use of the assets takes place properly. This Court holds that the interest of the community are not to be factored into the equation here. The Court must look at the status of these assets and to make sure that they are dealt with honestly in terms of how the assets get transferred. Because these assets are intertwined with property and there's an attempt to sell the property, the Court needs to focus on the adequacy of the consideration that the Petitioner is alleging is going to be received. Based on the assessments that have been provided to the Court in terms of market value, this Court finds that there's an insufficient amount of consideration being offered for the property. And the Court finds that in making that determination there are serious concerns about this entire transaction, to wit the failure on the part of the organization to adequately monitor the persons who were dealing with the finances or had access to it and to absconded with a portion of them. It is also concerning to this Court that based on the record that it took a great deal of time for the Petitioner to provide the adequate information necessary for the Attorney General to assess the situation. The Court is

also concerned with the fact that the last 990 informational return was filed in 2014 and the IRS subsequently revoked the status in 2017. The Court is also concerned with the potential conflict of interest between the Petitioner and the purchaser considering that the same attorney represents both. This all goes towards -- these concerns go towards the issue of the credibility of the case being made by the Petitioner that it is receiving adequate consideration. So ultimately these concerns motivate the Court to say it should be denied. Those concerns go towards the credibility of the evidence submitted that purport to claim that adequate consideration is being received. The Court finds that the objective evidence submitted in opposition to the request is more probative in credibility and, therefore, denies this application for insufficient consideration for sale of the subject property. Moreover, another concern was the fact that the building was demolished. I'm going to use the words "in cahoots with the purchaser." This also goes towards the credibility of all -- of this whole transaction with this particular purchaser. The Court understands that in rejecting this application there's a potential that less money may be received if this goes towards another auction.

However, considering real estate values in this County, including the location where this property is at, I think any concern about receiving less money at another auction has to be subordinated to the fact that what is being obtained now is not sufficient consideration based on what the Court has related. Therefore, the application is denied.

ENTER:

11/25/24 

Hon. Aaron D. Maslow  
Justice of the Supreme Court

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