

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

PRESENT: Hon. Deborah A. Kaplan, Administrative Judge
Administrative Order

In the Matter of the Application of

**LA HERMOSA CHURCH a/k/a LA HERMOSA
CHRISTIAN CHURCH a/k/a LA HERMOSA CHRISTIAN
CHURCH (DISCIPLES OF CHRIST), INC.,**

Petitioner,

INDEX NO. 158480/2018

**For Approval to Obtain a Mortgage on its Real
Property Located at 3-5 West 110th Street, New York,
New York, 10026, Block 1594, Lot 41, in the County of
New York, pursuant to Sections 501 and 511 of the
Not-for-Profit Corporation Law and Section 12 of the
Religious Corporation Law.**

Administrative Order:

By letter dated September 20, 2018, Counsel for petitioner La Hermosa Church requests that this special proceeding be assigned to the Commercial Division pursuant to Commercial Division Rule 202.70 (e). As there are no respondent parties to this proceeding, there has been no response to petitioner's letter request.

This is a special proceeding brought pursuant to Sections 510 and 511 of the Not-for-Profit Corporation Law and Section 12 of the Religious Corporation Law to obtain the Court's approval for petitioner to place a mortgage on petitioner's real property. Petitioner alleges that it has negotiated a very favorable proposed loan of \$7.2 million from a not-for-profit lender that serves as the financing arm of the Christian Church (Disciples of Christ).

Commercial Division Rule 202.70 (b) provides that actions in which the principal claims involve "commercial real property" ([b] [3]) or "business transactions involving or arising out of dealings with commercial banks and other financial institutions" ([b] [6]) may be heard in the Commercial

Division, provided the \$500,000 monetary threshold for New York County is met or equitable or declaratory relief is sought.

Petitioner argues that this proceeding should be transferred to the Commercial Division because it involves both commercial property and business transactions. I disagree. A special proceeding, such as this, which seeks approval of a proposed loan on property does not involve a business dispute between parties within the meaning of either Commercial Division Rule 202.70 (b) (3) or (b) (6). As such, the proceeding does not meet the standards for assignment to the Commercial Division (see Uniform Rule 202.70 [b] [1]).

For the foregoing reasons, petitioner's request for assignment to the Commercial Division is denied.

Hon. Deborah A. Kaplan
Administrative Judge
Supreme Court, New York County
Civil Branch

Dated: October 3, 2018

ENTER: Deborah A. Kaplan, A.J.

Check one: ☐ FINAL DISPOSITION

☒ NON-FINAL DISPOSITION