

Goodale v Central Suffolk Hosp.

2014 NY Slip Op 33508(U)

April 4, 2014

Supreme Court, Suffolk County

Docket Number: 4030-13

Judge: Denise F. Molia

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PUBLISH

Index No.: 4030-13

**SUPREME COURT - STATE OF NEW YORK
I.A.S. Part 39 - SUFFOLK COUNTY**

PRESENT:

Hon. **DENISE F. MOLIA**,
Justice

JESSE R. GOODALE, III, and DONNA R.
GOODALE a/k/a DHONNA R. GOODALE,

Plaintiffs,

- against -

CENTRAL SUFFOLK HOSPITAL d/b/a PECONIC
BAY MEDICAL CENTER, and CENTRAL
SUFFOLK HOSPITAL FOUNDATION d/b/a
PECONIC BAY MEDICAL CENTER
FOUNDATION,

Defendants.

CASE DISPOSED: NO
MOTION R/D: 5/10/13
SUBMISSION DATE: 10/18/13
MOTION SEQUENCE No.: 001 MOT D

ATTORNEY FOR PLAINTIFF

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ATTORNEYS FOR DEFENDANT

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Upon the following papers filed and considered relative to this matter:

Notice of Motion dated April 18, 2013; Affirmation dated April 18, 2013; Exhibit 1 annexed thereto; Affidavit dated April 18, 2013; Exhibits A through C annexed thereto; Affirmation in Opposition dated May 9, 2013; Affidavit in Opposition dated May 10, 2013; Exhibits A through O annexed thereto; Reply Affidavit dated June 12, 2013; Exhibits D through F annexed thereto; Defendants' Memorandum of Law; Plaintiffs' Memorandum of Law; Defendants' Reply Memorandum of Law; and upon due deliberation; it is

ORDERED, that the motion by defendants, pursuant to CPLR 3211(a)(1) and (7), for an Order dismissing the Complaint, is denied with leave to renew upon the completion of disclosure.

The Complaint is based on the solicitation for a charitable donation and alleged oral promise by Andrew Mitchell, a representative of Peconic Bay Medical Center Foundation ("Foundation"), to give the plaintiffs "unconditional naming rights" to the "expanded Emergency

Center” of the Peconic Bay Medical Center (“PBMC”) in consideration of a pledge of funds to the hospital. The plaintiffs allege that a sign with the designated name as selected by them would be affixed to the exterior of the hospital in recognition of their donation. The plaintiffs maintain that PBMC breached its promise by naming the hospital’s new emergency center as the “Goodale Emergency Department” rather than the “Dhonna and Jesse Goodale Emergency Center” as allegedly proposed by the plaintiffs. Based on this alleged promise and its breach, the plaintiffs have asserted causes of action sounding in rescission of pledge agreement and refund of the pledge, breach of contract, and fraud in the inducement.

In opposition to the motion, the defendants allege that the claims of the Complaint contradict the plain and unambiguous terms of the pledge agreement signed by Jesse R. Goodale, which expressly provided as follows:

“This is an unrestricted pledge, and it may be used for any corporate purpose within the mission of (PBMC), as determined by the Board of Trustees of (PBMC).”

The defendant hospital (PBMC) is a non-profit corporation located in Riverhead, New York. The Foundation was formed for the purpose of fundraising and capital development for and on behalf of the hospital. On or about May 12, 2008, Jesse Goodale made a one million dollar pledge to the Foundation’s “Campaign to Build Tomorrow’s Medical Center . . . Today!” (“First Pledge”). There is no reference to the subject of naming rights in this initial pledge agreement.

When Goodale failed to comply with the payment terms of the First Pledge, he then signed a revised pledge on December 1, 2008 (“Second Pledge”), extending his payment schedule and increasing the amount of the pledge to one million one hundred fifty thousand dollars. When the payment terms of the Second Pledge were not met, Goodale executed a third agreement on or about June 24, 2010 (“Pledge Agreement”). Said agreement, by its terms, “replaced and superceded” the First and Second Pledges, and also includes the following language as set forth in the First Pledge; to wit:

“This is an unrestricted pledge, and it may be used for any corporate purpose within the mission of (PBMC), as determined by the Board of Trustees of (PBMC).”

Goodale satisfied the entire pledge on October 17, 2011 and the funds were accepted by the Foundation on November 4, 2011. All of the pledge agreements were executed solely by Jesse Goodale, with no signature or acknowledgment of anyone on behalf of the Hospital or Foundation.

-In opposition to the motion, Jesse R. Goodale, III, notes that during the last twenty years

he has served as a member, as well as Chairman, of the Hospital's Board of Directors. In that capacity, the plaintiff was familiar with the Hospital's expansion campaign, begun in 2006 and managed by the defendant, Peconic Bay Medical Center Foundation.

Goodale alleges that he and his wife were initially solicited to make a donation to the campaign by Hospital President and CEO, Andrew Mitchell, at a hospital event in February, 2008. The plaintiff maintains that Mitchell, in front of witnesses, and referring to a proposed Emergency Center that would be constructed with the Goodale donation, stated: "for a million dollars, you can name it whatever you want." From that time forward, the plaintiff contends that it was his understanding that he would have naming rights to the facility upon completion of his obligations under a pledge agreement.

Plaintiff has submitted copies of correspondence between the parties in which he referred to his entitlement to naming rights. No correspondence disputing the plaintiff's apparent understanding have been produced. In further support of his belief that he would be afforded naming rights, Goodale refers to the Hospital's Gift Crediting and Recognition Policies at paragraph 5, which provides:

"5. Commemorative Opportunities: Naming Opportunities will be available for gifts of \$25,000.00 and above. The Campaign Executive Committee and the PBMC Foundation Board of Directors will approve all named commemorative gifts."

The plaintiff further contends that it was the understanding of all parties that he and his wife would maintain naming rights of the ER, and has submitted a copy of a letter to his attorney John L. Ciarelli, Esq., dated September 5, 2012, from the Hospital's attorney, Garfinkel Wild, P.C., stating in pertinent part:

"Now that the holiday is over I have had an opportunity to speak to representatives of Peconic Bay Medical Center regarding the Goodale gift.

The Hospital (through the Foundation and for itself) have agreed as follows:

1. The ER can be named the "Jesse and Dhonna Goodale Emergency Center" and there will be a sign conforming to Hospital standards installed on the exterior of the ER. There will be no internal plaque. . .

We believe the above is not only consistent with Hospital

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policies, but also consistent with discussions with your clients.”

By letter to Goodale dated November 4, 2011, Mitchell acknowledged that the campaign pledge had been met in full. At or about that time, the plaintiff states that he took a three month leave of absence from the Board for health reasons, and that upon his return, he learned that the Hospital, without consulting him, had designed a sign for the outside of the Emergency Department, reading “Jesse and Mary Goodale Emergency Department.” Although plaintiffs advised the Hospital of their objections to the name selected, the Board declined to accede to plaintiffs’ naming request. Thereafter, the plaintiffs commenced the instant action.

The defendants have now moved for dismissal of the Complaint. “In determining a motion to dismiss a cause of action pursuant to CPLR 3211(a)(7) . . . the pleading is afforded a liberal construction, the facts alleged are accepted as true, and the proponent of the pleading is accorded the benefit of every favorable inference.” J&D Evans Const. Corp. v. Iannuci, 84 A.D.3d 1171, 923 N.Y.S.2d 864, 865. A motion to dismiss pursuant to CPLR 3211(a)(1) may only be granted “where the documentary evidence utterly refutes Plaintiff’s factual allegations conclusively establishing a defense as a matter of law.” Goshen v. Mutual Life Ins. Co. of New York, 98 N.Y.2d 314, 326, 746 N.Y.S.2d 858, 774 N.E.2d 1190.

At this point in the proceedings, no depositions of parties or other witnesses to the events set forth in the litigation have been held. Although the pledge agreements do not specifically refer to the issue of naming rights, there are enough allegations of actions and representations by the defendants to warrant discovery. The plaintiffs have set forth sufficient causes of action that should not be dismissed until all necessary disclosure has taken place.

It is undisputed that the defendants publicized the pledge of the plaintiffs in an attempt to attract additional donors, and that such publicity did result in donations from other persons. It would not be unreasonable for the solicitor of a large charitable donation to offer an incentive or appropriate public acknowledgment to the donor of a generous contribution. The fact that Goodale was also a long serving member of the Hospital’s Board adds credence to his claim that the Hospital might have offered him the prestige of naming a hospital wing or building.

Under the circumstances presented, the defendants have not made a sufficient showing that they are entitled to a dismissal of the Complaint at this juncture.

The foregoing constitutes the Order of this Court.

Dated: April 4, 2014


HON. DENISE F. MOLIA A.J.S.C.