

**Matter of Young Israel of Eltingville, Inc. v Oorah,  
Inc.**

2017 NY Slip Op 31755(U)

June 30, 2017

Supreme Court, Richmond County

Docket Number: 85034/15

Judge: Charles M. Troia

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NYSCEF DOC. NO. 37

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**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF RICHMOND**

\_\_\_\_\_ X  
**In the Matter of the Arbitration between**

**YOUNG ISRAEL OF ELTINGVILLE, INC.**

**Petitioner,**

**DCM PART 1**

**Present:**

**HON. CHARLES M.  
TROIA**

**V.**

**OORAH, INC., CONGREGATION OORAH, INC. AND  
JOY FOR OUR YOUTH, INC, D/B/A  
KARS4KIDS.**

**DECISION AND ORDER**

**Respondents.**

**Index No. 85034/15**

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**In the Matter of the Arbitration of Certain  
Controversies between**

**OORAH, INC., CONGREGATION OORAH INC., AND  
JOY FOR OUR YOUTH, INC. D/B/A KARS4KIDS**

**Index No. 85019/16**

**Petitioners,**

**Dated: June 30, 2017**

**V.**

**YOUNG ISRAEL OF ELTINGVILLE, INC.**

**Respondents**

\_\_\_\_\_ X

The following papers numbered 1 to 15 were fully submitted on the 24th<sup>th</sup> day of March, 2017.

	Papers Numbered <u>(85034/15)</u>
Petition to Vacate Arbitration Award (dated June 8, 2015).....	1
Notice of Cross-Motion to Dismiss (dated September 26, 2015).....	2
Notice of Cross Motion to Amend (dated November 27, 2015).....	3
Reply Affirmation by Respondents (dated September 14, 2016).....	4
Notice of Motion for Discovery (dated October 13, 2016).....	5
Affirmation in Opposition to Discovery Motion (dated November 1, 2016).....	6
Reply Affirmation in Support of Discovery Motion (dated November 2, 2016).....	7
Memorandum of Law by Petitioner (dated November 14, 2016).....	8
Memorandum of Law by Respondents (dated November 14, 2016).....	9
Notice of Motion to Confirm Referee Report (dated December 19, 2016).....	10
Notice of Cross Motion to Reject Referee Report ( dated March 1, 2017).....	11
Affirmation in Opposition to Cross Motion (dated March 9, 2017).....	12
Reply Affirmation of Respondents ( dated March 22, 2017).....	13
	<u>(85019/2016)</u>
Petition to Confirm Arbitrator's Award ( dated March 22,2016).....	14
Affirmation in Opposition ( dated June 15, 2016).....	15

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In the interest of judicial economy, the above two petitions, one to vacate an arbitrator's decision and one to confirm an arbitrator's decision and the accompanying motions are consolidated solely for the purpose of this decision.

Upon the foregoing papers, the report of Special Referee Peter Geis is confirmed, the petition of Young Israel of Eltingville Inc. vacating the arbitration award is granted and the petition of Oorah, Inc., Congregation Oorah, Inc. and Joy for Our Youth, Inc. d/b/a Kars4Kids to confirm an arbitration award is denied.

Young Israel of Eltingville Inc., originally petitioned to vacate an arbitrator's decision involving OORAH, Inc., Congregation OORAH Inc., and Joy for Our Youth Inc., d/b/a Kars4Kids (hereinafter collectively referred to as " OORAH"). Oorah separately petitioned to confirm the same arbitrator's decision. All parties are not for profit religious corporations.

Briefly, in 2007 Young Israel by way of Sidney Stadler, entered into an agreement with OORAH that provided for OORAH to pay off the mortgages on real property owned by Young Israel. In return Young Israel was to sign over title to the real property. In this agreement OORAH also agreed to assume the financial responsibility and maintenance of the property. OORAH was permitted to operate a school out of the building. The Congregation of Young Israel was permitted to use space for religious services. The parties did not seek approval of either the New York State Attorney General or the Supreme Court for transfer of the property. In fact, this agreement states that it is to remain confidential between the parties themselves. 3The property was never transferred.

According to the papers, a dispute arose between the parties regarding the use

of the real property for the congregation's services. An agreement to submit to a religious arbitration panel was purportedly entered into by the parties. Sidney Stadler signed the agreement on behalf of Young Israel. This agreement provided for specific arbitrators to hear the dispute. Thereafter and before the arbitration numerous congregants wrote to the arbitration panel and objected to the proceeding. Specifically, the congregants objected to one of the arbitrators in that he was the father of a director at OORAH.

The arbitration panel issued a monetary award in favor of OORAH for one million dollars to be paid by Young Israel. The arbitration panel held that all other issues including the leasing of the real property and the use and occupancy of the property would be decided at a later date. It is not clear what other issues the panel was going to consider.

Essentially, Young Israel has argued that Sidney Stadler was not the duly elected president of Young Israel and did not have the authority to enter into the original agreement or the arbitration agreement. It further argues that even if he was president, he still did not have authority to enter into such agreements under the by-laws and constitution of Young Israel. OORAH argues that Sidney Stadler had held himself out for years as the president, represented to the Court in prior years that he was president in applications for the approval of mortgages, that the members of Young Israel were aware of Mr. Stadler's action and at the very least acquiesced to his representation of being president and had the apparent authority to act on behalf of Young Israel.

Initially OORAH objected to and moved to dismiss Young Israel's petition

based on the fact that it was brought by one individual who alleged to be a member of the congregation. OORAH argued that a member of the congregation could not individually challenge the arbitrator award as he did not have the authority to commence an action on behalf of Young Israel. Thereafter during the course of the numerous conferences held to try and resolve this matter, Oorah consented to withdraw its procedural objections if Young Israel would agree to hold elections to determine who are the officers and the trustees. The elections were held and a president elected. The newly elected president has now appeared in both proceedings. The consent to withdrawal of the procedural objections is confirmed in the reply of OORAH dated September 14, 2016.

This Court ordered a hearing be conducted by a Special Referee to hear and report as to the issue of the authority of Sidney Stadler to enter into the arbitration agreement on behalf of Young Israel. Sidney Stadler was the only witness to testify.

Following the hearing the Special Referee issued a report finding that Sidney Stadler did not have the authority, for numerous reasons , to act on behalf of Young Israel in entering either agreement. The only issue before this Court pertains to the agreement to arbitrate and not the agreement to maintain and transfer the real property. This Court has reviewed the transcript of the hearing and concurs with the finding of the referee that Sidney Stadler did not have the authority on behalf of Young Israel to enter into the arbitration agreement.

OORAH argues that it did not have an opportunity present evidence to demonstrate that Sidney Stadler did have the authority to act. However, OORAH fails to name, in its papers opposing the confirmation of the report, who it would have

called to testify, what they would have testified to or any other evidence which it wished be considered. There is no indication that OORAH requested at the hearing to call any other witnesses or submit any other evidence for consideration by the referee. This Court directed that Sidney Stadler testify in that he was the individual whose authority to act was being called into question. All parties were given an opportunity to examine this witness and did in fact do so.

As found by the referee, if the election of Stadler as president occurred properly in accordance with Young Israel's constitution, it was many years ago and well beyond any one-year term he would have served. Further, as found by the referee, even if Stadler had been properly elected president, under the constitution of Young Israel such an officer would have had to have had the approval of the Board of Directors to enter into the arbitration agreement. There is no indication that he had such approval from the board of directors.

Accordingly, the report of the Special Referee is accepted and confirmed. This Court finds that Sidney Stadler did not have the authority to enter into the arbitration agreement on behalf of Young Israel and a valid agreement to arbitrate was not made. The arbitration award is vacated ( (CPLR 7511 (b)(2) (ii)).

In light of the above, the following petitions and motions are decided as follows:

- 1. the Petition to Vacate the Arbitrator's Award (85034/15) is granted;
- 2. the Petition to Confirm the Arbitrator's Award (85019/160) is denied;
- 3. the Motion to Dismiss (85034/15) is denied;
- 4. the Motion to Amend (85034/15) is granted;
- 5. the Motion for Discovery (85034/15) is denied as moot;

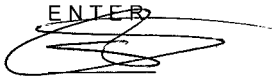
6. the Motion to Confirm the Report of the Referee is granted; and

7. the Motion to Reject the Report of the Referee is denied.

The Court notes that it attempted on numerous occasions to resolve this matter. It is unclear whether any of the parties will continue to litigate this matter. However, should all parties wish to continue in attempts to reach an amicable resolution this Court would be willing to assist. Counsel should contact chambers.

This constitutes the decision and order of the Court.

Dated: June 30, 2017

ENTER  


A.J.S.C.

Hon. Charles M. Troia  
Justice of the Supreme Court