

**CR Myrtle Props., LLC v Iglesia Pentecostal Unida
Hispana De Brooklyn, Inc.**

2026 NY Slip Op 31915(U)

April 30, 2026

Supreme Court, Kings County

Docket Number: Index No. 544566/2025

Judge: Reginald A. Boddie

Cases posted with a "30000" identifier, i.e., 2013 NY Slip Op 30001(U), are republished from various New York State and local government sources, including the New York State Unified Court System's eCourts Service.

This opinion is uncorrected and not selected for official publication.

At an IAS Commercial Part 12 of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, located at 360 Adams Street, Borough of Brooklyn, City and State of New York on the 30th day of April 2026.

P R E S E N T:
Honorable Reginald A. Boddie
Justice, Supreme Court

-----X
CR MYRTLE PROPERTIES, LLC, and
LANDLORD PLUS, INC.,

Petitioners,

Index No. 544566/2025

-against-

Cal. No. 11-12 MS 1-2

IGLESIA PENTECOSTAL UNIDA HISPANA
DE BROOKLYN, INC.,

Decision and Order

Respondent.

-----X
The following e-filed papers read herein:

MS 1
MS 2

NYSCEF Doc Nos.
32-41, 54-63, 68-69, 72, 74
43-53, 64, 70-71, 73, 75

Petitioners' petition for nunc pro tunc approval and respondent's cross-motion to consolidate are decided as follows:

Background

This petition arises out of alleged title defects concerning the properties located at 616 and 618 Myrtle Avenue in Brooklyn following a series of transactions involving respondent religious corporation, which allegedly occurred without required court or Attorney General approval under Not-for-Profit Corporation Law ("N-PCL") § 511 and Religious Corporations Law ("RCL") § 12.

Petitioners seek, in the underlying petition and by order to show cause, nunc pro tunc approval of the corrective deed, mortgage and loan documents, development agreement, and deed in lieu, or alternatively, approval of a confirmatory deed, to clear the alleged cloud on title and permit the redevelopment project to proceed. Petitioners argue that the transactions were entered into in good faith, at arm's length, with respondent's board approval and counsel's opinion that no court or governmental approval was required. Petitioners further contend that CR Myrtle Properties, LLC ("CR Myrtle") relied on those representations, loaned respondent \$2 million to complete the purchase of 616 Myrtle Avenue and avoid forfeiture of a \$200,000 down payment, and invested millions toward redevelopment of a new building that would include a replacement sanctuary for respondent.

Respondent opposes the petition and cross-moves, pursuant to CPLR § 602(a), to consolidate this proceeding with its earlier-filed plenary action, *Iglesia Pentecostal Unida Hispana De Brooklyn, Inc. v. CR Myrtle Properties, LLC et al.*, Index No. 541706/2025. Respondent argues that nunc pro tunc approval should be denied because the transactions were unfair, unreasonable, and void ab initio. Respondent contends that it lost two Brooklyn properties and its house of worship, received none of the promised consideration, including the 2,500-square-foot condominium church unit and \$150,000 payment, and was left worshipping in rented spaces after CR Myrtle demolished the church building, failed to complete construction, and defaulted on its loans.

The New York State Attorney General's Office, Charities Bureau (the "OAG"), also filed an Affirmation of Objections opposing the petition. The OAG asserts that it previously reviewed and denied the proposed transactions in 2020 because the consideration to the Church was speculative, undocumented, unsecured, and inadequate. The OAG further contends that CR Myrtle proceeded without required approval, obtained the Church's real property through a deed

in lieu shortly after the OAG denial, demolished the Church's building, failed to construct the promised replacement sanctuary, defaulted on construction financing, and provided no accounting of the loan proceeds.

In opposition to the cross-motion, petitioners argue that formal consolidation should be denied because this matter is a special proceeding seeking nunc pro tunc approval under RCL § 12 and N-PCL § 511, while the related action is a plenary action seeking to void the same transactions. Petitioners acknowledge that the matters involve overlapping facts but contend that coordination, rather than consolidation, is the proper remedy because both matters are now before this Court and may be managed together to avoid duplication or inconsistent rulings.

Discussion

Pursuant to RCL § 12, “[a] religious corporation shall not sell, mortgage or lease for a term exceeding five years any of its real property without applying for and obtaining leave of the court or the attorney general therefor pursuant to section five hundred eleven of the not-for-profit corporation law.” “A religious corporation may obtain such leave retroactively” (*Matter of E. Midwood Jewish Ctr., Inc.*, 234 AD3d 850, 851 [2d Dept 2025]; see RCL § 12[9]).

The Court “may authorize the sale” if “it shall appear, to the satisfaction of the court, that the consideration and the terms of the transaction are fair and reasonable to the corporation and that the purposes of the corporation or the interests of the members will be promoted” (N-PCL § 511). “When considering whether the terms and conditions of a proposed sale are fair and reasonable to the corporation, the court views the conditions prevailing at the time the contract was made” (*Scher v Yeshivath Makowa Corp.*, 54 AD3d 839, 839 [2d Dept 2008] [citations omitted]).

Here, petitioners fail to establish that the consideration and terms of the subject transactions were fair and reasonable to respondent, or that retroactive approval would promote the interests of

respondent's congregation. The transactions resulted in respondent losing control of the subject properties, respondent's former church building was demolished, the promised replacement sanctuary has not been constructed, and the \$150,000 payment allegedly promised to respondent has not been paid.

Further, although petitioner CR Myrtle obtained more than \$5.4 million in construction financing against the properties, the properties remain undeveloped as a vacant lot, CR Myrtle defaulted on its construction loan and subsequent settlement obligations, and the properties became the subject of multiple foreclosure proceedings. These circumstances demonstrate that respondent exchanged valuable real property for consideration that was speculative, unsecured, and ultimately unrealized. As respondent highlighted to the Court, the absence of a completed sanctuary, payment, construction timeline, performance security, or other meaningful protection for respondent weighs against any finding that the transactions were fair and reasonable when made or that nunc pro tunc approval would presently serve respondent's interests.

The OAG's objections further support denial of the order to show cause and dismissal of the underlying petition. As the OAG affirmed, and as petitioners fail to meaningfully dispute:

"The consideration offered to the Church was speculative, undocumented, and unsecured. The promised replacement sanctuary, a condominium unit to be built by the Developer, existed only on paper, with no drawings, specifications, financing, or binding delivery obligations. The combined development value of the two parcels was \$3.6 million. The Church was being asked to accept, in exchange, the retirement of a made-up \$2,000,000 loan the Developer itself had purportedly extended to the Church but was in fact for its own benefit, \$150,000 in cash, and a hypothetical condominium unit of unknown value. The petition also contained prior transactions that were invalid because they lacked court or OAG approval" (NYSCEF Doc No. 54).

Under these circumstances, petitioners have failed to demonstrate that the consideration and terms of the transactions were fair and reasonable to respondent or that nunc pro tunc approval would presently promote the interests of respondent's congregation.

Conclusion

Based on the foregoing, petitioners' order to show cause is denied, and the instant petition is dismissed. Respondent's cross-motion to consolidate is accordingly denied as moot.

Any arguments not expressly addressed herein was considered and deemed without merit or unnecessary to address given the court's determination.

ENTER:



Honorable Reginald A. Boddie
Justice, Supreme Court

**HON. REGINALD A. BODDIE
J.S.C.**