

Washington v Wilson
2026 NY Slip Op 31939(U)
April 24, 2026
Supreme Court, Kings County
Docket Number: Index No. 527995/2025
Judge: Cenceria P. Edwards
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At an IAS Term, Comm 2 off the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse, at 360 Adams Street, Brooklyn, New York, on the 24th day of April 2026.

PRESENT:

HON. CENCERIA P. EDWARDS, CPA,

Justice.

-----X
CAROLYN WASHINGTON et al,

Plaintiff(s),

-against-

TERRI WILSON et al,

Defendant(s).
-----X

ORDER

Calendar Date: 12/17/2025

Calendar #(s): 21

Index #: 527995/2025

Mot. Seq. #(s): 1, 2

The following e-filed papers read herein:

Notice of Motion/Order to Show Cause/Petition/Cross-Motion and Affidavits (Affirmations) and Exhibits _____

Opposing Affidavits (Affirmations) and Exhibits _____

Reply Affidavits (Affirmations) and Exhibits _____

NYSCEF Doc. Nos.:

3, 7, 8, 12, 15, 19

20-21

Petitioners Carolyn Washington, Rodney Davis, Corey Isaac, Phillis Wilson, Michael Potts, and Robbin DeFreitas (“Petitioners”) commenced this Commercial Division action on August 18, 2025, by filing a verified petition against Respondents Terri Wilson and Nikkia Jackson (“Respondents”) (NYSCEF Doc. # 1). Petitioners seek dissolution of Imani Housing Development Fund Company, Inc. (“the Corporation”) (*id.* ¶ 6).

Petitioners move pursuant to BCL § 1104 for judicial dissolution of the Corporation (*id.* ¶ 1). Petitioners also move pursuant to BCL § 1113 to appoint a receiver to execute the sale and transfer of documents for the purpose of effectuating the sale of the Corporation’s property (*id.*). Finally, Petitioners seek an order discharging the UCC-1 lien filed by Respondents against the Corporation’s property (*id.* ¶¶ 41-42).

Respondents oppose this motion and file a cross-motion to dismiss the petition pursuant to CPLR 3211(a)(2) and (a)(7) on the grounds that this Court has no subject matter jurisdiction and that Petitioners fail to state a cause of action (NYSCEF Doc. # 20). Respondents alternatively

move to stay this action pursuant to CPLR 2201 until the final resolution of a related pending foreclosure action that is before this Court* (*id.*).

BACKGROUND

During the Corporation's formation, it allegedly issued 6,000 common shares between eight original shareholders, each holding 750 shares (each having a 12.5% stake in the Corporation) (NYSCEF Doc. # 1 ¶ 8). Petitioner Washington and Respondent Wilson are the only two living original shareholders, and the remaining five Petitioners and one Respondent each serve as Administrator of the original shareholders' estates and represent one of the six deceased original shareholders in this action (*id.* ¶¶ 9-17). Each Administrator is the beneficial owner of the deceased original shareholders' 750 shares (*id.*). Petitioners allege that on or about June 21, 1985, the Corporation purchased an eight-unit residential building located at 1285 Dean Street, Brooklyn, New York ("the Property") from third parties Naomi Davis and Gwendolyn Wilson (*id.* ¶¶ 21-22; *see also* NYSCEF Doc. # 3). The Property is allegedly the Corporation's sole asset (NYSCEF Doc. # 1 ¶ 22). Both Respondents and three of the Petitioners have since moved out of the State of New York (*see* NYSCEF Doc. # 19). Respondent Teri Wilson currently resides in Concord, North Carolina; Respondent Jackson currently resides in Los Angeles, California; Petitioner Isaac currently resides in Dover, Delaware; Petitioner Phillis Wilson currently resides in Charlotte, North Carolina; and Petitioner Potts currently resides in Plainfield, New Jersey (*see id.*).

Petitioners claim that on or about December 17, 1999, the Corporation took out a mortgage in the amount of \$192,000 from Coastal Capital Corp., which was ultimately assigned to Wells Fargo Bank (NYSCEF Doc. # 1 ¶ 23). Petitioners allegedly defaulted on the mortgage and Wells Fargo commenced a foreclosure action that is currently pending before this Court (*id.* ¶ 24). The Property is allegedly mostly uninhabited and in poor condition (*id.* ¶ 25).

Petitioners have sought to sell the Property since 2019 to pay the Corporation's outstanding debts (*id.* ¶ 26). Petitioners allege that Respondents prevented some of the Petitioners from voting on the sale under the Corporation's bylaws because they were delinquent in utility payments to the Corporation (*id.* ¶ 27; NYSCEF Doc. # 2 § 8). This allegedly resulted in years of delay until Kings Capital Development LLC emerged as the highest bidder and ultimately contracted with the parties to purchase the Property for \$4,000,000 on April 24, 2025 (NYSCEF Doc. # 1 ¶¶ 28, 30, 32; NYSCEF Doc. # 13 ¶ 10). Respondents allegedly believe that the \$4,000,000 sale price was still too low despite not having alleged that an appraisal was conducted (NYSCEF Doc. # 1 ¶ 33). Respondents also desired to keep their individual units (*id.* ¶ 33). Petitioners allege that the parties still cannot effectively manage the Corporation while its debts continue to grow (*id.* ¶ 52).

* The pending foreclosure action is *Wells Fargo Bank, N.A. v. Wilson*, Index No. 18550/2012. Most recently, the Court entered an Order on December 26, 2025, to sell the Property at a public auction within 90 days, or if not within 90 days, at a time as soon as reasonably practicable (Index No. 18550/2012, NYSCEF Doc. # 129). There is no indication that a sale at a public auction has yet occurred.

Specifically, Petitioners allege that the Corporation has no manager, the shareholders receive no income, and Respondents refuse to cooperate with Petitioners on business decisions including the sale of the Property (*id.* ¶ 53). Petitioners assert that a dissolution of the Corporation is imperative for effectuating the sale of the Property to Kings Capital as the Petitioners will be left with nothing if the contract is terminated (*id.* ¶ 51).

DISCUSSION

RESPONDENT'S MOTION TO DISMISS UNDER CPLR 3211(a)(2)

Respondents move pursuant to CPLR 3211(a)(2) to dismiss the petition on the grounds that this Court has no subject matter jurisdiction over the cause of action (NYSCEF Doc. # 21, at 6-9). Subject matter jurisdiction refers to the Court's authority to render judgment in the case before it (*Henry v New Jersey Tr. Corp.*, 39 NY3d 361, 371 [2023]). The Supreme Court is a "court of original, unlimited and unqualified jurisdiction" (*21st Century Pharm. v Am. Intl. Group*, 195 AD3d 776, 811 [2d Dept 2021]). Moreover, corporate dissolutions fall within the subject matter jurisdiction of the Commercial Division of the Supreme Court, regardless of whether the monetary threshold is met (*see* Rules of Commercial Div of Sup Ct [22 NYCRR 202.70 (g)]).

Respondents argue that this Commercial Part of the Supreme Court has no subject matter jurisdiction over the dissolution matter because a Foreclosure Part of the same Court has presided over the pending foreclosure action since 2012 (NYSCEF Doc. # 21 ¶ 14). Respondents argue that the dissolution action therefore belongs before the Foreclosure Part (*id.*). However, subject matter jurisdiction only pertains to "the Court's authority" as a whole to render judgment rather than the individual parts of that Court (*see Henry*, 39 NY3d at 371). Although both actions are before different Parts of the Supreme Court, the Court nonetheless retains the same wide-reaching subject matter jurisdiction. Accordingly, Respondents have not sufficiently shown that this Court lacks subject matter jurisdiction over the dissolution action. Thus, Respondents' motion to dismiss pursuant to CPLR 3211(a)(2) is denied.

RESPONDENT'S MOTION TO STAY THE PROCEEDING UNDER CPLR 2201

Respondents alternatively move pursuant to CPLR 2201 to stay this action until the final resolution of the pending foreclosure action (NYSCEF Doc. # 21 ¶¶ 17-18). CPLR 2201 provides that "the court in which an action is pending may grant a stay of proceedings in a proper case, upon such terms as may be just" (CPLR 2201). "Courts have 'broad discretion to grant a stay in order to avoid the risk of inconsistent adjudications, application of proof and potential waste of judicial

resources” (*JPMorgan Chase Bank, Natl. Assoc. v Toju Realty Corp.*, 246 AD3d 881, 884 [2d Dept 2026], quoting *Matter of Hersh*, 198 AD3d 776, 778 [2d Dept 2021]).

Respondents argue that granting the Petitioners’ request for corporate dissolution would potentially interfere with the sale of the Property because the Foreclosure Court may order that the sale proceed at a public auction or to a buyer other than Kings Capital while Petitioners here seek to effectuate the sale to Kings Capital (NYSCEF Doc. # 21 ¶¶ 17-18). Respondents also raise the “troubling question” of who would receive the net proceeds from the sale if the Corporation were dissolved (*id.* ¶ 15 n.4). Because staying this action would be to the benefit of all shareholders and because conflicting adjudications may result if this Court grants Petitioners’ request to dissolve the Corporation, this action is stayed until the pending foreclosure action is fully resolved. Accordingly, Respondents’ motion to stay this action pursuant to CPLR 2201 is granted.

Because Respondents’ motion to stay is granted, Petitioners’ motions to dissolve the Corporation and discharge the UCC-1 liens are held in abeyance until the final resolution of the pending foreclosure action.

APPOINTMENT OF A RECEIVER

Petitioners seek the appointment of a temporary receiver pursuant to BCL § 1113 to effectuate the sale of the Property (NYSCEF Doc. # 12, at 5-7). BCL § 1113 provides that “the court may, in its discretion, make all such orders as it may deem proper in connection with preserving the property and carrying on the business of the corporation, including the appointment and removal of a receiver under article 12 . . . , who may be a director, officer or shareholder of the corporation” (BCL § 1113; *see also id.* § 1203). Petitioners and Respondents are unable to effectuate the sale of the Property due to dissension between them. But because no agreement between the parties dictates the appointment of a receiver, it is in the best interest of the Corporation to appoint a neutral receiver to effectuate the sale of the Property. Accordingly, the Court appoints the following to serve as temporary receiver:

M. Randolph Jackson
mrjackson4310@gmail.com
8 West 38th Street, Ste. 1002
New York, NY 10018

Accordingly, it is hereby:

ORDERED that Respondents' motion to dismiss the petition (Mot. Seq. # 2) is **DENIED**; and it is further

ORDERED that Respondents' alternative motion to stay the dissolution determination until the final resolution of the pending foreclosure action (Mot. Seq. # 2) is **GRANTED**; and it is further

ORDERED that Petitioner's motion to appoint a temporary receiver (Mot. Seq. # 1) is **GRANTED**.

The Foregoing Constitutes the Decision and Order of this Court.

E N T E R,

Dated: April 24, 2026



Hon. Cenceria P. Edwards, JSC, CPA