

SUPREME COURT:

COUNTY: NEW YORK

SUSAN CHIRNEY, PLAINTIFF,
~~against~~
NORTH JERSEY TRADING CORPORATION, et al,
DEFENDANTS.

BOND NO. 30697608
ACTION NO. 1
INDEX NO: 26517/88

ACTION NO. 2
INDEX NO. 113775/95

IN THE MATTER OF THE APPLICATION OF
SUSAN CHIRNEY, PETITIONER,
et al,
RESPONDENTS.

OATH OF RECEIVER

STATE OF: NEW YORK
COUNTY OF: NEW YORK

I, PAUL WINDELS, III, ESQ., duly appointed Receiver for the benefit of the Plaintiff's of all rents, issues and profits of mortgaged premises described in the Complaint in the above entitled action by order of this Court made and entered herein on the 20th day of NOVEMBER, 1995, do swear that I faithfully honestly and impartially discharge the trust committed to me as such receiver.

Paul Windels III
PAUL WINDELS, III, ESQ.

Sworn to before me

this 4th day of January, 1995

Corette M. Blance

CORETTE M. BLANCE
Notary Public, State of New York
No. 31-469557
Qualified in New York County
Commission Expires December 16, 1997

EXHIBIT A

STEVEN DELIBERT
ATTORNEY AT LAW
277 BROADWAY
NEW YORK, NEW YORK 10007

TELEPHONE
(212) 267-7183

TELECOPIER
(212) 267-7187

December 1, 1988

Ms. Judy Herskowitz
2700 Chase Avenue
Miami Beach, Fla. 33140

Re: North Jersey Trading Corp.

Dear Ms. Herskowitz:

I am sorry you have not had the opportunity to return my call. As you know from the message which I have left on your answering machine, this office has been consulted by your sister, Susan Charney, concerning the captioned corporation, in which you both own substantial shareholdings.

In particular, Ms. Charney has inquired of this office, concerning your recent request to her to change the form of the entity owning the corporation's real property, into a partnership, in order to avoid the double taxation which the 1986 Tax "Reform" Act will impose on all corporate liquidations after December 31 of this year.

Our client would very much like to cooperate with you on this matter, and to work with you for your mutual benefit, but there are a number of matters which urgently require discussion and resolution, before we can give Ms. Charney intelligent advice on which to base a decision as to whether and how to proceed in this matter. Among these are at least the following:

1. In order to take advantage of the relief provisions of the 1986 Act, as you propose, it would be necessary to declare, and pay tax on, the gain in value of the corporation's real property since its acquisition many years ago. Just how large is that gain? What source is proposed for the necessary funds to pay the tax, which would probably amount to at least several hundred thousand dollars for each of you?

2. Ms. Charney has been unable to gain access to the books and records of the corporation for many years - as, I

EXHIBIT B

Ms. Judy Herskowitz
December 1, 1988
Page 2

gather, has also been the case for you; nor has she received any form of report of the corporation's affairs, financial or otherwise; nor has there been any meeting of shareholders or directors; nor any other reporting of the activity or present condition of the corporation or its primary asset, the real property on Riverside Drive. Information as to the financial situation of the corporation is obviously essential to making any decisions in the present situation; and information on the condition of the property, is equally essential to a determination as to whether it is likely to be sold at any time soon enough to make resort to the relief provisions of the 1986 Act worthwhile.

3. Agreement would be necessary on the terms and conditions governing any partnership, and such agreement reduced to writing; this would include the necessity of finally resolving the various disputes which, as you know, have arisen from time to time, as to the exact nature and extent of the various claims to ownership interests in the corporation.

Your sister has asked me to emphasize that she wishes very much to cooperate with you, in working out the foregoing and any other problems which the company faces, but it is important that all of the above matters be resolved, if the you are going to be able to take advantage of the transition provisions of the 1986 Tax Reform Act, and to take the other steps which may appear advisable in the interests of the corporation and its shareholders, over the coming months and years.

We would accordingly be very interested in meeting with you, or otherwise hearing from you, to discuss all of the foregoing, and we hope that you will be in touch with this office, or have your attorneys contact us, at the earliest possible time.

Very truly yours,


Steven Delibert

SD:wp

VIA FEDERAL EXPRESS

cc: Robert Herskowitz (via Federal Express)
Susan Charney (via mail)

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MMIT
IVINS
LDESMAN

Stephen J. King
212-702-9390

nership including
ional Corporations

June 26, 1991

VIA TELECOPIER AND U.S. MAIL

Steven Dellbert, Esq.
277 Broadway
New York, New York 10007

Re: Susan Charney v. North Jersey Trading
Corp., Alexander Fried, Judith Herskowitz,
~~Robert Herskowitz and Mark Herskowitz~~
Supreme Court, New York County, Index
No. 24517/88

Dear Steve:

This will confirm the agreement we reached on the telephone this afternoon that the time of each of the respondents to answer or move with respect to the petition in this proceeding is extended to July 3, 1991. We will speak within the next few days about the possibility of a further extension, if needed.

Please signify your agreement to the foregoing by signing a copy of this letter in the space provided below, and returning it to me by fax and mail.

Thank you for your courtesy.

Sincerely,

Steve
Stephen J. King

AGREED TO:



Steven Dellbert, Esq.
Attorney for Petitioner
Susan Charney

SJK/odm
Encl: 1 - 1 copy

EXHIBIT B

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THE LAWYERS