

## **Aldon James Owes National Arts Club \$3M, Lawsuit Says**

December 14, 2011

MANHATTAN — O. Aldon James owes the National Arts Club roughly \$3 million for the misuse the nonprofit's apartments, funds and artwork, according to a countersuit the club and some of its board members filed Wednesday in Manhattan Supreme Court.

After allegations, first reported by DNAinfo, emerged that James, the ex-president of the club, his twin brother, John James, and their friend, Steven Leitner, used apartments to hoard flea market junk and antiques believed to have been purchased with club money, the board sought to evict the three men.

But the threesome struck back with a lawsuit to prevent their ouster. The club's move Wednesday marked its biggest defense yet.

The James brothers and Leitner "willfully disregarded and violated their fiduciary duties to the Club, and they intentionally and willfully damaged the Club in violation of the Club's Conflict of Interest Policy, by failing to pay appropriate rent for the multiple spaces they occupied at the Club," according to the suit.

"The precise amount of damage done to the Club by the plaintiffs by their failure to pay appropriate rent for the multiple spaces they occupied at the Club is will be established at trial, but is believed to exceed \$1,500,000," the suit claimed.

The club also alleged it is owed at least \$600,000 from the trio's use of the club's ATM/debit card for personal expenses.

The suit also alleged that the men caused at least \$500,000 in damages to the club's historic home at 15 Gramercy Park South because of "willful neglect" in making repairs and that they caused a \$400,000 drop in the value of club assets because of missing items or art stored unsafely.

These are only the presumed costs over the last six years, which is the amount of time allowable under the statute of limitations, according to the club's lawyer, Roland Riopelle.

The club said the trio still control six apartments, two of which have no leases and the others are being rented at below market rates.

For many years, the three occupied at least 15 apartments or offices at the club, the suit said, claiming that the three would move into new apartments as elderly tenants passed away and that they did not inform the board of the status of the apartments.

The three "co-mingled their personal property, detritus, trash and other items... with many and various items of Club property, including fine art and antiques," the suit said.

Watercolor paintings by Louis Comfort Tiffany and Auguste Rodin were among items the suit claimed were taken by James.

The suit also stated that the apartments the three occupied "created health and safety hazards for the Club's other tenants, by attracting vermin, and creating potential fire hazards" and that "dozens of dead rodents and hundreds of dead cockroaches were found" when the apartments were reclaimed.

"These are matters of real concern for the club," Riopelle told DNAinfo, adding that its internal investigation is still ongoing and that more may eventually come to light. "Uncovering the facts has not been a simple and easy process."

The club, for instance, is continuing to investigate whether there was improper use of comped meals in the dining room, Riopelle said.

He said the club had not initially wanted to file this countersuit because "the club, frankly, has all along wanted to handle this in-house and not have a public spectacle." But he said the club's hand was forced when James started suing board members.

James' lawyer did not immediately respond for comment.

The state Attorney General and Manhattan District Attorney are also investigating James' 25-year tenure at the club.

James is set to face the club's board for his eviction hearing on Jan. 23.