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For Arts Group, a Tense Period

By PIA CATTON

For 25 years, the National Arts Club, a cozy Gramercy Park enclave frequented by artists and patrons, was run with a tight grip by its eccentric president, O. Aldon James. His presence was near-ubiquitous: Mr. James also lives in the apartments adjacent to the club's 19th-century mansion along the private park.

But after a contentious and prolonged battle, his connection to the institution may be reaching an end.



Claudio Papapietro for The Wall Street Journal
The National Arts Club, whose members have
been entrenched in a leadership battle.

On Monday, the club
plans to launch internal
hearings to decide
whether Mr. James, his brother, John, and friend Steven
Leitner-known as "the James Group"-should be ousted from
membership as well as six apartments they control.

"Among those I know, there is a sense that it's about time,"
said Joan Hartman, a member since 1985. "There has been one
stalling after another. The club is spending a lot of resources."

Mr. James stepped down as president in March 2011 but sued
when the club's leadership later moved to oust the trio. The
men have been accused by the club of harassment of members
and misuse of club assets, including funds and real estate.

A judge recently allowed the hearings to proceed after all sides
agreed to parameters.

The men declined to comment. Still, their lawyer, Adam
Gilbert, said internal prejudice against his clients will prevent
a fair hearing.

"This board is incapable of rendering a fair judgment," he said.
"Rarely have I met a group as vindictive and irresponsible as
the NAC board."

The club's lawyer said it was unclear how long the process
might take.

The hearings cap what's been a turbulent period in Aldon
James's long history with the National Arts Club.

While some members have praised his expansion of club
membership and programming, others complained about his
erratic moods and impatience with dissent.

Bespectacled and bow-tied, Mr. James was easily spotted
around Gramercy Park, where he was known for opposing the

rules that govern the private space. He once accused the park's management of arboricide when several trees were removed.

While the issues in the hearing are internal-including verbal abuse of members, the mishandling of revenue-producing residential spaces, the use of funds for personal expenses-the club is also under investigation by the Manhattan district attorney and the state attorney general.

And it's not the first time. Former Manhattan District Attorney Robert Morgenthau investigated the club in 2002, leading John James to plead guilty to tax fraud. In 2003, he paid more than \$500,000 in fines for using the NAC's tax exemption to avoid taxes on his sales of fine jewelry. The club's dining-room manager pleaded guilty to grand larceny after stealing \$160,000 in sales-tax revenue through the club's food operations.

In the early 1990s, a group known as the Concerned Artists and Members of the National Arts Club formed to oppose Aldon James, who they say changed the rules governing elections to ensure his own tenure and board support. Although some members quit over what they felt was mismanagement, others stayed.

Mr. James stepped down after a host of issues surfaced publicly, including tax forms revealing how much he pays for rent-controlled apartments, photos of badly cluttered rooms that could otherwise produce revenue and member complaints about problems that had gone unaddressed. In court papers, Mr. James's lawyer said he has a "compulsive hoarding disorder."

New President Dianne Bernhard took the helm in the spring of 2011. Since that time, the club's facility has been cleaned, its art holdings organized and its finances overseen by a new accountant. "The place has been cleaned up," said board member Cherry Provost. "We have an admissions committee. Everything is by the book."

