

National Arts Club Board Declines Judge's Offer to End Legal War

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By Amy Zimmer, DNAinfo News Editor



MANHATTAN — The legal battle between the National Arts Club and its former president O. Aldon James rages on.

The National Art Club's board opted to pass on a deal offered last week by a Manhattan Supreme Court that would have put an end to the litigation between the warring factions.

Under the terms outlined by Justice Carol Edmead, James and his two co-plaintiffs would each have been allowed to keep one apartment out of the six they currently control and their club membership, on the condition that James stepped down as a governor of the board. The arrangement would have allowed James to be reelected to the board, she said.

The deal would also have put an end to other pending and future litigation based on past actions.

"The board met on Saturday and held a lengthy meeting, ultimately declining to settle on those terms," the club's lawyer Roland Riopelle said.

He declined to comment on the specific decisions made during the meeting, which lasted more than two hours, he said. Riopelle said members took the meeting so seriously, that one member's husband fell and broke his wrist at the time the meeting started but she refused to go to the hospital with him in order to stay until the vote was completed.

The board opted to move forward with holding an internal hearing in December to consider the possible eviction of Aldon James, his twin brother, John James and their friend Steven Leitner from 15 Gramercy Park South.

Edmead granted James temporary injunction preventing his eviction in August, saying the way the board set up the hearing was unreasonable. She has since issued new guidelines for a future hearing. James had filed a lawsuit seeking to stop the club's board from holding an eviction hearing.

Now James' lawyer, Adam Gilbert, is trying to have the hearing moved to a neutral third party. The judge is expected to rule on that in three weeks.

"I am totally convinced that this is going to be a rigged hearing," Gilbert said. "The fact they are so adverse to having a neutral and independent fact-finding party hear the case supports my conclusion."

James, his brother and Leitner have been accused of using club apartments to hoard antiques and other flea market finds, which may have been bought with club money, according to an ongoing internal investigation conducted by the club. He is under investigation by the New York Attorney General and the Manhattan District Attorney began investigating the NAC for alleged financial misdeeds. Since those investigations kicked off seven months ago and the lawsuits have begun, the club has shelled out \$500,000 in legal fees.

James filed another lawsuit last week, on behalf of the club against NAC's new president Dianne Bernhard along with 14 other board members for "breaches of their fiduciary duties," a "wasteful expenditure of club resources" and an "improper bid to hijack control and governance of the club through intimidation and dishonesty," according to the complaint.

James' lawyer also requested that legal challenge pending in housing court — where the board is trying to reclaim two of the six apartments that have no leases — be placed under Edmead's jurisdiction as a way to consolidate the suits. The club is fighting that move.