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In a Club Fight, Power, Ego and Real Estate



Center Photo by Elizabeth D. Herman for The New York Times; Patrick McMullan

When O. Aldon James Jr., left, was ousted as president of the National Arts Club, center, Dianne Bernhard took over.

By [JOHN LELAND](#)

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Ashley Gilberston for The New York Times

Aldon James Jr. in his office in 2009.



Luis Alfredo Garcia

A 2009 photo of a room in the club by an ex-employee.



Elizabeth D. Herman for The New York Times

Dianne Bernhard in a club parlor.



Elizabeth D. Herman for The New York Times

Shawn Burkley, who said John James threatened his wife.



Elizabeth D. Herman for The New York Times

Esther R. Dyer, who said, “I don’t believe you need to destroy the person who built the club.”

“I miss my friend,” she said, gazing across the club’s plush Victorian parlor toward Gramercy Park. “He hasn’t said anything to me still. He can’t look at me.”

The friend in question is O. Aldon James Jr., who ran the club from 1986 until a group of board members led by Ms. Bernhard ousted him in June. At a club hearing this week, the same group will push to remove Mr. James, along with his identical twin brother, John, and Steven Leitner, a longtime friend, as members of the club and evict them from their apartments in its adjoining residential building. Court papers filed for the board accuse Aldon James of using club checks and debit cards to make hundreds of thousands of dollars of purchases at flea markets and elsewhere for his own use, and of commandeering club apartments and rooms to stow the stuff, causing \$1.5 million in lost rental income. They accuse both twins of harassing club members. Deciding the matter will be the club’s board of governors, including the same people bringing the charges.

In the meantime, the club is under financial investigation by the state attorney general and the Manhattan district attorney over nonprofit irregularities. Mr. James, in turn, is suing both to block the hearing and to remove Ms. Bernhard and others as club officers.

Feelings have been trampled. Birds have died. Leopard-print rugs have been rolled out in “Age of Innocence” interiors. This is a story of power and ego and money and hoarding and real estate. Don’t expect it to be pretty.

“It’s like something out of ‘Midnight in the Garden of Good and Evil,’ “ said Shawn Burkley, a club member and resident who said the James brothers had seemed “quirky but fun” until John James threatened his wife, saying he had “nothing but time and money” to come after

her. “You want to go back and write the novel. Their biggest crime was being mean. I don’t think anybody would’ve cared about the rest. There’s something vindictive there. They needed to express some power.”

To others, though, this story is about Shakespearean betrayal, in which a protégée turned against her more gifted mentor.

“Dianne Bernhard is a cultural fraud,” said Laurence Cutler, chairman and founder of the National Museum of American Illustration in Newport, R.I., who has been a club member for 20 years. “If you look at her art, it’s the kind of stuff you see on velvet. I could never understand how Aldon could have this vacuous woman at his side, and then she turned out to be Brutus.”

THE National Arts Club, founded in 1898 by Charles de Kay, a former art and literary critic for The New York Times, occupies the Gothic Revival mansion of former Gov. Samuel J. Tilden of New York, plus an adjoining 13-story residential building with 38 apartments. Club members have included three United States presidents, along with prominent artists and patrons. For most of its history it has been a genteel presence on the city’s most exclusive park.

But for the past decade it has been more visible for its controversies and internal disputes, including a series of highly public lawsuits waged against the Gramercy Park Trust. The club’s dining room operator and Mr. James’s brother, John, were investigated over allegations of tax evasion and pleaded guilty. John James agreed to pay more than \$500,000 in fines and restitution and spend three months in a psychiatric institution for misusing the club’s tax-exempt status to buy and sell jewelry.

Through it all, Aldon James, 64, a college dropout of independent means, served as the mansion’s ubiquitous figurehead, presiding over the club’s growth to more than 2,000 members now from 385 in 1985, with cash assets of over \$1 million.

“Aldon made that club,” said Marguerite Jossel, a board member who joined in 1970. “Before that it was an old ladies’ club. He came in and made it exciting.” Of Ms. Bernhard, she said: “She’s pretty. She couldn’t be sweeter to me. I like Dianne, but I can’t believe she says she loves Aldon like a brother. I never met anyone who could turn like that.”

Supporters and critics alike compare Mr. James to Max Bialystock in “The Producers,” who used all his wiles to coax dollars from wealthy women.

The James brothers and Mr. Leitner declined to be interviewed for this article. Their lawyer said they denied all charges against them.

Ms. Bernhard, who calls herself a farm girl from Texas, said she knew little about Aldon James when she first entered the club, in 1996 or 1997, for an exhibition by the Pastel Society of America. She was a student of a society member. Her husband, Arnold Van Hoven Bernhard, was one of two heirs to the Value Line financial services company, which was worth around \$300 million. Mr. James welcomed her as an artist, she said.

“I felt I had stepped back in time,” she said of her first visit. “It felt like a very safe place to walk into from the streets of New York City, like a hidden gem.”

“An oasis,” suggested the club’s lawyer, Roland Riopelle.

“An oasis,” she agreed. “I felt I was in the nexus of the art world. Aldon was this extremely charismatic, fascinating individual who entertained you with his conversation. He had an energy around him that you wanted to be a part of.” Mr. James called her the club’s Sharon Stone, she said.

Ms. Bernhard joined the club and then, through Mr. James’s aegis, the board of governors. He brought her to art openings and exhibitions, where he seemed to know everyone, she said. He helped her become the club’s vice president and acquire a lease on a duplex with an artist’s studio at the club, though she did not move in. She invited him to Paris, where he arranged a visit to the Louvre museum on a day when it was closed.

She did not get involved in the controversies at the club, she said, including complaints from a group called the Concerned Artists and Members of the National Arts Club that Mr. James was bullying members and staff, squandering money on lawsuits, harassing tenants and changing the constitution to perpetuate his power.

“Aldon James and his group created a mini-communist state there, with portraits and busts of him everywhere,” said Ted Andrews, a member and spokesman for the dissident faction, which organized about a decade ago. “If you were friends with Aldon, things went smoothly, and if you weren’t friends, there was a lot of direct and indirect social pressure put on you. I was put off the admissions committee; I felt pressure from other club members. He controlled people’s lives to some extent because he controlled the apartments in the building. Control was his middle name.”

SOME of the most serious charges against the James brothers involve the club's apartments and the brothers' "compulsive hoarding disorder," which their legal papers describe as a medical condition that they "have taken serious measures to address, particularly in recent months."

Erik Pye witnessed the hoarding firsthand. After a 2005 article in *The Villager* describing his paintings of drag queens, Mr. Pye received a call from Mr. James offering him an honorary club membership. "He said I could have a show at the club," Mr. Pye said. They became close friends for a while. Mr. James asked Mr. Pye to help clean a kitchen in one apartment, Mr. Pye said. "It looked like they started throwing things on the ground years before, and it just built up. It was random stuff — a brand new tie, a bottle of liquor, photographs, paperwork opened and discarded."

At first, he said, Mr. James appeared oddly nervous, until he located a paper bag over the refrigerator. "He said there was \$60,000 worth of jewelry in here, or some big number like that," Mr. Pye said. Mr. Pye never got a show at the club. In summer 2006, he said, Mr. James told him he was no longer a member.

Steve Acosta, the building's superintendent, said the clutter spread beyond the twins' private spaces. "There was clothing and personal items on the steps," he said. Amid the disorder, Mr. Acosta said, he sometimes found cups of urine, which he likened to "a dog marking territory." When he tried to remove the clutter, he said, "they threatened to fire me."

During this time, Mr. Leitner headed the house committee. Board members said they were not told how people got apartments or how much rent they paid.

William Samuels, a former board member who supports Mr. James, said the board knew all along about the James brothers' compulsive hoarding and multiple apartments. Their two original apartments were damaged by a plumbing leak, so they moved into other apartments while continuing to pay rent on the uninhabitable ones.

Tax records from 2008-9 show that Aldon James worked 60 hours a week with no salary and paid \$1,143 a month in rent; John James paid \$356 a month; Mr. Leitner paid \$858. Though these rents were below market rate — Ms. Bernhard, for example, paid \$7,600 a month — the board had agreed that the club benefited from having the men in the building. The records also show a positive cash flow of more than \$500,000 from the residential building.

But over time, when tenants died or left, the brothers expanded into the vacant apartments, said Mr. Riopelle, the club's lawyer. At one point their possessions filled 20 spaces, including seven or more apartments plus offices and "transient rooms," which the club rents on a nightly basis to members or guests, Mr. Riopelle said. They had leases for four apartments.

Marguerite Yaghjian, a former board governor, said that when she had tried to get information about the apartments and rents, Aldon James stonewalled her and turned other board members against her. "Nobody on the board would talk to me," she said.

Then, in spring 2010, according to numerous members, Mr. James's behavior became erratic. He fought in public with his brother, both physically and verbally; he appeared at the club with bruises and cuts; he screamed at Ms. Yaghjian at a board meeting when she offered him help.

Another board member, Cherry Provost, who led the literary committee, said she received an order of protection against John James after he threatened her at a book signing by Ian Frazier. "He was really in my face, screaming, 'I am willing to die for my brother,' " she said. "That scared the death out of me." Ms. Yaghjian, after a similar encounter with John James, also went to the police, who, she said, told her to always carry a cellphone and call 911 if he approached.

In December 2010, Aldon James fired two employees, including the well-liked doorman, Miguel Serrano. Mr. Serrano and a former assistant to Mr. James, Luis Alfredo Garcia, retaliated by providing photographs of cluttered offices and apartments to Mr. Garcia's uncle, Rafael Martinez Alequin, who posted them on his blog. One photo showed what appeared to be paintings from the club's estimable collection. The hoarding was out in the open.

"We didn't know until the pictures appeared on the Internet about the hoarding situation, or how the paintings were stored," Ms. Provost said. "There was just cardboard between them and a hole in the ceiling."

Ms. Provost said she was concerned about irregularities in the club's finances, including Mr. James's use of club checks to pay for his regular trips to flea markets; she brought these concerns to the charities bureau of the attorney general's office. Ms. Yaghjian also sent documents to the attorney general.

MORE bad publicity piled up. In March 2011, neighbors found dozens of abandoned Australian finches, many dead, near the club. Fingers quickly pointed to Mr. James, a known bird-lover and collector, who was quoted as denying the birds were his. One week later, at a board meeting held in Ms. Bernhard's apartment, Ms. Bernhard warned of an impending investigation by the state attorney general, which she said might cause the club to fall into receivership. She led board members on a tour of the clutter-filled rooms, including one filled with birds, debris and dead rats. Mr. James agreed to take a three-month leave of absence. Ms. Bernhard, next in line, became acting president. At a board election in June it became official: she was now president.

To Pat Hackett, a board member loyal to Mr. James, the bad publicity and leaks to the attorney general were all engineered to make a grab for the James group's apartments.

"In the end it's all about real estate," said Ms. Hackett, who collaborated with Andy Warhol on his diaries and other projects. "A lot of apartments have been promised to board members, as I understand it." She added that any irregularities in Mr. James's handling of finances were incidental. "There's a big difference between being a crook and being casual and sloppy about procedures," she said. The club should have hired a professional manager and freed Mr. James to be the club's ambassador and guiding spirit, not oust him, she added.

Ms. Bernhard denied that anyone had been promised an apartment, and said that committees would soon draft guidelines on how apartments should be allocated. The club is now hiring a manager, at around \$100,000 a year, she said.

In July, during the club's annual summer recess, the board brought disciplinary charges against the James brothers and Mr. Leitner, seeking to end their memberships and evict them. Four board governors combed through the clutter-filled offices and transient rooms, finding uncashed rent checks and donations — and also, Ms. Yaghjian said, romantic letters between Mr. James and potential benefactors. "He led those women on," she said.

The James group sued to block the disciplinary hearing, without addressing the charges themselves. The club filed a counterclaim seeking more than \$2 million in restitution. Then in September, members returned to a club transformed: new leopard-print rugs in the parlors, tiger-striped upholstery on couches, turquoise suede on the dining room chairs. A Tiffany fountain was replaced by a large mirror. A security guard stood near the door. The décor was not to everyone's taste.

“It looks like a house of prostitution,” said Arnold Davis, a former board member.

Mr. James filed a second suit to unseat his accusers after claiming they ran up club legal fees, which exceeded \$500,000, in an effort to oust him.

Mr. James’s supporters maintain that the club’s essence is at risk. Esther R. Dyer, a longtime member and resident, took the wide view. Whatever Mr. James’s flaws — “and I stress that they’re just allegations,” she said — they were outweighed by his contributions to the club. Under his leadership the club was vibrant and financially sound, she said. “There’s a way to do transition that honors the past,” she said. “I don’t believe you need to destroy the person who built the club.”

But others were adamant that the members of the James group had to leave — not just give up their positions but move out.

“Aldon was a benevolent dictator, then he became a despot,” Ms. Provost said. “These guys have truly broken the law. Enough is enough.”