

**WROBEL MARKHAM LLP  
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**SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK**

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**KARA DILLE, as Trustee of the  
37 WARREN STREET PHCD TRUST**

**Plaintiff,**

**-against-**

**ZOELLE LLC, CATHERINE L. JURACICH, and  
CORCORAN GROUP LLC,**

**Defendants.**

**Index No. / 2022**

**SUMMONS**


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**To the Above-Named Defendants:**

**You are hereby summoned** to answer the Verified Complaint in this action and to serve a copy of your Answer on plaintiff’s attorneys within 20 days after service of this summons, exclusive of the date of service, or within 30 days after completion of service where service is made in any other manner than by personal service within the state. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Verified Complaint.

Plaintiff designates the County of New York as the place of trial. The basis of venue is CPLR §507, the location of the real property at issue. The real property at issue in the instant action is located at 37 Warren Street, PHCD, New York, NY 10007.

August 31, 2022

By:  .....

Steven I. Fox, Esq.  
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New York, NY 10018  
Tel: 212-421-8100  
*Attorneys for Plaintiff*

To: ZOELLE LLC  
37 Warren Street PHCD  
New York, NY 10007-1415

and

CATHERINE L. JURACICH  
c/o Corcoran Group, LLC  
218 West 18th Street, 6th Floor  
New York, NY 10011-4566

and

CORCORAN GROUP LLC  
218 West 18th Street, 6th Floor  
New York, NY 10011-4566

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**KARA DILLE, as Trustee of the  
37 WARREN STREET PHCD TRUST**

**Plaintiff,**

**Index No. / 2022**

**VERIFIED COMPLAINT**

**-against-**

**ZOELLE LLC, CATHERINE L. JURACICH, and  
CORCORAN GROUP LLC,**

**Defendants.**

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Plaintiff, Kara Dille (hereinafter “Plaintiff” or “Trustee”) as trustee of the 37 Warren Street PHCD Trust (hereinafter the “Trust”), by and through her attorneys, Wrobel Markham LLP, as and for her Complaint against Defendants Zoelle LLC (hereinafter “Zoelle”), Catherine L. Juracich (hereinafter “Ms. Juracich”) and Corcoran (“Corcoran”) (Zoelle, Ms. Juracich and Corcoran are hereinafter collectively referred to as “Defendants”), alleges as follows:

**Preliminary Statement**

1. On March 10, 2022, Trustee entered a contract (hereinafter the “Contract”) to purchase 37 Warren Street, PHCD, New York, NY 10007 (the “Premises”) for \$19,000,000. Defendants, the seller and its brokers, had represented to the Trust settlor that the Premises were

secured by a full-time doorman. Defendants knew—and concealed—that there is only a part-time doorman, and at night, a “virtual doorman.” Had Trustee known of this, Trustee would not have entered the Contract. After all, the settlor-beneficiary sought a home where she, a single mother with three children, could reside in comfort and security knowing that there was a full-time doorman. Upon discovering the Defendants’ fraud and deception, Trustee terminated the Contract. As a remedy for the Defendants’ fraud, Trustee seeks an order directing that the Trust is entitled to a refund of the \$1,900,000 Contract Deposit, punitive damages, attorney’s fees and further, to foreclose upon its Purchaser’s Lien in the same amount.

### Parties

2. Trustee is an individual with an office located in Orinda, California and is the trustee of the 37 Warren Street PHCD Trust.

3. Plaintiff is trustee of the *res* in a self-settled trust, created by and for the benefit of the settlor-beneficiary.

4. Upon information and belief, Zoelle is a limited liability company organized and existing under the laws of the State of New York, with its principal place of business located in New York County.

5. Upon information and belief, Ms. Juracich is licensed in New York State as a real estate salesperson, and she was and is an agent and/or employee of Corcoran.

6. At all relevant times herein, Ms. Juracich acted as agent for Zoelle.

7. Upon information and belief, Corcoran is a limited liability company organized to under the laws of the State of Delaware and authorized to do business in New York.

## Facts

### **The Premises and Defendants' Deliberate Deception**

8. Corcoran is one of the one of the most celebrated real estate brokerage firms in the world. Soon after Corcoran or its predecessor was founded, it began writing real estate market reports. It sent them to The New York Times. The newspaper published the information and cited its source. The public has come to rely on the representations of Corcoran and its agents.

9. Defendants wrote a listing for the Premises (the "Listing") representing that the building containing the Premises (the "Building") has a doorman (*see* listing annexed hereto as Exhibit A).<sup>1</sup> Defendants published the Listing on the Corcoran website and on other websites that they know would republish this information that Corcoran provided. Trustee viewed and relied upon the Listing prior to entering into the Contract. In addition, Defendants had copies of the Listing copies available in the Premises for customers to review when viewing the Premises. Settlor received and relied upon this Listing as an inducement to direct Trustee to enter into the Contract.

10. Defendants knew or should have known that, in fact, the building was served and protected only a part-time doorman and, overnight and on certain times during the weekends, by a virtual doorman, with the lobby and entrance unattended during the overnight hours as well as on weekend mornings.

11. Defendants knew that Trustee sought a residence for a settlor-beneficiary ("Settlor-Beneficiary") who is a single woman with three children. Defendants were made aware that a full-time doorman was of major importance to Settlor-Beneficiary. Defendants knew that

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<sup>1</sup> By industry custom in the New York City real estate business, apartment, co-op and condominium listings use the terms, "part time" or "virtual doorman"—never simply, "doorman"—to denote a building with a part-time or virtual doorman. The plain term, "doorman," denotes that a building has a full-time doorman.

Settlor-Beneficiary would not have even considered directing Trustee to purchase a condominium or other residence that was not secured by a full-time doorman.

12. Settlor-Beneficiary visited the Premises and engaged in negotiations with Defendants to purchase the Premises.

13. Prior to executing the Contract, Settlor-Beneficiary's visits to the Premises occurred during the daytime hours, when the lobby was attended by a doorman.

14. During the course of the negotiations and viewings of the Premises, the Defendants fraudulently concealed from Settlor-Beneficiary that the Premises was served by a virtual doorman after hours and on weekend mornings. In fact, Defendants' agents and representatives went so far as to position themselves in front of the virtual doorman interface in the Premises so that Settlor-Beneficiary could not see the interface and ask questions as to what it was and why such equipment would be inside an apartment that was served by a full-time doorman, as represented by Defendants listing of the apartment.<sup>2</sup>

15. The actions to hide the doorman interface were deliberate and devised! Defendants acted deliberately to prevent Settlor-Beneficiary from discovering the virtual doorman interface. Defendants intended to keep Settlor-Beneficiary from inquiring further into why there was a virtual doorman interface, in a building that was supposed to have full-time doorman.

16. Defendants knew or should have known that the building in which the Premises was located was not served by a full-time doorman but nonetheless concealed this fact from Settlor-Beneficiary and led her to believe that the Premises had a full-time doorman.

17. Defendants' representations regarding the doorman were intentionally false and clearly intended to fraudulently induce Settlor-Beneficiary to enter into the Contract and tender

the Contract Deposit and did in fact induce Settlor-Beneficiary to create the trust and to direct Trustee to enter into the Contract and tender the Contract Deposit.

18. Trustee acted reasonably in relying on the statements that Corcoran, its agent, and the Premises' owner made to Settlor-Beneficiary that there was a doorman.

### **The Contract and Contract Deposit**

19. Thereafter, and in reasonable reliance upon the false and fraudulent representations and concealment on the part of Defendants, Settlor-Beneficiary created the 37 Warren Street PHCD Trust (the "Trust"), conveyed \$1,900,000 in moneys to the Trust, and directed Trustee to enter into the Contract and add the Contract to the *res* held in trust.

20. Further, Settlor-Beneficiary assigned the right and duty to pursue litigation to Trustee.

21. At the direction of Settlor-Beneficiary, Trustee executed the Contract on behalf of the Trust and tendered the Contract Deposit of \$1,900,000 to Zoelle's attorney, to be held in escrow pending the closing of the sale. A copy of the Contract is attached hereto as Exhibit B.

22. Settlor-Beneficiary directed Trustee to enter into the Contract in reasonable reliance on Defendants' representations that the Premises were in a doorman building, served by a full-time doorman. Trustee would not have entered into the Contract but for these fraudulent representations.

### **Discovery of Defendants' Fraud**

23. After entering into the Contract and tendering the Contract Deposit, Settlor-Beneficiary and Plaintiff discovered that the building was only served by a part-time doorman, that it had no doorman overnight or on weekend mornings, and the Premises were, therefore,

not within a doorman building as Defendants had represented in the Listing and to Settlor-Beneficiary.

24. Based upon the foregoing, by letter dated on or about August 16, 2022, Trustee declared Zoelle in default of the Contract, terminated the Contract, and demanded a refund of the \$1,900,000 Contract Deposit. A copy of the August 16, 2022 termination letter is attached hereto as Exhibit C.

25. In response, by letter dated August 18, 2022, and further by email on August 21, 2022, Zoelle rejected Plaintiff's termination, declared Trustee in default, and demanded that the Escrow Agent tender the Contract Deposit to Zoelle. Copies of Zoelle's rejection and demand for the Contract Deposit are attached hereto as Exhibit D.

26. Escrow Agent, Howard Brickner, Esq., has agreed to abide by the terms of the Contract and to refrain from releasing the Contract Deposit to either party pending the litigation. No wrongdoing is alleged against Mr. Brickner.

**First Cause of Action**  
(Fraud in the Inducement)

27. Plaintiff hereby repeats and realleges the allegations set forth in paragraphs 1 through 26 above as if fully set forth herein.

28. Zoelle and its broker-agent made fraudulent representations and committed fraud and fraudulent concealment in marketing and listing the Premises to Plaintiff in the manner described above, by inducing Plaintiff to purchase it, in failing to properly inform Plaintiff that the building was not served by a "doorman" but by a "part-time doorman" and by taking actions to prevent Plaintiff and Settlor Beneficiary from discovering that the Premises was serviced by a virtual doorman on weekend mornings and during the overnight hours.



29. Defendants' representations and actions were intentionally false and descriptive and clearly intended to fraudulently induce Plaintiff to enter into the Contract to purchase the Premise.

30. Defendants knew or should have known that the representation made in the listing, concerning the doorman, were in fact false but made the representations with the intention of inducing Plaintiff to agree to purchase the Premises and enter into the Contract.

31. Plaintiff and Settlor Beneficiary relied upon the fraudulent representations made by Defendants to their detriment.

32. Thereafter, and in reasonable reliance upon the false and fraudulent representations and concealments made by or on the part of the Defendants, Trustee entered into the Contract to purchase the Premises from Zoelle for the sum of \$19,000,000 and tendered the Contract Deposit of \$1,900,000.

33. Defendants committed Fraud in the Inducement against Plaintiff.

**Second Cause of Action**  
(Fraudulent Misrepresentation)

34. Plaintiff hereby repeats and realleges the allegations set forth in paragraphs 1 through 33 above as if fully set forth herein.

35. Zoelle and its broker-agent made fraudulent representations and committed fraud and fraudulent concealment in marketing and listing the Premises to Plaintiff in the manner described above, by inducing Plaintiff to purchase it, in failing to properly inform Plaintiff that the building was not served by a "doorman" but by a "part-time doorman" and by taking actions to prevent Plaintiff from discovering that the Premises was serviced by a virtual doorman during weekend mornings and the overnight hours.

36. Defendants' representations and actions were intentionally false and descriptive and clearly intended to fraudulently induce Plaintiff to enter into the Contract to purchase the Premises.

37. Defendants knew or should have known that the representation made in the listing, concerning the doorman, were in fact false but made the representations with the intention of inducing Plaintiff to agree to purchase the Premises and enter into the Contract.

38. Plaintiff relied upon the fraudulent representations made by Defendants to its detriment.

39. Thereafter, and in reasonable reliance upon the false and fraudulent representations and concealments made by or on the part of the Defendants, Plaintiff entered into the Contract to purchase the Premises from Zoelle for the sum of \$19,000,000 and tendered the Contract Deposit of \$1,900,000.

40. Defendants committed Fraudulent Misrepresentation against Plaintiff.

**Third Cause of Action**  
(Declaratory Judgment)

41. Plaintiff hereby repeats and realleges the allegations set forth in paragraphs 1 through 40 above as if fully set forth herein.

42. Based upon the foregoing, Trustee is entitled to a Declaratory Judgment declaring that Trustee is entitled to the Contract Deposit and any interest thereon.

**Fourth Cause of Action**  
(Purchaser's Lien)

43. Plaintiff hereby repeats and realleges the allegations set forth in paragraphs 1 through 42 above as if fully set forth herein.

44. Article 12 of the Contract, entitled "Purchaser's Lien" provides that:

The Contract Deposit and all other sums paid on account of this Contract and the reasonable expenses of the Title Report (as defined in ¶15.1 hereof) are hereby made a lien upon the Unit, but such lien shall not continue after default by Purchaser hereunder...

45. Based upon the foregoing, Trustee has a Purchaser's Lien against the Premises in the amount of the Contract Deposit, to wit: \$1,900,000.00 plus all other sums paid on account of the Contract.

**Fifth Cause of Action**  
(Punitive Damages Costs, Expenses, and Reasonable Attorney's Fees)

46. Plaintiff hereby repeat and realleges the allegations set forth in paragraphs 1 through 45 above as if fully set forth herein.

47. Based upon the foregoing, in addition to the Contract Deposit, Plaintiff is entitled to an award of punitive damages in an amount to be determined at trial and in excess of \$2,500,000, plus all costs incurred in connection with the instant action, including, without limitation, reasonable attorney's fees and disbursements in connection with the instant action.

**WHEREFORE**, Plaintiff Kara Dille as Trustee of the 37 Warren Street PHCD demands Judgment against defendants Zoelle LLC, Catherine L. Juracich and Corcoran Group LLC as follows:

(a) On the First Cause of Action, damages resulting from Defendants' fraudulent inducement and fraudulent concealment, including, but not limited to: (i) release of the Contract Deposit to Plaintiff, (ii) punitive damages in amount to be determined by the Court in excess of \$2,500,000; (iii) incidental and consequential damages incurred as a result of Defendants' actions in an amount to be determined at trial, believed to be in excess of \$250,000, and (iv) Plaintiff's reasonable attorney's fees;

(b) On the Second Cause of Action, damages resulting from Defendants' fraudulent misrepresentation and fraudulent concealment, including, but not limited to: (i) release of the Contract Deposit to Plaintiff, (ii) punitive damages in amount to be determined by the Court in excess of \$2,500,000; (iii) incidental and consequential damages incurred as a result of Defendants' actions in an amount to be determined at trial, believed to be in excess of \$250,000, and (iv) Plaintiff's reasonable attorney's fees;

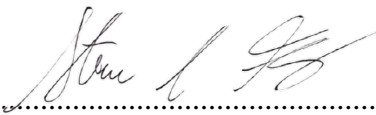
(c) On the Third Cause of Action, a judgment declaring that Plaintiff is entitled to a release of the \$1,900,000 Contract Deposit to Trustee that Escrow Agent is holding in escrow, plus any interest thereon;

(d) On the Fourth Cause of Action a judgment foreclosing upon Plaintiff's purchaser's lien together with incidental and consequential damages incurred as a result of Defendants' actions, in an amount to be determined at trial, believed to be in excess of \$250,000, and Plaintiff's reasonable attorney's fees; and

(e) On the Fifth Cause of Action the costs, disbursements and fees incurred in connection with the instant action together with such other and further relief as this Court deems just and proper.

Dated: New York, New York  
August 31, 2022

WROBEL MARKHAM LLP

By: .....


Steven I. Fox, Esq.  
1407 Broadway, Suite 4002  
New York, NY 10018  
Tel: 212-421-8100  
*Attorneys for Plaintiff*

**VERIFICATION**

Steven I. Fox, an attorney duly admitted to practice law in the State of New York, under penalties perjury affirms that:

I am a Member of Wrobel Markham LLP, attorneys of record for plaintiff Kara Dille as Trustee of the 37 Warren Street PHCD Trust (“Plaintiff”) in the above-captioned action. I have read the foregoing VERIFIED COMPLAINT and know the contents thereof; that the same is true to my own knowledge except as to those matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. This verification is made by affiant and not by Plaintiff, as Plaintiff is not in the county wherein affiant maintains his office, to wit: New York County. The basis of my information, knowledge and belief, are discussions with my client and a review of records.

Dated: New York, New York  
August 31, 2022

  
.....  
Steven I. Fox