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Pursuant to Federal Rule of Civil Procedure 56 and Local Rule 56, defendants Edgewood Elm Housing, Inc. (“Edgewood Elm”), F.O.H., Inc. (“F.O.H.”), Edgewood Village, Inc. (“Edgewood Village”), Edgewood Corners, Inc. (“Edgewood Corners”), and Yedidei Hagan, Inc. (“YH”) (collectively, “Defendants”) submit this memorandum of law in support of their motion for summary judgment as to both counts of the complaint dated May 8, 2020 (“Complaint”). Defendants’ reverse veil piercing claims fail under both the instrumentality and identity tests. Accordingly, Defendants are entitled to summary judgment as a matter of law.

I. INTRODUCTION

Plaintiff’s reverse veil piercing claim conflates a collection of allegedly improper acts and transactions by the Defendants and argues that they somehow justify reverse veil piercing the Defendants’ corporate veils to collect Plaintiff’s judgment against Rabbi Daniel Greer (“Greer”) and the Yeshiva of New Haven, Inc. (“Yeshiva”) (collectively, “Judgment Debtors”). The Plaintiff’s position suffers from several fundamental flaws under the basic law of reverse veil piercing.

First, under the instrumentality test Greer’s alleged domination and control over the Defendants **was not used** to commit any wrong that proximately caused harm against to Plaintiff (i.e. Plaintiff’s inability to collect his judgment against Greer or the Yeshiva). What Plaintiff fails to recognize is that because the Defendants are not subject to Plaintiff’s judgment, they are permitted to continue conducting their business as usual, as they have for decades and long before Plaintiff ever attended the Yeshiva. This means the Defendants could sell property, pay normal and customary salaries and retirement benefits as well as conduct all other business related transactions. Because there is no evidence that even a single penny was ever transferred by Greer or the Yeshiva to the Defendants to avoid Plaintiff’s judgment, the Defendants use of

its **own assets** is perfectly appropriate as far as Plaintiff's reverse veil piercing claims are concerned.

Second, under the identity test, despite clear historical facts to the contrary, the Complaint misleadingly claims that Greer created and has since operated a single "Enterprise" (allegedly comprised of Greer, the Yeshiva and the Defendants) that was purposefully established and operated to avoid creditors and in particular Plaintiff's judgment.

In order to find Plaintiff's position plausible concerning the *creation* of the Yeshiva and the Defendants, this Court must find that during the years 1977 through 1999, when the Yeshiva and all of the Defendants were established, Greer and the Defendants purposefully created the non-profit Defendants' structure (that exists in that same identical form today) for the very purpose of avoiding creditors. This finding must be made in the face of clear evidence showing the legitimate reasons why the Yeshiva and the Defendants were created, and long before anyone ever heard of or knew Plaintiff. This finding must also be made in the face no evidence whatsoever showing that any creditors existed during the years 1977 through 1999 that caused the Yeshiva and the Defendants to purportedly create a scam "Enterprise" that had no legitimate purpose other than avoiding phantom creditors and protecting the assets of Greer and the Yeshiva. Furthermore, for Plaintiff's position to be plausible the court must also find that the Yeshiva and the Defendants psychically predicted that Plaintiff would happen to apply for entry into the Yeshiva, would be accepted, that Greer would meet him, start a relationship, allegedly commit a criminal act outside the scope of his employment by sexually abusing him, get sued and suffer a monetary judgment and, therefore, purposefully *created* a scam enterprise to anticipate this unknown future event with Plaintiff.

As shown below, it is preposterous to argue that the Yeshiva and the Defendants were *created* for the purpose of avoiding creditors and the Judgment. Once the Court comes to this inescapable conclusion, the analysis turns to whether, despite the Defendants being legitimately *created* were they subsequently *operated* “as a mere shell, serving no legitimate purpose, and used primarily as an intermediary to perpetuate fraud or promote injustice.” *McKay v. Longman*, 332 Conn. 394, 444 (2019).

To find the Defendants were or are a mere shell, serving **no legitimate purpose**, and **used primarily as an intermediary to perpetuate fraud or promote injustice**, the court must then disregard, among other things, that: (i) the Yeshiva operated an elementary and then high schools for boys and girls recognized by the State of Connecticut Board of Education for over 40 years graduating and sending dozens of students to top tier colleges and universities; (ii) the Defendants actually purchased, renovated and rented 50+ real estate properties as low and moderate income rentals for the benefit of the Edgewood Park neighborhood in New Haven; and (iii) the excess rental money raised from these properties after property maintenance and improvements was actually donated to keep the Yeshiva (an unquestionably legitimate educational institution) running and educating children for decades.

That a portion of the rental monies raised was also used to pay the necessary expenses of the Defendant real estate entities, including salaries and retirement benefits of Greer who spent the majority of his life creating the Yeshiva and managing the 50+ rental properties is perfectly appropriate. People who work get paid and most also receive retirement benefits from the company for which they work, in this case Edgewood Elm.

Plaintiff's Memorandum of Law in Support of Application for Temporary Restraining Order and Prejudgment Remedy dated August 21, 2020 ("TRO Application"), succinctly states Plaintiff's implausible and misleading reverse veil piercing theories as follows:

The Yeshiva and D. Greer have gone to **great lengths** to ensure that the Plaintiff never recovers any of the millions of dollars owed to him. Among other things, the Yeshiva and D. Greer have used their domination and control over the Defendants, entities that operate as a single enterprise (the "Enterprise") with no separate identities, to hold and acquire income generating real property and then incrementally pay the generated income to D. Greer, his wife, Sarah Greer...and the Yeshiva. (Bolding added)

Defendants readily admit that Greer, the Yeshiva and the Defendants went to "great lengths" to establish the non-profit structure that resulted in the success of the Yeshiva and the remarkable transformation of the Edgewood Park neighborhood. What the Defendants dispute and which there is absolutely no evidence of, is that such non-profit structure was created and since operated for the illegitimate purpose of avoiding creditors including the Plaintiff.¹

II. SUMMARY OF ALLEGATIONS

On June 6, 2017, Plaintiff obtained a judgment against Greer and the Yeshiva in the amount of \$21,749,041.10 in a separate action in this Court asserting claims based on alleged sexual abuse by Greer of the Plaintiff (the "Judgment"). The Judgment remains unsatisfied. (Complaint ("C") ¶1)

Each of the Defendants in this collection action is a non-stock corporation incorporated under the laws of Connecticut with its principal place of business in New Haven. (C ¶¶ 9-13) (Declaration of Rabbi Daniel Greer dated April 7, 2021 ("Greer Dec.") at ¶¶ 10, 14 & 17). Defendants own fifty-two real properties in New Haven which they rent. (Greer Dec. at ¶¶ 13 &

¹ Perhaps recognizing the fundamental flaw in his reverse veil piercing claim, Plaintiff also alleges that he suffered sexual abuse at properties owned by the Defendants. That allegation might, at best, suggest some direct liability by the Defendants, but is irrelevant to this reverse veil piercing action. In fact, Plaintiff sued Defendants F.O.H. and Edgewood Village in the underlying action on various tort theories, but, likely in recognition of the weakness of those claims, dropped both as defendants before trial.

20). The assets Plaintiff seeks to recover in this reverse veil piercing action are the Defendants' properties and the rents they have collected from tenants at those properties.

In the July 30, 2020 Ruling on Defendant's Motion to Dismiss Complaint ("Ruling"), the Court explained Plaintiff's claims in this action as follows:

"The Complaint alleges in substance that Edgewood Corners, Edgewood Village and F.O.H. (the "Upstream Entities")² transferred the bulk of the net monies for the residential properties they owned to YH and Edgewood Elm (the "Downstream Entities") who held the funds and then distributed them to the Yeshiva, Daniel Greer, and his wife Sarah Greer. *Id.* ¶¶54, 57. The purpose of these arrangements, as alleged in paragraph 68 was to hold, shield and distribute assets of the Yeshiva, Daniel Greer and Sarah Greer, without exposing funds to "the collection activities of creditors, including Plaintiff." *Id.* ¶ 68. Ruling at 4.

After an extensive review of Connecticut law on reverse veil piercing, focusing on *McKay v. Longman*, 332 Conn. 394 (2019) and *Commissioner of Environmental Protection v. State Five Industrial Park, Inc.*, 304 Conn. 128 (2012), the Ruling concluded that the "case at bar does not involve *traditional* veil piercing", but instead "classic reverse veil piercing". Ruling at 11 & 17. Plaintiff's first claim alleges a reverse veil piercing claim under the identity rule, while the second claim alleges reverse veil piercing under the instrumentality rule. Ruling at fn. 6.

Bound by the allegations in the Complaint due to the motion to dismiss context, the Court accepted as true, and based its decision on the following allegations by Plaintiff which will be shown herein to be wholly untrue:

1. Greer manipulated the corporate Defendants in such a manner that the residential property rent monies collected by the Upstream Entities were funneled to the Downstream Entities, and thereafter distributed to Daniel Greer and the Yeshiva (defendants in the underlying action) as well as to Daniel's wife, Sarah Greer.

² The Court observed that the business activities of Edgewood Elm and Yedidei Hagan are not specifically alleged. Ruling at 3. Regardless, this motion provides facts sufficient to grant summary judgment as to all Defendants.

2. The effect of these arrangement was to assure Daniel Greer and the Yeshiva income streams, while leaving them without assets to pay creditors, including the judgment Plaintiff obtained against them.³
3. It is plausible to think that Daniel Greer employed these corporate maneuvers for the purpose of avoiding payments to his creditors.

Ruling at 22-23.

In sum, Plaintiff claims that assets have been transferred among the Defendants and to the Judgment Debtors “to hinder Plaintiff’s collection of his Judgment against” the Judgment Debtors. (C ¶64) Plaintiff’s theory is that Greer has “orchestrated” a scheme in which he receives a salary and retirement benefits from Defendant Edgewood Elm, while Sarah Greer receives a salary and retirement benefits from the Yeshiva. (C ¶64; *see* C ¶¶36-37, 61) This was purposefully done, Plaintiff alleges, as part of a specific effort to frustrate Plaintiff’s collection of his Judgment, in which Greer uses his salary to “pay the expenses and make charitable contributions of both D. Greer and S. Greer,” while Sarah Greer’s salary and retirement funds are saved and preserved. (C ¶65; *see* C ¶61-66)

As shown below, Plaintiff claims are baseless. The Defendants and their non-profit structure were established long-before Greer, the Yeshiva or any of the Defendants ever knew of or met Plaintiff. Indeed, the Yeshiva and Yedidei Hagan were created before Plaintiff was even born. The Complaint misled the Court during the motion to dismiss phase of this action to believe that the Defendants’ structure and payment habits were created and/or manipulated *in response to the Judgment* to hide assets from Plaintiff. Not true.

Plaintiff is therefore unable to prove the second or third elements of the instrumentality test. In other words, Plaintiff is unable to show that Greer’s arguable control over the

³ If Greer was allegedly trying to make himself judgment proof by creating this elaborate “Enterprise”, then why did he make the “rookie” mistake of owning his home in his own name, which Plaintiff already collected upon?

Defendants was used to commit a wrong that proximately caused harm against the Plaintiff (i.e. Plaintiff's inability to collect his judgment against Greer or the Yeshiva).⁴ In addition, Plaintiff is unable to prove the applicability of the identity test because the Defendants are not and have never been the alter ego of Greer or the Yeshiva. In other words, the Defendants cannot show that the Defendants were created and/or subsequently operated as mere shells, serving **no legitimate purpose**, used primarily as an intermediary to **perpetuate fraud or promote injustice**. The evidence to the contrary is overwhelming.

III. BACKGROUND FACTS

A. The Greers and the non-profit Defendants

The Greers' background, as well as the formation and purpose of each Defendant and how all of these non-profit entities interrelate, is critical to understanding why Plaintiff's reverse veil piercing claims are unavailing. As a preliminary matter, each of the non-profit Defendant corporations was established and operated pursuant to its own certificate of incorporation and written by-laws. (Greer Dec. at ¶¶ 10, 14 & 17). Additionally, each corporation was properly registered with the Connecticut Secretary of State and has maintained its registered corporate status and distinct board of directors from its inception until the Judgment was made public in or about 2017, when directors began resigning. Id. (Greer Dec. at ¶¶ 24 & 29)

i. The Greers

Greer, a New York City native, graduated from Princeton University and from Yale Law School. (Greer Dec. at ¶ 3). After law school, Greer worked for a short time at a Wall Street law firm, but then moved into the administration of New York City Mayor (previously U.S.

⁴ To simplify matters, Plaintiff concedes for purposes of this motion for summary judgment only, the first element of the instrumentality test; that Greer dominated and controlled the Defendants. Regardless of this concession, all three elements must be proven to establish a reverse veil piercing claim under the instrumentality test, and Plaintiff is unable to prove the two additional elements.

Congressman) John V. Lindsay. (Greer Dec. at ¶ 4). He first was an examining attorney in the Department of Investigations, then as its general counsel, later First Deputy Commissioner for Ports and Terminals and finally as Director of the Firearms Control Board. (Greer Dec. at ¶ 4). His career in New York City politics came to a close in 1972 when Greer unsuccessfully ran against incumbent Richard Gottfried for the Democratic nomination for the State Assembly for an upper west side Manhattan district. (Greer Dec. at ¶ 4). In 1971, Greer married Sarah Bergman, a Jewish day school teacher, with whom he has five children and thirty grandchildren. (Greer Dec. at ¶ 5).

ii. Yeshiva

After spending time working in Israel, the Greers moved to New Haven in 1976 and established an Orthodox Jewish day school as the greater New Haven area then lacked a quality one. (Greer Dec. at ¶ 6) Over the years, the Greers expanded the day school into the Yeshiva with both an elementary and then high schools for girls and boys.⁵ (Greer Dec. at ¶ 6). The Yeshiva was established as a Connecticut non-profit corporation in 1977 to educate and promote the Jewish and general education for its students and for the larger community. (Greer Dec. at ¶ 7). The class sizes were small, about 4 to 5 students each. But the Yeshiva's status as a top-tier learning institution is evident, at least in part, from the success of the Greers' five children, all of whom attended the Yeshiva. Four of the Greers' children attended Yale University while the youngest son "outlier" attended Brown University. (Greer Dec. at ¶ 8). The Greer children's educational success through the Yeshiva was by no means unique. (Greer Dec. at ¶ 8). Despite Covid-19, the Yeshiva continues to offer limited teaching programs. (Greer Dec. at ¶ 8).

⁵ The Secretary of State's website confirms that in June 2001, the school name was changed from The Gan, Inc. to The Gan School, Tikvah High School and Yeshiva of New Haven, Inc. Thereafter, the school did business as the Yeshiva of New Haven. (See *Exhibit A* to Greer Dec.).

The Greers quickly realized that to develop the Yeshiva, the neighborhood in which the school was located—infiltrated by drugs, prostitution, and dilapidated housing—was in need of an extreme makeover. (Greer Dec. at ¶ 9) Parents would surely not allow their children to attend the Yeshiva if the Edgewood Park neighborhood in New Haven was not safe and conducive to learning. (Greer Dec. at ¶ 9) To pull off this miracle, the Greers went about establishing the Defendants.⁶

iii. Yedidei Hagan, Inc.

Registered as a Connecticut non-profit corporation in May 1984, Yedidei Hagan was established for the purpose of raising funds to support the Yeshiva and hold religious services and programs. (Greer Dec. at ¶ 10) Specifically, the By-Laws of Yedidei Hagan stated its purpose as of 1984 and ever since as follows:

The purpose of the Corporation shall be to conduct programs in the Edgewood Park Area of New Haven, Connecticut, **including activities for the Gan, Inc. and to collect, invest, solicit, and distribute contributions for such activities** and to further the other purposes in connection therewith enumerated in Chapter 598 of the Connecticut General Statutes. The Corporation shall be a corporation within the meaning of the said Chapter 598. (Greer Dec. at ¶ 11).

Yedidei Hagan fulfilled its purpose of conducting programs and collecting, soliciting and distributing contributions for the Gan, Inc. (now known as the Yeshiva) by, among other things, working with the Connecticut Housing Finance Authority (“CHFA”) and the Connecticut Neighborhood Assistance Act Program (“CNAA”) to attain tax credits for its investors, and then used the investments to purchase affordable housing in the Edgewood Park neighborhood. (Greer Dec. at ¶ 12) The homes were often wholly refurbished, rented and well-maintained. The excess profits from those rentals were ultimately used to financially support and expand the

⁶ In addition to purchasing and improving affordable homes, the Greers cleaned streets, paved sidewalks, installed safety signs, fenced and landscaped yards and open areas, and planted over 500 trees in the Edgewood Park neighborhood. (Greer Dec. at ¶ 9).

Yeshiva. (Greer Dec. at ¶ 12) Yedidei Hagan is the current owner of six affordable 3-4 family homes in the Edgewood Park neighborhood. (Greer Dec. at ¶ 13)

iv. Edgewood Elm Housing, Inc.

Registered as a Connecticut non-profit corporation in July 1989, Edgewood Elm Housing is the overall property management company for all of the affordable homes and properties owned by Yedidei Hagan, Edgewood Village, Edgewood Corners, and F.O.H. (Greer Dec. at ¶ 14). Edgewood Elm's stated corporate purpose in 1989 in its By-Laws (and ever since) was:

The purpose of the Corporation shall be to facilitate, encourage and **sponsor** the construction, rehabilitation, ownership and management of **low and moderate income families** and to further the other purposes enumerated in the Corporation's certificate of incorporation. The Corporation shall be a nonstock, nonprofit corporation within the meaning of Chapter 600 of the Connecticut General Statutes. (Greer Dec. at ¶ 15).

Edgewood Elm has employed between 5-7 employees at any given time over the years, including Greer. (Greer Dec. at ¶ 16).

v. Edgewood Village, Inc., Edgewood Corners, Inc., & F.O.H., Inc.

Edgewood Village, Edgewood Corners, and F.O.H. were registered as Connecticut non-profit corporations in December 1994, March 1996, and June 1999, respectively. (Greer Dec. at ¶ 17). From its inception and since, Edgewood Corners purpose as stated in its By-Laws has been:

...to engage in...the **relief of poverty**, elimination of prejudice, the reduction of neighborhood tensions, and the **reversal of community deterioration** through all necessary and appropriate activities, including...the acquisition, rehabilitation, ownership or management...of commercial buildings in economically depressed or threatened areas and the rental at below market rates of such buildings.... (Greer Dec. at 18).

The By-Laws of F.O.H. and Edgewood Elm further state their original and continuing purposes to be:

...to engage in...**facilitating**, encouraging, and sponsoring the construction, rehabilitation, ownership and management of **housing for low and moderate income families** through all necessary and appropriate activities, including but not limited to, the

direct construction, rehabilitation, ownership or management of such housing or the making of loans and grants available to nonprofit corporations undertaking such housing...(Greer Dec. at ¶ 19).

Edgewood Village owns 25 affordable rental houses in the Edgewood Park neighborhood, F.O.H. owns 19, while Edgewood Corners owns 2 properties, a commercial building and its separate parcel parking lot. (Greer Dec. at ¶ 20) Like Yedidei Hagan, Edgewood Village and F.O.H. worked through the CHFA and CNAA to purchase, refurbish and well-maintain affordable housing units, and some of the profits from these rentals were donated to financially support the Yeshiva. (Greer Dec. at ¶ 21).

Importantly, there are two fundamental reasons why these three additional and distinct non-profit real estate holding companies (Edgewood Village, Edgewood Corners and F.O.H.) were created. First, they were created to contend with zoning laws requiring merger of non-conforming, abutting lots by the same owner, which creates zoning approval, development and expense issues for both lots. (Greer Dec. at ¶ 22). This common practice is known as “checkerboarding”. *Connecticut Land Use Regulation (Second Edition)*, at 173, fn. 445. (“One reason for the common developer’s practice known as “checkerboarding” in which adjacent parcels acquired by the developer are placed in separate ownership, is to prevent merger from even applying, even where required by regulations.”).

Second, CHFA and CNAA cap the amount of tax credits that any given applicant can seek at a time for affordable housing development purposes. (Greer Dec. at ¶ 23). Thus, by establishing the additional non-profits to also purchase, rehabilitate and well-maintain affordable housing units, the Defendants were able to simultaneously obtain more tax credits for their investors, and thus more investments and more buying power to accelerate their community redevelopment project. (Greer Dec. at ¶ 23).

The Yeshiva and the non-profit Defendants were therefore all created and structured between 1977 and 1999, and have remained the same ever since. (Greer Dec. at ¶ 23); (Declaration of Matthew Reinecke, CPA (“Reinecke Dec.”) at ¶ 14). Any claim that the Defendants were purposefully created to shelter assets by or on behalf of Greer and/or the Yeshiva is therefore baseless and belied by the very language of the By-Laws for each non-profit Defendant. Indeed, those By-Laws reflect the obvious reasons and strategies for the development of each non-profit Defendant that are entirely consistent with their charitable purposes and have nothing to do with sheltering assets. Moreover, any claim that the Defendants were established or operated to specifically avoid the Judgment (or any creditor for that matter) is equally baseless. **Plaintiff did not even attend the Yeshiva until 24 years after it was established and 2 years after the last Defendant was created.** The notion that the Defendants were established and maintained to avoid the Judgment, which was wholly unknown—along with the identity of the Plaintiff—when these entities were created, is illogical. Likewise, Plaintiff has not identified (nor could he) any other supposed creditors who were defrauded or prevented from collecting monies owed to them based on the long-standing (and purported scam) structure among of the Defendants, the Yeshiva and Greer. Plaintiff’s “Enterprise” theory simply has no merit.

B. Evidence of the Defendants’ adherence to corporate formalities

A key tenet of Plaintiff’s assertion that the Defendants are the alleged alter ego of Greer is his speculative claim that the Defendants fail to follow corporate formalities and commingled funds, and therefore never truly had a separate existence. To the contrary, the evidence refuting these claims is overwhelming.

First, as noted, each non-profit Defendant was established through a valid certificate of incorporation, is operated pursuant to written by-laws, and is properly registered and maintained

annually with the Connecticut Secretary of State. (Greer Dec. at ¶ 24). Indeed, the Secretary of State records clearly show that the Defendants have all been active and kept current their respective recording requirements. (Greer Dec. at *Exhibits F, I, P, Q & R*).⁷

Second, each non-profit Defendant has and continues to maintain its own separate checking accounts where funds were deposited and expenses were paid on behalf of the respective entity. (Green Dec. at ¶ 25); (Reinecke Dec. at ¶ 10).

Third, each non-profit Defendant has and continues to maintain its own separate savings accounts where funds are deposited, earn interest, and are used for the benefit of the respective entity. (Greer Dec. at 26); (Reinecke Dec. at ¶ 10). Funds that are deposited into the savings accounts generally came from one of two sources. When a Defendant intended to purchase and/or rehabilitate an affordable home and sought tax credits to purchase and/or refurbish the home, the investment funds were held in the respective entity's savings account. (Greer Dec. at ¶ 26). Rental income from the Defendant's affordable homes was also deposited into the entity's checking or savings account until needed by the entity for neighborhood improvement or donated via Yedidei Hagan to support the Yeshiva—the very purposes that drove the entire affordable home investment strategy. (Greer Dec. at ¶ 26).

Fourth, each non-profit Defendant has and continues to pay its own expenses, and common expenses such as landscaping, dumpsters, snow plowing and general accounting and legal fees (to name a few) are all allocated respectively based on the number of housing units owned by each Defendant. (Greer Dec. at ¶ 27); (Reinecke Dec. at ¶ 11).

Fifth, each non-profit Defendant has and continues to file its own separate tax returns when due since its inception. (Greer Dec. at ¶ 28); (Reinecke Dec. at ¶ 10). In so doing, each

⁷ As noted within the Secretary of State's records for Yedidei Hagan, this entity is not required under Connecticut law to make annual filings or list business information after registering.

Defendant accounted for its individual assets, liabilities, income, and expenses. Defendants have copies of *every tax return, filed by every entity for every year since inception*. (Greer Dec. at ¶ 28). These returns provide categorical proof that the Defendants followed corporate formalities and were treated as separate and distinct entities.⁸

Sixth, each Defendant had its own separate board of directors. (Green Dec. at ¶ 29).⁹

Seventh, there is no evidence of any commingling of Greer's or the Yeshiva's assets with those of the Defendants. (Greer Dec. at ¶¶ 30, 35 & 36). When funds were donated by the Defendants to the Yeshiva, it was for one of the original and legitimate purposes of the affordable housing arrangement to support the Yeshiva. (Greer Dec. at ¶ 30). All such donations were properly accounted for by the respective Defendants. (Greer Dec. at ¶ 30); (Reinecke Dec. at ¶ 11).

Eighth, in support of many of the above facts, the non-profit Defendants have also submitted the Declaration of Matthew Reinecke of Whitten Horton & Gibney, who handled the Defendants' accountant and tax needs from 2016 through 2019, which included the taxable years 2015 through 2018. (Reinecke Dec. at 6). Whitten Horton & Gibney has also handled the tax returns for the Yeshiva on a *pro bono* basis since 1995. (Reinecke Dec at ¶ 5). In sum, Mr. Reinecke's Declaration states as follows:

- During the time he served as accountant to the Defendants, as well as the Yeshiva he had full access to all of the QuickBooks records and all other necessary raw financial

⁸ The voluminous copies of these decades of tax returns are not being submitted at this time, but will be made available to the Court for *in camera* review in the event a genuine issues is raised about their consistent filing.

⁹ The list of board members include notable names such as prominent deceased New Haven attorney William F. Gallagher (multiple boards for over a decade), former New Haven Alderwoman Elizabeth McCormick (Edgewood Elm and F.O.H., 3 years each), and current CT Superior Court Judge Matthew Frechette (F.O.H. over 10 years).

information of each Defendant and the Yeshiva for accounting and/or tax purposes. (Reinecke Dec. at 7-8) ;

- To the best of his knowledge, since 1995 the Yeshiva has maintained a separate checking and savings account and filed a separate tax return for every year of its existence. (Reinecke Dec. at 9);
- To the best of his knowledge, Defendants have at all times between at least the taxable years 2011 through 2018 maintained separate checking and savings accounts and filed separate tax returns ever year of their existence. (Reinecke Dec. at 10);
- To the best of his knowledge, the respective income and expenses for the Yeshiva and each Defendant have at all times been properly allocated to each Defendant, including allocating common expenses such as landscaping, dumpsters and plowing among each Defendant. (Reinecke Dec. at 11) ;
- Other than long-standing salary and retirements benefits paid to the Greers, he is not aware of, has not observed nor uncovered any improper taking, use and/or borrowing of assets by the Greers from the Yeshiva and/or any of the Defendants. (Reinecke Dec. at ¶ 12); and
- Since at least 1995 for the Yeshiva and at least between the taxable years 2015 (when Plaintiff first made his alleged claims known to Greer) and 2018, Mr. Reinecke is not aware of any changes to the structure of the Yeshiva and/or any of the Defendants, nor any steps that were taken by the Yeshiva and/or any of the Defendants to shield or hide assets from the Plaintiff to avoid the Judgment. (Reinecke Dec. at ¶ 14).

C. The Greers' salary and retirement benefits

Although the Yeshiva was established in 1977 and the Defendants were established from 1984 through 1999, Greer **took no salary** for the 25 years from 1977 until 2002. (Greer Dec. at ¶ 31). Sarah likewise worked pro bono for 13 years for the Yeshiva and the Defendants from 1977 until 1991. (Greer Dec. at ¶ 32). Finally, in 1992, Sarah was paid a salary of \$22,500 per year to serve as the Yeshiva's principal and its mainstay Jewish studies teacher. (Greer Dec. at ¶ 32). Her salary increased thereafter and ultimately included a taxable Roth 401k component. (Greer Dec. at ¶ 32). As of 2019, Sarah's total compensation per year (salary and taxable Roth 401k) to serve as principal and teacher at the Yeshiva was a mere \$62,359 (which it had been since 2015). (Greer Dec. at ¶ 32). (A true and accurate schedule of Sarah's total taxable

compensation (salary and taxable Roth 401k) for the years 1992 through 2019 is attached as *Exhibit X* to Greer Dec.). The only other compensation received by Sarah from the Yeshiva is the balance of her tax deferred Roth 401k, which was always within the Internal Revenue Service maximum allowable amount per tax year. (Greer Dec. at ¶ 32); (Reinecke Dec. at ¶ 13).

In 2002, Greer finally took a salary of \$35,000 for serving as a director and in 2012 as president of Edgewood Elm Housing. (Greer Dec. at ¶ 33). As of 2019, Greer's total compensation per year (salary and taxable Roth 401k) was just \$88,109, a modest amount for the responsibility of, among many other things, managing 52 properties valued at over \$10 million, as well as substantial annual fund raising duties for the Defendants. (Greer Dec. at ¶ 33). (A true and accurate schedule of Greer's total taxable compensation (salary and taxable Roth 401k) for the years 2002 through 2019 is attached as *Exhibit Y* to Greer Dec.). The only other compensation Greer received from Edgewood Elm is the balance of his tax deferred Roth 401k, which was always within the Internal Revenue Service maximum allowable amount per tax year. (Greer Dec. at ¶ 33); (Reinecke Dec. at 13).

Other than the above salary and retirement payments, the Greers have neither received nor taken any other compensation from the Defendants. (Greer Dec. at ¶ 34); (Reinecke Dec. at ¶ 12). Critically, at no time did Greer or the Yeshiva transfer any of their respective assets to the Defendants for any purpose, including to avoid the Judgment. (Greer Dec. at ¶ 35 & 36). The above salary and retirement payments are not evidence of the money laundering, sheltering assets, or supportive of any of the other theories that Plaintiff has conjured to support his reverse veil-piercing claims. Rather, the modest and consistent compensation paid to the Greers is fully consistent with the overarching purpose of the affordable housing structure to develop New Haven's Edgewood Park neighborhood and support the Yeshiva. It is also noteworthy that the

practice of paying Greer's salary started in January 2002 (Sarah's 10 years earlier in 1992), which was before any alleged abuse ever took place and **over 13 years before claims of alleged abuse were ever raised** by Plaintiff. The payment of salaries and retirement benefits was therefore undeniably **not** in response to any of Plaintiff's alleged claims or the Judgment.

IV. ARGUMENT

A. Legal Standard

It is well established that “[a] motion for summary judgment will be granted where there is no genuine issue as to any material fact and it is clear that the moving party is entitled to judgment as a matter of law.” Russell v. Eldridge, 832 F. Supp. 535, 537 (D. Conn. 1993); see also Richardson v. Selsky, 5 F.3d 616, 621 (2d Cir. 1993). The burden is on the moving party to establish the absence of genuine factual issues in dispute, and to establish that it is entitled to judgment as a matter of law. Sylvestre v. United States, 771 F. Supp. 515, 516 (D. Conn. 1990) (citation omitted).

B. **Greer's alleged domination and control of the Defendants was not used to commit any wrong that proximately caused Plaintiff to be unable to collect the Judgment against Greer and the Yeshiva**

Corporate veils “exist for a reason and should be pierced only reluctantly and cautiously. The law permits the incorporation of businesses for the very purpose of isolating liabilities among separate entities. Accordingly, the corporate veil is pierced only under exceptional circumstances, for example, where the corporation is a mere shell, serving no legitimate purpose, and used primarily as an intermediary to perpetuate fraud or promote injustice.” *State Five*, 304 Conn. at 139 (internal quotation marks and citation omitted). In a reverse veil piercing action, the claimant seeks to reach the assets of a corporation or some other business entity to satisfy a claim or judgment obtained against a corporate insider. *Id.* Courts may reverse pierce the

corporate veil under one of two theories: either the instrumentality rule or identity rule. *Longman*, 332 Conn. at 433; citing *Zaist v. Olson*, 154 Conn. 563 575 (1967).

As the court knows, when examining the relationship among Greer and the Defendants under the instrumentality rule, the court must determine whether there exists proof of three elements. *Ruling* at 15; citing *Longman* 332 Conn. at 441. The first element relates to proof of Greer's control and dominance of the Defendants. As noted above, to simplify this motion and for purposes of this motion only, Defendants will not dispute the first element of control and dominance. Therefore, the court must determine whether there exists proof of the final two elements:

- (2) that such control and dominance must have been used by the defendant to commit a fraud or wrong in contravention of the plaintiff's legal rights; and
- (3) that the control and breach of duty must proximately cause the injury or unjust loss complained of.

With regard to these second and third elements of the instrumentality test, "it is not enough to simply show that a judgment remains unsatisfied. There must be some wrong beyond the creditor's inability to collect, which is contrary to the creditor's rights, and that wrong must have proximately caused the inability to collect." *Ruling* at 15; *Longman* at 442; quoting *State Five*, 304 Conn. at 150.

In *State Five*, the Connecticut Supreme Court reversed the trial court judgment that allowed a reverse veil piercing of the corporate defendant, State Five Industrial Park, Inc. ("State Five") and Jean L. Farricielli ("Jean") and directed that judgment enter in their favor. *State Five*, 304 Conn. at 151. The underlying judgment plaintiff sought to enforce by reverse veil piercing was an \$3.8 million judgment against Jean's husband (Joseph J. Farricelli ("Joseph")) and five

corporations he owned (the “2001 judgment”). *Id.* 728. At trial and on appeal, both courts found that:

“...Joseph exercised his control over State Five wrongfully or unjustly and contrary to the plaintiff’s rights by: negotiating the transfer of State Five to LaVelle; transferring financial resources to State Five; commingling personal funds with corporate funds; diverting State Five assets for personal use; and paying personal expenses as well as the property expenses of one of his corporations, while not satisfying the 2001 judgment. *Id.* 146.

Despite this avalanche of dominance, control and misuse of State Five’s corporate funds, the court stated that the “chief problem” with the trial court’s analysis is that “it fails to establish with specificity the necessary connection between Joseph’s improper control actions vis–vis State Five and the plaintiff’s inability to collect on the 2001 judgment. The court then articulated the required inquiry:

In short, to justify imposing the entire obligation of the 2001 judgment on State Five, the plaintiffs needed to show that Joseph exercised his control over State Five to divert or secrete assets that otherwise would have been available to satisfy that judgment, namely assets that belonged to him personally or to his corporations, and further, that these maneuvers were the proximate cause of the plaintiffs’ inability to collect \$3.8 million that it otherwise would have been able to recover. *Id.* 147.

Especially relevant to the Court’s reversal was that Joseph’s transfer of a certain parcel of land to State Five for no consideration was done three years **before** the underlying action was filed and five years before the 2001 judgment entered. The court stated “[g]iven that circumstance, it cannot be argued that the transfer was contrary to the plaintiffs’ legal rights and proximately caused their inability to collect on their judgment.” *Id.* at 148.

Moreover, that Joseph caused State Five to use its own assets, or assets transferred to State Five to pay his personal expenses and the tax bill of one of his corporations, “did not offend the plaintiffs’ collection rights nor cause them any detriment.” *Id.* at 149. Because State Five and Jean were not defendants in the 1999 action, their assets were **not subject** to the 2001

judgment. *Id.* “Accordingly, use of those assets to pay Joseph’s personal expenses, although certainly offensive to State Five’s interest, was not contrary to the plaintiffs’ rights and was not the proximate cause of their inability to collect the judgment against Joseph. If anything, payment of a judgment debtor’s expenses [Joseph’s] by nonliable third parties [State Five] enhances a creditor’s ability to collect from the judgment debtor, in this case Joseph.” *Id.*¹⁰

Like *State Five*, even conceding that Greer dominated and controlled the Defendants, there is no evidence (and there never will be) that Greer exercised his control to divert or secrete the Judgment Debtors’ assets that otherwise would have been available to satisfy the Judgment, **namely assets that belonged to Greer personally and those of the Yeshiva that were funneled to the Defendants to avoid the Judgment.** *State Five* at 147. As a result, the transactions alleged by Plaintiff as supporting reverse veil piercing are not the proximate cause of Plaintiff’s inability to collect the Judgment and therefore irrelevant.

Specifically, Plaintiff relies upon the following transactions:

- “On July 12, 2020 Edgewood Village sold the property located at 928 Elm Street, New Haven, Connecticut to Pendelton Properties, LLC for \$225,000 and that it recently has listed 727 Elm Street, New Haven, Connecticut for sale for \$265,000.” (TRO Application at 1-2).
- “Moreover, Defendants have transferred hundreds of thousands of dollars to the Yeshiva and D. Greer or on their behalf in just the past two years, including approximately \$200,000 to D. Greer (even after he was incarcerated) as salary and benefits, over \$150,000 for D. Greer’s legal bills, and over \$630,000 to the Yeshiva in nearly 400 separate payments. (TRO Application at 2).

¹⁰ Citing, *In re Blastein*, 192 F. 3d 88, 99-100 (1999) (upholding district court’s refusal to reverse pierce veil where, inter alia, corporation’s payment of insider’s expenses “actually benefitted his creditors”); *Lifshutz v. Lifshutz*, 61 S.W.3d 511, 518 (Tex. App. 2001) (reverse veil pierce was inappropriate in dissolution action where husband controlled corporations and used their funds to pay his personal expenses, because those payments “actually enhanced the marital community [property] at expense of the corporations”).

Defendant unwittingly complains that “these transfers have been made in such a way to prevent the collection of the Judgment as they are mostly made incrementally and rarely (if at all) stay in the Yeshiva’s or D. Greer’s accounts for more than a day.” *Id.* It is clear that Plaintiff confuses his right to collect the judgment against Greer and the Yeshiva with some perceived right to collect it directly against the Defendants. Unless and until the corporate veil of the Defendants are pierced, the Defendants are allowed to do whatever they want with their respective assets in relation to Plaintiff. So, concerning the above transactions, Edgewood Village had every right to sell property as part of its normal business operations. Furthermore, the salary payments and legal fees paid on Greer’s behalf, as well as the monies donated to the Yeshiva over the years are all entirely permissible payments because the Judgment does not apply to the Defendants, none of the monies comprising those payments originally belonged to Greer or the Yeshiva and the Defendants are legitimate entities. Thus, the payment of those monies has nothing to do with and is not the proximate cause of with Plaintiff’s ability to collect the Judgment against Greer and the Yeshiva.

Similarly, Plaintiff’s added allegations from the TRO Application concerning the lack of formal meetings, overlapping offices, post offices boxes, etc. (TRO Application at 4-6), all relate to the issue of domination and control. Plaintiff concedes for purposes of this motion the alleged domination and control element of the instrumentality test because it did not result in a wrong committed on the Plaintiff that was the proximate cause of his inability to collect the Judgment against Greer and the Yeshiva.

Finally, Plaintiff’s complaints about Edgewood Elm paying Greer’s legal fees for issues arising out of the alleged abuse claims, or paying the Yeshiva’s legal fees are misguided. First, pursuant to Edgewood Elm’s By-Laws, Greer is entitled (or at a minimum has a claim) to be

reimbursed for his legal fees “arising out of or related to” his activities as a director or officer of Edgewood Elm. (Greer Dec. at *Exhibit H*, Article VI). While Edgewood Elm may have an issue with having to pay Greer’s legal fees, Plaintiff has no standing to object to such practice as the assets being used to pay such legal fees belong to Edgewood Elm, are not subject to the Judgment and do not include any secreted assets belonging to Greer or the Yeshiva, against whom Plaintiff has the Judgment. Similarly, Plaintiff has no standing to object to Edgewood Elm donating funds to pay the Yeshiva’s legal fees. Unless and until Plaintiff can show that the funds being used by Edgewood Elm actually once belonged to Greer or the Yeshiva (which he cannot show), or that Edgewood Elm is not a legitimate entity (which he also cannot show), how Edgewood Elm spends its funds are none of Plaintiff’s business.

As *State Five* also emphasized, the Greer’s receipt of their long-standing salaries and retirement benefits (and nothing more) cannot, as a matter of law, be the proximate cause of Plaintiff’s inability to collect the Judgment. Defendants were under no restriction to not make such payments, and putting more not less money in Greer’s pocket through his salary “enhance[d] Plaintiff’s ability to collect from” Greer on the Judgment. *Id.* Finally, it is undisputed that all of the Defendants were incorporated, registered and long-engaged in their collective philanthropic endeavor to support the Yeshiva while also rebuilding the Edgewood Park neighborhood long before Plaintiff was ever known to Greer let alone a student at the Yeshiva.

While *State Five* is directly on point, *Longman’s* partial enforcement of reverse veil piercing is easily distinguished from this action. In *Longman*, the Supreme Court upheld the reverse veil piercing judgment against Defendants Sapphire, Lurie, R.I.P.P. and Great Pasture because there was clear evidence that defendant Longman transferred two real properties from

his own name to these various entities to avoid the judgment against him personally. *Longman* at 400. The court therefore found that Longman's dominance and control of these various entities, his attempts to divert and secrete assets, along with the other instrumentality factors, were indeed the proximate cause of Plaintiff's inability to collect on its judgment against Longman. *Id.* 461-62. Here, in complete contrast, there is **no allegation** nor any evidence that would show that Greer or the Yeshiva transferred any assets to any of the Defendants thereby interfering with Plaintiff's ability to collect the Judgment.

Moreover, the *Longman* court also upheld the trial court's refusal to apply reverse veil piercing against the additional Solaire defendant entities. *Id.* 459-461. While application of reverse veil piercing would have affected nonculpable investors, the court also noted that it heard testimony that "those entities are engaged in a legitimate business...." *Id.* at 460. This conclusion was based on evidence and testimony that the Solaire entities were commercial business providing services on an ongoing basis. *Id.* 448. The Solaire entities had leases, employed individuals to maintain the books and records and maintain the properties, and had outside tax credit investors. *Id.* at 448-449. As discussed above, the Defendants here also engage in similar purposeful business activities (and many more) as those found legitimate in *Longman*. Accordingly, *Longman* also supports this court granting summary judgment.

Finally, although *Tomasso, Inc. v. Armor Construction and Paving, Inc., et al.*, 187 Conn. 544 (1982), is not a reverse veil piercing case, its relevance to the facts here is clear. In *Tomasso*, the Supreme Court found no error by the trial court in refusing to pierce the corporate veil of defendant Armor Construction & Paving, Inc. ("Armor") to reach the individual assets of third party defendant Pierre C. Lemieux ("Lemieux") as requested by third party plaintiffs, Mario Leo and John Wentworth. *Id.* 561. Although the evidence when viewed in the light most

favorable to the third party plaintiffs demonstrated that Lemieux had exercised a considerable control over the business affairs of Armor, with respect to the specific transaction attacked for veil piercing purposes the court found there was insufficient evidence to justify piercing the corporate veil. *Id.*

Specifically, the transaction at issue was the third party plaintiffs' signing of guarantees on behalf of Armor for its purchase of concrete and crushed stone. *Id.* 558. However, there was no evidence that Lemieux's control over Armor was used to force the third party plaintiffs to sign the useless guarantees. *Id.* 558. In fact, there was no evidence that Lemieux was ever involved in or even knew about the existence of the guarantees. *Id.* 559. Because the fraud committed by Lemieux as to some of Armor's corporate actions had no relation to the guarantees, it could not be said that Armor was a mere instrumentality or agent of Lemieux. *Id.* "The fact that the corporate veil could be disregarded for some purposes does not mean it must be disregarded for all purposes." *Id.* (citations omitted).

Like *Tomasso*, the non-profit Defendants also had nothing to do with, nor any knowledge of Greer's alleged sexual abuse of Plaintiff, an alleged minor at the time. Greer's alleged abuse was clearly of his own doing and obviously beyond the scope of his authority as a director of Edgewood Elm. Accordingly, as a matter of law the Defendants would not be charged with knowledge of such acts nor liability under the doctrine of respondeat superior. *Nutt v. Norwich Roman Catholic Diocese.*, 921 F. Supp. 66, 70 (1995). Thus, even assuming Greer exercised domination and control over the Defendants for other wrongful purposes, the underlying bad act was Greer's alleged sexual abuse of Plaintiff, in which the Defendants clearly played no part.

Based on the forgoing, there is no genuine issue of material fact that what, if any, wrongful domination and control Greer exercised over the Defendants was not a wrong

committed as to Plaintiff and therefore was not the proximate cause of his inability to collect on the Judgment against Greer and the Yeshiva. Accordingly, summary judgment should enter on to count 2 of the Complaint.

C. The Evidence is overwhelming that the Defendants were not created or operated as mere shells, serving no legitimate purpose, and used primarily as an intermediary to perpetrate fraud and promote injustice.

The identity test, described as complementary to the instrumentality test has one prong requiring the plaintiff to show “that there was such a unity of interest and ownership that the independence of the corporations had in effect ceased or had never begun, [in which case] an adherence to the fiction of separate identity would serve only to defeat justice and equity by permitting the economic entity to escape liability arising out of an operation conducted by one corporation for the benefit of the whole enterprise.” *Longman*, 332 Conn. at 442. To pierce the corporate veil of the Defendants under the identity test, the court must find that the Defendants were created and/or operated as “mere shell[s], serving no legitimate purpose, and used primarily as an intermediary to perpetrate fraud and promote injustice”. *Longman* at 444.

Cases where this court has upheld findings of veil piercing under the identity test are entirely dissimilar to the facts in this action. In *Toshiba American Medical Systems, Inc. v. Mobile Medical Systems, Inc.* 53 Conn. App. 484, cert denied, 249 Conn. 930 (1999), this court held that piercing the corporate veil was proper where the defendant, the sole shareholder of two corporations, transferred more than \$1.1 from one of his corporations to another to avoid paying the plaintiff, held no corporate meetings to approve such transactions, did not file any tax returns or other documentary proof with the secretary of state as to corporate existence, had no employees and had no equipment or property other than an automobile for the defendant’s use. *KLM Industries, Inc. v. Tylutki*, 75 Conn. app. 27, 33-34 (2002); citing *Toshiba*, 53 Conn. App.

at 488-492. The defendant also used corporate funds to pay his personal taxes and permitted his son to write checks on the corporate account. *Id.*; citing *Toshiba* at 491.

Similarly, in *Davenport v. Quinn*, 53 Conn. App. 282 (1999), this court upheld the trial court's application of veil piercing under the identity test because the evidence showed a complete lack of corporate formality. *KLM Industries*, 75 Conn. app. at 33-34; citing, *Davenport*, 53 Conn. App. at 301-303. Defendant used the corporate defendant judgment debtor to pay his personal bills. *Id.* When that corporate defendant ceased doing business, it still continued paying defendant a salary. Defendant made "officer's loans", paid various debts and paid himself large salaries **after the claim arose**. *Id.* There were also no separate accounts for each corporation. Defendant also transferred the assets out of the defendant judgment debtor after the plaintiff filed his original complaint, and continued his practice of commingling funds. *Id.*

In contrast, in *KLM Industries*, this court declined to pierce the corporate veil where the defendant treated the corporate defendant as a distinct entity by having informal discussions concerning company activities from time to time, maintaining returned bank checks and statements, maintaining corporate tax returns and filing biannual reports. *Id.* at 34-35. Similarly, as discussed above, the *Longman* court declined to reverse pierce the corporate veil of the Solaire entities for the same sound reasons.

Here, Defendants' adherence to corporate formalities is well-documented. Each Defendant was established through a valid certificate of incorporation, is operated pursuant to long-standing By-Laws, and is properly registered and maintained every year with the Connecticut Secretary of State. (Greer Dec. at ¶¶10, 14, 17 & 24). Each Defendant had a board of directors. (Greer Dec. at ¶ 29). And while Greer recently served as president of each

Defendant, this arrangement is hardly unusual for small, closely-held organizations. Defendants all maintained their own separate checking and savings accounts, and paid their own expenses or their portion of the expenses that were common among multiple Defendants. (Greer Dec. at ¶ 25-27); (Reinecke Dec. at ¶ 9-11). Each Defendant has also filed its own separate tax returns every year since its inception, accounting annually for its individual assets, liabilities, income, and expenses. (Greer Dec. at ¶ 28); (Reinecke Dec. at ¶ 10). Finally, there is no evidence of Greer or the Yeshiva transferring any of their respective assets to the Defendants. (Greer Dec. at ¶ 35 & 36); (Reinecke Dec. at ¶ 13 & 14).

Relatedly, the Defendants' funds and assets were never used for Greer's (or his wife's) personal benefit. (Greer Dec. at ¶ 34); (Reinecke Dec. at ¶ 12). The only portion of the Defendants' funds that were ever transferred to Greer was his modest compensation and retirement benefits. (Greer Dec. at ¶ 34). There is simply no allegation nor any evidence that would show of any commingling of Greer's and/or the Yeshiva's assets with any assets of the Defendants.

While it is clear that the Defendants do not necessarily transact with each other at arm's length because they are working together to achieve a common and legitimate charitable purpose—*i.e.*, to develop the Edgewood Park neighborhood and, in turn, to support the growth of the Yeshiva. Each Defendant plays a role. Yedidei Hagan, Edgewood Village, Edgewood Corners and F.O.H. work in unison to avoid the issues and expenses related to merger of non-conforming, abutting properties, and obtain tax credits for their investors to obtain more funding for purchasing more properties. Edgewood Elm Housing is responsible for managing the properties owned by those companies. Their working together facilitates the community development project and supports the Yeshiva. Nevertheless, it is clear each Defendant is

operated separately as an independent profit center. They all have separate income streams, separate books and records, and file separate tax returns. Thus, their collective charitable purpose is not mutually exclusive with their independence.¹¹

Based on the foregoing, it cannot possibly be said that the Defendants are the alter ego of Greer or that they are mere shell[s], serving **no legitimate purpose**, and **used primarily** as an intermediary **to perpetrate fraud and promote injustice**. They have been and continue to be separate and distinct organizations that have held themselves out to the world as such, raised funds in such distinct forms and thereby served their collective philanthropic goals and purposes for decades.

The law is clear that there is nothing improper about the Defendants' use of the lawful protections of longstanding corporate structures to continue their respective corporate activities, **notwithstanding** that a party seeks to enforce an unrelated judgment. As one court explained: "[T]he 'injustice' or 'inequity' on which a piercing claim is based cannot stem from the mere existence of limited liability, which is a legitimate characteristic of the corporate form." *Cascade Energy Metals Corp. v. Banks*, 896 F.2d 1557, 1578 (10th Cir. 1990) (emphasis added). Indeed, the fact that the corporate structures at issue protect the Defendants' assets against the liabilities of Greer and the Yeshiva is not an injustice to Plaintiff, it is a classic example of the purpose and advantage of such corporate forms. The mere existence of Plaintiff's Judgment does not mean that the longstanding corporate structure of the Defendants may be disregarded. *See Sea-Land Servs., Inc. v. Pepper Source*, 941 F.2d 519, 523 (7th Cir. 1991) ("The prospect of an unsatisfied judgment looms in every veil-piercing action; why else would a plaintiff bring

¹¹ While it is not anticipated that Plaintiff will dispute the transformation of 50+ homes within the Edgewood Park neighborhood, to the extent he does, Defendants would request the Court tour the area to see the obvious, legitimate work completed by the Defendants in that neighborhood.

such an action? Thus, if an unsatisfied judgment is enough for the ‘promote injustice’ feature of the test, then every plaintiff will pass on that score.”).

V. CONCLUSION

Based on the foregoing, Defendants request the Court enter summary judgment in their favor on both counts of the Complaint.

**DEFENDANTS,
EDGEWOOD ELM HOUSING, INC.;
F.O.H., INC.; EDGWOOD VILLAGE,
INC.; EDGEWOOD CORNERS, INC.;
AND YEDIDEI HAGAN, INC.,**

By: /s/ Richard P. Colbert

Richard P. Colbert

Joshua W. Cohen

Michael Schoeneberger

Day Pitney LLP

195 Church Street, 15th Floor

New Haven, CT 06510

T: (203) 977-7375

F: (203) 399-5876

rpolbert@daypitney.com

jwcohen@daypitney.com

mschoeneberger@daypitney.com

CERTIFICATE OF SERVICE

I hereby certify that on April 8, 2021, the foregoing was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing. Parties may access this filing through the Court's CM/ECF system.

/s/ Richard P. Colbert
Richard P. Colbert