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SUPERIOR COURT OF N.J.
 CUMBERLAND COUNTY

JUL 22 2015

REC'D & FILED
 CIVIL CASE
 MANAGEMENT OFFICE

<p>HENRY.GROVE DIVERSIFIED INVESTMENTS, LLP and THOMAS MARTIN, individually Plaintiff(s), v. BRIDGETON MUNICIPAL PORT AUTHORITY, and CITY OF BRIDGETON ✓ Defendant(s).</p>	<p>SUPERIOR COURT OF NEW JERSEY CUMBERLAND COUNTY LAW DIVISION DOCKET NO. L-425-15 <i>Civil Action</i> SECOND AMENDED COMPLAINT IN LIEU OF PREROGATIVE WRIT</p>
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Plaintiffs, Henry.Grove Diversified Investments, LLP located at 171 North Pearl Street, Bridgeton, New Jersey, 08302 and Thomas Martin, individually, by way of Complaint against the Defendants say:

BACKGROUND FACTS

1. Henry.Grove Diversified Investments, LLP (hereinafter "Henry.Grove") is a New Jersey limited liability partnership which holds a judgment against Defendant, Bridgeton Municipal Port Authority in the sum of \$823,201.72 as of October 24, 2014.
2. Thomas Martin, individually, is a New Jersey citizen, resident and taxpayer of the City of Bridgeton residing at 425 South East Avenue, Bridgeton, New Jersey 08302.
3. Defendant, Bridgeton Municipal Port Authority, is a non-functioning, debt ridden and mismanaged port authority that has not operated in many years.
4. Defendant, the City of Bridgeton is a municipal corporation of the State of New Jersey.
5. Defendant, Renewable Jersey, LLC is a New Jersey limited liability company of the State of New Jersey which is a designated redeveloper for the City of Bridgeton.

6. On November 26, 2012, the Honorable Georgia M. Curio, Assignment Judge of the Superior Court in Cumberland County issued a Writ of Mandamus compelling the Bridgeton Municipal Port Authority (hereinafter "BMPA") to satisfy the judgment held by Henry.Grove.

7. At all relevant times, the non-functioning, debt ridden and mismanaged BMPA is simply a puppet of the City of Bridgeton. It has acted as the alter ego of the City of Bridgeton and is controlled by the Mayor of the City of Bridgeton.

8. Henry.Grove currently has an application before the Local Finance Board of the State of New Jersey requesting that it Order the dissolution of the BMPA.

9. The City has opposed this application since the dissolution under N.J.S.A. 40A:5A-20 would require that the City of Bridgeton pay the outstanding creditors of the BMPA.

10. On April 24, 2015, Judge Curio ordered the BMPA to advise the Court of what efforts it was taking to satisfy the judgment.

11. Through a secret agreement, the BMPA entered into some sort of agreement with the City to have the City purchase the remaining assets of the BMPA at a predetermined price set forth by the City being the assessed value of the real estate. The City obtained no appraisals or other methods dealing with valuation.

12. More importantly, the City violated the Open Public Meetings Act by not disclosing at the public meetings the agreement between the City and the BMPA.

13. At all times relevant, Henry.Grove has a docketed judgment against these properties and the Court has issued a Writ of Mandamus.

14. The City has requested that Henry.Grove accept the alleged value of these properties along with the monies received from Renewable Jersey on the sale of other

property in full satisfaction of its judgment. Henry.Grove has declined that request but has offered to provide a credit against its judgment.

15. On May 13, 2015, at its meeting, the BMPA passed a resolution pursuant to a Motion made by Mayor Kelly of the City of Bridgeton, for the City to purchase the assets of the BMPA for the total sum of \$225,000.00. (See copy of resolution attached hereto as **Exhibit "A"**).

16. On May 20, 2015, Edward J. McManimon, II, Esq. bond counsel for the City of Bridgeton is now claiming to represent the BMPA even though there is no resolution authorizing him to do so and made an application to the Local Finance Board (hereinafter "LFB") to allow the City of Bridgeton to sell the subject property to the City.

17. Unlike the application made by the BMPA to sell other property to Renewable Jersey, there was no court order signed by Judge Curio or any other judge to allow the sale of said property.

18. Unlike when the matter was before Judge Curio, there were no appraisals establishing that the assessed value was in fact the fair market value of the subject property.

19. It has been the position of the City of Bridgeton that somehow it can evade the Fiscal Control Laws and specifically N.J.S.A. 48A:5A-20 and dissolve the BMPA and not be required to pay the unpaid bills.

20. Notwithstanding the holding of the New Jersey Supreme Court in Stone v. Old Bridge, 111 N.J. 110 (1988) that the Fiscal Law requires that "municipalities to stand by the debts of their dissolved agencies. . ." Id. at 120, the City is attempting to seize all of its assets to later argue to this Court or another Court that there are no assets and therefore Henry.Grove is limited to these monies.

21. In its application to the LFB, the City of Bridgeton through its puppet, the BMPA has now threatened that if Henry.Grove does not accept a reduced amount on its

judgment, it is the intention of the BMPA and Renewable Jersey and the City to conspire to somehow designate the BMPA as a redeveloper to try to keep it in existence for the sole purpose of evading payment of debt by the City and to disobey the Writ of Mandamus in this matter.

22. The City has indicated that it will attempt to seize back monies sold from the property to pay back debts to the City from the BMPA and take other actions to violate and willfully disobey the prior Orders of this Court.

FIRST COUNT

23. Plaintiffs repeat and reallege each and every allegation in previous paragraphs as if fully set forth at length herein.

24. Defendants, BMPA and the City of Bridgeton have actively conspired to try to evade the Fiscal Laws of the State of New Jersey.

25. More specifically, the dissolution of an authority is governed by N.J.S.A. 40A:5A-20 which sets forth that an adequate provision must be made for payment of outstanding obligations of the authority including payment of all creditors such as Henry.Grove.

26. The City's actions of attempting to purchase all of the assets of the BMPA without making provision for payment of all creditors such as Henry.Grove in full, violates the Fiscal Law which was intended to strengthen the credit of municipalities by providing assurances of the financial integrity of local units.

27. The May 13, 2015 resolution was moved by Mayor Kelly of the City of Bridgeton for the sole benefit of the City of Bridgeton.

28. All of the appointees of the BMPA are from Mayor Kelly of the City of Bridgeton.

29. The May 13, 2015 resolution of the BMPA is illegal due to its failure to make adequate provision for payment in full to Henry.Grove.

30. The actions of the BMPA and the City of Bridgeton are designed to try to evade the fiscal control laws of the State of New Jersey by essentially taking all of the assets of the BMPA and closing same down without formally dissolving same.

31. As a result of the above, Henry.Grove has been damaged.

WHEREFORE, Henry.Grove demands judgment against the Bridgeton Municipal Port Authority and the City of Bridgeton, jointly and/or severally for:

- a) An Order declaring that the resolution of the BMPA is illegal and *ultra vires*;
- b) An Order compelling the City to dissolve the BMPA;
- c) An Order recognizing the fact that there has been a *de facto* dissolution of the authority by the City which now controls and runs all aspects of the authority;
- d) The actions of the Defendants are *ultra vires* and illegal and the Court should Order the City and the BMPA to comply with the laws;
- e) Damages;
- f) Costs of suit;
- g) Interest;
- h) Counsel fees; and
- i) Any other relief deemed just and equitable.

SECOND COUNT

32. Plaintiffs repeat and reallege each and every allegation contained in the previous paragraphs as if fully set forth at length herein.

33. The BMPA is now attempting to transfer its assets to the City of Bridgeton in order to avoid payment of its debts to Henry.Grove.

34. These actions by the Defendants, BMPA and the City are designed to evade the legitimate creditor of both Defendants and the actions amount to an attempt to have a fraudulent conveyance of assets.

WHEREFORE, Henry Grove demands judgment against the Bridgeton Municipal Port Authority and the City of Bridgeton, jointly and/or severally for:

- a) An Order compelling the City to dissolve the BMPA;
- b) An Order recognizing the fact that there has been a *de facto* dissolution of the authority by the City which now controls and runs all aspects of the authority;
- c) The actions of the Defendants are *ultra vires* and illegal and the Court should Order the City and the BMPA to comply with the laws;
- d) Damages;
- e) Costs of suit;
- f) Interest;
- g) Counsel fees; and
- h) Any other relief deemed just and equitable.

THIRD COUNT

35. Plaintiffs repeat and reallege each and every allegation contained in the previous paragraphs as if fully set forth at length herein.

36. The decision to sell assets from the BMPA was done in secret. There is no written contract. It was not discussed and properly vented at a public session of the BMPA or the City of Bridgeton.

37. Ultimately a resolution by the BMPA was passed but the actions of the City and the BMPA are violative of the New Jersey Open Public Meetings Act.

38. As a proximate result of the above, Plaintiffs have been damaged.

WHEREFORE, Plaintiffs demand judgment against the Bridgeton Municipal Port Authority and the City of Bridgeton, jointly and/or severally for:

- a) An Order declaring that the Open Public Meetings Act has been violated and the resolution attached as **Exhibit "A"** is void and will have no legal effect;
- b) Damages;
- c) Costs of suit;
- d) Interest;
- e) Counsel fees; and
- f) Any other relief deemed just and equitable.

FOURTH COUNT

39. Plaintiffs repeat and reallege each and every allegation contained in the previous paragraphs as if fully set forth at length herein.

40. On June 23, 2015, the City of Bridgeton passed Ordinance No. 15-18 authorizing it to bond and borrow monies to purchase property from the BMPA.

41. Rather than follow the Fiscal Control Law and dissolve the BMPA, the City has decided to strip it of all of its assets and then allow it to continue to exist in violation of the above stated statutes.

42. The actions taken by the City of Bridgeton at its council meeting on June 23, 2015 is designed to evade the Fiscal Control Laws of the State of New Jersey by essentially taking the assets of the BMPA without formally dissolving same and therefore paying the debts as required by statute.

43. The actions by the City of Bridgeton are illegal and *ultra vires* and are violative of the above stated statutes.

WHEREFORE, Plaintiff demands judgment against Defendants, jointly and/or severally for:

- a) An Order invalidating the ordinance of the City of Bridgeton;
- b) An Order compelling the City to dissolve the BMPA;
- c) An Order recognizing the fact that there has been a *de facto* dissolution of the authority by the City which now controls and runs all aspects of the authority;
- d) The actions of the Defendants are *ultra vires* and illegal and the Court should Order the City and the BMPA to comply with the laws
- e) Damages;
- f) Costs of suit;
- g) Interest;
- h) Counsel fees; and
- i) Any other relief deemed just and equitable.

FIFTH COUNT

44. Plaintiffs repeat and reallege each and every allegation contained in the previous paragraphs as if fully set forth at length herein.

45. On or about July 7, 2015 the City of Bridgeton adopted Bond Ordinance No. 15-20 which was passed to purchase property from the BMPA. (See copy of bond ordinance attached hereto as **Exhibit "B"**).

46. As previously set forth, the City's actions of attempting to purchase all of the assets of the BMPA without making provision for payment of all creditors such as Henry Grove in full, violates the Fiscal Law.

47. The above stated action of trying to deplete the assets of the BMPA without following the proper provisions of the Fiscal Control Law are illegal and *ultra vires* action thereby rendering this bond illegal and invalid.

48. As a proximate result of the above, Plaintiff has been damaged.

WHEREFORE, Henry Grove demands judgment against Defendants, jointly and/or severally for:

- a) An Order invalidating Bond Ordinance No. 15-20;
- b) An Order compelling the City to dissolve the BMPA;
- c) An Order recognizing the fact that there has been a *de facto* dissolution of the authority by the City which now controls and runs all aspects of the authority;
- d) The actions of the Defendants are *ultra vires* and illegal and the Court should Order the City and the BMPA to comply with the laws;
- e) Damages;
- f) Costs of suit;
- g) Interest;
- h) Counsel fees; and
- i) Any other relief deemed just and equitable.

**GOLDENBERG, MACKLER, SAYEGH, MINTZ
PFEFFER, BONCHI & GILL**

By: 

KEITH A. BONCHI, ESQUIRE

Dated: July 21 2015

CERTIFICATION PURSUANT TO RULE 4:5-1

I am an attorney admitted to practice law in the State of New Jersey, with the firm of Goldenberg, Mackler, Sayegh, Mintz, Pfeffer, Bonchi & Gill, counsel for the above named plaintiffs.

The matter in controversy in this case is not the subject of any other action pending in any court or of a pending arbitration proceeding nor is any other action or arbitration proceeding contemplated except for the matter captioned Habitate, LLC v. R&R Holdings, LLC; and State of New Jersey, (Docket No. F-003397-12), Habitate, LLC and Thomas Martin v. City of Bridgeton; Renewable Jersey, LLC; Robert Reyers; and Claus and Reyers Company, (Docket No. L-517-13 and the matter of Henry.Grove Diversified Investments, Limited Liability Partnership v. Bridgeton Municipal Port Authority (Docket No. L-781-06) consolidated with Henry.Grove Diversified Investments, Limited Liability Partnership, v. The City of Bridgeton, (Docket No. L-100-12).

At this time, there are no other parties who should be joined in this action.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

**GOLDENBERG, MACKLER, SAYEGH, MINTZ
PFEFFER, BONCHI & GILL**

By: 
_____ **KEITH A. BONCHI, ESQUIRE**

Dated: July 21, 2015

RESOLUTION OF THE BRIDGETON MUNICIPAL PORT AUTHORITY AUTHORIZING THE SALE OF PORT AUTHORITY OWNED PROPERTY

WHEREAS, The Bridgeton Municipal Port Authority (the "Authority") is currently in the process of winding down its affairs, and

WHEREAS, the Authority owns several properties; and

WHEREAS, the City of Bridgeton (the "City") has expressed an interest in purchasing these properties at the current assessed value; and

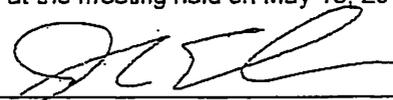
NOW THEREFORE BE IT RESOLVED, by the members of the Bridgeton Municipal Port Authority that the Authority authorizes the sale of the following properties to the City for the assessed value indicated below:

<u>Block</u>	<u>Lot</u>	<u>Assessed Value</u>
132	3	\$2,400.00
145	1	\$5,100.00
145	2	\$3,400.00
145	3	\$3,400.00
157	7	\$32,300.00
192	15	\$11,800.00
192	19	\$7,400.00
193	12	\$43,500.00
193	13	\$14,000.00
193	14	19,800.00
193	15	\$55,700.00

BE IT FURTHER RESOLVED, that the Authority recognizes that these transactions will require Local Finance Board approval; and

BE IT FURTHER RESOLVED, that the Chairman and Secretary of the Port Authority are hereby authorized to execute any necessary documents to proceed with this transaction and with any required application to the Local Finance Board.

It is hereby certified that this is a true copy of the Resolution adopted at the meeting held on May 13, 2015.



Secretary

Date:

Motion made by Kelly

Seconded by Edwards

Recorded Vote:

	AYE	NO	ABSTAIN	ABSENT
Brewer	✓			
Kelly	✓			
Edwards	✓			
Murad				✓
Surrency	✓			

BOND ORDINANCE NO. 15-20 STATEMENT AND SUMMARY

The bond ordinance No. 15-20, the summary terms of which are included herein, has been finally adopted by the City of Bridgeton, in the County of Cumberland, State of New Jersey on July 7, 2015 and the 20 day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. Copies of the full bond ordinance are available at no cost and during regular business hours, at the Clerk's office for members of the general public who request the same. The summary of the terms of such bond ordinance follows:

Title: "BOND ORDINANCE OF THE CITY OF BRIDGETON, IN THE COUNTY OF CUMBERLAND, NEW JERSEY PROVIDING FOR THE ACQUISITION BY THE CITY OF CERTAIN PROPERTY FROM THE BRIDGETON PORT AUTHORITY APPROPRIATING \$225,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$225,000 BONDS OR NOTES OF THE CITY TO FINANCE PART OF THE COST THEREOF."

Purpose: The improvement hereby authorized and the purpose for the financing of which the bonds are to be issued is the acquisition of the following properties from the Bridgeton Port Authority:

Block	Lot	Address	Size
132	3	RR	.10
145	1	Henry Street	90x76
145	2	119 Grove Street	24x100
145	3	121 Grove Street	26x100
157	7	Lot w side Grove	6.30 acres
192	15	Lot E side Grove	2.36 acres
192	19	South Avenue	50x250
193	12	Lot Grove Street	8.68 acres
193	13	Lot Grove Street	2.8 acres
193	14	Lot Grove Street	3.96 acres
193	15	Lot W side Grove	11.13 acres

The cost of the purpose includes all related financing and other costs and expenditures necessary therefor and incidental thereto.

Appropriation: \$225,000

Bonds/Notes Authorized: \$225,000

Grants Appropriated: N/A

Section 20 Costs: \$26,200

Useful Life: 40 years