

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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MAURICE M. LICHTMANN, SINA LICHTMANN  
and FRANCES R. GRANT,

Plaintiffs,

- against -

LOUIS L. HORCH, MASTER INSTITUTE OF  
UNITED ARTS, INC. and NETTIE S. HORCH,

Defendants.  
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Plaintiffs, by PLAUT & DAVIS,  
their attorneys, for their  
further amended and supplemental  
complaint, allege:

FIRST: The defendant Master Institute of United Arts, Inc. is a corporation duly organized and existing under the Education Law of the State of New York.

SECOND: That at all the times mentioned herein the outstanding and issued capital stock of the defendant Master Institute of United Arts, Inc. was and now is seven shares of common stock without par value.

THIRD: At all the times mentioned herein, the plaintiffs were and now are owners of one share each of the outstanding and issued capital stock of the defendant Master Institute of United Arts, Inc., and entitled to vote said stock at each and every meeting of the stockholders of said corporation.

FOURTH: During the period of 1922 and 1935, the defendant Louis L. Horch acted as the confidential agent and attorney in fact for the plaintiffs. The plaintiffs had and reposed great trust and confidence in the said defendant



and he accepted such trust and confidence.

FIFTH: On or about April 23, 1923, plaintiffs each deposited their one share each of the capital stock of the defendant Master Institute of United Arts, Inc. with the defendant Louis L. Horch for safe keeping and upon the agreement made that day with the said defendant that he was to retain the physical custody of the said certificates and that they, the plaintiffs, were to retain the ownership and title in and to said shares of stock and retain all the voting privileges appurtenant to said stock. Upon information and belief, the said agreement or a copy of it was deposited with the records of the defendant Master Institute of United Arts, Inc.

SIXTH: At all the times mentioned herein and up until February 25, 1935, the defendant Louis L. Horch was the owner of one share of the issued and outstanding capital stock of the defendant Master Institute of United Arts, Inc.; and at all the times mentioned herein, the said defendant was president of the defendant Master Institute of United Arts, Inc. and a member of its Board of Trustees.

SEVENTH: At all the times mentioned herein, the defendant Nettie S. Horch was the wife of the defendant Louis L. Horch; and she was the owner of one share of the issued and outstanding capital stock of the defendant Master Institute of United Arts, Inc. and its secretary and a member of its Board of Trustees.



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EIGHTH: Upon information and belief, on or about the 26th day of February, 1935, secretly and without notice to the plaintiffs, the defendant Louis L. Horch, in breach and violation of the fiduciary duties imposed upon him by the relationship of fiduciary agent and attorney in fact for the plaintiffs, and in breach and in violation of the agreement dated April 23, 1923, aforesaid, between him and the plaintiffs, wrongfully converted the three shares of stock of the plaintiffs which were deposited with him, as aforesaid, unto himself and declared himself to be the owner of said three shares of stock and, upon information and belief, on or about February 26, 1935, the said Louis L. Horch assumed to and did convey the said three shares of stock of the plaintiffs unto his wife, the defendant Nettie S. Horch.

NINTH: The defendant Nettie S. Horch, at all the times mentioned herein, had knowledge of the fiduciary relationship between the defendant Louis L. Horch and the plaintiffs and of the terms of the agreement of April 23, 1923, aforesaid.

TENTH: At all the times mentioned herein, the defendant Master Institute of United Arts, Inc. had knowledge of the fiduciary relationship between the defendant Louis L. Horch and the plaintiffs and of the terms of the agreement of April 23, 1923, aforesaid.

ELEVENTH: Upon information and belief, on or about the 26th day of February, 1935, the defendants Louis L. Horch and Nettie S. Horch, who were and still are in possession of



the books and records of the defendant Master Institute of United Arts, Inc., secretly and without notice to the plaintiffs, made entries in the said books and records of the said corporation to indicate therein that the defendant Nettie S. Horch was the sole owner of all the issued and outstanding capital stock of the defendant Master Institute of United Arts, Inc., including the three shares of stock of the plaintiffs; and the records of said corporation now purport to show that the defendant Nettie S. Horch is the sole stockholder and that the plaintiffs are not stockholders.

TWELFTH: On or about the 16th day of December, 1935, the defendant Nettie S. Horch, claiming to be the sole stockholder of the defendant Master Institute of United Arts, Inc., and the only person entitled to vote said shares at said meeting or at any meeting of stockholders of said corporation, purported to hold a meeting of stockholders of said corporation; but no notice of the time, place, or the holding of the said meeting was given to the plaintiffs, and the plaintiffs had no knowledge thereof.

THIRTEENTH: Upon information and belief, at said purported meeting, the defendant Nettie S. Horch, purporting to be the sole stockholder, voted upon certain resolutions and measures, and took action as the purported sole stockholder of the said corporation, which resolutions were inimical to the rights of the plaintiffs and contrary to their wishes and desires. Among such measures were the



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removal of the plaintiffs Sina Lichtmann and Frances R. Grant as members of the Board of Trustees of said corporation and the election of other persons to take their places on said Board of Trustees.

FOURTEENTH: Upon information and belief, the acts of defendant Nettie S. Horch, aforesaid, were done with the knowledge of and were aided and abetted by the defendant Louis L. Horch.

FIFTEENTH: Defendant Nettie S. Horch now claims to be the sole stockholder and the sole person entitled to vote all of the outstanding and issued capital stock of the defendant Master Institute of United Arts, Inc.; and she refuses to return to the plaintiffs their three shares of the capital stock of the said corporation.

SIXTEENTH: Unless the defendants are restrained, irreparable damage and harm will be caused the plaintiffs, and the functions and purposes of the defendant Master Institute of United Arts, Inc. will cease and determine. There is no adequate remedy at law.

SEVENTEENTH: The defendant Louis L. Horch has never rendered the plaintiffs an account of the performance of his duties with respect to the three shares of stock of the defendant Master Institute of United Arts, Inc., deposited by the plaintiffs with him, and of the disposition made by him of the said three shares of stock.



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EIGHTEENTH: By reason of the acts mentioned above, the deposit agreement of April 23, 1923, between the plaintiffs and the defendant Louis L. Horch should be rescinded, and the plaintiffs do hereby elect to rescind such agreement.

WHEREFORE, plaintiffs demand judgment as follows:

1. That the defendant Louis L. Horch be directed to render to the plaintiffs a just and full accounting of the three shares of capital stock of the defendant Master Institute of United Arts, Inc., deposited with him by the plaintiffs, and return said three shares of stock to the plaintiffs;

2. That the agreement of April 23, 1923, between the defendant Louis L. Horch and the plaintiffs be rescinded and annulled;

3. That the defendants Louis L. Horch and Nettie S. Horch be ordered and required to return, transfer, deliver and hand over unto the plaintiffs the three certificates of stock in the defendant Master Institute of United Arts, Inc. which the plaintiffs deposited with the defendant Louis L. Horch, and that the defendant Master Institute of United Arts, Inc. be ordered to issue unto the plaintiffs certificates representing three shares of its capital stock;



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4. That the defendant Master Institute of United Arts, Inc. be ordered and required to make entries and notations in its books, records and documents that the plaintiffs are stockholders of record of three shares of its capital stock, and that neither the defendant Nettie S. Horch nor the defendant Louis L. Horch is the owner or holder of any or all of such shares of stock;

5. Enjoining, restraining and preventing the defendants from carrying into effect or acting upon the measures, resolutions or acts voted upon at the meeting of December 16, 1935;

6. Enjoining, restraining and preventing the defendants Louis L. Horch and Nettie S. Horch, or either of them, from holding any meeting of stockholders of the defendant Master Institute of United Arts, Inc. in which they, or either of them, claim or purport to be the owners or holders or persons entitled to vote the plaintiffs' three shares of the capital stock of said corporation;

7. Enjoining, restraining and preventing the defendants from holding any meeting of stockholders of Master Institute of United Arts, Inc. at any time unless due notice of the holding of such meeting or meetings is given in the manner provided by law to the plaintiffs and unless the plaintiffs and the persons who are stockholders of



record of said corporation are given the right to vote at said meeting;

8. Enjoining, restraining and preventing the defendants Louis L. Horch and Nettie S. Horch and each of them, their agents, servants, employees, and attorneys, from exercising any of the rights of ownership, voting, or disposing, transferring or assigning, the plaintiffs' three shares of capital stock of the defendant Master Institute of United Arts, Inc.;

9. That injunctions in due form issue during the pendency of this action enjoining, restraining and staying the defendants from doing any of the acts mentioned in subdivisions "5," "6," "7" and "8" of this prayer for relief;

10. For such other and further equitable relief as to the Court may seem just and proper.

PLAUT & DAVIS  
Attorneys for Plaintiffs  
76 Beaver Street  
Borough of Manhattan  
City of New York.



STATE OF NEW YORK )  
COUNTY OF NEW YORK) ss.:

MAURICE M. LICHTMANN, being duly sworn,  
deposes and says:

I am one of the plaintiffs herein.

I have read the foregoing further amended  
and supplemental complaint and know the contents thereof;  
that the same is true to my own knowledge except as to the  
matters therein stated to be alleged on information and  
belief, and that as to those matters I believe it to be true.

Sworn to before me this  
26th day of March, 1936.

*Maurice M. Lichtmann*

Maurice M. Lichtmann



SUPREME COURT: NEW YORK COUNTY

MAURICE M. LICHTMANN, SINA  
LICHTMANN and FRANCES R.  
GRANT,

Plaintiffs,

- against -

LOUIS L. HORCH, MASTER INSTI-  
TUTE OF UNITED ARTS, INC. and  
NETTIE S. HORCH,

Defendants

COPY

FURTHER AMENDED AND  
SUPPLEMENTAL COMPLAINT

**PLAUT & DAVIS**

*Attorneys for* Plaintiffs,

76 BEAVER STREET  
BOROUGH OF MANHATTAN  
NEW YORK CITY