

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

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JULIE B. STEAMER, BRUCE G. HART and  
STEAMER HART LLP,

Plaintiffs,

Index No. 652032/19

**AFFIDAVIT OF  
JULIE B. STEAMER, ESQ.**

-against-

JEFFREY A. RINDE, MICHAEL JAMES  
MALONEY and CKR LAW LLP,

Defendants.

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

JULIE B. STEAMER, being duly sworn hereby states as follows:

1. I am a member in good standing of the New York bar. I am a named plaintiff in this action both individually and as a partner in Steamer Hart LLP, which is the law firm in which I practice law together with my husband, Bruce G. Hart, who is also a named plaintiff. I make and submit this affidavit in opposition to the motion, brought on by the defendants by order to show cause, which seeks to compel we as plaintiffs to arbitrate our disputes with the defendants.

2. As explained below and in the accompanying memorandum of law, defendants' motion should be denied because:

- (a) defendants -- by refusing to mediate and seeking to force plaintiffs to bear the entire cost of any mediation -- have failed to comply with a clear condition precedent in the arbitration provision on which their motion is based;
- (b) Mr. Hart and I never signed any partnership agreement with the defendants;
- (c) we signed only a "Joinder Agreement" which referred to a partnership agreement that -- it is undisputed -- was in draft form at the time and to which we never agreed; and
- (d) the basis and predicate for this action is our claim against the defendants for fraud in seeking to induce us to become partners in defendant CKR Law LLP.

#### Nature of This Action

3. This is an action for fraud, fraud in the inducement, and conversion of client funds. In it, we seek a declaratory judgment confirming that Mr. Hart and I were never partners with defendants Jeffrey A. Rinde or Michael James Maloney or in defendant CKR Law LLP.

4. We seek both legal and equitable relief; specifically (i) turnover of the \$22,785.71 in monies mistakenly paid under false pretences by our clients to the defendant law firm, which the defendants have illegally converted and refused to pay over to us despite due demand by us and our clients; (ii) \$7,946.50 in costs actually incurred by us moving into and out of CKR Law LLP's offices as the direct result of the defendants' blatant fraud; (iii) \$23,935.45 reimbursement for monies we actually expended for which defendant Rinde specifically agreed in writing to pay, but then reneged; (iv) a declaration that Mr. Hart and I are not and never were law partners with the defendants; and (v) attorneys' fees and costs. (A copy of the Summons with Notice is attached as Exhibit A).

**Background: Negotiations Concerning A Possible Partnership**

5. Mr. Hart and I were never partners in CKR Law LLP. In the Spring of 2018, we did spend several months negotiating with defendants Rinde and Maloney, but we never agreed to the terms of any written or oral partnership agreement.

6. As explained in the following paragraphs, Messrs. Rinde and Maloney committed outright fraud – falsely seeking to connect the document entitled "Joinder", which Mr. Hart and I did sign -- with a partnership agreement to which we never agreed. At the same time and shortly thereafter, the individual defendants and their law firm unethically converted tens of thousands of dollars of our clients' monies and then outrageously demanded that we bill our clients for work we did and were doing, and pay the money received to them.

**No Written Partnership Agreement Was Agreed To Between the Parties**

7. On August 1, 2018, following and as the result of extended negotiations, Mr. Hart and I did sign a document entitled "Joinder" (the "August 1 Joinder"). A copy of the August 1 Joinder is attached as Exhibit B. That August 1 Joinder referenced an Addendum (Exhibit C). The Addendum stated specific economic terms regarding draws, year-end distributions, performance bonuses and other material terms of the deal Ms. Steamer and Mr. Hart understood had been reached with the defendants.

8. We were to be sure led by Messrs. Rinde and Maloney to believe that we had become equity partners in CKR Law on the terms and conditions stated in that August 1 Joinder (Exhibit B), the referenced Addendum (Exhibit C), and reflected in the proposed Third Amended and Restated CKR Law Partnership Agreement which was then in draft form (the "Third Amended Draft") (Exhibit D).

9. I did evidence my assent to the material terms set forth in the Third Amended Draft and was told by defendant Rinde, CKR Law's Managing Partner, that Mr. Maloney was going to immediately prepare the Third Amended Draft in final and that he (Mr. Rinde) would sign it. But that never happened!

10. On August 8, 2018, when Mr. Rinde countersigned the August 1 Joinder, he and Mr. Maloney surreptitiously and fraudulently attached the parties' signature pages to an earlier draft of the Joinder (the "July 15 Draft Joinder") (Exhibit E), to which Mr. Hart and I never agreed and in fact flatly rejected. That July 15 Draft Joinder made no provision for our compensation and did not in any way reference the believed to be agreed upon Addendum.

11. This was no mere oversight. We later learned that on August 8 -- the same day Rinde and Maloney effected the "Joinder Switcheroo" with us they executed and purported to put in place a materially revised partnership agreement -- that we had never seen or reviewed -- for use in connection with negotiations they were having with other lawyers about those individuals possibly joining CKR Law LLP. (Exhibit F) Indeed, Mr. Hart and I never saw the alleged "signed joinder" attached to the affirmation of defendants' counsel, Kristie M. Blase, Esq. prior to its filing on April 11, 2019.

#### The Thwarted JAMS Mediation

12. We never agreed to submit all of our claims against the defendants to mandatory and binding arbitration as defendants falsely contend. We were physically in the CKR space for only a short time before realizing we were duped and thought it provident and that it would be most expedient to seek to mediate our disputes with the defendants.

13. So on October 25, 2018, although we were not compelled by any agreement to do so, we voluntarily sought to mediate before JAMS. Our submission to JAMS (Exhibit G) makes clear our position that we were not party nor subject to any written partnership agreement with the defendants:

(A) in the "Nature of Dispute" section, we specified that we "seek[] the resolution of a dispute concerning the **alleged formation of a new partnership. Claimant disputes that any partnership was formed**" (emphasis added); and

(B) in the "Arbitration Agreement" section we identified the provision on which the submittal to JAMS was based and as the "**alleged partnership agreement between the parties.**" (emphasis added).

14. Our JAMS submission also made clear that we were seeking mediation before any arbitration. Indeed, the provision in the alleged partnership on which defendants rely on their motion expressly required -- as a condition precedent to any arbitration -- that there be good faith negotiation and mediation before any arbitration takes place. That provision specifically states as follows:

"All parties shall attempt to resolve any disputes by good faith negotiation or mediation before submitting to arbitration."

(Exhibit G: JAMS Submission Page 4 of 7)

16. That defendants failed to "attempt to resolve any disputes by good faith negotiation or mediation before submitting to arbitration" cannot be disputed because contrary to the express terms of the contract provision on which the defendants rely they sought to require us to pay the entire costs of any mediation.

17. Defendants claim (Affirmation of defendants' counsel Kristie M. Blase at para.16) that "the Arbitration Agreement requires plaintiffs to pay 100% of the costs" of the mediation is simply not true. That "agreement" (to which we never agreed) does NOT so state. It says only that the cost of any "arbitration" be borne exclusively by the Partner (which we never became) asserting the claim. The contract language, which defendants drafted, specifically states in that regard as follows:

"Except as to proceedings commenced by the Executive Committee, **the cost of any arbitration shall be borne exclusively by the Partner asserting the claim**, which party shall be obliged to advance such costs and expenses before commencing any proceedings."

(Exhibit G: JAMS Submission Page 4 of 7) (emphasis added)

18. The alleged agreement says nothing about requiring the party asserting a claim pay 100% of the costs of any mediation!

19. Defendants were thus, under the clear and very specific terms of the Arbitration Agreement on which their motion to compel is based, required to attempt to resolve any disputes in good faith negotiation and mediation in advance of any arbitration.

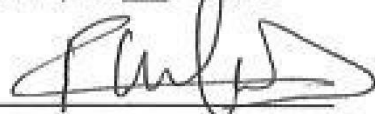
20. Defendants without question failed to negotiate and mediate in good faith by insisting that we pay for the entire cost of the mediation and unilaterally refusing to mediate when we did not so agree.

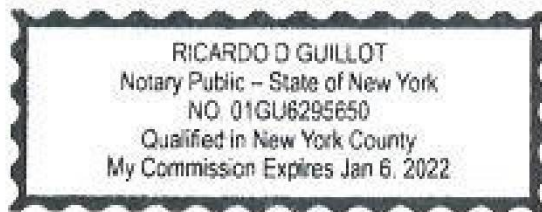
21. By failing to negotiate and mediate in good faith, defendants failed to comply with the clear condition precedent in the alleged agreement on which their claim is based.

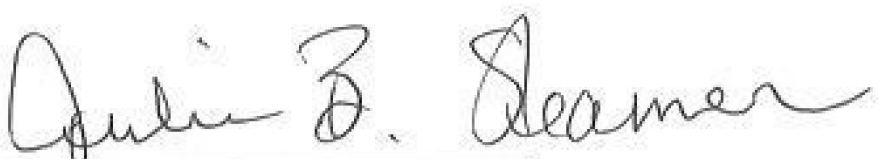
**Conclusion**

22. Accordingly, for all of these reasons and those stated in the accompanying Memorandum of Law, defendants' motion to compel arbitration should in all respects be denied.

Sworn to before me  
on April 25<sup>th</sup>, 2019

  
Notary Public



  
Julie B. Steamer