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SUPERIOR COURT OF NEW JERSEY APPELLATE DIVISION DOCKET NO. A-2234-20

TYLER AT FIRST STREET, LLC,

Plaintiff-Respondent,

v.

JOHN YENGO and SECOND STREET DEVELOPMENT, LLC,

Defendants-Appellants/ Third-Party Plaintiffs,

v.

ANGEL LYNCH, LYSBETH KARAGJOZI, KANAIYA KANSARA, ZUDI KARAGJOZI, and TYLER HOMES, INC.,

Third-Party Defendants-Respondents.

Argued March 1, 2023 - Decided March 22, 2023

Before Judges Mayer and Bishop-Thompson.

On appeal from the Superior Court of New Jersey, Chancery Division, Hudson County, Docket No. C-000201-19.

John Yengo, appellant, argued the cause pro se.

Nirmalan Nagulendran argued the cause for respondent Tyler at First Street, LLC (Miller, Meyerson & Corbo, attorneys; Nirmalan Nagulendran and Gerald D. Miller, on the brief).

Bruce J. Duke, argued the cause for respondents Angel Lynch, Lysbeth Karagjozi, Zudi Karagjozi, and Tyler Homes, Inc. (Bruce J. Duke, LLC, attorneys; Bruce J. Duke, on the brief).

#### PER CURIAM

Defendant/third-party plaintiff John Yengo appeals from a December 18, 2020 judgment dismissing his breach of contract claim with prejudice and discharging several lis pendens after the trial judge found there was no valid and enforceable contract between the parties. Yengo also appeals from a March 1, 2021 order denying his motion for reconsideration. We affirm.

On appeal, Yengo makes a sweeping claim that the record contains sufficient evidence in support of his claim that "the facts of [this] case demonstrate that there was a contract." However, he failed to provide proper citations to the record in support of his argument.

2

Self-represented litigants are required to follow the same court rules as attorneys. Venner v. Allstate, 306 N.J. Super. 106, 110 (App. Div. 1997). Specifically, Rule 2:6-2 requires an appellant present facts "material to the issues on appeal supported by references to the appendix and transcript." Where a party fails to refer to specific parts of the record to support an argument, we are not required "to search through the record ourselves." Spinks v. Twp. of Clinton, 402 N.J. Super. 465, 474 (App. Div. 2008). Despite Yengo's failure to comply with Rule 2:6-2, we have thoroughly reviewed the record and summarize the testimony adduced during the bench trial leading to the judge's finding that there was no valid and enforceable contract.

# Background

On June 1, 2017, Yengo, and third-party defendants Zudi Karagjozi (Zudi), <sup>1</sup> Kanaiya Kansara, and Angel Lynch, spoke about a potential real estate transaction. The parties discussed Second Street Development, LLC (Second Street Development) selling its interest in 454 Second Street, located in Jersey City (Second Street Property), to third party defendant Tyler Homes, Inc. (Tyler Homes).

3

<sup>&</sup>lt;sup>1</sup> Because several parties share the same last name, we refer to those parties by their first names. No disrespect is intended.

Yengo, a real estate developer, was the sole owner of Second Street Development. Defendant Lysbeth Karagjozi (Lysbeth)<sup>2</sup> was the sole owner of Tyler Homes. Tyler Homes did not own any properties but several of its subsidiaries held real estate.

Zudi was Tyler Homes' operating director and negotiated all real estate transactions for the company. Kansara was a financial investor affiliated with Tyler Homes and had a longstanding business relationship with Zudi. Lynch was the attorney for Tyler Homes in the proposed transaction with Yengo.

On June 1, 2017, JVJ Enterprises owned the Second Street Property. At that time, Yengo purportedly had an agreement to purchase the Second Street Property from JVJ Enterprises. However, Zudi sought to acquire the Second Street Property directly from JVJ Enterprises concurrent to Yengo's effort to purchase the same property.

# The June 1, 2017 Document

At a June 1, 2017 meeting between representatives for Tyler Homes and Yengo, Lynch prepared a handwritten document allegedly setting forth terms for the real estate transaction. While the document consisted of two pages, the notations at the bottom of the handwritten document stated "[p]age 1 of 3" and

4

<sup>&</sup>lt;sup>2</sup> Lysbeth and Zudi are married.

"[p]age 2 of 3." The missing third page allegedly included a list of assets. However, the missing third page was never provided to the parties nor produced at trial.

According to the handwritten document, the parties tentatively agreed that Tyler Homes would purchase Second Street Development's interest in the Second Street Property for \$2.6 million. However, the document expressly stated "[t]he above agreement is based on the termination of the contract for sale between JVJ Enterprises [and] Second Street Development for the purchase of 454 Second Street, Jersey City, New Jersey, [and] the purchase of said property by Tyler Homes, Inc. from JVJ Enterprises." The document further provided Yengo would terminate his agreement with JVJ Enterprises for the Second Street Property.

The document indicated Tyler Homes would make payments to Second Street Development as follows: a first payment of \$100,000 upon signing; a second payment of \$150,000 within ten days of the first payment; and a third payment of \$250,000 in August 2017. Additionally, Tyler Homes would escrow \$300,000 to be held in a trust account belonging to Suzy Yengo, John Yengo's sister, or another attorney.

The balance of the funds for the transaction would be paid from two sources. Second Street Development would receive profits from units sold at 414-416 First Street in Jersey City (First Street Property), owned by Tyler at First Street, LLC (Tyler at First Street).<sup>3</sup> Additionally, Second Street Development would receive funds from the development of the Second Street Property.

Based on the handwritten document, Tyler Homes would guarantee the payments to Yengo by pledging properties held by its subsidiaries. The parties discussed placing a lien on 106 Zabriskie Street, a property owned by another Tyler Homes subsidiary, and pledged the First Street Property as collateral.

A June 1, 2017 recorded telephone call between Kansara and Zudi was played during the trial. According to the appellate transcriber's certification, the following exchange occurred:

KANSARA: Yeah I know. I - you and I cannot presume and we cannot give \$1 million like - just like that, Zudi. You don't have the money, I don't have the money either just like that.

ZUDI: Kanaiya, look, it's really – we're a team. If you're not comfortable with doing it, Kanaiya, we're not going to do it. All right? So – and I don't mean that in a bad way because I'm being sincere with you.

6

<sup>&</sup>lt;sup>3</sup> Tyler at First Street was a subsidiary of Tyler Homes.

KANSARA: No, the – no, we cannot – like no, we cannot – we are not sure. If he guaranteed that we're getting the land, then I'm all up front for it.

The handwritten document included four signature lines: Mark Shanky signed as a witness; Yengo signed as managing member of Second Street Development; Angel Lynch signed as "attorney in fact" without specifying on whose behalf she was acting as attorney-in-fact; and the last signature line remained blank.

Lynch testified that she signed the handwritten document as attorney-infact for Tyler Homes, Kansara, Zudi, and Lysbeth. Yengo's attorney testified that she never saw a power of attorney authorizing Lynch to act on behalf of Tyler Homes or any of the individuals.

Yengo testified regarding discussions concerning the Second Street Property prior to the June 1, 2017 meeting. Yengo claimed he received a May 26, 2017 check from Zudi in the amount of \$50,000 as an inducement to enter into an agreement regarding the Second Street Property. Upon tendering this check, Yengo explained that Zudi instructed him not to deposit it, but to apply the sum toward a potential agreement. The check ultimately bounced.

According to Yengo, on May 30, 2017, Zudi offered Yengo either \$2.7 million or \$2.6 million for the Second Street Property "with sufficient collateral

that [was] unencumbered." Yengo testified that Zudi offered the First Street Property, 127 Willow Street in Hoboken, and 385 Eighth Street in Hoboken as collateral.

Yengo received a \$100,000 payment on June 1, 2017, and an additional payment of \$31,000. He received no further payments under the terms of the handwritten document. Tyler Homes did not purchase the Second Street Property.

#### Litigation

As a result of Tyler Homes' nonpayment of funds under the June 1, 2017 handwritten document, Yengo and Second Street Development filed a complaint in the Superior Court of New Jersey, Law Division, Hudson County, for breach of contract and other relief. Yengo also filed a lis pendens against the First Street Property. Tyler at First Street was not named as a party in that action.

On December 19, 2019, Tyler at First Street filed a complaint in the Chancery Division, Hudson County, seeking a judicial declaration that Yengo's lis pendens against the First Street Property and other properties were null and void. Two months later, Yengo and Second Street Development filed an amended third-party complaint in the Chancery Division action, naming Lynch, Lysbeth, Kansara, Zudi, and Tyler Homes as third-party defendants. In the

third-party action, Yengo asserted claims for breach of contract, fraud in the inducement, fraudulent misrepresentation, consumer fraud, conversion, breach of fiduciary duty, piercing the corporate veil, and constructive fraud. At the time of trial, only Yengo's breach of contract claim remained.<sup>4</sup>

The Chancery judge conducted the bench trial over twelve nonconsecutive days. He heard extensive testimony from a real estate developer, real estate agents, an attorney, and the parties.

#### Trial Testimony

Lysbeth testified at trial. She described the June 1, 2017 meeting, the reasons for not purchasing the Second Street Property, and the additional investors Yengo recommended for the Second Street Property transaction. She also explained the corporate structure of Tyler Homes. Lysbeth testified she never signed any document permitting property owned by Tyler at First Street to serve as a lien in favor of Yengo.

Lynch testified that she believed she held a power of attorney to execute documents on Kansara's behalf but was "not one hundred percent sure." She did

<sup>&</sup>lt;sup>4</sup> The record lacked copies of the orders related to the dismissal of Yengo's claims other than his breach of contract claim. Yengo's notice of appeal is limited to the judge's dismissal of his breach of contract claim against third-party defendants.

not recall receiving a specific power of attorney for any of the real estate transactions, but "might have had a general power of attorney" because she "represented [Kansara] in many matters." Lynch stated that she did not "have a specific incident or closing that [she] remember[s] having a power of attorney, but it is often required by lenders, and [she was] almost positive that [she] did have power of attorney at some of the closings." On cross-examination, Lynch conceded she did not have a power of attorney to sign on behalf of Lysbeth or Tyler Homes.

Lynch also testified that the parties never "worked out the details" on the lien to be placed on 106 Zabriskie Street. She further described how Suzy Yengo, as the attorney for Second Street Development, requested mortgages on Tyler Homes' properties after the meeting, but "that was never part of this agreement and it couldn't have been done. There [were] lenders." Instead, according to Lynch, the discussed transaction involved escrowing money from the sale of some of the units from development of the First Street Property. From Lynch's perspective, the June 1, 2017 handwritten document "was a tentative agreement reached at a table that was going to be followed with a more formal agreement."

Suzy Yengo testified that she attempted to obtain a formal, typed version of the June 1, 2017 handwritten document and the mortgage documents for specific properties following the meeting but never received any additional documents. She also explained that on June 11, 2017, she told Lynch there were no excuses for not following the payment schedule and demanded payment of \$250,000. Suzy never received the demanded payment amount.

Further, Suzy testified that Zudi offered additional properties as collateral for the Second Street Property transaction after the June 1, 2017 meeting. According to Suzy, Zudi offered his personal home as collateral and provided an appraisal report substantiating the equity in his home. She testified Zudi also offered 127 Willow Street in Hoboken, owned by a Tyler Homes subsidiary, as collateral. She explained another attorney retained by Yengo filed lis pendens against 106 Zabriskie Street, 127 Willow Street, and the Karagjozi family home.

Martin Kelly, real estate developer and investor, testified. Kelly met with Zudi around October 2017 because Zudi was interested in replacing Kansara as a financial investor. Between October 2017 and March 2018, Kelly replaced Kansara as Zudi's financial partner. Kelly understood the real estate transaction between Zudi and Yengo was in default, and he attempted to work with the

parties to restructure the deal. Kelly's partnership with Zudi dissolved in April 2018.

Kelly explained his understanding of how Zudi and Kansara viewed the June 1, 2017 document. According to Kelly, "they always had the concern that they were in default under the guaranteed portion of the agreement. The agreement may not specifically state guarantee, but they felt they were obligated because they wrote checks in the beginning and they had a payment plan." Kelly testified that "once the litigation started, they always took the position that the two-page agreement was subject to buying the Second Street development."

Yengo testified that Zudi and Kansara wanted to structure a business deal with him. He explained Zudi gave him an initial \$50,000 check and said, "please do this agreement, give me Second Street." According to Yengo, "there were numerous phone calls, [Zudi] calling me to . . . try to talk me into going with him." During the June 1, 2017 meeting, Yengo said Kansara "instruct[ed] Lynch how he want[ed] the contract worded." According to Yengo, Lynch and Kansara "were going back and forth how they were writing [the document] up" and Lynch "tweaked [the document] until we were all happy with the agreement." However, Yengo described Kansara as "hedgy" during the negotiations. Yengo further testified he never received a typed version of the June 1, 2017

handwritten document or mortgages on the purported properties to be pledged as collateral as part of the Second Street Property transaction.

Zudi also testified. He explained Tyler Homes planned to assign its rights to the Second Street Property to a newly formed subsidiary, Tyler at the Villages. Kansara and Lysbeth were the sole shareholders of Tyler at the Villages. Zudi believed performance of the obligations under the June 1, 2017 handwritten document was contingent on Tyler Homes or Tyler at the Villages purchasing the Second Street Property.

On the final day of trial, December 17, 2020, the judge delayed the start of trial to allow the parties additional time to settle the case. One hour later, the parties returned to the courtroom and announced they were unable to reach a settlement. The judge gave the parties another ten or so minutes to resolve the matter.

At that point in the trial, the judge had heard testimony for twelve days. The judge explained he was "not going to force a settlement on anybody" but would not consume additional court resources or allow the case to linger into the 2021 calendar year. The judge specifically addressed Yengo on the record to ensure Yengo understood there would be no further settlement discussions on the court's time. Yengo's attorney responded that Yengo understood the judge

would not accept a settlement after that point. Yengo himself affirmed his understanding the case would be decided by the judge and there would be no further opportunity afforded by the court to discuss a settlement.

# The Judge's Decision

On December 17, 2020, the judge granted a directed verdict in favor of Tyler at First Street, Lynch, Lysbeth, Zudi, Kansara, and Tyler Homes. The judge explained "the entirety of this matter comes down to whether [the document] is a contract and, if so, is it an enforceable contract." He found "there [were] a host of problems with this agreement." First, the judge stated, "the agreement was . . . rife with contingencies." The judge also found "[t]here was no certainty as to what needed to be done other than the existence of a number of amorphous obligations that were never tied down either in [the June 1, 2017 document] or whatever the following document was."

The judge further explained the absence of any signature by Lynch's client was problematic under N.J.S.A. 46:2B-8.9 because Lynch lacked a recorded power of attorney. Moreover, Kansara testified he never agreed to the terms in the June 1, 2017 document. Thus, the judge found there was no meeting of the minds to create a valid and enforceable contract.

Additionally, the judge concluded the handwritten document ran afoul of the statute of frauds, N.J.S.A. 25:1-10 to -16, which required agreements for the sale of real estate to be in writing and signed by the parties to the agreement. Because the document did not comply with the statute of frauds, the judge found there was no mortgage on the First Street Property or other properties and discharged the lis pendens.

On appeal, Yengo raises several arguments. He contends the judge erred in finding the June 1, 2017 handwritten document was not a contract. Further, Yengo argues the judge erred in not providing more time for settlement discussions. Additionally, he asserts that the judge erred in denying his motion for reconsideration. Yengo also contends the discharge of the lis pendens was erroneous because he properly filed the lis pendens under N.J.S.A. 2A:15-6 and the Chancery judge was not permitted to modify a Law Division order. We reject these arguments.

We review a motion for judgment at the close of the evidence de novo, applying the same standard as the trial judge. <u>Smith v. Millville Rescue Squad</u>, 225 N.J. 373, 397 (2016); <u>R.</u> 4:40-1. A directed verdict under <u>Rule</u> 4:40-1 shall be granted "only if, accepting as true all evidence supporting the party opposing the motion and according that party the benefit of all favorable inferences,

reasonable minds could not differ." <u>Edwards v. Walsh</u>, 397 N.J. Super. 567, 571 (App. Div. 2007) (citing Dolson v. Anastasia, 55 N.J. 2, 5 (1969)).

We first consider Yengo's argument that the judge erred in finding the two-page handwritten document did not constitute a valid and enforceable contract. "A written contract is formed when there is a 'meeting of the minds' between the parties evidenced by a written offer and an unconditional, written acceptance." Morton v. 4 Orchard Land Trust, 180 N.J. 118, 129-30 (2004) (quoting Johnson & Johnson v. Charmley Drug Co., 11 N.J. 526, 538-39 (1953)). "A contract arises from offer and acceptance, and must be sufficiently definite 'that the performance to be rendered by each party can be ascertained with reasonable certainty.'" Weichert Co. Realtors v. Ryan, 128 N.J. 427, 435 (1992) (quoting West Caldwell v. Caldwell, 26 N.J. 9, 24-25 (1958)).

Having reviewed the record, we are satisfied the judge correctly concluded the handwritten document failed to constitute a valid and enforceable contract. There was no meeting of the minds as to one or more of the terms in the document, including the placement of mortgages on the properties intended to serve as collateral for the real estate transaction. Additionally, several contingencies in the handwritten document were never satisfied. For example, Yengo never terminated his agreement to purchase the Second Street Property.

Importantly, the handwritten document lacked the signature of all parties and contained a blank signature line. Neither Tyler Homes, Kansara, Lysbeth, nor Zudi signed the document. Nor was there any document granting legal authority to Lynch to sign as "attorney-in-fact" on behalf of third-party defendants.

"A power of attorney must be in writing, duly signed and acknowledged in the manner set forth in [N.J.S.A.] 46:14-2.1." N.J.S.A. 46:2B-8.9. While Lynch's signature, purporting to act as "attorney-in-fact," was witnessed by Shanky, the document failed to identify who Lynch represented. There was no document presented at trial to confirm Lynch's representation as attorney-in-fact for Kansara or any of the other parties to the Second Street Property transaction. The fact that an attorney signs a document does not create a legal obligation under N.J.S.A. 46:2B-8.9 granting power of attorney status. Here, there was a complete absence of any evidence that Lynch had the authority to act as power of attorney for Tyler Homes or the other parties affiliated with Tyler Homes.

We also reject Yengo's assertion that the Chancery judge lacked authority to discharge the lis pendens. The case relied upon by Yengo in support of this argument, <u>Brown v. Brown</u>, 470 N.J. Super. 457 (App. Div. 2022), does not support his argument. Nothing in <u>Brown</u> precludes a Chancery judge from

discharging a lis pendens. Rather, the <u>Brown</u> case addressed whether the litigation privilege protects a notice of lis pendens. 470 N.J. Super. at 467-71.

We next address Yengo's argument that the judge erred in declining to afford additional time for settlement discussions. We disagree.

Yengo had sufficient time before the trial commenced, as well as the time period from the first day of trial, November 4, 2020, through the last day of trial, December 17, 2020, to explore settlement. On the final day of trial, the judge gave the parties an opportunity to discuss settlement before the last witness was scheduled to testify. When the parties reported that they were unable to agree on a settlement, the judge placed Yengo under oath and explained the following:

THE COURT: Now of course any settlement has to be voluntary and no one can force anybody to settle a case, but I did want to bring to your attention a couple of things . . . [t]his [c]ourt will not entertain any further settlement discussions after today. The [c]ourt has been I think very generous in accommodating all parties' schedules up until this point, and at some point that accommodation has to give way to judicial economy and judicial efficiency in getting the case resolved. So I am not going to spend any additional time with any further settlement, nor will I accept a settlement after this. So if you choose to proceed in this matter, please know that there will not be any further opportunities to discuss or negotiate these things going forward.

The judge then took a recess. Upon returning to the courtroom, Yengo's attorney confirmed Yengo was unwilling to enter into a settlement agreement and "fully understands that . . . your Honor has indicated the [c]ourt will not accept a settlement at any point after this time." Yengo then told the judge that he rejected the settlement because he had more faith in the judge than in the representations made by opposing counsel.

After this statement, the judge engaged in the following colloquy with Yengo:

THE COURT: So you are prepared to accept the fact that this case may be dismissed at the end of the witnesses?

MR. YENGO: Yes, sir.

. . . .

THE COURT: Mr. Yengo one other thing. If you were to come back later and say that you wanted to accept a settlement, you know that I will not accept it now, right?

MR. YENGO: That's what you stated, but all due respect, Judge – that is what you stated. That is all I am going to say.

THE COURT: I can tell you, Mr. Yengo, I will not accept it because I would not find it to be voluntary under the circumstances, okay?

MR. YENGO: Judge, I respect that, and you stated that. I understand what you just said. I understand that.

Under these circumstances, we are satisfied that the judge did not abuse his discretion in declining to allow more time to explore settlement. The judge went to extraordinary lengths to provide more than ample opportunity for the parties to resolve the matter. Because a trial court has an "inherent and necessary right to control its own calendar," <u>State v. Maisonet</u>, 245 N.J. 552, 566 (2021), the judge appropriately elected to complete the trial testimony and decide the case on the merits.

Lastly, we discern no abuse of discretion in the judge's denial of Yengo's motion for reconsideration. Yengo repeated the same unsuccessful arguments rejected by the judge in opposing the motion for a directed verdict. Because we affirm the judge's dismissal of Yengo's claims at the close of the evidence, the judge's denial of the reconsideration motion was not an abuse of discretion. See Cummings v. Bahr, 295 N.J. Super. 374, 389 (App. Div. 1996). "Reconsideration cannot be used to expand the record and reargue a motion." Capital Fin. Co. of Delaware Valley, Inc. v. Asterbadi, 398 N.J. Super. 299, 310 (App. Div. 2008).

To the extent we have not addressed any of the remaining arguments, we concluded they lack sufficient merit to warrant discussion in a written opinion. R. 2:11-3(e)(1)(E).

Affirmed.

CLERK OF THE APPELLATE DIVISION