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Winery sues New Paltz

Jim Gordon for HVBiz.Biz

Bankruptcy proceedings for an area winery have moved into a new realm, that of a federal lawsuit against officials in the town of New Paltz.

The lawsuit charges that officials worked together to deny Rivendell Winery the right to conduct business in a new location, improperly singling out the business in a manner that ultimately drove it into Chapter 7 bankruptcy and dissolution.

The lawsuit, filed May 11 in Albany, seeks \$240 million in damages charging that an assistant district attorney, a county legislator and a member of the town Zoning Board of Appeals sought to deny Rivendell owner Susan Wine and Robert Ransom, her husband and co-owner, constitutional rights related to doing business on a four-acre property they bought at the intersection of Route 299 and Albany Post Road in New Paltz.

Ransom and Wine operated the Rivendell Winery since 1987 on leased property on Libertyville Road in Gardiner. Two years ago, Rivendell tried to move to the more visible location in New Paltz.

The move was opposed by neighbors who saw it as an attempt to shoehorn Rivendell as a commercial endeavor into a residential zone by describing it as an agricultural use. The town building inspector originally denied a variance of the winery's plans, a denial which was upheld by the town zoning board of appeals. That led to an Article 78 lawsuit in state court but the town position was ultimately upheld by the state Supreme Court. The issue is now being considered by the state Court of Appeals.

On Feb. 16, Rivendell Winery L.L.C. filed a voluntary petition for liquidation under Chapter 7 in the U.S. Bankruptcy Court for the Southern District of New York in Poughkeepsie.

A Chapter 7 bankruptcy case does not involve the filing of a plan of repayment. Instead, a bankruptcy trustee gathers and sells the debtor's nonexempt assets and uses the proceeds of the assets to pay creditors in accordance with the provisions of the Bankruptcy Code.

"The lawsuit is a civil rights lawsuit against the offending parties who created a class of one by singling us out and denying us use of our property as is our right," Ransom said. "Conspiracy is the word the press is using; it is not the charge we are levying. We are saying we were singled out and denied our rights."

He said the federal case is continuing separate from the state Article 78 lawsuit.

"It's a pretty simple case; it's a very logical case and we have a very good case," he said.

The officials involved in the federal lawsuit all deny any wrongdoing and predict the case will not be successful. New Paltz town Supervisor Toni Hokanson noted that the town's position has been upheld at all levels of review so far and said the new suit is a waste of money.