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# Judge lifts stay order; Beth Rifka sale on

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A federal bankruptcy court judge has lifted a more than five-year-old stay, and authorized a pending institution to pursue the sale of the Beth Rifka Nursing Home in Concord in a mortgage foreclosure proceeding, it was learned yesterday.

However, the judge, John J. Galgay, sitting in Manhattan Federal Court, in an order filed March 28, said the sale may not take place prior to June 16, and that even in the event of a sale the court will continue to retain "exclusive" jurisdiction over the property.

The order is the latest development in the tangled affairs of the

nursing home, which the state Health Department last summer ordered closed because of medical, nursing and sanitary deficiencies.

The foreclosure proceeding was initiated in 1976 by the Washington Federal Savings and Loan Association after the current owner of the nursing home property, National Hospital and Institutional Builders Co. of Manhattan, defaulted on monthly mortgage payments and fell behind on the payment of real estate and water and sewer taxes.

Washington holds a first mortgage, which was initially used to secure a loan for \$1,725,000 which the former owner, Targee Care Center Corp. also of Manhattan, obtained in 1976. The following year the amount of the loan was increased to \$2,225,000.

The law firm that represents

the savings and loan association refused yesterday to comment on whether the institution intends to proceed with the sale, despite the green light given by the bankruptcy judge. A representative said that no comment could be made at this time because the case is still pending.

In a foreclosure judgment signed by a Staten Island Supreme Court justice in July 1977, the judge found that the savings and loan association is entitled to recover \$1,148,655, plus interest, from the sale of the property. However, the savings and loan association was never in a position to proceed with the foreclosure. In September 1977, a day before a foreclosure sale was scheduled to take place, members of the family of nursing home czar Bernard Bergman, identified as the owners of the facility, filed for bankruptcy, obtaining a stay of the foreclosure sale. The stay had been in effect

until the bankruptcy judge made his latest ruling.

Meanwhile, Bergman had been convicted of Medicaid fraud in 1976, and as part of his sentence he was required to assign to the state, in connection with restitution, his 40-percent interest in the Island nursing home.

The facility was to have been operated as the Danube Nursing Home, but it was never licensed or opened. In August 1978 Beth Rifka, Inc., a Hassidic organization whose members are from two Hassidic groups in Brooklyn, applied to the state to operate the facility as a non-profit nursing home for Hassidic Jews. In February 1981, the facility, now known as the Beth Rifka Nursing Home, accepted its first patients after the state Health Department gave final approval of the corporation. At about the same time, the Public Health Council authorized the sale of the property to Beth Rifka.

However, it was learned, the transaction was never consummated because of a challenge raised by the Building Department. The challenge, over zoning question, affected issuance of the home's certificate of occupancy.