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*The Beth Din of America takes confidentiality very seriously. Before publishing any case, we modify key details to protect the identities of all parties involved. Names, dates, locations, and other identifying information are changed or omitted, and certain unique facts may be altered. For example, the industry in which the dispute took place is often modified.*

ג' שבט תשפ"ו

January 21, 2026

### Psak Din - Rosen v. Adler

The Beth Din of America, having been chosen by the parties as arbitrators pursuant to an arbitration agreement (the "Arbitration Agreement," attached hereto as Exhibit A) dated as of June 10, 2025, between between David Rosen, with an address at 412 East Avenue, Apartment 7B, New York, NY 10024 ("Claimant"), and Michael Adler, with an address at 36 Pine Road, Teaneck, NJ 07666 ("Respondent"), concerning a long-standing real estate co-investment relationship, hereby decides as follows:

#### **Procedural History**

This matter concerns a financial dispute stemming from a business relationship between the parties some time ago. The parties agreed for the Beth Din to, prior to adjudicating the full case on the merits, rule on defenses to claims based on New York's statute of limitations and halachic arguments that the issues between the parties are no longer adjudicable due to the passage of time. By agreement of the parties, this phase of the din torah is based solely on written submissions, without live testimony.

On August 20, 2025, Claimant submitted a statement of claim outlining the factual and legal basis for his position. On September 8, 2025, Respondent filed a motion outlining his statute of limitations arguments, attaching supporting documentation and exhibits. On October 12, 2025, Claimant submitted a written response to the motion, and on November 11, 2025 Respondent submitted a final reply. This ruling is based on a careful review of those submissions.

#### **Facts and Claims**

Claimant and Respondent were long-time co-investors in a series of real estate ventures based primarily in the New York metropolitan area. Beginning in or around 1998, the parties jointly invested in multiple residential and commercial properties through a loosely structured arrangement that contemplated equal

economic participation. While some properties were held through single-purpose limited liability companies and others in individual names, the parties do not dispute that, as a general matter, profits and losses were intended to be shared on a 50/50 basis. No comprehensive written operating agreement governed the parties' overall investment relationship.

The parties' most active period of joint investment activity occurred between approximately 1998 and 2010. During that time, they acquired, operated, refinanced, and sold a number of properties, with Respondent typically taking primary responsibility for day-to-day management, financing arrangements, and interactions with lenders, accountants, and third-party professionals. Claimant contends that he relied on Respondent for accurate reporting of income, expenses, and distributions, while Respondent maintains that Claimant was kept adequately informed and had access to relevant financial information.

By approximately 2011, the parties' joint investment activity had substantially wound down. No new properties were acquired thereafter, and several remaining assets were either sold or otherwise liquidated in the years that followed. The parties did not formally dissolve their investment relationship, but both acknowledge that their active collaboration effectively ceased more than a decade ago.

Claimant brings two financial claims arising out of this co-investment relationship, each relating to events that occurred during the operative years of the ventures or in the period shortly thereafter:

1. **Undistributed Investment Proceeds.**

Claimant alleges that in or around 2012 or 2013, one or more properties in which the parties had previously invested were refinanced or sold, resulting in net proceeds of approximately \$800,000 attributable to the parties' collective equity interests. Claimant asserts that, consistent with the historical 50/50 economic arrangement, he was entitled to receive one-half of those proceeds. According to Claimant, Respondent distributed only approximately \$212,000 to him in connection with these transactions, leaving an alleged shortfall of approximately \$188,000.

2. **Tax Allocation and Overpayment Claim.**

Claimant further asserts that during the years in which the joint investments were operational, he was allocated 50% of the taxable income associated with the properties and paid income taxes accordingly, as reflected on K-1s and other tax documentation prepared under Respondent's direction. Claimant contends that despite these allocations, actual cash distributions to him were materially less than his proportional share of the income, resulting in a tax overpayment that he estimates at approximately \$50,000. Respondent disputes both the accuracy of this estimate and the premise that Claimant failed to receive appropriate economic benefit over the life of the investments.

Respondent seeks dismissal of the proceeding in its entirety, asserting that each of Claimant's claims is based on transactions and events that occurred more than a decade ago and are therefore barred by applicable statutes of limitations and parallel halachic principles relating to stale claims. In support of this position, Respondent points to a promissory note executed by Claimant in Respondent's favor in 2021 in the amount of \$61,000, which Respondent characterizes as contemporaneous with Claimant's acceptance

of a final reconciliation of accounts between the parties. Respondent argues that this transaction evidences Claimant's understanding that no further distributions or claims remained outstanding at that time.

Claimant disputes this characterization, contending that the promissory note arose from an unrelated transaction and did not constitute a waiver or settlement of his outstanding investment claims. Claimant further argues that, as a matter of Jewish law, the passage of time does not automatically extinguish otherwise valid financial claims and that the question of enforceability must turn on a fact-specific inquiry into the parties' conduct, expectations, and credibility.<sup>1</sup>

## Decision

Jewish law does not, as a rule, impose rigid statutes of limitations for financial claims, and even old debts are collectable as a matter of halacha.<sup>2</sup> Nevertheless, it does acknowledge that the passage of time can impact the credibility and enforceability of certain obligations.<sup>3</sup> The absence of any action by a claimant over an extended period, particularly in the face of opportunities to assert a claim, may raise legitimate questions about the underlying merits of the case. In addition, some authorities have recognized the applicability of a statute of limitations to a claim as a matter of Jewish law based on the binding nature of commercial custom (*minhag ha-sochrim*).<sup>4</sup>

But under the aforementioned theories, the question of whether a claim is precluded by the passage of time is inherently fact-intensive. It turns not only on objective measures such as dates and documents, but also on subjective assessments of party intent, reasonable reliance, and the presence or absence of red flags that may justify skepticism about a claim. In a way, the statute of limitations defense is not a discrete threshold issue that we can resolve in isolation, but is instead intertwined with the broader factual and credibility determinations that will be made in the course of adjudicating the case on its merits. Accordingly, the Beth Din declines to dismiss the claims at this stage on statute of limitations grounds, and the applicability and weight of the passage of time will instead be evaluated in the context of the full evidentiary record.

Importantly, however, the Beth Din's decision not to summarily dismiss this matter should not be interpreted as a signal that the passage of time will have no bearing on the outcome. To the contrary, the staleness of the claim, given that many of the relevant events occurred more than a decade ago, may very well impose substantial evidentiary and legal hurdles for Claimant to overcome. If Claimant chooses to proceed, he does so with full awareness that the delay in asserting his claim may give rise to a

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<sup>1</sup> In a footnote, Claimant also argues that even under New York law, the statute of limitations does not extinguish the claim as a legal matter. Rather, the existence of the statute functions as a procedural bar to collection through court action. If so, one could make the argument that even if halacha were to incorporate the provisions of New York law through the mechanism of *minhag hasochrim*, that body of law merely renders collection ineffective through the courts, but there is nothing that would bar a beis din from ruling that the debt is collectable.

<sup>2</sup> *Shulchan Arukh, Choshen Mishpat* 98:1.

<sup>3</sup> *Shu"t Rosh* 68:20. See also *Shulchan Arukh, Choshen Mishpat* 98:2, 61:9, and 15:3 and *Shevut Yaakov* 3:182.

<sup>4</sup> See *Pitchei Choshen (Halva'ah Chapter 2 note 72)* citing *Ben Ish Chai*.

presumption against its validity, and that the Beth Din may ultimately find the claim to be without merit or even frivolous.

More than that, Claimant is advised that although under Jewish law prevailing parties are not typically awarded attorneys' fees or arbitration costs, in cases where a claim is deemed frivolous, an exception may apply.<sup>5</sup> Claimant is therefore on notice that proceeding with a claim that lacks credible basis may expose him to an adverse fee award. Additionally, by continuing with this matter, Claimant opens the door to the counterclaims alluded to by Respondent in his written submissions. In the same vein that Claimant's claims are not automatically time barred, claims raised by Respondent will be evaluated on their merits and, if properly grounded in fact and law, Claimant may be exposed to liability for such claims.

IN WITNESS WHEREOF, we hereby sign and affirm this order as of the date written above.

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AA, Esq.

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Rabbi BB, Esq.

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Rabbi CC

<sup>5</sup> Rabbi Shlomo Weissmann, "[Recovering the Costs of Litigation in Beit Din](#)," *The Journal of the Beth Din of America* 1, no. 1 (2012): 66-75.