



Stabilization Code by harassing the tenants of the subject premises and knowingly failing to comply with the requirements of law, and

- B. Determine the appropriate penalty to be imposed against the respondents pursuant to Section 26-516 of the Stabilization Law, Section 2526.2 of the Stabilization Code and the 1997 Rent Regulatory Reform Act.

The Enforcement Unit of the Office of Rent Administration of the New York State Division of Housing and Community Renewal (DHCR) hereby alleges herein, upon information and belief, that:

1. Respondent Bleecker Village, LLC is the deed owner of the premises for all times relevant to this proceeding and therefore is an owner of the subject premises as the term is defined in Section 2520.6(i) of the Stabilization Code.
2. Respondent Nader Shalom is a member of Bleecker Village, LLC and Gatsby Enterprises, LLC, is registered with Housing Preservation and Development (HPD) as the head officer of the owner, has acted as an agent of Bleecker Village, LLC and Gatsby Enterprises, LLC concerning the management and operation of the subject premises and, as such, is an owner as that term is defined in Section 2520.6(i) of the Stabilization Code.
3. Respondent Lisa Shalom is a member of Bleecker Village, LLC and Gatsby Enterprises, LLC, is registered with HPD as an emergency contact number for the owner, has acted as an agent of Bleecker Village, LLC and Gatsby Enterprises, LLC concerning the management and operation of the subject premises and, as such, is an owner as that term is defined in Section 2520.6(i) of the Stabilization Code.
4. Respondent Kamy Mashieh has been the registered managing agent with HPD from the inception of respondents' ownership through May 2008 and, as such, is an owner as that term is defined in Section 2520.6(i) of the Stabilization Code.

5. Respondent Gatsby Enterprises, LLC is the management company for the building for all times relevant to this proceeding and, as such, is an owner as that term is defined in Section 2520.6(i) of the Stabilization Code.
6. Throughout the respondents' ownership, operation and control of the subject premises, the respondents have deliberately and systematically pursued various illegal courses of conduct intended and designed to force the subject rent stabilized tenants to vacate their apartment or otherwise waive their rights under law, notwithstanding the illegality or consequences of their actions.
7. In their continuing and deliberate effort to cause the tenants to vacate the subject premises, the respondents have engaged in the following courses of conduct, among others: interruption, interference with and/or decrease of a broad panorama of basic and essential services; failure to repair defective conditions or unreasonable delay and unworkmanlike manner in effecting same; substantial and significant deterioration in the appearance, comfort and maintenance of the premises; failure to properly obtain permits and failure to properly maintain health and safety standards during construction of vacant apartments; baseless litigation and the threat of litigation in an effort to cause apartments to become vacant and a plethora of other acts and devices, physical and psychological, all intended to interfere with and disturb the peaceful, quiet enjoyment of the tenants' use or occupancy of the respective housing accommodations.
8. The subject premises 201 Sullivan Street contains 20 rent stabilized apartments. Respondents took title to the premises on March 26, 2007. As of April 1, 2007 respondents registered 11 rent stabilized tenants, four rent controlled, three exempt based on high rent vacancy and two vacant.
9. Rent stabilized tenants **TENANT A**; **TENANT B** and **TENANT C**, apartment 3D have filed complaints of harassment with DHCR.

At all times, such tenants have been subject to and protected by the rent regulatory laws of the State of New York.

10. On April 6, 2007, eleven days after respondents took title, notices were sent to all tenants that a routine inspection would take place on Monday April 9, 2007, allegedly to make sure all plumbing and appliances were working properly, although no tenants had complained about the plumbing or appliances. Most tenants provided access as requested. At least two tenants who were not able to provide access, Janice Garrett and Adam Goldberg, returned home to find gas service had been terminated to their apartments.
11. On April 10, 2007 Janice Garrett called Con Edison in an effort to have gas restored in her apartment. A representative from Con Ed came to the building but was unable to get into the basement because the door was locked. The tenant was advised to contact Con Ed when access to the basement could be gained.
12. One week later, on April 18, 2007, gas was terminated to the entire building. On that date, meters to all apartments had been disconnected which also prevented the services of heat and hot water from being received.
13. The owner claimed that there was an anonymous phone call to Con Ed which stated there was a smell of gas in the building. It was alleged that when Con Ed could not find the source of the smell of gas, that the owner was required to terminate gas service to the building. However, Con Ed records do not reveal any evidence of the receipt of any such call or that any technician was sent to the building on April 18, 2007. Tenants did return home that date to find a Con Ed notice on the entry door stating that all gas service, heat, hot water and ranges had been shut off due to "tampering gas service".
14. The interruption in gas service has been a tactic used by Nader and Lisa Shalom and their relatives in other Shalom owned buildings as a means to drive out rent regulated

tenants. For example, the building at 340 E. 62<sup>nd</sup> St., New York, NY at which Jon Shalom is a principle had no gas service from just before Christmas 2000 through at least March 2001, the building at 338 E. 61<sup>st</sup> St., New York, NY at which Daniel Shalom is a principle had gas service interrupted from December 2004 through May 2005, the building at 8 St. Marks Pl., New York, NY at which Jon Shalom is a principle had gas service interrupted from December 2003 through November 2004, the building at 265 E. 78<sup>th</sup> St., New York, NY at which Nader Shalom and Lisa Shalom are principles had gas service interrupted from January 2006 through May 2006, the building at 438-440 W. 45<sup>th</sup> St. at which Daniel Shalom is a principle had gas service interrupted for four months in early 2003 and the building at 652 W. 163<sup>rd</sup> St., New York, NY at which Fred Ohebshalom is a principle had gas service interrupted from August to September 2007.

15. After the termination of gas, heat and hot water services, the owner hired Pelham Plumbing to perform tests of gas lines for hot water, heat and cooking. Twenty-one meters existed for cooking gas and one meter existed for hot water.
16. On April 23, 2007 a violation was issued by the Environmental Control Board finding plumbing work was occurring without a permit. The inspection found gas lines were open and not capped with plumbers not on site. Additionally, there was exposed water piping in the bathrooms of apartments 2D and 3B with workers present but no plumbers present. It was not until this violation was issued that the owner filed for an alteration repair application to test existing gas lines and repair lines as needed.
17. On or about April 28, 2007 the hot water service to the building was restored. However, the building continued to be without heat and gas service.
18. Based on the continuing failure to provide gas service, tenant Adam Goldberg filed an action in Housing Court seeking to have the service restored, Goldberg v. Gatsby Enterprises,

civil court, New York County, index no.: 6139/07. A stipulation was reached on May 10, 2007 whereby the owner agreed to restore gas service by May 31, 2007.

19. During May 2007 the owner demand repeated access from the tenants for its plumbers to test gas lines. Subsequently, on May 23 and 24, 2007 access was sought for Con Edison to verify that no gas was leaking in the various apartments. However, employees from Con Ed did not inspect occupied apartments. Subsequently the owner advised that the gas lines in apartments 1E and 2D had failed the test. Because of this failure, the owner stated that it had to replace risers in these apartments which entailed ripping out the walls and putting in new vertical piping, further delaying the restoration of gas service to the building. However, the two apartments that allegedly failed the plumber's tests, were apartments that were vacant and were entirely within the control of the owner. One of the apartments, apartment 2D, was listed in the ECB violation of April 23, 2007 which found exposed piping in that apartment.
20. Although any gas leak that occurred in the building was caused or created from an apartment entirely within the owner's control, Nader Shalom nonetheless attempted to blame tenants for this deprivation of services and ensure that tenants were advised that he considered them at fault. On April 20, 2007 when speaking with tenant Nicholas Calamari he asked Mr. Calamari to find out which tenant had been tampering with the gas. On April 23, 2007 Mr. Shalom called Mr. Calamari and told him that the reason tenants did not have hot water was because tenants kept calling the city. He instructed Mr. Calamari, an attorney, to tell tenants not to call the city. When Mr. Calamari told Mr. Shalom that he could not control what other tenants did, Mr. Shalom stated, "If I find out, I will come over there and spit in their faces."

21. Since gas service was not restored by May 31, 2007, Adam Goldberg made a motion for contempt in index number 6139/07. This motion was later withdrawn as part of a settlement in a nonpayment action brought against Mr. Goldberg by the owner after he had begun withholding rent based on the lack of services.
22. Gas service was not restored until July 16, 2007. The service of heat was not restored until October 26, 2007.
23. Respondents caused or allowed the long period without gas, heat and hot water service, to encourage tenants to vacate the building, to make them more receptive to respondents' offers to vacate the building, to disrupt their lives by making repeated access demands and to initiate court proceedings against them when they withheld rent based on the deprivation of services.
24. Because of the lack of services, tenant **TENANT A** withheld half of her rent for May 2007. Respondents then served her with a Three Day Rent Demand dated May 14, 2007. A nonpayment action was commenced (Blecker Village v. Lynch, Civil Court, New York County, index number 71791/07) and then discontinued on July 9, 2007 so that respondents could then serve **TENANT A** with a holdover proceeding claiming that she was illegally subletting her apartment to Hilary Elkins (Blecker Village v. Lynch, Elkins, Civil Court, New York County, index no. L & T 89345/2007). This holdover proceeding was subsequently settled by stipulation dated May 12, 2008 wherein **TENANT A** agreed to vacate the apartment in return for a sum of money.
25. Because of the lack of services, **TENANT B** also withheld 50% of his rent in May 2007. The owner then initiated a nonpayment proceeding against him (Blecker Village v. Rosenberger, Civil Court, New York County, index number 71790/2007). It was the recommendation of the court that the parties settle for a 30% abatement. However, the owner refused to offer more than a 25% abatement to ensure that the

nonpayment case proceeded to trial. After the case was heard, the court awarded the tenant an abatement of 30% for a three month period through September 30, 2007.

26. As tenants vacated as the building conditions deteriorated, the owner began gutting the vacant apartments with the goal of getting the rents in such apartments over \$2,000 per month so they could become de-regulated. The owner failed to obtain permits for the initial apartments that were gutted until the tenants filed complaints with the Department of Buildings. Apartments 1E, 2D, 2C, 3C, 3B, 3A and 4C were gutted and renovated without permits.
27. Because of the lack of any tenant protections while this work was taking place, the demolition and construction in these apartments adversely affected the tenants who remained. Excessive noise, dust, fumes and debris resulted. Sledge hammering and drilling resulted in a crack developing in apartment 3E and in plaster and other debris falling behind the walls. On occasion water was shut off to the building without notice.
28. Subsequently, after tenants began filing complaints with City and State agencies, the owner did apply for permits, including for apartment 4E, directly above complaining tenant **TENANT B**. However, the permit application advised that only minor work was to be done whereas in actuality, the apartment was completely gutted. Work to this apartment took place on the weekend, contrary to the parameters of the permit. On October 24, 2007 **TENANT B** heard a giant thud on his ceiling which caused a portion of his light fixture to crash to the floor. He went upstairs to find that the workers in vacant apartment 4E had caused and allowed a bathtub to smash into the floor of the apartment.
29. On October 26, 2007 **TENANT B**'s toilet stopped flushing. He was required to flush his toilet manually with a plunger. Plumbing appointments on October 26 and October 29, 2007 to address this problem were not kept. On October 30, 2007

after a plumber did show up, the problem was discovered to be caused from construction on the ground floor commercial space where the workers had cut off all water pressure to the toilet.

30. Based on the increased construction, mice and rodents were frequently sighted in apartments. Mouse holes were not properly filled. Tenants **TENANT B** and **TENANT C** saw mice repeatedly in their apartments. Tenant **TENANT B** found mouse droppings on clothes properly stored in drawers. Mice had eaten into dog food cans, dog food labels, dog food bags and other groceries, all of which then had to be thrown away. On December 4, 2007 based on an inspection conducted on November 29, 2007 by the Department of Health, a violation was imposed by the Department of Health for active signs of rats and exposed refuse/garbage. The garbage area was frequently found to be overflowing with garbage.
31. Based on the damage done to his apartment during the renovations, the infestation of mice, the interruption in water service and the failure to provide a flushing toilet, **TENANT B** withheld \$400 from his rent that was due for October 2007. The owner thereafter sent the tenant a rent demand and initiated a nonpayment proceeding. This resulted in the court awarding **TENANT B** a total abatement of \$588.67, following a hearing, representing a 15% abatement for the months of November 2007 through January 2008. See Bleecker Village v. Rosenberger, Civil Court, Housing Part, New York County, Index No. 100050/07. Thereafter, the owner attempted to recoup some of the abatement that was awarded by improperly charging the tenant \$100 in late fees.
32. On June 2, 2007 tenants received a notice from Con Edison threatening to shut off service of electricity to the common areas of the building because the owner had not paid an outstanding balance of \$3,131.13. Tenants were given the opportunity to pay this balance to avoid a turn off of

service. The owner eventually resolved this issue with Con Edison prior to the termination of electrical service.

33. Prior to respondents' ownership, the roof door swung shut. Shortly after respondents took title, the roof door was bolted shut, which prevented egress through the roof door in case of emergency. After this bolt was broken and the door was not secured, a push bar with an alarm was placed on the roof door. On July 7, 2007 in the middle of the night, a loud alarm went off from this door which sounded throughout the night. Later that day the alarm went off again. When **TENANT B** investigated this noise, he found the roof door was not properly secured on this date and he was able to climb onto the roof. There, he found his bicycle which had been previously stored in the hallway outside the stairs leading to the roof. It had been removed from the interior of the building and placed on the roof where it had become rusted due to rain.
34. From the inception of respondents' ownership, they sent a letter to all tenants advising that tenants would now have to pay late fees for any rent payments which were not timely made, notwithstanding that tenants' leases did not authorize any such charge. When respondents were told that such charges were not authorized, they then began placing other fees on the tenants' rent bills. **TENANT B** received a demand for \$50 for "real estate taxes" on a rent bill one month after Judge Lau, after hearing evidence in the nonpayment proceeding, had admonished the owner that it could not charge the tenant late fees. **TENANT C** received a demand for \$27.09 for a "mice treatment refusal" fee.
35. The basement has been left locked in violation of law and no one on the premises has a key. The superintendent does not live on or near the premises as required by law and for long periods of time, tenants were not provided with the name and number of the superintendent and had no ability to contact him.

36. Of the tenants who were in occupancy when respondents took title about a year and a half ago, only three remain. Apartments that have become vacated have been rented as de-regulated apartments.
37. Respondents have deliberately and defiantly ignored repeated notice of deterioration and unsafe conditions at the building and in the complaining tenants' apartments, they have ignored orders of the Civil Courts of the City of New York, the directives of DHCR and the requirements of law.
38. Respondents' deliberate failure to provide required services and to interrupt required services, including gas, heat and hot water services, was one of their courses of conduct designed and calculated to drive the rent regulated tenants from occupancy.
39. Respondents' courses of conduct caused the tenants grave distress, discomfort and inconvenience; threatened their safety and health, interfered with their peaceful quiet enjoyment of the housing accommodations and ultimately caused many of the tenants to vacate the building.
40. Respondents' courses of conduct were intended and calculated to result in their goal of forcing the tenants from possession so that the apartments could be de-regulated.

**WHEREFORE**, pursuant to Section 26-516 of the Stabilization Law and Section 2526.2 of the Stabilization Code, the Enforcement Unit seeks an order:

- for harassing a rent stabilized tenant: penalties up to \$5,000 for each course of conduct in violation of law pursuant to the 1997 Rent Regulatory Reform Act;
- for violating an order of the DHCR affecting a rent stabilized tenant: penalties of up to \$250 for the first such offense and \$1,000 for each subsequent offense;

- for knowingly violation any provision of the Rent Stabilization Law and Code: penalties in an amount of \$250 for the first offense and \$1,000 for each subsequent offense;

The Hearing Unit of DHCR will designate an Administrative Law Judge to preside at the hearing in this matter.

Respondents may be represented by counsel.

The respondent may respond to the charges set forth in the Notice of Hearing. The response shall be in writing and it must be duly served on the Hearing Unit and the Enforcement Unit no later than two business days prior to the first day of hearing.

The respondent and the Enforcement Unit and their counsel or representatives are required to appear at this hearing together with any witnesses who may have relevant testimony to offer and all books, records and other evidence relevant to this matter.

A failure to appear at the date and time set for this hearing shall be considered a default and the hearing will proceed forthwith on the date and at the time scheduled without further consultation with the defaulting parties. A determination will be based upon the evidence in the record of the hearing.

Adjournments may only be granted in the most imperative circumstances and then only on proper and timely application to the designated Administrative Law Judge with prior notice to all other parties.

For purposes of avoiding delay at trial, respondents or their counsel may contact trial counsel of the Enforcement Unit to arrange for mutual review and exchange of each other's prospective evidence intended to be submitted in the prosecution or defense of this proceeding. This exchange shall be at the site of the hearing, at a mutually agreeable time set by participating counsel. Review must be completed no later than five business days prior to the first day of hearing.

Motions in advance of the hearing, including motions for adjournments, must be addressed in writing to the designated Administrative Law Judge at the following address:

**HEARINGS UNIT  
NEW YORK STATE DIVISION OF HOUSING  
AND COMMUNITY RENEWAL  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004**

Simultaneous notice of all motions must be given to the Enforcement Unit.

Service of a copy of this Notice of Hearing by first class mail or hand delivery, upon each party or their attorney or other representative, is deemed sufficient service under the Rent Stabilization Code.

Interpreter services are available, at no charge, to any deaf person who is a party or a witness in this hearing. Request for an interpreter for a deaf person must be addressed in writing to the Hearing Unit or the designated Administrative Law Judge.

**PLEASE SHOW THIS NOTICE WHEN YOU APPEAR.**

DATED: September 12, 2008

JAMAICA, NEW YORK

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Barry Port  
Director, Enforcement Unit

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By: Jon Wallach  
Associate Attorney

To: DHCR Hearings Unit  
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TENANT B

TENANT A

TENANT C

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