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**New York State Division of Housing and Community Renewal**  
**Office of Rent Administration**  
Gertz Plaza  
92-31 Union Hall Street  
Jamaica, NY 11433

July 13, 2006

**UD410013HL**  
331 E. 14<sup>th</sup> St  
New York, NY 10003

Liberty Ventures LLC  
Keystone Management  
15165 Ventura Blvd., #140  
Sherman Oaks, CA. 91403

Re: Enforcement Case No.: UD410013-HL

Dear Parties:

This letter is being sent to summarize the conference held July 12, 2006 regarding the above-referenced complaint of harassment. The conference was attended by tenant **UD410013HL**, various members of the Shalom Tenants Alliance, Aliya Feldman from Senator Tom Duane's office and Candace Begley, the attorney for the owner.

**UD410013HL** stated that he has lived at the subject premises since 1979 and there has been a noticeable deterioration in conditions at the building since Liberty Ventures LLC became the owner in September 2004. There was no heat for the first seven weeks of the heating season in the fall of 2005, there was no elevator service from December 30, 2005 through February 6, 2006 and intercom service was out between November 11, 2005 and February 14, 2006. As a result, seven of the 25 apartments have become vacant and have not been re-rented.

When no heat was received at the beginning of the 2005 heating season the tenants, including **UD410013HL**, made numerous calls to the owner and to HPD. Initial repairs were made between November 8 and 10, 2005 by Abetta Boiler. On November 10, 2005 a steam pipe ruptured. Additional work then had to be done by Alba Combustion on November 14 and 15, 2005. Despite this work, the A and B units in the building still did not have heat. Heat was finally restored on November 21, 2005 to these units when Allysa Engineering came to the building.

Intercom service was out for 96 days. HPD violations were issued on November 20, 2005 and November 23, 2005 based on the defective intercom. On November 28, 2005 **UD410013HL** left messages with various members of Keystone which were not returned. Elizabeth Mejia advised him that Keystone was getting bids on a repair job. On December 15, 2005 Ms. Mejia said that Keystone could not repair the intercom because there were boiler problems in other Keystone buildings. Subsequently she advised that repairs would start on January 12, 2006. On January 12, 2006 **UD410013HL** sent a letter advising of various problems

at the building including the lack of intercom service. On January 21, 2006 HPD issued another violation for a defective intercom. On February 6, 2006 the tenant filed an HP action which included the lack of intercom service. On February 14, 2006 a new transformer was installed in the intercom doorbell panel restoring intercom service.

**UD410013HL** stated that common area light fixtures at the building are not checked for burnt out bulbs. A photograph submitted showed that two exterior lights are currently out. The tenant alleged these lights have been out for months. On February 8, 2006 when a Keystone employee replaced a damaged exterior light fixture he removed the day/night sensor that operates the outdoor lights. As a result the lights were on even during the day when they were not needed and soon burned out. They have not been replaced. Two violations were issued in January 2006 for failing to have exterior lights working near the front entrance.

**UD410013HL** also alleged that the windows in the stairwell are defective and two HPD violations have been issued based on these conditions. Despite a repair, the windows remain in poor condition. According to photographs taken by **UD410013HL**, a window on the 5<sup>th</sup> and 6<sup>th</sup> floor stairwell is cracked and missing glazing, a window on the fourth floor is in need of sheet rock and caulking and a window in the stairwell between the first and second floor is missing glazing. These conditions were also required to be fixed in the tenant's HP action.

One requirement of the HP stipulation signed on March 3, 2006 (**UD410013HL v. Daniel Shalom, et al**, index no. 250/06) was that the owner provide superintendent services as required by law and post notification of the super in the hallway within thirty days. **UD410013HL** stated that this requirement has been violated by the owner as no superintendent has been provided as required by law. Four violations have also been imposed by HPD between August 2005 and May 2006 based on the owner's lack of a superintendent for this building.

The tenant stated that the west air shaft has been filled with garbage and has not been cleaned despite two HPD violations concerning this condition. The tenant submitted photographs documenting this condition. Additionally, a Fire Department violation was issued on January 12, 2006 based on accumulation of inflammable rubbish from the shaft area and the owner was required to remedy this condition within twenty-four hours. The owner provided a work order indicating the backyard was swept and debris was removed from the air shaft under the stairs on May 23, 2006. The tenant questioned this work order as the air shaft area is not under the stairs.

**UD410013HL** alleged that the building next door replaced the sidewalk in front of 333 E. 14<sup>th</sup> St. in May 2005 and offered Keystone the option of replacing the sidewalk in front of its building at the same time. According to the maintenance manager at the next door building, Keystone declined this offer. According, to Ms. Arnold, managing agent of the subject building, no such offer was made. On February 14, 2005 HPD issued a violation based on the failure to repair the sidewalk in front of the building. On April 1 through 3, 2006 Plaza Contracting worked on the sidewalk though, according to the tenant, they did not do the work that their proposal required (and their proposal stated they did not guarantee their work). The tenant stated that the work done was shoddy and there is currently a trip hazard based on the condition of the sidewalk in front of the building (he stated he and Guy Ritchie recently saw a pedestrian trip and fall on this dangerous sidewalk). Photographs were taken of the past and current sidewalk conditions.

UD410013HL stated that the owner has brought two nonpayment actions against him. Before the first case was initiated, the tenant stated Ms. Morales called him at home and under false pretenses asked him if he was in the military service, in order to fill out an affidavit needed to sue him. UD410013HL stated he was never served with this initial petition. A stipulation was entered on July 13, 2005 settling this matter with the tenant paying the rent that was owed.

Subsequently, on November 28, 2005 the tenant received a letter dated November 18, 2005 from Maria Ortega of Keystone. The letter told the tenant he owed an outstanding balance of \$1,519.96. Of this amount there was a legal fee charge of \$617.50 and a charge of \$77.50 the tenant stated he had no idea what it was for. He called Ms. Ortega upon receipt of this letter who told the tenant that he only needed to pay the outstanding rent that was owed, not the other fees.

On May 1, 2006 the tenant received a three day demand for rent from Heiberger and Associates advising that May rent in the amount of \$582.73 was owing, a portion of March's rent in the amount of \$379.73 was owing and \$77.50 was owing from December 2005. The tenant responded with a letter dated May 8, 2006 that he didn't owe \$77.50 from December 2005, that the charge of \$379.73 from March was paid by check and cashed by Keystone on April 20, 2006 and May rent was paid in part (\$379.73) by check # 801 and the balance would be paid by NYC DSS by May 20, 2006. He also spoke to Jason Mallas of Keystone who told the tenant he owed \$617 in legal fees and that unless the tenant paid that amount his rent would be returned. The tenant's portion of the rent for April and May 2006 was returned by Keystone on May 15, 2006 along with a letter dated May 12, 2006 from Jason Mallas advising that, "your total outstanding balance is \$1,555.96 of which \$617.50 is for outstanding legal fees you were charged on October 28, 2005." The tenant received a notice of petition for nonpayment and on the return date, the owner discontinued the case. The tenant stated he would not resubmit the April and May rent checks returned to him until the owner's attorney told his attorney that the legal fee charge and the \$77.50 charge was resolved. No answer has yet been received.

Ms. Begley stated the owner's nonpayment action was justified since the tenant had not paid the May rent timely (he did not submit his check until May 10<sup>th</sup> whereas his lease required payment by the 5<sup>th</sup>). She stated the owner was entitled to separate out legal fees and such fees are authorized by the tenant's lease (see paragraph 22). While such fees could not become part of a possessory action against the tenant, the owner had the right to sue for this money in Small Claims Court and to carry these charges on its records for seven years, although, admittedly, the tenant had no obligation to pay such charges until so determined by a court.

It is noted however, that the owner has twice in writing told the tenant that such legal fees were now due and owing. Maria Ortega's November 18, 2005 letter states, "The total amount due as of the above date (11/18/05) is \$1,519.96." This amount included the \$617.50 in legal fees. Mr. Mallas' May 12, 2006 letter also told the tenant his outstanding balance was \$1,555.96 which included the \$617.50 in legal fees.

Regarding services, Ms. Begley stated she would have to confer with her client. She did point out that past problems of heat, elevator and intercom services have now been resolved. She did not know why her clients had not appeared at the conference. It was agreed a second conference would be conducted on August 30, 2006 at 10 a.m. at which representatives of the owner would be present and would respond to the tenant's allegations, particularly as to the services issues. Ms. Begley was also given 45 days to respond in writing to these issues.

In the interim, an inspection will be requested by this office to inspect allegations of debris in the west air shaft, a lack of superintendent and super services at the building as required by law, failure to provide common area lighting to the exterior of the building, failure to repair the sidewalk in front of the building said to be a trip hazard and failure to repair the stairwell windows.

It is also noted that the owner has not filed a registration statement for 2005 with DHCR as required (the 2006 registration is due by July 31, 2006). In accordance with the Rent Stabilization Code, the failure to register precludes the owner from obtaining any rent increases until the registration is filed. As the tenant's rent was increased during this period, the tenant may wish to file an overcharge complaint. The tenant may also wish to file for a contempt proceeding with HPD based on his statement that various requirements from the March 3, 2006 HP stipulation have not been complied with.

Parties will be advised of the results of the agency inspection. Further evaluation of this matter will await the results of the inspection and the continuation of this conference on August 30, 2006.

Very truly yours,

Jon Wallach  
Associate Attorney

cc. Candace Begley, Esq.  
Shalom Tenants Alliance