ATTORNEY GENERAL OF THE STATE OF NEW YORK
HOUSING PROTECTION UNIT

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In the Matter of

Assurance No. 21-063

**Investigation by LETITIA JAMES,**
**Attorney General of the State of New York,** of

Ink Property Group LLC, Eden Ashourzadeh, Alex Kahen, Robert Kaydanian,

Respondents.

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## ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York ("OAG") commenced an investigation pursuant to New York Executive Law § 63(12) into the conduct of INK PROPERTY GROUP LLC, EDEN ASHOURZADEH, ALEX KAHEN, ROBERT KAYDANIAN (each a "Respondent," and collectively, "the Respondents") concerning the ownership and management of a portfolio of rent-regulated apartment buildings in New York City, treatment of current and former tenants of those buildings, and their representations to lending institutions in the course of acquiring financing for those buildings. This Assurance of Discontinuance ("Assurance") contains the findings of the OAG's investigation and the relief agreed to by the OAG and Respondents (OAG and Respondents are collectively referred to herein as the "Parties" and individually as a "Party").

## OAG'S FINDINGS

### The Respondents

1. Respondent INK PROPERTY GROUP LLC is a New York limited liability company with its office at 377 Park Avenue South, 5th Floor, New York, New York 10016.

2. Respondent EDEN ASHOURZADEH is a member and co-founder of Ink Property Group LLC and a member of certain of the 46 of the limited liability companies listed in Exhibit A to this Assurance.

3. Respondent ALEX KAHEN is a member and co-founder of Ink Property Group LLC and a member of certain of the 46 of the limited liability companies listed in Exhibit A to this Assurance.

4. Respondent ROBERT KAYDANIAN was an employee of Ink Property Group LLC until 2021. His title was Vice-President of Acquisitions. Respondent Kaydanian also has minority ownership stakes in the properties at 298 Covert Street, 308 Covert Street, 767 Hart Street, and 787 Seneca Avenue. He is a limited liability company broker licensed with the New York State Department of State at a practice address of 377 Park Avenue South, 5th Floor, New York, New York 10016.

5. The limited liability companies listed in Exhibit A to this Assurance are single purpose entities that were formed to acquire and hold the real estate located at the corresponding addresses listed in Exhibit A. These companies are either (a) controlled by certain or all of Respondents; (b) owners of real property that is or was managed by Respondents; or (c) both.

**Legal Standard**

6. Under New York Executive Law § 63(12), the OAG is empowered to investigate underlying violations of federal, state and local laws, governing rules and regulations, when such violations involve repeated or persistent fraud or illegality in the carrying on, conducting, or transaction of business.

7. Continuing conduct, a repetition of any separate or distinct fraudulent or illegal act, or conduct which affects more than one person, satisfies the requirements for a violation of

Executive Law § 63(12).

8. "Fraud" as used in Executive Law § 63(12) encompasses acts that have the capacity or tendency to deceive, or conduct that creates an atmosphere conducive to fraud. A claim under Executive Law § 63(12) does not require a showing as to the traditional elements of common law fraud, such as reliance or intent to deceive.

9. "Illegality" as used in Executive Law § 63(12) includes violations of federal, state, and City laws and regulations, both civil and criminal.

Rent Stabilization

10. Generally, all buildings in New York City with six (6) or more units built before January 1, 1974 are covered by Rent Stabilization. 9 N.Y.C.R.R. § 2520.11.

11. In New York City, the laws regulating rent-stabilized tenancies are set forth primarily in the Rent Stabilization Law (hereinafter "RSL"), codified at Chapter 4 of Title 26 of the New York City Administrative Code, and the Rent Stabilization Code (hereinafter "RSC"), Title 9, Subtitle S, Chapter VIII of the New York Codes, Rules and Regulations (hereinafter "N.Y.C.R.R.").

12. Rent Stabilization regulates, *inter alia*, the value of rents chargeable for each accommodation, 9 N.YC.R.R. § 2522.5, and the circumstances under which tenants may lose their tenancy rights, 9 N.Y.C.R.R. § 2524.1. Rent Stabilization also dictates the substance and timing of leases and lease renewal offers to tenants. 9 N.Y.C.R.R. § 2522.5.

13. In addition, Rent Stabilization regulates how apartments can exit Rent Stabilization (and therefore become deregulated). The mere fact that a rent-stabilized apartment becomes vacant does not—standing alone—render the apartment deregulated, and it never has. Rather, before the passage of the Housing Stability and Tenant Protection Act of 2019

("HSTPA"), vacant apartments that met certain criteria could be deregulated. One way that owners could legally deregulate a vacant apartment prior to 2019 was through "high-rent vacancy." This occurred when, upon vacancy of the prior tenant, the monthly legal regulated rent for a housing accommodation reached a threshold value set by the Rent Stabilization Law (hereinafter "deregulation threshold"). RSL § 26-504.2.

14. During the time periods covered by this Assurance, deregulation thresholds in New York City ranged from $2,500 in monthly rent to $2,733.75 in monthly rent.

15. Prior to the passage of the HTSPA, owners could increase the legal regulated rents of apartments upon vacancy of the prior tenant—thereby moving closer to deregulation—using several mechanisms, including claiming a 20% vacancy allowance, 9 N.Y.C.R.R. § 2522.8, and by installing new equipment or making improvements to the apartment itself, known as individual apartment improvements ("IAIs"), 9 N.Y.C.R.R. 2522.4(a)(4).

16. In buildings with less than 35 units, such as the buildings discussed here, before 2019 owners were allowed to take a rent increase equivalent to 1/40$^{th}$ the cost of the IAI, and owners were not required to seek permission from or verify costs before any regulating agency before taking the increase.

17. Under Section 26-504.2(b) of the Rent Stabilization Law and Section 2520.11(u) of the Rent Stabilization Code, owners who have deregulated an apartment previously subject to rent regulation must provide the first tenant after such deregulation with a notice certified by the owner containing, *inter alia*, the last legal regulated rent before deregulation, the asserted reason for deregulation and, if the reason is high-rent vacancy, a calculation showing how the owner arrived at a rent above the deregulation threshold. Such notice may be attached to the new tenant's lease as a rider or sent by certified mail to the new tenant within 30 days of the tenant

signing the lease. R.S.L. § 26-517(c)(e); R.S.C. § 2520.11(u).

18. Under Section 26-517(c) of the Rent Stabilization Law, owners of rent-stabilized housing accommodations must register those accommodations with the DHCR and file annual registration statements indicating the legal regulated rent for the accommodation. Failure to file such annual registration statements bars owners from collecting rent in excess of the last legal regulated rent in effect on the date of the last registration statement filed with the DHCR. R.S.L. § 26-517(c)(e).

Anti-Harassment Laws

19. Rent Stabilization Code § 2525.5 prohibits an owner of a rent-stabilized apartment or his or her agent from engaging in any course of conduct that interferes with, disturbs, or is intended to disturb the privacy, comfort, peace, repose, or quiet enjoyment of a tenant in his or her use or occupancy of the housing accommodation, or that is intended to cause the tenant to vacate the apartment or waive any right afforded by the Rent Stabilization Code. 9 N.Y.C.R.R. § 2525.5.

20. In New York City, making buyout offers to tenants that do not comply with strict requirements constitutes harassment. To avoid engaging in illegal harassment, landlords who approach tenants with buyout offers must provide those tenants with a written notice explaining: (1) the purpose of such contact; (2) that the tenant can reject the buyout offer and can continue to occupy her unit; (3) that the tenant can seek the guidance of an attorney regarding the buyout offer and can, for information on accessing legal services, refer to "The ABCs of Housing" guide on the website of the New York City Department of Housing Preservation and Development ("HPD"); (4) that such contact was made by or on behalf of the owner; and (5) that the tenant can, in writing, refuse such contact and such refusal would bar such contact for 180 days, except

that the owner can contact such person regarding such an offer if given express permission by a court of competent jurisdiction or if notified in writing by such tenant of an interest in receiving such an offer. *See* N.Y.C. Admin. Code § 27-2004(a)(48)(f).

21. In addition to illegal buyout offers, harassment of tenants in New York City includes acts or omissions that "cause[] or [are] intended to cause any person lawfully entitled to occupancy of a dwelling unit to vacate such dwelling unit or to surrender or waive any rights in relation to such occupancy," and also includes interruptions of essential services and failure to correct immediately hazardous violations of the New York City Housing Maintenance Code or New York City construction codes. *See* N.Y.C. Admin. Code 27-2004(a)(48)(b).

**Factual Findings**

22. In early 2014, Respondents Ashourzadeh and Kahen formed Respondent Ink Property Group LLC. At the time, Ink Property Group LLC described itself as a "real estate investment, management, and development firm." Starting a few months later, Respondents Ashourzadeh and Kahen began acquiring multi-family residential buildings in New York City through single purpose entities formed to hold title to such buildings.

23. The investment strategy of Ink Property Group LLC was to purchase small to medium-sized apartment buildings in New York City with low rents, buyout as many tenants as possible to surrender their tenancies and vacate their apartments, perform renovations to apartments in order to make them more marketable, and then rent apartments to new tenants at the maximum deregulated rent the market would allow.

24. Between 2014 and early 2019, Respondents Ashourzadeh and Kahen acquired, through single purpose entities of which they individually or collectively were managing members, 32 multi-family buildings in New York City. The vast majority of those buildings

were and are subject to Rent Stabilization.

25. Respondent Ink Property Group LLC acts as property manager for those 32 buildings acquired by entities controlled by Respondents Ashourzadeh and Kahen, and Ink Property Group LLC (but not Respondent Kahen) was retained as property manager for an additional 11 buildings of which Respondents have a minority ownership interest or no ownership interest.

26. Between 2014 and the present date, Respondent Ink Property Group LLC has served as property manager for 44 multi-family residential buildings in New York City. This expansive portfolio of buildings is hereinafter referred to as the "Ink Property Group portfolio." A list of the Ink Property Group portfolio is attached to this Assurance as Exhibit A.

27. Respondent Kaydanian was hired as Vice President of Acquisitions of Ink Property Group LLC, and he was responsible for, *inter alia*, providing information to mortgage brokers about rents of apartments subject to financing, communicating with tenants about repairs, and arranging and supervising tenant buyouts. He also is an investor. He has minority ownership stakes in the properties at 298 Covert Street, 308 Covert Street, 767 Hart Street, and 787 Seneca Avenue.

## OAG's Investigation

28. In February 2019, the OAG issued an investigatory subpoena on Respondent Ink Property Group LLC as a result of complaints received and upon its own preliminary inquiry. The subpoena was issued pursuant to the New York Executive Law § 63(12).

29. In addition, the OAG issued investigatory subpoenas to lenders of acquisition and re-financing loans for certain properties within the Ink Property Group portfolio.

30. The OAG also issued investigatory subpoenas to Respondents' mortgage brokers, including brokers directly involved with representations made to lending institutions financing certain properties within the Ink Property Group portfolio.

31. The OAG also reviewed rent registration histories filed with the DHCR in connection with certain properties within the Ink Property Group portfolio.

32. Through its investigation, the OAG found that Respondents engaged in the following acts, which the OAG finds were illegal and fraudulent.

**Illegal Buyout Offers**

33. As discussed above, a critical piece of Respondents' business plan was to cause rent-stabilized tenants to surrender their tenancy rights to apartments in recently acquired buildings so that Respondents could renovate them and lease them to new tenants at unregulated market rents. As rent-stabilized tenancies cannot be terminated except for cause, Respondents offered money to rent-stabilized tenants in consideration for their agreement to surrender their tenancies.

34. To this end, Respondents and their agents repeatedly and persistently violated N.Y.C. Admin. Code § 27-2005 by approaching tenants to make buyout offers without providing the written notice required by N.Y.C. Admin. Code § 27-2004(a)(48)(f).

35. Respondents and their agents also repeatedly and persistently approached tenants to make buyout offers multiple times after tenants had refused their initial buyout offer in violation of the same law.

36. Respondents paid a commission of $2,500 to $5,000 per buyout to the Ink Property Group employees to reward and encourage those who used these tactics to secure tenant buyouts.

37. Respondents succeeded in securing at least 80 vacancies through improper buyouts in buildings throughout the Ink Property Group portfolio.

**Violation of the Rent Stabilization Law and Rent Stabilization Code**

a. Failure to File Annual Rent Registration Statements and False Annual Rent Registration Statements

38. Respondents repeatedly and persistently violated R.S.L. § 26-517(c)(e) by failing to file annual rent registration statements with DHCR for the vast majority of buildings they owned and managed. When, after years of noncompliance, they did file such registration statements, the statements contained misrepresentations about the occupancy and regulated status of many apartments.

39. For example, certain of Respondents repeatedly violated R.S.L. § 26-517(c)(e) in the course of managing 133 20th Street, Brooklyn, a six-unit building that some other individuals purchased through a single purpose entity in August 2015.

40. Respondents did not file an annual rent registration statement for 133 20th Street in the years 2015, 2016, 2017 or 2018. It was not until March 7, 2019, after they learned of the OAG's investigation, that they retroactively filed the annual registrations for those years. However, those registrations contained false statements. They represented that the apartments had remained rent-stabilized and occupied by long-term tenants until 2017, at which time all six units became vacant. In fact, all six tenants had accepted buyout offers and surrendered in 2016.

41. Similarly, Respondents repeatedly violated R.S.L. § 26-517(c)(e) in the course of owning and managing 767 Hart Street, Brooklyn, a six-unit building that Respondents purchased through a single purpose entity in February 2016. Although Respondents submitted an annual registration statement to the DHCR in November 2017, Respondents failed to submit annual registration statements in any year thereafter.

42. Moreover, the 2017 annual registration statement submitted to DHCR for 767 Hart Street falsely represented that all six units were occupied through 2016 and then became vacant in 2017. In fact, the tenants in Apartments 3L and 3R accepted buyouts and surrendered in 2016.

43. None of the buildings listed in Exhibit A that are currently managed by Respondents are up to date on the required annual DHCR rent registration.

b. Failure to Set Legal Rents and Offer Regulated Leases to Tenants of Rent-Stabilized Apartments

44. Respondents repeatedly and persistently violated the RSL and RSC by falsely holding out that many apartments were not subject to Rent Stabilization when, in fact, they were rent-stabilized. Respondents in turn violated R.S.C. § 2522.5 by failing to provide tenants in occupancy of such rent-stabilized apartments with required rent-stabilized leases and, in many cases, Respondents collected rents from tenants in excess of the legal regulated rents for their apartments.

45. As soon as Respondents succeeded in vacating an apartment, they kept the apartment vacant for renovation. Typically, these renovations included new flooring, walls, appliances, and fixtures.

46. Though a review of the costs associated with these renovations reveal that some of them counted as IAIs, which would have provided Respondents with a basis to increase the legal regulated rents of the corresponding apartments, Respondents did not contemporaneously document any IAI calculations nor obtain all of the required forms of proof for such IAIs set forth in DHCR Operational Bulletin 2016-1. Nor did Respondents assert in any document their entitlement to an IAI after renovations were completed. Rather, Respondents entirely ignored the application of Rent Stabilization to all vacant apartments, and they treated all renovated units

as unregulated, regardless of whether the unit actually achieved high rent deregulation or not.

47. Accordingly, every tenant moving into an apartment renovated by Respondent was offered an unregulated lease and was charged an unregulated rent determined by Respondents to be the maximum rent that the market could bear.

48. In fact, many of the apartments, though renovated, did not undergo an IAI that was sufficient to remove the apartment from Rent Stabilization under high rent decontrol. Thus, many of the tenants that were offered unregulated leases and unregulated rents were actually rent-stabilized tenants entitled to protections under Rent Stabilization, memorialized in a rent-stabilized lease, and a regulated rent.

49. For example, Respondents repeatedly violated the RSL and the RSC in the course of owning and managing 298 Covert Street, Brooklyn, a six-unit building that Respondents purchased through a single purpose entity in March 2016. All apartments were subject to Rent Stabilization. Immediately upon acquiring the building, Respondents offered buyouts to tenants, causing five out of six tenants to surrender their apartments. The legal regulated rents for those apartments ranged from $911.75 to $1,099 per month. In 2016 and 2017, Respondents renovated the five vacant apartments.

50. In 2016 and 2017, Respondents leased the five renovated apartments to new tenants. All of the leases were unregulated leases, which did not inform tenants of their rights under Rent Stabilization, and none of the leases contained any riders documenting the last legal regulated rent before deregulation, the asserted reason for deregulation and a calculation showing how Respondents arrived at a rent above the deregulation threshold.

51. In the case of Apartment 1F at 298 Covert Street, though Respondents renovated the apartment, the cost of IAI was not sufficient to bring the legal regulated rent over the

deregulation threshold and, therefore, the apartment remained rent-stabilized after renovation. Nevertheless, the March 28, 2017 lease offered to the new tenants in occupancy of Apartment 1F was a standard form lease prepared by the Real Estate Board of New York, Inc. that specifically provided it was "FOR APARTMENTS NOT SUBJECT TO THE RENT STABILIZATION LAW." Although the lease had several riders regarding, *inter alia*, pets, the washer/dryer and window guards, there was no rider explaining why the apartment was no longer covered by Rent Stabilization. The lease charged the new tenants $2,200 per month in rent, which Respondents represent was below the legal regulated rent, and the tenants were not aware that they were protected from eviction without cause, illegal rent increases, or any of the other protections afforded by Rent Stabilization.

52. In the case of Apartment 2R at 298 Covert Street, though Respondents renovated the apartment, the cost of IAI was not sufficient to bring the legal regulated rent over the deregulation threshold; and therefore the apartment remained rent-stabilized after renovation. Nevertheless, the March 30, 2017 lease offered to the new tenants in occupants of Apartment 2R was a standard form lease prepared by the Real Estate Board of New York, Inc. that specifically provided it was "FOR APARTMENTS NOT SUBJECT TO THE RENT STABILIZATION LAW." Although the lease had several riders regarding, *inter alia*, pets, the washer/dryer and window guards, there was no rider explaining why the apartment was no longer covered by Rent Stabilization. The lease charged the new tenants $2,400 per month in rent, and the tenants were not aware that they were protected from eviction without cause, illegal rent increases, or any of the other protections afforded by Rent Stabilization. The tenants remained in Apartment 2R for only one year, after which time Respondents leased it to new tenants for $2,600 per month, using another unregulated lease.

53. These unlawful practices were endemic throughout the Ink Property Group portfolio.

c. Failure to Offer Required Riders to Market Rate Tenants

54. Respondents repeatedly and persistently violated R.S.L. § 26-517(c)(e) and R.S.C. § 2520.11(u) by failing to provide the required notice to market-rate tenants leasing apartments that had previously been rent-stabilized.

55. As discussed above, many of the IAIs performed by Respondents were insufficient to deregulate a rent-stabilized apartment. However, even when the IAI performed by Respondents arguably succeeded in pushing the legal regulated rent above the deregulation threshold, Respondents never once used the rider required by R.S.L. § 26-517(c)(e) and R.S.C. § 2520.11(u). Thus, none of the new tenants moving into recently deregulated units were informed of the last legal regulated rent before deregulation, the asserted reason for deregulation and a calculation showing how Respondents arrived at a rent above the deregulation threshold. Respondents additionally failed to inform new tenants that they had the right to challenge the regulated status of their apartment or the monthly rent demanded by their lease.

**Failure to Correct Immediately Hazardous Violations**

56. Respondents repeatedly and persistently violated § 27-2005 of the New York City Administrative Code by failing to correct immediately hazardous and essential services violations of the New York City Housing Maintenance Code and New York City construction codes. *See* N.Y.C. Admin. Code § 27-2004(a)(48)(b).

57. The number of Housing Maintenance Code violations across the Ink Property Group portfolio was and is exceedingly high. Between October 2017 and February 2018, for example, there was an average of 1,089 open violations, including 115 Class C, or immediately

hazardous violations for conditions such as defective window guards, lead-based paint, and locked cellar doors, blocking access to buildings' heating systems. On average, each building in the Ink Property Group portfolio had 26.56 violations per building during this time period. Respondents represent that, since inception of the investigation, the number of violations has dropped to approximately 430 open violations as of October 2021, and several have been cured since that date.

58. Many of these violations have not been corrected to date. At 328 Covert Street, Brooklyn, though the Housing Maintenance Code required Respondents to remove the illegal fastening double cylinder lock at the building's entrance within 30 days, Respondents have still not corrected the violation, first issued in May 2015.

59. At 111 Kingsland Avenue, Brooklyn, which currently has five residential units (though it historically had six residential units), there are currently 119 open Housing Maintenance Code violations, including 14 immediately hazardous violations. This amounts to an average of 23.8 violations per apartment. Many of these violations were issued as early as 2017 and 2018, yet Respondents have failed to correct the violations.

60. The periods of relentless construction due to renovation of vacant units at most buildings resulted in interruptions of essential services for remaining tenants. For example, many of the buildings in the Ink Property Group portfolio have had their boilers fail, leaving tenants without heat in winter months. Relatedly, since acquiring their buildings, Respondents have incurred dozens of violations from the New York City Department of Buildings for failing to file annual boiler inspections under New York City Local Law 62/91 and New York State Labor Law § 204.

61. Respondents have repeatedly and persistently incurred stop work orders for

performing construction work without permits. At 1549 Dekalb Avenue, for example, Respondents incurred a stop work order from the New York City Department of Buildings for performing work without permits, including plumbing and electrical work to bathrooms. This was preceded by the demolition of bathrooms in two occupied apartments in the building, temporarily displacing the tenants who lived there. The New York City Department of Housing Preservation and Development completed the repairs necessary to allow the return of displaced tenants.

62. Respondents were ordered by the Kings County Housing Court in a December 2019 so-ordered stipulation to make various repairs to 1549 Dekalb Avenue and correct outstanding violations within 45 days. Respondents have not made any repairs as required—nearly two years later. Respondents represent that this is due to their inability to obtain permits. There remain 43 outstanding violations at the six-unit building.

**Misrepresentations to Lenders**

63. Respondents Ashourzadeh, Kahen and Kaydanian repeatedly and persistently submitted false leases and false rent rolls to lending institutions in violation of Executive Law § 63(12). These misrepresentations and deceptions were made in order to obtain financing for many of the properties in the Ink Property Group portfolio.

64. For nearly all the properties where Respondents Ashourzadeh and Kahen held a majority ownership stake, Respondents took out a mortgage for purposes of acquiring each property and then refinanced the mortgage after one to three years. Typically, Respondents received acquisition financing from nontraditional lenders, including private equity, and then refinanced with traditional banks.

65. Lenders required, as a condition of underwriting, a certified rent roll listing the

rents in the building to be financed. Respondents submitted to banks rent rolls documenting the inflated rent income that would support the loan. Respondents persistently and repeatedly made false certifications on these rent rolls, as the rents listed were not always the true rents charged and collected.

66. Lenders required, as a condition of closing the loans, leases memorializing the rents charged to tenants in apartments in the buildings. Respondents submitted to banks leases for each loan. Respondents persistently and repeatedly created fake leases, listing as tenants, individuals who did not live in the corresponding apartments, and submitted them to banks in order to close mortgage loans. The names of these fake tenants were often the names of associates and family members of Respondents.

a. Example 1: 621 Nostrand Avenue

67. Respondents purchased the building located at 621 Nostrand Avenue, Brooklyn, in June 2015 using a single purpose entity owned by Respondent Ashourzadeh and Respondent Kahen. The purchase price was $1,325,000. Respondents obtained a $940,000 mortgage from a private equity company to acquire the property.

68. Less than two years later, Respondent applied for and received a $2,000,000 refinancing mortgage from a traditional bank. In applying for and closing the loan, Respondents submitted a certified rent roll to the bank. The rent roll, certified to be accurate by Respondents on August 22, 2016, falsely represented that all seven apartments in the building were occupied. In fact, only three out of seven apartments were occupied at the time of the 2016 loan.

69. The rent roll also falsely certified that a person with the initials J.C. lived in four out of seven apartments: Apartment 1R, 2R, 2F and 3R. It also falsely represented that J.C. paid, respectively, $2,900, $3,195, $3,195 and $3,195 per month to live in these four apartments. In

fact, neither J.C. nor anyone with the same name as that tenant ever lived in any apartment in the building.

70. Respondents submitted four unregulated leases to the bank in order to substantiate the false rent roll. These leases listed J.C. as the tenant, had the signature of J.C., and purported to lease each apartment to J.C. for the period February 15, 2017 to February 14, 2018, for the rents listed in the certified rent roll. In fact, these leases were fake.

71. Not only did Respondents falsely certify the rent rolls and submit fake leases for the buildings, but when the apartments were rented after the loan closed, the actual rents charged and collected by Respondents were less than the rent roll represented. Apartment 2R, for example, was first rented to three tenants (not J.C.) in March 2017 for $2,700. That apartment has never rented for more than $2,800 in the years since, despite the representation to the bank that the monthly rent was $3,195. Apartment 3R also rented to tenants (not J.C.) for $2,700 in March 2017. Apartment 2F was first rented in February 2017 for $2,900 to tenants (not J.C.). That apartment has never rented for more than $2,900 in the years since, despite the representation to the bank that the monthly rent was $3,195.

72. In addition, the rent roll falsely represented that unit 1R was a fair market, or unregulated unit, when it was and is rent-stabilized. Respondents represented that unit 1R was fair market simply because it was vacant, and they did not undertake any analysis to determine whether there was any legal basis to deregulate the unit.

b. Example 2: 767 Hart Street

73. Respondents purchased the building located at 767 Hart Street, Brooklyn, in February 2016 using a single purpose entity owned by Respondent Ashourzadeh, Respondent Kahen, and Respondent Kaydanian. The purchase price was $1,100,000. Respondents obtained

a $825,000 mortgage from a traditional bank to purchase the property and a $700,000 loan from a private equity company for capital expenses.

74. At the time of purchase, Respondents had succeeded in causing tenants in two out of six apartments (Apartments 2L and 3R) to surrender their tenancies by offering buyouts to them. All apartments, including these apartments, were presumptively rent-stabilized under 9 N.Y.C.R.R. § 2520.11. The tenants in Apartments 2L and 3R had, before they vacated, paid legal regulated rents of $575 and $900 per month. Nevertheless, Respondents represented to its first lender that it projected that they would rent those apartments for $2,600 per month each. As a condition of closing the first loan, the lender required a certified rent roll and leases showing that the two vacant apartments had been rented.

75. In February 2016, Respondents submitted to the bank a rent roll, certified to be accurate by Respondents on January 29, 2016, that falsely represented that all six apartments in the building were occupied and that Apartments 2L and 3R had been rented for $2,600 per month each. In fact, they had not. They were vacant.

76. Respondents also submitted two fake unregulated leases for the vacant apartments—one signed by a person with the initials D.G. purporting to lease Apartment 2L for $2,600 per month from February 1, 2016 to January 31, 2017; and one signed by a person with the initials R.K. purporting to lease Apartment 3R for $2,600 per month from February 1, 2016 to January 31, 2017. In fact, D.G. and R.K. never lived in the building. Respondents also submitted to the bank personal checks from the checking accounts of D.G. and R.K., purporting to be for security deposits.

77. Respondents succeeded in buying out the four remaining tenants between May 2016 and November 2017. Respondents renovated all units. Respondents did not undertake any

analysis to determine whether there was any legal basis to deregulate any of the six units in the building.

78. In early 2018, Respondents applied for and received a $2,200,000 refinancing mortgage from another traditional bank. In applying for and closing the loan, Respondents submitted a certified rent roll to the bank. The rent roll, which Respondents certified on March 7, 2018, represented that Apartments 1L and 1R were projected to be rented for $3,200 per month and the remaining apartments were to be rented for $3,000 per month. In fact, none of the apartments rented for the projected rents.

79. As a condition of closing the loan, Respondents submitted to the second bank leases dated May 2018. This time, the unregulated leases were signed by real tenants living in the units; however, Respondents misrepresented the rents for the units by failing to provide the bank rent concession addenda that were appended to each lease, providing for a lower monthly rent than represented to the bank. For example, the lease submitted to the bank for Apartment 1L stated that the monthly rent was $3,234. An addendum to the lease for Apartment 1L that was not submitted to the bank provided that the tenant was to pay $2,695 per month. Similarly, the lease submitted to the bank for Apartment 1R stated that the monthly rent was $2,994. An addendum to the Apartment 1R lease that was not submitted to the bank provided that the tenant was to pay $2,495 per month.

c. Example 3: 787 Seneca Avenue

80. In addition to committing these violations with respect to properties that were wholly owned by Respondents, Respondents repeatedly and persistently submitted false unregulated leases and false rent rolls to lending institutions to obtain financing for properties in the Ink Property Group portfolio of which they owned a minority share.

81. A single purpose entity named 787 Seneca LLC acquired the building at 787 Seneca Avenue, Queens, for $1,610,000 in November 2017. Respondent Ashourzadeh and Kaydanian own minority interests in the LLC. The majority interest is held by family members of Respondent Ashourzadeh.

82. On behalf of 787 Seneca LLC, Respondents applied for and received a first mortgage loan of $1,200,000 from a traditional bank in order to acquire the property. The rent roll, certified to be accurate by Respondents, falsely represented that two out of the six apartments would be occupied by a person with the initials C.L. paying $2,800 per month for each apartment, by closing. In fact, C.L. was an employee of Respondents and did not intend to live in either apartment.

83. As a condition of closing the loan, Respondents submitted two unregulated leases for Apartments 1L and 2R to the bank in order to substantiate the false rent roll. These leases listed as the tenant C.L, were signed in the name of C.L., and purported to lease each apartment to C.L. for the period November 15, 2017 to November 30, 2018, for $2,800 per month each. In fact, these leases were fake.

84. Respondents never rented Apartments 1L and 2R for $2,800 per month.

85. All apartments, including the two apartments held out to be market rate, were presumptively rent-stabilized under 9 N.Y.C.R.R. § 2520.11. Respondents did not undertake any analysis to determine whether there was any legal basis to deregulate either apartment.

86. The OAG finds that Respondents' conduct, set forth in paragraphs 33 through 85 above, violates the RSL, RSC, Title 27, Chapter 2, Subchapter 1, Article 1, Section 27-2005(d) of the New York City Municipal Code, the New York City Housing Maintenance Code and Executive Law § 63(12).

87. Respondents admit the OAG's Findings above.

88. Respondents have agreed to this Assurance in settlement of the violations alleged above.

89. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. THEREFORE, the OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of Executive Law § 63(12) based on the conduct described above.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

## RELIEF

### General Injunction

90. Respondents shall not knowingly engage, or attempt to engage, in conduct in violation of any the following laws, repeated violations of any one or more which would constitute a violation of Executive Law § 63(12):

a. Rent Stabilization Law

b. Rent Stabilization Code

c. N.Y.C. Admin. Code § 27-2005(d)

d. N.Y.C. Housing Maintenance Code

91. Respondents expressly agree and acknowledge that any repeated conduct in violation of the above laws is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 89, *supra*, in addition to any other appropriate investigation, action, or proceeding.

**Monetary Relief**

92. *Monetary Disgorgement with Suspended Payment*: Respondents shall disgorge to the State of New York $1,750,000 ("Monetary Disgorgement Amount"). However, in reliance on representations made by Respondents in financial statements submitted to the OAG, and based on Respondents' agreements to cooperate with the OAG, as described in paragraph 143, *infra*, the OAG agrees to suspend payment of $1,450,000 for a period of three (3) years from the date of this Assurance, provided that Respondents comply with the terms of this Assurance. If, at the end of the three-year period, Respondents have complied with the terms of this Assurance, OAG will be deemed to forgive the suspended payment of $1,450,000 and will additionally provide Respondents with written notice confirming forgiveness of that amount.

93. Failure to comply with any of the terms of this Assurance is a default under the terms of this Assurance, and the OAG will be entitled to seek judgment for the full Monetary Disgorgement Amount, plus collection of an additional nine percent (9%) of any unpaid Monetary Disgorgement Amount and statutory costs at the time of default.

94. Upon execution of this Assurance, Respondents will pay, as the non-suspended portion of the Monetary Disgorgement Amount, $300,000 to the State of New York to be held in reserve to be distributed to the Affordable Housing-AG Settlement Fund established by the City of New York Department of Housing Preservation and Development ("HPD"). This Payment shall be made by wire transfer.

95. *Buyout Restitution*: Within sixty (60) days of the date of this Assurance, Respondents shall pay, by wire transfer into an account specified by the Monitor, $400,000 in restitution ("Buyout Restitution") to tenants and permitted occupants of the properties listed in Exhibit A who meet the criteria in paragraph 96 below.

96. The Monitor will disburse a pro rata share of the $400,000 Buyout Restitution to each household comprising tenants of record or permitted occupants of rent-stabilized apartments in properties listed in Exhibit A[1] who were in occupancy of the same apartment on the date the corresponding property was purchased by the single purpose entities and who continue to have occupancy rights to such apartments as of the date of this Assurance. Successor tenants shall be entitled to receive a pro rata share if they were in occupancy of the apartment on the date the property was purchased by Ink-affiliated single purpose entities. Co-tenants and co-occupants who comprise the same household shall be entitled to receive one pro rata share collectively—not one share per individual. The Monitor will distribute the Buyout Restitution to each eligible household with the notice attached as Exhibit B to this Assurance. If, after distribution of the Buyout Restitution, funds are remaining in the account held by the Monitor, the Monitor and the OAG will confer about the appropriate way to disburse remaining funds. In no event will those funds revert back to Respondents.

97. Within thirty (30) days of the date of this Assurance, Respondents will provide to the OAG and the Monitor a list of tenants and permitted occupants meeting the criteria in paragraph 96 above.

98. The OAG and the Monitor will notify Respondents within fifteen (15) days of receiving such list of any missing tenants or occupants or any other errors in the list. The OAG and the Monitor shall have the right to consult with tenants, occupants, and outside entities, including nonprofits and other government agencies, in order to verify the list. Respondents will

[1] Two of the properties no longer owned by Respondent-controlled LLCs or managed by Respondents (43 Wolcott Street and 1195 Union) are not subject to this provision, and tenants and permitted occupants of those properties are not eligible to receive restitution.

confer with the OAG and the Monitor to resolve any disagreements before the Buyout Restitution is disbursed by the Monitor.

99. *Construction Restitution*: Within sixty (60) days of the date of this Assurance, Respondents shall provide to the Monitor cashiers checks of $2,500 in restitution ("Construction Restitution Payments") for each tenant and permitted occupants of the properties listed in Exhibit A who meet the criteria in paragraph 100 below.

100. Individuals qualify for the Construction Restitution Payments if they were tenants of record or permitted occupants of rent-stabilized apartments in properties listed in Exhibit A[2] on the date the corresponding property was purchased by the single purpose entities and who continue to have occupancy rights to such apartments as of the date of this Assurance. Successor tenants shall be entitled to receive a pro rata share if they were in occupancy of the apartment on the date the property was purchased by Ink-affiliated single purpose entities. Co-tenants and co-occupants who comprise the same household shall be entitled to receive one pro rata share collectively—not one share per individual. The Monitor will disburse the Construction Restitution to each eligible household using the letter attached as Exhibit C to this Assurance.

101. Within thirty (30) days of the date of this Assurance, Respondents will provide to the OAG and the Monitor a list of tenants and permitted occupants meeting the criteria in paragraph 100 above.

102. The OAG and the Monitor will notify Respondents within fifteen (15) days of receiving such list of any missing tenants or occupants or any other errors in the list. The OAG and the Monitor shall have the right to consult with tenants, occupants, and outside entities,

[2] Four of the properties no longer owned by Respondent-controlled LLCs or managed by Respondents (50-54 Linden Boulevard, 43 Wolcott Street, and 285 Mac Donough Street, and 1195 Union Street) are not subject to this provision, and tenants and permitted occupants of those properties are not eligible to receive restitution.

including nonprofits and other government agencies in order to verify the list. Respondents will confer with the OAG and the Monitor to resolve any disagreements before the Construction Restitution Payments are disbursed.

103. Respondents agree and acknowledge that they are jointly and severally liable for payment of the Monetary Relief set forth in this Assurance, including the Monetary Disgorgement, Buyout Restitution, and Construction Restitution.

**Monitoring**

104. At their own cost, and within ten (10) days of this Assurance, Respondents agree to engage Marisa Kinsey (hereinafter referred to as the "Monitor") to: (a) disburse the Buyout Restitution and Construction Restitution described in paragraphs 96 and 100; and (b) review Respondents' compliance with the provisions of this Assurance and applicable laws, for a period of three (3) years. Respondents previously proposed and the OAG reviewed and approved the Monitor.

105. Respondents' obligation to timely pay the Monitor's fee is a material term of this Assurance. If the Monitor has not received her fee from Respondents within ten (10) days of demanding the fee in writing, the Monitor may complain to the OAG. Upon receiving a complaint from the Monitor that Respondents have not paid her fee within ten (10) days after demanding the fee, the OAG will issue to Respondents and their counsel a notice of default in writing and will provide thirty (30) days for Respondents to cure the default. If Respondents have not cured the default within thirty (30) days, the OAG will commence a proceeding for violation of this Assurance pursuant to paragraph 144. If, due to late payment of the Monitor's fee, the OAG is required to issue more than two notice of default to Respondents in the three-year period that the Monitor is engaged, the OAG may commence a proceeding for violation of

this Assurance pursuant to paragraph 144.

106. In addition to the duty to disburse the Buyout Restitution and Construction Restitution to all qualifying tenants, the Monitor's duties as described herein shall be over the properties set forth in Exhibit D ("Properties Under Monitorship"), which includes a subset of properties set forth in Exhibit A.

107. Within five (5) days of engagement, the Monitor shall provide to the OAG for approval a letter to be sent to all tenants and occupants of properties in Exhibit D notifying them of the engagement of a Monitor, explaining the Monitor's role, and instructing tenants how to make a complaint to the Monitor regarding an alleged violation of this Assurance. The OAG will approve the letter within three (3) days, and the Monitor shall then send the letter by first class mail to all tenants and occupants of the properties in Exhibit D.

108. Within twenty (20) days of engagement, the Monitor shall prepare and provide to the OAG and to Respondents a written plan ("The Administration Plan") setting forth the methodology, processes, and procedures that the Monitor will use to evaluate Respondents' compliance with each component of this Assurance. The Monitor shall implement the processes and procedures set forth in the Administration Plan for the duration of their engagement.

109. The Monitor may designate employees and/or agents of the Monitor to carry out the duties provided for herein and shall notify the OAG of the names and duties of such designees.

110. The OAG, at its sole discretion, shall have a right to independently confer with the Monitor and require that Respondents replace the Monitor, or any of its designees or agents, upon the OAG's reasonable determination that the Monitor has not effectively monitored Respondents' compliance with this Assurance.

111. Should the OAG make a reasonable determination that the Monitor be removed or should the existing Monitor cease to serve or no longer be willing to serve, Respondents have thirty (30) days to propose the name of a new Monitor for approval by the OAG. The OAG, in its sole discretion, may require that the Monitor be removed but continue to execute their duties until the replacement Monitor is approved and in place. If the OAG makes a reasonable determination that the Monitor must replace any of its designees or agents, the Monitor has thirty (30) days to propose a new individual(s) to the OAG.

112. The Monitor may be replaced at the request of Respondents, upon a showing of good cause and subject to the OAG's approval. Respondents' failure to pay the Monitor's fees shall constitute a material breach of this Assurance.

113. The Monitor shall review the following on at least a quarterly basis in connection with the properties listed in Exhibit D the following records, in addition to any other records or data the OAG determines is relevant:

a. The repair and maintenance records for the properties listed in Exhibit D;

b. All predicate notices for litigation issued to tenants in the properties listed in Exhibit D;

c. All submissions to the DHCR regarding the properties listed in Exhibit D;

d. All submissions to HPD or any other New York City agency issuing violations against any of the properties listed in Exhibit D;

e. All rent rolls submitted to any lender, government agency, or prospective purchaser in connection with the properties listed in Exhibit D;

f. All prospectuses and brochures for marketing any of the properties listed in Exhibit D to prospective purchasers;

g. All written notices to tenants for interruptions of an essential service, such as heat, hot water, gas, and/or elevator service;

h. All Tenant Protection Plans covering the properties filed with the DOB; and

i. All complaints made by tenants of the subject properties to any individual or entity, including to the Monitor, and all responses submitted by the Respondent, if any.

114. On a quarterly basis, the Monitor shall prepare and provide written reports to both Respondents and the OAG ("Quarterly Reports") within sixty (60) days from close of each reporting period. After the first year of Monitorship, the Monitor and OAG may decide after consultation that the Monitor will dispense with the Quarterly Reports in favor of semi-annual reports. These Quarterly Reports and, if applicable, semi-annual reports, shall state the Monitor's conclusion as to whether Respondents complied with the Assurance during the Reporting Period and shall contain, at minimum:

a. A brief summary of any "AoD-related complaints" (defined in paragraph 116 below) received during the Reporting Period, the results of the Monitor's investigation of the AoD-related complaint, and any actions taken as a result of the investigation;

b. A brief summary of any complaints forwarded by the Property Management Company, the results of the Property Management Company's investigation, and any actions taken as a result of the investigation;

c. The total number of Rent Regulated apartments that became vacant during the Reporting Period, the reason for the vacancy, and the Monitor's conclusion as to whether the vacancy was coerced in any way;

d. A summary of new financing arranged, if any, by Respondents against the properties; and

e. During the first quarter of the Assurance, a description of the progress Respondents have made in providing the restitution set forth above.

115. If the Monitor concludes that Respondents failed to substantially comply with any provision of the Assurance, the Monitor shall submit a description of the defect in compliance, the steps Respondent took to remedy the defect and, if submitted to Respondents, Respondents' stated reasons for failing to comply with the provision of the Assurance. The Monitor's conclusion is not binding on the OAG.

116. An "AoD-related complaint" is a complaint alleging that one or more Respondents have violated this Assurance by, *inter alia*, failing to disburse the Buyout Restitution and Construction Restitution to eligible tenants, interfering with or failing to cooperate with the Property Management Company or Monitor, engaging in tenant harassment, including illegal buyout offers, and failing to comply with the Rent Stabilization Law and Rent Stabilization Code. An "AoD-related complaint" shall not include routine maintenance complaints, which are the purview of the Property Management Company; nor shall it include any other complaint unrelated to the behavior referenced in this Assurance.

117. If the Monitor receives an AoD-related complaint from the OAG or a tenant or permitted occupant, the Monitor shall conduct a thorough investigation of such complaint, including providing an opportunity for Respondents to respond to such complaint and speaking to the tenant or permitted occupants involved. The Monitor shall then provide the OAG and Respondents its written findings within thirty (30) days of receiving such AoD-related complaint. If the Monitor finds that Respondents substantially violated this Assurance, the Monitor shall provide written notice of said findings to Respondents and Respondents shall have ten (10) days after receipt of such notice to cure the violation, if the violation is capable of cure.

If, after curing a violation, the Monitor determines that Respondents have repeated the same violation previously cured, the Monitor shall not be required to provide a second notice to cure.

118. Upon request, Respondents will give the Montior access to all information within Respondents' and/or the Property Management Company's possession, custody or control, including all documents required to be maintained under the terms of this Assurance. The Monitor may also interview tenants, occupants, Respondents' employees and/or agents, the Property Management Company's employees and/or agents as is necessary to fulfill the responsibilities set forth in this Section.

119. The Monitor shall have the power to communicate to the OAG confidentially, and the Respondents do not have a right to review any of the Monitor's confidential communications with the OAG. The Monitor may contact the OAG at any time regarding any concerns about the Respondents' compliance with the Assurance.

120. Respondents and any other members of the single purpose entities holding title to the properties listed in Exhibit D are expressly prohibited and enjoined against transferring title or controlling interest of any of those properties to an entity or party affiliated with Respondents or any of their associates, relatives, business partners, or agents for purposes of avoiding the requirements of this Assurance. Bona fide good faith sales unrelated to the provisions of this Assurance are not prohibited by this Assurance.

121. Respondents and any other members of the single purpose entities holding title to the properties listed in Exhibit D are not prohibited or enjoined against transferring title of those properties to a third party who is not affiliated with Respondents or any of their associates, relatives, business partners, or agents ("unaffiliated third-party purchaser"). Such unaffiliated third-party purchaser shall have no obligations pursuant to, and by virtue of, this Assurance. If

such sale or sales occur, Respondents will notify the Monitor and the OAG within fourteen (14) days of execution of the contract of sale by forwarding a copy of the contract of sale together with an affidavit attesting to the fact that the purchase is to be an arm's length transaction and the purchaser is not affiliated with Respondents or any of their associates, relatives, business partners, or agents.

**Property Management Company**

122. At their own cost, and within ninety (90) days of this Assurance, Respondents agree to engage a Property Management Company ("PMC") to manage a subset of 15 properties listed in Exhibit D for a period of no less than three (3) years ("the PMC Properties"). The remaining "Non-PMC Properties" listed in Exhibit D, which will not be subject to management by a PMC, are buildings that independent counsel hired by the Monitor has determined: (a) have one or zero rent-stabilized units; and (b) have a new legal regulated rent at or below the rent currently being charged to the tenant in occupancy of the one rent-stabilized unit.

123. Respondents shall cover all costs associated with the PMC. Respondents' obligation to timely pay the PMC's fee is a material term of this Assurance. If the PMC has not received its fee from Respondents within ten (10) days of demanding the fee in writing, the PMC may complain to the OAG. Upon receiving a complaint from the PMC that Respondents have not paid its fee within ten (10) days after demanding the fee, the OAG will issue to Respondents and their counsel a notice of default in writing and will provide thirty (30) days for Respondents to cure the default. If Respondents have not cured the default within thirty (30) days, the OAG will commence a proceeding for violation of this Assurance pursuant to paragraph 144. If, due to late payment of the PMC's fee, the OAG is required to issue more than two notice of default to Respondents in the three-year period that the PMC is engaged, the OAG may commence a

proceeding for violation of this Assurance pursuant to paragraph 144.

124. Within thirty (30) days of the PMC's engagement, the PMC will register itself as managing agent of the PMC Properties with the New York City Department of Housing Preservation and Development.

125. *Selection Process*: Within thirty (30) days of the effective date of this Assurance, Respondents shall propose to the OAG and the Monitor a PMC with extensive expertise in the residential housing market in New York City, including managing Rent Stabilized buildings and real-estate portfolios. The PMC shall not be affiliated with Respondents or any of their associates, relatives, business partners, or agents nor managing any properties owned in whole or in party by Respondents or their associates, relatives, business partners or agents.

126. The selection of the PMC is subject to OAG review and approval, in consultation with the Monitor. Once approved, the OAG will not have day-to-day oversight of the activities of the PMC but will rather rely on the Monitor to make reports as provided in this Assurance.

127. OAG and the Monitor will have 15 days from the date Respondents propose a PMC to accept or reject the proposed PMC. If the PMC is rejected, Respondents will have an additional 15 days to propose another PMC. OAG and the Monitor will then have another 15 days to accept or reject the second proposed PMC.

128. The Respondents shall inform each PMC candidate of the duties and responsibilities required of the PMC set forth in this Section and make a good faith effort to propose PMC candidates who have the qualities set forth in paragraph 125 above.

129. *PMC Duties*: The PMC shall, subject to input from the Monitor, handle all operations of managing the PMC Properties, including, but not limited to:

a. Collecting rent and other fees allowed by law;

b. Lease renewals;

c. Leasing vacant apartments;

d. Filing DHCR annual rent registrations and mailing to tenants;

e. Making determinations regarding succession rights;

f. Managing Tenants' surrenders of tenancies, including refunding security deposits held by Respondents as required by law;

g. Performing ongoing maintenance duties;

h. Correcting outstanding Housing Maintenance Code violations and Building Code violations, including contracting with individuals or companies to do repairs as required by law;

i. Managing employees, including hiring, termination, compensation determinations and employee training;

j. Supervising independent contractors;

k. Commencing litigation, if necessary, subject to review by the Monitor;

l. Managing ongoing litigation, including making decisions in conjunction with the Monitor about viability of claims or defenses asserted in ongoing litigations; and

m. Any other managerial tasks necessary to ensure compliance with this Assurance and federal, state and local law.

130. The PMC shall determine, in consultation with the OAG, whether to maintain the employment of any of Respondent Ink Property Management LLC's employees in connection with management of the PMC Properties based on performance and/or failure to comply with the terms of this Assurance and governing law.

131. Within fifteen (15) days of the approval of the PMC, Respondents shall begin the

process of turning over to said PMC all information regarding rents, security deposits, and security deposit accounts, as well as tenant files, rent ledgers, rent registrations, vendor agreements, municipal notices, keys, orders, unexpired and expired leases, agreements, relevant correspondence and notices, and all other documents necessary for management of the PMC Properties. Respondents shall also allow the PMC access to any accounts holding security deposits for refunds to tenants, if necessary.

132. Respondents shall turn over to the PMC a list of all pending litigations affecting tenants of the PMC Properties, including eviction proceedings, administrative proceedings, and any litigation concerning rent regulation. Respondents shall also make their counsel available for a discussion with the PMC and the Monitor regarding the substance of each litigation and the basis for any claim or defense asserted therein. The PMC shall, in consultation with the Monitor, make a prompt determination as to whether those litigations should continue or be resolved based upon its criteria and so direct the counsel representing Respondents in such litigations. The PMC and the Monitor shall inform the OAG of their decision with respect to each litigation with a brief explanation of the reasons therefore.

133. In the event the PMC has reason to believe that Respondents are interfering with its operations in accordance with this Assurance, it shall immediately notify both the Monitor and the OAG for purposes of their taking those actions they deem appropriate. Interfering with the PMC's operations shall constitute a material breach of this Assurance.

134. If any of the PMC Properties are sold to an unaffiliated third-party purchaser, the PMC will cease its management duties of such property. If such sale or sales occur, Respondents will notify the Monitor, PMC, and the OAG within fourteen (14) days of execution of the contract of sale by forwarding a copy of the contract of sale together with an affidavit attesting to

the fact that the purchase is to be an arm's length transaction and the purchaser is not affiliated with Respondents or any of their associates, relatives, business partners, or agents. The PMC will make reasonable efforts to cooperate with the transfer of books and records in its possession to the unaffiliated third-party purchaser.

135. After the expiration of the PMC's term, should the Respondents wish to terminate the PMC, Respondents may resume management of the PMC Properties in accordance with governing laws.

136. Should the OAG make a reasonable determination that the PMC be removed, Respondents have thirty (30) days to propose the name of a new PMC for approval by the OAG, in consultation with the Monitor.

137. Respondents agree to pay all reasonable fees and costs incurred by the PMC in carrying out its duties under this Assurance and governing laws. Failure to pay the PMC any fees or costs, including the PMC's regular property management retainer, shall constitute a material breach of this Assurance.

**Rent Stabilization Compliance**

138. Independent counsel hired by the Monitor has recalculated the rent-stabilized status and legal regulated rents for certain apartments in the buildings listed in Exhibit D. The results of counsel's work is memorialized in Exhibit E. Within thirty (30) days of the effectiveness of this Assurance, counsel will further review the rent-stabilized status and legal regulated rents for the four apartments indicated in Exhibit E based on additional documents supplied by Respondents, and Respondents will accept the conclusions of counsel. Respondents shall not challenge the rent-stabilized status and legal regulated rents for any apartments in any forum. This paragraph shall not impact the right of any tenant or lawful occupant to bring any

challenge in appropriate forum.

139. Within sixty (60) days of the effectiveness of this Assurance, Respondents will issue rent stabilized leases to the tenants of the apartments determined to have been illegally deregulated.

140. Within sixty (60) days of the effectiveness of this Assurance, Respondents will send by certified mail, return receipt and by regular mail a written notice to each tenant of record residing in the illegally deregulated apartments, utilizing the form Tenant Notice: Rent Stabilization Coverage and Rent Overcharge attached as Exhibit F or Tenant Notice: Rent Stabilization Coverage and No Overcharge attached as Exhibit G to this Assurance. Respondents shall provide proof of mailing of the Tenant Notices to each tenant to the OAG within thirty (30) days of effecting mailing.

141. Within sixty (60) days of the effectiveness of this Assurance, Respondents shall pay to applicable tenants all overcharge refunds calculated using the new legal regulated rents determined by independent counsel to the Monitor and memorialized in Exhibit E. Exhibit E may be amended by the Monitor as to within thirty (30) days of execution of the Assurance only with respect to the four apartments subject to further review. If any of the tenants entitled to an overcharge refund has a rent arrears balance, Respondents will first credit such tenant's account by applying the overcharge refund to rent arrears, and then Respondents will pay out to the tenant any remaining balance. Respondents will provide tenants with a zero balance breakdown that reflects the last zero balance, subsequent charges and credits, including the overcharge refund credit. Tenants will have the opportunity to challenge the balance at any time. Within ten (10) days of paying the overcharge refunds, Respondents shall provide the OAG written proof that the payments were sent or credited.

142. Within 120 days of the effectiveness of this Assurance, Respondents shall register or cause to be registered the recalculated rents with HCR and provide HCR with this Assurance. In the case of properties managed by the PMC, Respondents will provide the PMC with the documents and information necessary to register the recalculated rents with HCR and will cooperate with such registration. Within ten (10) days of registration, Respondents shall provide OAG and the Monitor with written proof of the amended registrations that they have prepared.

**Cooperation**

143. For a period of five (5) years starting on the date of effectiveness of this Assurance, Respondents shall cooperate fully and promptly with the OAG in any pending or subsequently initiated investigation, litigation or other proceeding related to the subject matter of the Assurance. Such cooperation shall include, without limitation, and on a best-efforts basis:

a. production, voluntarily and without service of subpoena, upon the request of the OAG, of all documents or other tangible evidence requested by the OAG and any compilations or summaries of information or data that the OAG requests that Respondents prepare, except to the extent such production would require the disclosure of information protected by the attorney-client and/or attorney work-product privileges;

b. without the necessity of a subpoena, attending any Proceedings (as hereinafter defined) in New York State at which the presence of Respondents is requested by the OAG and answering any and all inquiries that may be put by the OAG to them at any Proceedings or otherwise, except to the extent such production would require the disclosure of information protected by the attorney-client and/or attorney work-product privileges or would abridge Respondents' rights under the Fifth Amendment to the U.S. Constitution; "Proceedings" include, but are not limited to, any meetings, interviews,

depositions, hearings, trials, grand jury proceedings, administrative hearings, or other proceedings;

c. fully, fairly, and truthfully disclosing all information; producing all records and other evidence in their possession, custody or control; and providing sworn written statements relevant to all inquiries made by the OAG concerning the subject matter of the Assurance, except to the extent such inquiries call for the disclosure of information protected by the attorney-client and/or attorney work-product privileges; and

d. making outside counsel reasonably available to answer questions, except to the extent such presentations or questions call for the disclosure of information protected by the attorney-client and/or attorney work-product privileges.

## MISCELLANEOUS

Subsequent Proceedings:

144. Respondents expressly agree and acknowledge that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, to obtain a judgment for the full Monetary Disgorgement Amount, as contemplated in Paragraph 93, or if the Assurance is voided pursuant to Paragraph 158, and agree and acknowledge that in such event:

a. Any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;

b. the OAG may use statements, documents or other materials produced or provided by the Respondents prior to or after the effective date of this Assurance;

c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondents irrevocably and unconditionally waive any

objection based upon personal jurisdiction, inconvenient forum, or venue; and

d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).

145. If a court of competent jurisdiction determines that the Respondent(s) has/have violated the Assurance, the Respondent(s) shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Effects of Assurance:

146. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of the Respondents. Respondents shall include any such successor, assignment, or transfer agreement a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG. Bona fide good faith sales unrelated to the provisions of this Assurance are not prohibited by this Assurance.

147. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

148. Any failure by the OAG to insist upon the strict performance by Respondents of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by the Respondents.

149. Although Respondents enter into this agreement jointly, their liability under all

terms of this agreement other than the Monetary Relief term is not joint and several. Pursuant to paragraph 103, Respondents are jointly liable for payment of the Monetary Relief. For all other terms, if an individual Respondent to this agreement does not comply, only such individual is liable for non-compliance and any resulting penalties. If the entity that does not comply is an owner or manager of real property, only those Respondents having an ownership or management stake in that entity is liable for such non-compliance.

Communications:

150. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 21-063, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, followed by postage prepaid mail, and shall be addressed as follows:

If to the Respondents, to:

Jonathan Feder, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP
51 Madison Avenue
New York, New York 10010
jonathanfeder@quinnemanuel.com

If to the OAG, to:

Rachel Hannaford, Esq.
Senior Enforcement Counsel
Housing Protection Unit
Office of the New York State Attorney General
28 Liberty Street
New York, NY 10005
Rachel.Hannaford@ag.ny.gov

or in her absence, to the person holding the title of Chief, Housing Protection Unit.

Representations and Warranties:

151. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by the Respondents and their counsel and the OAG's own factual investigation as set forth in Findings, Paragraphs (33)-(85) above. The Respondents represent and warrant that neither they nor their counsel has made any material representations to the OAG that were intentionally inaccurate or misleading. If any material representations by Respondents or their counsel are later found to have been intentionally inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

152. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondents in agreeing to this Assurance.

153. The Respondents represent and warrant, through the signatures below, that the terms and conditions of this Assurance are duly approved. Respondents further represent and warrant that Eden Ashourzadeh as the signatory to this Assurance, is a duly authorized officer and has the authority to execute this Assurance on behalf of Respondent Ink Property Group LLC.

General Principles:

154. Unless a term limit for compliance is otherwise specified within this Assurance, the Respondents' obligations under this Assurance are enduring. Nothing in this Agreement shall relieve Respondents of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

155. Respondents agree not to take any action or to make or permit to be made any public statement denying any finding in the Assurance or creating the impression that the

Assurance is without legal or factual basis.

156. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that the Respondents violate the Assurance after its effective date.

157. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

158. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

159. Respondents acknowledge that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

160. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

161. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

162. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance, copies of signatures shall be treated the same as originals. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Assurance and all matters related thereto, with such scanned and electronic

signatures having the same legal effect as original signatures.

163. The effective date of this Assurance shall be the date the Assurance is signed by OAG, with notice to Respondents.

Dated: July 25, 2022

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By: _____
Rachel Hannaford, Esq.
Senior Enforcement Counsel
Housing Protection Unit

INK PROPERTY GROUP LLC

By: _____

EDEN ASHOURZADEH

STATE OF New York )

) ss.:

COUNTY OF New York )

On the 21st day of July in the year 2022 before me personally came Eden Ashourzadeh, to me known, who, being by me duly sworn, did depose and say that he resides in Great Neck, New York [if the place of residence is in a city, include the street and street number, if any, thereof]; that he is a member of Ink Property Group LLC, the company described in and which executed the above instrument; that he knows the seal of said company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of directors of said company, and that he signed his names thereto by like authority.

Sworn to before me this
21st day of July, 2022

_____

NOTARY PUBLIC

BIANCA ALEXIS FOX
STATE OF NEW YORK
NOTARY PUBLIC
Qualified in Queens County
02FO6420107
MY COMMISSION EXPIRES 07-26-2025

EDEN ASHOURZADEH

STATE OF New York )

) ss.:

COUNTY OF New York )

On this 21st day of July, 2022, EDEN ASHOURZADEH personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this
21st day of July, 2022

NOTARY PUBLIC

BIANCA ALEXIS FOX
STATE OF NEW YORK
NOTARY PUBLIC
Qualified in Queens County
02FO6420107
MY COMMISSION EXPIRES 07-26-2025

ALEX KAHEN

STATE OF New York )

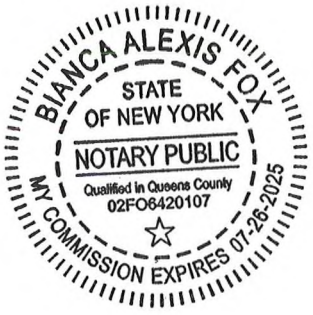
) ss.:

COUNTY OF New York )

On this 21st day of July, 2022, ALEX KAHEN personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this
21st day of July, 2022

NOTARY PUBLIC



ROBERT KAYDANIAN

STATE OF New York )

) ss.:

COUNTY OF New York )

On this 21st day of July, 2022, ROBERT KAYDANIAN personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this
21st day of July, 2022

NOTARY PUBLIC

BIANCA ALEXIS FOX
STATE OF NEW YORK
NOTARY PUBLIC
Qualified in Queens County
02FO6420107
MY COMMISSION EXPIRES 07-26-2025

# EXHIBIT A

| Single Purpose Entity Owner | Address (in Brooklyn unless specified) |
|---|---|
| ***Respondents are majority owners and property managers*** | |
| Ink 767 Hart LLC | 767 Hart St |
| Ink 298 Covert LLC | 298 Covert St |
| Ink 1208 Nostrand LLC and Ink Laurel LLC | 1208 Nostrand Ave aka 292 Hawthorne St |
| 155 Greenpoint Ave LLC | 155 Greenpoint Ave |
| 256 Graham LLC | 256 Graham Avenue |
| Ink 1115 LLC | 1115 Willoughby Ave |
| 277 Humboldt LLC | 277 Humboldt Street |
| Ink 308 LLC | 308 Covert Street |
| Ink 954 LLC | 954 Seneca Ave, Queens |
| Ink Crown LLC | 621 Nostrand Ave |
| Ink Living LLC and Ink 1144 LLC | 1144 President Street |
| 37 Schaefer St LLC | 37 Schaefer Street |
| Ink 245 Troutman LLC | 245 Troutman Street |
| Ink 238 Wyckoff LLC | 238 Wyckoff Avenue |
| 60 St. Nick LLC | 60 St. Nicholas Avenue |
| 370 Rut LLC | 370 Rutland Road |
| 370 Rut LLC | 372 Rutland Road |
| 165 Graham Ave LLC | 165 Graham Avenue |
| Ink 243 Jackson LLC | 243 Jackson Street |
| 2769 Third Ave LLC | 2769 Third Avenue aka 359 East 146th Street, Bronx |
| 296-298 North 8th Street LLC and SGR North 8th LLC | 296 North 8th Street |
| 296-298 North 8th Street LLC and SGR North 8th LLC | 298 North 8th Street |
| Ink 53 Montrose LLC | 53 Montrose Ave |
| 424 Bleecker LLC | 424 Bleecker Street |
| Ink 206 Nassau LLC | 206 Nassau Ave |
| Ink 342 Bergen LLC | 342 Bergen Street |
| 195 Johnson LLC | 195 Johnson Ave |
| Ink 967-969 Willoughby LLC | 967 Willoughby Ave |
| Ink 967-969 Willoughby LLC | 969 Willoughby Ave |
| ***Respondents are minority owners and property managers*** | |
| 111 Kingsland LLC | 111 Kingsland Avenue |
| 694 Henry LLC | 694 Henry Street |
| 719 Henry LLC | 719 Henry Street |
| Ink Living LLC and 133 20th LLC | 133 20th Street |
| 328 E&E LLC | 328 Covert Street |
| 158 Irving Ave LLC | 158 Irving Avenue |
| Ashour Assets | 4811 45th Street, Queens |

| | |
|---|---|
| 787 Seneca Ave LLC | 787 Seneca Avenue, Queens |

***Respondents are property managers only***

| | |
|---|---|
| Ink Residence LLC and Hedag LLC | 376 South 3rd St |
| 64-68 LLC | 64-68 Austin Street, Queens |

***Sold***

| | |
|---|---|
| Ink 50-54 Linden LLC | 50-54 Linden Blvd |
| EMS York Group LLC, Soha Asset Group LLC, Ink Acquisition LLC | 43 Wolcott Street |
| Ink 285 Mac LLC | 285 Mac Donough Street |
| 1195 Union LLC | 1195 Union Street |
| Ink 1549 Dekalb LLC | 149 Irving Ave aka 1549 Dekalb Ave |

# EXHIBIT B

**NOTICE OF RESTITUTION PAYMENT: BUYOUT RESTITUTION**

[Date]

[Tenant/Occupant Address]

Dear Tenant/Occupant of Apartment ___,

Ink Property Group, LLC and its owners (hereinafter collectively "Ink") have settled an investigation by the Office of the New York Attorney General (the OAG) concerning your building. (Assurance of Discontinuance No. 21-063). One or more parties comprising Ink is a member of the owner of your building or serves as its property manager.

I am the Monitor appointed to oversee the settlement agreement between Ink and the OAG. As part of the settlement, Ink has agreed to provide restitution to tenants and permitted occupants for making illegal buyout offers in violation of N.Y.C. Admin. Code § 27-2005 ("buyout restitution"). Rent-stabilized tenants and permitted occupants of apartments who were in occupancy when Ink bought the building and continue to be in occupancy today qualify for buyout restitution. Each household is entitled to receive one buyout restitution payment.

We have determined that your household qualifies for a buyout restitution payment of $_____, which is the pro rata share of all restitution funds paid by Ink. Enclosed with this letter is a check for this amount.

Should you have any immediate questions about this notice, please call me at 212-255-5587, ext. 304.

Very truly yours,

Marisa Kinsey, Monitor of AoD No. 21-063

# EXHIBIT C

**NOTICE OF RESTITUTION PAYMENT: CONSTRUCTION RESTITUTION**

[Date]

[Tenant/Occupant Address]

Dear Tenant/Occupant of Apartment ___,

Ink Property Group, LLC and its owners (hereinafter collectively "Ink") have settled an investigation by the Office of the New York Attorney General (the OAG) concerning your building. (Assurance of Discontinuance No. 21-063). One or more parties comprising Ink is or was a member of the owner of your building or serves or served as its property manager.

I am the Monitor appointed to oversee the settlement between Ink and the OAG. As part of the settlement, Ink has agreed to provide restitution of $2,500 to tenants and permitted occupants for repeated interruptions of essential services during renovation of vacant apartments in violation of N.Y.C. Admin. Code § 27-2005 ("construction restitution"). Tenants and permitted occupants of apartments who were in occupancy when Ink bought the building and continue to be in occupancy today qualify for construction restitution. Each household is entitled to receive one construction restitution payment.

We have determined that your household qualifies for a construction restitution payment of $ 2,500. Enclosed with this letter is a check for this amount.

Should you have any immediate questions about this notice, please call me at 212-255-5587, ext. 304.

Very truly yours,

Marisa Kinsey, Monitor of AoD No. 21-063

# EXHIBIT D

| Single Purpose Entity Owner | Address (in Brooklyn unless specified) |
|---|---|
| *Respondents are majority owners and property managers* | |
| ***PMC Properties*** | |
| Ink 767 Hart LLC | 767 Hart St |
| Ink 298 Covert LLC | 298 Covert St |
| Ink 1208 Nostrand LLC and Ink Laurel LLC | 1208 Nostrand Ave aka 292 Hawthorne St |
| Ink 308 LLC | 308 Covert Street |
| Ink Crown LLC | 621 Nostrand Ave |
| Ink Living LLC and Ink 1144 LLC | 1144 President Street |
| Ink 243 Jackson LLC | 243 Jackson Street |
| 296-298 North 8th Street LLC and SGR North 8th LLC | 296 North 8th Street |
| 296-298 North 8th Street LLC and SGR North 8th LLC | 298 North 8th Street |
| Ink 53 Montrose LLC | 53 Montrose Ave |
| 424 Bleecker LLC | 424 Bleecker Street |
| Ink 206 Nassau LLC | 206 Nassau Ave |
| Ink 342 Bergen LLC | 342 Bergen Street |
| Ink 967-969 Willoughby LLC | 967 Willoughby Ave |
| Ink 967-969 Willoughby LLC | 969 Willoughby Ave |
| ***Non-PMC Properties*** | |
| 155 Greenpoint Ave LLC | 155 Greenpoint Ave |
| 256 Graham LLC | 256 Graham Avenue |
| Ink 1115 LLC | 1115 Willoughby Ave |
| 277 Humboldt LLC | 277 Humboldt Street |
| Ink 954 LLC | 954 Seneca Ave, Queens |
| 37 Schaefer St LLC | 37 Schaefer Street |
| 165 Graham Ave LLC | 165 Graham Avenue |
| 2769 Third Ave LLC | 2769 Third Avenue aka 359 East 146th Street, Bronx |
| 195 Johnson LLC | 195 Johnson Ave |

# EXHIBIT E

| Address | Apartment Number | New Legal Regulated Rent | |
|---|---|---|---|
| 694 Henry Street | 1L | $2,615.21 | |
| 694 Henry Street | 1R | $2,457.60 | |
| 694 Henry Street | 2R | $2,693.36 | |
| 694 Henry Street | 3L | $2,722.35 | |
| 767 Hart Street | 2R | $2,600.99 | |
| 621 Nostrand Avenue | 1R | $2,163.01 | |
| 298 Covert Street | 1F | $2,618.00 | |
| 298 Covert Street | 2R | $2,600.00 | |
| 298 Covert Street | 3F | $2,575.00 | |
| 298 Covert Street | 3R | $2,500.00 | |
| 328 Covert Street | 1F | $2,318.02 | |
| 328 Covert Street | 2F | $2,650.00 | |
| 256 Graham Avenue | 4R | $2,274.14 | |
| 586 Lincoln Place | 3L | $2,993.14 | |
| 158 Irving Avenue | 1R | $2,123.89 | |
| 969 Willoughby Avenue | 3R-15 | $2,725.61 | |
| 969 Willoughby Avenue | 4R-17 | $2,611.20 | |
| 719 Henry Street | 3L | $2,500.00 | |
| 243 Jackson Street | 3R | $2,542.95 | |
| 787 Seneca Avenue | 2L | $2,902.88 | |
| 954 Seneca Avenue | 3R | $2,438.45 | |
| 2769 Third Avenue | 3 | $3,318.75 | |
| 165 Graham Ave | 2L/2F | $2,800.00 | |
| 53 Montrose | 2L | $1,923.75 | |
| 53 Montrose | 3R/5 | $2,300.00 | |
| 53 Montrose | 3L/6 | $3,700.00 | |
| 53 Montrose | 4R/7 | $2,300.00 | |
| 53 Montrose | 4L/8 | $3,700.00 | |
| | | | |
| 277 Humboldt Street | 4R | $2,699.28 | * |
| 767 Hart Street | 2L | $2,534.06 | * |
| 155 Greenpoint Ave | 2 (2R) | $2,607.50 | * |
| 342 Bergen St | 2F | $2,446.20 | * |

**These four determinations are subject to change within 30 days of Assurance*

# EXHIBIT F

**TENANT NOTICE: RENT STABILIZED COVERAGE AND RENT OVERCHARGE**

[Date]

[Tenant Address]

Dear Tenant of Apartment ___,

Ink Property Group, LLC and its owners (hereinafter collectively "Ink") have settled an investigation by the Office of the New York Attorney General (the OAG) concerning your building. (Assurance of Discontinuance No. 21-063). One or more parties comprising Ink is a member of the owner of your building.

As part of the settlement with Ink, independent counsel retained by a neutral Monitor has determined that your apartment was illegally removed from Rent Stabilization by Ink. Rent Stabilization regulates, among other things, the value of rents chargeable for apartment, 9 N.YC.R.R. § 2522.5, and the circumstances under which tenants may lose their tenancy rights, 9 N.Y.C.R.R. § 2524.1. Rent Stabilization also dictates the substance and timing of leases and lease renewal offers to tenants. 9 N.Y.C.R.R. § 2522.5.

Under the OAG settlement, Ink is required to offer you the enclosed Rent Stabilized lease, which confirms your rights under Rent Stabilization. You have the right to decide not to accept this lease. If you have any questions about this lease or Rent Stabilization in general, you may consult with an attorney of your choosing. You may also reach out to the New York State Division of Housing and Community Renewal ("DHCR"), the agency that administers Rent Stabilization.

The independent counsel retained by a neutral Monitor has also determined that the legal regulated rent for your apartment is $_____ per month. The legal regulated rent is the maximum amount of rent that a landlord can charge in a rent stabilized apartment. This new figure is less than the amount of rent you have been paying under your current lease. As such, Ink has determined that you are owed a rent overcharge refund of $_____ based on an overcharge of $_____/month for the period of _____ to _____. You will be receiving that amount shortly. If you have an outstanding rent balance, that amount will first be applied to rent due, and you will receive the remainder in a check. If you do not have an outstanding rent balance, you will receive the entire overcharge refund in a check.

Ink is not providing you with interest or treble damages, although you may be entitled to collect these monies as well if you were able to show that the overcharge was willful. The law presumes the overcharge is willful, and the landlord would have to show that it was not willful.

**You also have the right to independently challenge your rent with the DHCR or a court and to seek additional damages for any willful overcharge of rent you suffered. Ink will not retaliate against you for pursuing your rights**

If you choose to file an overcharge complaint, you may, go to DHCR's website to get instructions and the form: https://hcr.ny.gov/system/files/documents/2021/05/ra-89-fillable.pdf. A copy of the overcharge complaint and instructions are also attached to this letter. To receive assistance in filling out the form, you can contact a Single Stop provider (https://singlestopusa.org/find-a-location/locations/).

Should you have any immediate questions about this notice, please call Marisa Kinsey, Monitor of AoD No. 21-063 at 212-255-5587, ext. 304.

Very truly yours,

Ink Property Group, LLC

# EXHIBIT G

**TENANT NOTICE: RENT STABILIZED COVERAGE AND NO OVERCHARGE**

[Date]

[Tenant Address]

Dear Tenant of Apartment ___,

Ink Property Group, LLC and its owners (hereinafter collectively "Ink") have settled an investigation by the Office of the New York Attorney General (the OAG) concerning your building. (Assurance of Discontinuance No. 21-063). One or more parties comprising Ink is a member of the owner of your building.

As part of the settlement with Ink, independent counsel retained by a neutral Monitor has determined that your apartment was illegally removed from Rent Stabilization by Ink. Rent Stabilization regulates, among other things, the value of rents chargeable for apartment, 9 N.YC.R.R. § 2522.5, and the circumstances under which tenants may lose their tenancy rights, 9 N.Y.C.R.R. § 2524.1. Rent Stabilization also dictates the substance and timing of leases and lease renewal offers to tenants. 9 N.Y.C.R.R. § 2522.5.

Under the OAG settlement, Ink is required to offer you the enclosed Rent Stabilized lease, which confirms your rights under Rent Stabilization. You have the right to decide not to accept this lease. If you have any questions about this lease or Rent Stabilization in general, you may consult with an attorney of your choosing. You may also reach out to the New York State Division of Housing and Community Renewal ("DHCR"), the agency that administers Rent Stabilization.

The independent counsel retained by a neutral Monitor has also determined that the legal regulated rent for your apartment is $_____ per month. The legal regulated rent is the maximum amount of rent that a landlord can charge in a rent stabilized apartment. This amount is the same or more as the monthly rent under your current lease. As such, Ink has determined that you are not owed a rent overcharge refund.

**You have the right to independently challenge your rent with the DHCR or a court and to seek additional damages for any willful overcharge of rent you suffered. Ink will not retaliate against you for pursuing your rights.**

If you choose to file an overcharge complaint, you may, go to DHCR's website to get instructions and the form: https://hcr.ny.gov/system/files/documents/2021/05/ra-89-fillable.pdf. A copy of the overcharge complaint and instructions are also attached to this letter. To receive assistance in filling out the form, you can contact a Single Stop provider (https://singlestopusa.org/find-a-location/locations/).

Should you have any immediate questions about this notice, please call Marisa Kinsey, Monitor of AoD No. 21-063 at 212-255-5587, ext. 304.

Very truly yours,

Ink Property Group, LLC