

ATTORNEY GENERAL OF THE STATE OF NEW YORK
HOUSING PROTECTION UNIT

In the Matter of

Assurance No. 22-006

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

SGW Properties LLC, 864 Nostrand Estates, LLC, Bainbridge Brooklyn Realty 364, LLC, Bergen Brooklyn Realty 1258 LLC, Brighton Ocean Realty 3017 LLC, Coney Madison Realty LLC, Cooper Highland Realty 295, LLC, Dekalb Marcy Estates LLC, Eastern Hawthorne Realty 651 LLC, Eastern Montgomery Estates LLC, Eastern Nostrand Estates LLC, Eastern Presidential Estates LLC, Foster Ocean Realty 2325 LLC, Homewood Gardens Estates LLC, Lefferts Lincoln Estates LLC, Midwood 35th Realty LLC, Prospect Brooklyn Realty LLC, Quincy Bedford Realty 456 LLC, Western Clarkson Estates 305 LLC

Respondents.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York (“OAG”) commenced an investigation pursuant to New York State General Obligations Law § 7-109 and New York State Executive Law § 63(12) into Respondents’ security deposit practices in residential rental apartments. This Assurance of Discontinuance (“Assurance”) contains the findings of the OAG’s investigation and the relief agreed to by the OAG and Respondent SGW Properties LLC, Prospect Brooklyn Realty LLC, 864 Nostrand Estates, LLC, Eastern Presidential Estates LLC, Midwood 35th Realty LLC, Bainbridge Brooklyn Realty 364, LLC, Brighton Ocean Realty 3017 LLC, Dekalb Marcy Estates LLC, Eastern Hawthorne Realty 651 LLC, Eastern Montgomery Estates LLC, Eastern Nostrand Estates LLC, Foster Ocean Realty 2325 LLC, Homewood Gardens Estates LLC, Bergen Brooklyn Realty 1258 LLC, Cooper Highland Realty 295, LLC, Quincy Bedford Realty 456 LLC, Coney Madison Realty LLC, Lefferts Lincoln Estates LLC,

Western Clarkson Estates 305 LLC, whether acting through their respective directors, officers, employees, representatives, agents, affiliates, or subsidiaries. (collectively, the “Parties”).

OAG’s FINDINGS

1. SGW Properties LLC is a New York-based real estate company formed in 2008 that owns rental buildings, through single purpose entities (“SPE”) formed solely to own the buildings. A list of the buildings SGW Properties LLC owns is attached as Exhibit A.

2. The SPE rental buildings currently owned by SGW Properties in New York State are the following - Prospect Brooklyn Realty LLC, 864 Nostrand Estates, LLC, Eastern Presidential Estates LLC, Midwood 35th Realty LLC, Bainbridge Brooklyn Realty 364, LLC, Brighton Ocean Realty 3017 LLC, Dekalb Marcy Estates LLC, Eastern Hawthorne Realty 651 LLC, Eastern Montgomery Estates LLC, Eastern Nostrand Estates LLC, Foster Ocean Realty 2325 LLC, Homewood Gardens Estates LLC, Bergen Brooklyn Realty 1258 LLC, Cooper Highland Realty 295, LLC, Quincy Bedford Realty 456 LLC, Coney Madison Realty LLC, Lefferts Lincoln Estates LLC, Western Clarkson Estates 305 LLC

3. SGW Properties LLC acted as the manager of Respondents’ buildings during the times relevant to this Assurance.

New York State’s Security Deposit Law

Escrow Requirements

4. Landlords who accept a security deposit from a tenant are required to hold the deposit in trust for the tenant and may not mingle the tenant’s security deposit with the landlord’s personal money or otherwise have it become the landlord’s asset. N.Y. GOL § 7-103.

5. Landlords of buildings with six or more units must deposit the tenant’s security deposit into an interest-bearing account in a bank within the state that pays a prevailing rate for

such a deposit. *Id.* The landlord is required to provide notice to the tenant of the name and address of the bank where the security deposit is located along with the amount deposited. *Id.* Any interest accrued from the deposited security is the property of the tenant, minus a 1% administrative fee and must be applied to ongoing rent, paid on a yearly basis or returned when the tenant vacates the apartment.

Return of Security Deposits

6. On June 14, 2019, the Housing Stability and Tenant Protection Act created additional protections around security deposits when tenants vacate an apartment.

7. When a tenant vacates an apartment, the landlord must refund the tenant's security deposit except for "an amount lawfully retained for the reasonable and itemized costs due to non-payment of rent, damage caused by the tenant beyond normal wear and tear, non-payment of utility charges payable directly to the landlord under the terms of the lease or tenancy, and moving and storage of the tenant's belongings." N.Y. GOL § 7-108.

8. If either party gives notice that they intend to terminate the tenancy, the landlord is required to notify their tenant in writing that the tenant has a right to have the apartment inspected before moving out where both parties are present. This notice is not required if the tenant gives less than 14 days' notice that they are terminating the tenancy. If requested, the inspection shall occur no earlier than 2 weeks and no later than 1 week before the end of the tenancy. At the end of the inspection, the landlord must provide the tenant with an itemized statement specifying the repairs and cleaning that are the basis for any deduction from the tenant's security deposit. The tenant has the right to cure any such conditions before the end of the tenancy.

9. Within fourteen (14) days after the tenant has vacated the apartment, the landlord must provide the tenant with an itemized statement specifying the basis for any deduction from the tenant's security deposit, including any repairs or cleaning. The landlord forfeits any right to retain any portion of the tenant's security deposit if it fails to provide the itemized statement and/or fails to return any portion of the security deposit due within 14 days after the tenant has vacated.

10. The landlord bears the burden of proof in showing the reasonableness of the amount retained.

11. The Attorney General is authorized to commence a proceeding against a landlord who violates the security deposit law and may seek restitution, injunctive relief and up to \$2000 for the cost of investigation.

Respondents Failure to Comply with the General Obligations Law

12. Respondent SGW, and on behalf of its SPEs, collected security deposits from tenants, some of which were not properly deposited into accounts segregated by building.

13. In addition, Respondents failed to pay any interest accrued from the security deposit but represent that they complied with NY GOL §7-103 because interest rates were lower than the 1% management fee under the law.

14. Since June 14, 2019, Respondents have not been in strict compliance with the 2019 changes to the General Obligations Law concerning return of tenant security deposit. Respondents represent that they provided verbal notice to tenants about their right to have the apartment inspected with the landlord present, but failed to always provide notice in writing. Respondents represent that they inspected all apartments, but failed to always inspect apartments with their tenants present. Respondents represent that they provided tenants with notices of rent

owed, and/or verbal notice of repair deductions, but failed always to provide their tenants an itemized statement specifying the basis for any deduction from the tenant's security deposit in writing. Respondents failed to always provide their tenants the opportunity to cure the repairs and cleaning before moving out.

15. Respondents withheld security deposit from the list of tenants attached to this Assurance as Exhibit B. For these tenants, Respondents either did not properly or timely provide an itemized written statement specifying the basis for the deduction from the tenant's security deposit within 14 days of the tenant vacating the apartment, or the Respondents cannot provide documentation to that effect.

16. Respondent represents that it did not willfully violate the General Obligations Law.

17. Respondents fully cooperated with the OAG in its investigation.

18. OAG finds that Respondent's failure to properly segregate all tenant security deposits by building, provide written proper notices and timely return tenant security deposits are in violation of N.Y. GOL §§ 7-103, 7-108 and Executive Law § 63(12).

19. Respondent admits the OAG's Findings, paragraphs 1 - 18 above.

20. 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 N.Y. GOL §§ 7-103 and 7-108 based on the conduct described above during June 2019 – July 2021.

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

RELIEF

21. General Injunction: Respondent shall not engage, or attempt to engage, in conduct in violation of the N.Y. GOL Article 7 Title 1, and expressly agrees and acknowledges that any such conduct is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 18, *supra*, in addition to any other appropriate investigation, action, or proceeding.

22. Programmatic Relief:

- a. Respondent agrees to comply with the law concerning security deposits by following the policies and procedures attached as Exhibit C.
- b. Respondent will implement the relief described in this paragraph promptly and continue to implement the relief until the sections of the New York General Obligation Law that are the subject of this Assurance are modified.
- c. Respondent shall promptly train all staff on the security deposit policies and procedures attached as Exhibit C.
 - i. All new employees hired subsequent to the effective date of the Assurance shall promptly be trained on the security deposit policies and procedures attached as Exhibit C.
 - ii. Respondent shall hold yearly trainings for all staff on the security deposit policies and procedures attached as Exhibit C.
- d. Acceptance of this Assurance by the OAG is not an approval or endorsement by OAG of any of Respondent's policies practices or procedures, and the Respondent shall make no representation to the contrary.
- e. Pursuant to New York General Obligations Law 7-109, Respondent, in addition to any other remedies found in this Assurance or available at law, shall pay, upon

further investigation by the OAG, to the State of New York a statutory penalty of \$2000.00 for each and every non-*de minimis* default in the performance of any obligation under this paragraph if a pattern and practice of violation or gross negligence is shown by the OAG, occurring after the effective date of the Assurance.

- f. Respondents agree to file updated multiple dwelling registrations with the New York City Department of Housing Preservation and Development to reflect new management and to be in compliance with NYC Housing Maintenance Code §27-2097 by March 31, 2022.

23. Restitution

- a. Respondents have identified in Exhibit B all former tenants who, upon review, vacated between June 14, 2019 and July 31, 2021 and whose security deposit Respondent retained, either in whole or in part. Excluded from this list are tenants who settled their security deposit claims with Respondents, or tenants whose security was properly retained pursuant to the relevant law, such as, for example, when the tenant requested security to be applied, or when a tenant was relocated.
- b. Respondents shall immediately notify the OAG of any tenant in Exhibit B who did not provide a forwarding address. For these tenants, Respondents will provide the OAG with their email and telephone number, if available. The OAG will contact these tenants to obtain a forwarding address for Respondents and will notify Respondents of any tenant where no forwarding address can be found. If the tenant prefers the OAG to send the check, the OAG will also notify Respondents.

- c. Within 30 days of the Effective date of this Assurance, Respondent will send via first class mail to all tenants on Exhibit B with forwarding addresses who do not prefer the OAG to send the check:
 - i. A letter substantively the same as the letter attached as Exhibit D; and
 - ii. A check made out in the tenant's name for the amount of security deposit that Respondent withheld.
- d. Respondent will notify the OAG of all letters and checks that are returned undeliverable on a monthly basis, starting the month following the month that the letter and check in paragraph 20c are sent. For these tenants, Respondent will provide the OAG with their email and telephone number, as available, and the parties will follow the applicable procedures in paragraph 23b. For tenants with new forwarding addresses, Respondents will comply with the requirements in paragraph 23c within 30 days of the OAG providing the tenant's forwarding address.
- e. After 180 days have elapsed from the date a check was issued, Respondent will notify the OAG of all checks that have not been cashed. For those tenants, Respondents will provide the OAG with their email and telephone number if not already provided, as available. The parties will follow the applicable procedures in paragraph 23b. For tenants with new forwarding addresses, Respondents will comply with the requirements in paragraph 23c within 30 days of the OAG providing the tenant's forwarding address.
- f. Within 30 days of notice by the OAG, Respondent will deliver to the OAG checks for all tenants the OAG identified as wishing the OAG to send their checks.

- g. The OAG shall provide Respondents with notice of all tenants where no forwarding address can be found. Within 30 days of that notice, Respondents shall send to the OAG a check for the cumulative amount that would have been sent to these tenants, complying with the instructions in paragraph 25b.

24. Oversight/Monitoring:

- a. *Periodic Certification of Compliance:* The Respondent shall provide the OAG with a written signed certification affirming its compliance with the requirements set forth in this Assurance, paragraph 22 (Programmatic Relief), to be submitted to the OAG within 30 days of the Effective Date of this Assurance. Thereafter, a certification of compliance shall be submitted to the OAG on an annual basis for the following 3 years. In any case where the circumstances warrant, the OAG may require Respondent to file an interim certification of compliance upon thirty (30) days notice.
- b. Respondent expressly agrees and acknowledges that a default in the performance of any obligation under this paragraph is a violation of the Assurance, and that the OAG, after providing a notice with 30 days to cure, thereafter may commence the civil action or proceeding contemplated in paragraph 18, *supra*, in addition to any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in paragraph 18, pursuant to Executive Law § 63(15).

25. Monetary Relief

- a. Respondent shall pay to the State of New York \$100,000 in penalties (the “Monetary Relief Amount”). However, based on Respondents cooperation in this investigation and in reliance on factual representations made by Respondents concerning identification of all affected tenants in buildings it owns, the OAG agrees to suspend payment of \$90,000 from said Monetary Relief Amount, provided that Respondent makes a timely payment of the unsuspended balance of \$10,000 in full upon execution of this Assurance.
- b. Payments shall be made by attorney check, corporate or certified check, or bank draft, which shall be made payable to the “State of New York”, and shall reference Assurance No. 22-006; payments shall be addressed to the attention of Brent Meltzer, State of New York, Office of the Attorney General, Housing Protection Unit, 28 Liberty Street, New York, NY 10005.
- c. Respondent’s misrepresentation of any material fact in this Assurance, including the buildings it owns or the tenants eligible for return of their security deposit, shall constitute a default under this Assurance and the OAG may seek the suspended amount and any other claims it is entitled to by the Assurance or other law. A good faith representation shall not be construed as a misrepresentation for the purposes of this subsection.

MISCELLANEOUS

Subsequent Proceedings.

26. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 34, and agrees and acknowledges that in such event:

- a. any statute of limitations or other time-related defenses to matters that are not already barred as of the effective date of this assurance 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 Respondent 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 Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.
- 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).

27. Prior to commencing a proceeding to enforce this Assurance, the OAG will provide Respondents with notice of the violation and an opportunity to cure within thirty days.

28. If a court of competent jurisdiction determines that the Respondent has violated the Assurance, the Respondent 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:

29. This Assurance is not intended for use by any third party in any other proceeding.

30. This Assurance is not intended, and should not be construed, as an admission of wrongdoing or liability by the Respondent.

31. All terms and conditions of this Assurance shall continue in full force and effect on the Respondent and upon any assignee or transferee of the properties covered by this Assurance that is wholly or partially owned and/or managed by the Respondent and/or its principals (“Successor”). Respondent shall include in the transfer to a Successor of such properties a provision that binds the Successor to the terms of this Assurance. No party to this Assurance may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written notice to the OAG. Nothing contained herein shall be construed as to deprive Respondent or any person of any private right under the law.

32. Any failure by the OAG to insist upon the strict performance by Respondent 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 Respondent.

Communications:

33. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 22-006, and shall be sent electronically, and shall be addressed as follows:

If to the Respondent, to: Yeshaya Wasserman, or in his/her absence, to the person holding the title of managing member.

If to the OAG, to: Brent Meltzer, brent.meltzer@ag.ny.gov, or in his/her absence, to the person holding the title of Chief, Housing Protection Unit.

Representations and Warranties:

34. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by the Respondent directly, or through counsel and the OAG's own factual investigation as set forth in Findings, paragraphs 1 – 18 above. These representations include the number of buildings owed by Respondents, the number of tenants affected by this Assurance, and the amount of security deposits withheld by Respondents. The Respondent represents and warrants that neither it directly, nor through its counsel has made any material representations to the OAG that are knowingly inaccurate or misleading. If any material representations by Respondent or its counsel are later found to be knowingly inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.
35. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondent in agreeing to this Assurance.
36. The Respondent represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved. Respondent further represents and warrants that SGW Properties LLC, by Yeshaya Wasserman, as the signatory to this AOD, is a duly authorized officer acting at the direction of the Board of Directors of SGW Properties LLC.


General Principles:

37. Unless a term limit for compliance is otherwise specified within this Assurance, the Respondent's obligations under this Assurance are enduring. Nothing in this Agreement shall relieve Respondent of other obligations imposed by any applicable state or federal law or regulation or other applicable law.
38. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that the Assurance is without legal or factual basis.
39. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that the Respondent violates the Assurance after its effective date.
40. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.
41. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held 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.
42. Respondent acknowledges that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.
43. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
44. 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.
45. 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.

46. The effective date of this Assurance shall be March 28, 2022.

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

By: 

Brent Meltzer, Esq.
Chief, Housing Protection Unit

SGW PROPERTIES, L.L.C. 864 Nostrand Estates, LLC, Bainbridge Brooklyn Realty 364, LLC, Bergen Brooklyn Realty 1258 LLC, Brighton Ocean Realty 3017 LLC, Coney Madison Realty LLC, Cooper Highland Realty 295, LLC, Dekalb Marcy Estates LLC, Eastern Hawthorne Realty 651 LLC, Eastern Montgomery Estates LLC, Eastern Nostrand Estates LLC, Eastern Presidential Estates LLC, Foster Ocean Realty 2325 LLC, Homewood Gardens Estates LLC, Lefferts Lincoln Estates LLC, Midwood 35th Realty LLC, Prospect Brooklyn Realty LLC, Quincy Bedford Realty 456 LLC, Western Clarkson Estates 305 LLC

By: Yeshaya Wasserman
Yeshaya Wasserman
Managing Member

STATE OF New York)
COUNTY OF KINGS) ss.:

On the 28th day of March in the year 2022 before me personally came Yeshaya Wasserman to me known, who, being by me duly sworn, did depose and say that he/she/they has a place of business at 1487 East 34th Street, Unit 3A, Brooklyn, New York; that he/she/they is (are) the managing member of SGW PROPERTIES, L.L.C. 864 Nostrand Estates, LLC, Bainbridge Brooklyn Realty 364, LLC, Bergen Brooklyn Realty 1258 LLC, Brighton Ocean Realty 3017 LLC, Coney Madison Realty LLC, Cooper Highland Realty 295, LLC, Dekalb Marcy Estates LLC, Eastern Hawthorne Realty 651 LLC, Eastern Montgomery Estates LLC, Eastern Nostrand Estates LLC, Eastern Presidential Estates LLC, Foster Ocean Realty 2325 LLC, Homewood Gardens Estates LLC, Lefferts Lincoln Estates LLC, Midwood 35th Realty LLC, Prospect Brooklyn Realty LLC, Quincy Bedford Realty 456 LLC, Western Clarkson Estates 305 LLC, the corporations described in and which executed the above instrument; that he/she/they know(s) the seal of said corporation; 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 corporation, and that he/she/they signed his/her/their names(s) thereto by like authority.

Sworn to before me this 28th day of March, 2022

Sharon
NOTARY PUBLIC



EXHIBIT A

Number	Building	Entity
1	24 Rogers Ave, Brooklyn, NY	Prospect Brooklyn Realty LLC
2	30 Rogers Ave, Brooklyn, NY	Prospect Brooklyn Realty LLC
3	637 St Marks Ave, Brooklyn, NY	Prospect Brooklyn Realty LLC
4	641 St Marks Ave, Brooklyn, NY	Prospect Brooklyn Realty LLC
5	864 Nostrand Ave, Brooklyn, NY	864 Nostrand Estates, LLC,
6	1131 President Street, Brooklyn, NY	Eastern Presidential Estates LLC
7	1155 East 35th Street, Brooklyn, NY	Midwood 35th Realty LLC
8	1408 East 13th Street	Bainbridge Brooklyn Realty 364, LLC
9	1479 East 34th Street	Bainbridge Brooklyn Realty 364, LLC
10	355 East 48th Street	Bainbridge Brooklyn Realty 364, LLC
11	364 Bainbridge Street	Bainbridge Brooklyn Realty 364, LLC
12	2785 East 15th Street	Brighton Ocean Realty 3017 LLC,
13	3017 Brighton 12th street	Brighton Ocean Realty 3017 LLC,
14	42 Southgate	Brighton Ocean Realty 3017 LLC,
15	709 Dekalb	Dekalb Marcy Estates LLC
16	651-667 Brooklyn	Eastern Hawthorne Realty 651 LLC
17	372 Montgomery	Eastern Montgomery Estates LLC
18	803 Nostrand Ave	Eastern Nostrand Estates LLC
19	2325 Foster	Foster Ocean Realty 2325 LLC,
20	416-444 Hawthorne	Homewood Gardens Estates LLC
21	652-668 Brooklyn Ave	Homewood Gardens Estates LLC
22	1258 Bergen Street, Brooklyn, NY	Bergen Brooklyn Realty 1258 LLC
23	295A Cooper	Cooper Highland Realty 295, LLC
24	456 Quincy	Quincy Bedford Realty 456 LLC
25	923 Roder	Coney Madison Realty LLC
26	433 Rogers	Lefferts Lincoln Estates LLC
27	305-311 Clarkson	Western Clarkson Estates 305 LLC

Exhibit B -- Full Refund List

Entity	Address	Unit	Tenant Short Name	Paid Security
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-1B	[REDACTED]	\$1,925.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-1C	[REDACTED]	\$2,200.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-3C	[REDACTED]	\$2,200.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-4A	[REDACTED]	\$2,400.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-4B	[REDACTED]	\$1,925.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-4C	[REDACTED]	\$1,875.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-1C	[REDACTED]	\$2,100.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-3D	[REDACTED]	\$1,950.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-4C	[REDACTED]	\$2,485.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-4D	[REDACTED]	\$1,900.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-1C	[REDACTED]	\$2,500.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-3D	[REDACTED]	\$1,975.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-4B	[REDACTED]	\$1,975.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-4C	[REDACTED]	\$2,175.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-4C	[REDACTED]	\$2,400.00
Prospect Brooklyn Realty	637 St Marks Ave, Brooklyn, NY	637-4D	[REDACTED]	\$2,000.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-1F	[REDACTED]	\$3,408.84
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-1G	[REDACTED]	\$2,375.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-1H	[REDACTED]	\$2,410.63
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-2F	[REDACTED]	\$1,875.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-3G	[REDACTED]	\$1,903.12
864 Nostrand Estates, LLC	864 Nostrand Ave, Brooklyn, NY	864-2	[REDACTED]	\$3,444.00
864 Nostrand Estates, LLC	864 Nostrand Ave, Brooklyn, NY	864-4	[REDACTED]	\$4,300.00
Eastern Presidential	1131 President Street, Brooklyn, NY	1131-4C	[REDACTED]	\$2,900.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A1	[REDACTED]	\$1,900.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A10	[REDACTED]	\$2,010.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A11	[REDACTED]	\$1,750.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A12	[REDACTED]	\$1,800.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A17	[REDACTED]	\$1,525.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A19	[REDACTED]	\$1,875.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-A6	[REDACTED]	\$1,800.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B1	[REDACTED]	\$1,575.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B12	[REDACTED]	\$1,950.00

Exhibit B -- Full Refund List

Entity	Address	Unit	Tenant Short Name	Paid Security
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B15	[REDACTED]	\$2,250.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B17	[REDACTED]	\$1,650.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B3	[REDACTED]	\$1,950.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B6	[REDACTED]	\$1,600.00
Bainbridge Brooklyn	1479 E34	1479-1F	[REDACTED]	\$1,700.00
Bainbridge Brooklyn	1479 E34	1479-1R	[REDACTED]	\$2,400.00
Bainbridge Brooklyn	1487 E34	1487-1A	[REDACTED]	\$2,100.00
Bainbridge Brooklyn	355 E48th	355-2R	[REDACTED]	\$2,000.00
Bainbridge Brooklyn	364 Bainbridge	364-1	[REDACTED]	\$2,400.00
Bainbridge Brooklyn	364 Bainbridge	364-1	[REDACTED]	\$2,815.00
Bainbridge Brooklyn	364 Bainbridge	364-4	[REDACTED]	\$2,400.00
Brighton Ocean Realty	2785 E15	2785-1R	[REDACTED]	\$2,000.00
Brighton Ocean Realty	2785 E15	2785-1R	[REDACTED]	\$2,050.00
Brighton Ocean Realty	3017 Brighton	3017-1F	[REDACTED]	\$1,450.00
Brighton Ocean Realty	3017 Brighton	3017-1F	[REDACTED]	\$1,500.00
Brighton Ocean Realty	3017 Brighton	3017-1R	[REDACTED]	\$2,050.00
Brighton Ocean Realty	3017 Brighton	3017-1R	[REDACTED]	\$2,100.00
Brighton Ocean Realty	3017 Brighton	3017-2F	[REDACTED]	\$2,160.00
Brighton Ocean Realty	3017 Brighton	3017-2F	[REDACTED]	\$3,110.00
Brighton Ocean Realty	42 Southgate	42-1	[REDACTED]	\$2,000.00
Brighton Ocean Realty	42 Southgate	42-2	[REDACTED]	\$2,000.00
Brighton Ocean Realty	42 Southgate	42-3	[REDACTED]	\$2,000.00
DeKalb Marcy	709 Dekalb	709-1	[REDACTED]	\$2,800.00
DeKalb Marcy	709 Dekalb	709-14	[REDACTED]	\$2,500.00
DeKalb Marcy	709 Dekalb	709-17	[REDACTED]	\$2,623.00
DeKalb Marcy	709 Dekalb	709-2	[REDACTED]	\$2,500.00
DeKalb Marcy	709 Dekalb	709-20	[REDACTED]	\$2,300.00
DeKalb Marcy	709 Dekalb	709-21	[REDACTED]	\$2,250.00
DeKalb Marcy	709 Dekalb	709-22	[REDACTED]	\$1,300.00
DeKalb Marcy	709 Dekalb	709-29	[REDACTED]	\$2,200.00
DeKalb Marcy	709 Dekalb	709-29	[REDACTED]	\$2,436.00
DeKalb Marcy	709 Dekalb	709-4	[REDACTED]	\$2,450.00
DeKalb Marcy	709 Dekalb	709-7	[REDACTED]	\$1,800.00

Exhibit B -- Full Refund List

Entity	Address	Unit	Tenant Short Name	Paid Security
Eastern Hawthorne	651-667 Brooklyn	661-3	[REDACTED]	\$2,400.00
Eastern Hawthorne	651-667 Brooklyn	661-4	[REDACTED]	\$2,300.00
Eastern Hawthorne	651-667 Brooklyn	667-1	[REDACTED]	\$2,500.00
Eastern Hawthorne	651-667 Brooklyn	667-1	[REDACTED]	\$2,825.00
Eastern Hawthorne	651-667 Brooklyn	667-2	[REDACTED]	\$3,035.00
Eastern Hawthorne	651-667 Brooklyn	667-4	[REDACTED]	\$2,500.00
Eastern Montgomery	372 Montgomery	372-2	[REDACTED]	\$2,800.00
Eastern Montgomery	372 Montgomery	372-2	[REDACTED]	\$3,090.00
Eastern Montgomery	372 Montgomery	372-5	[REDACTED]	\$2,250.00
Eastern Nostrand	Eastern Nostrand	803-1R	[REDACTED]	\$2,200.00
Eastern Nostrand	Eastern Nostrand	803-2L	[REDACTED]	\$3,000.00
Eastern Nostrand	Eastern Nostrand	803-2R	[REDACTED]	\$3,000.00
Eastern Nostrand	Eastern Nostrand	803-4L	[REDACTED]	\$3,000.00
Foster Ocean Realty	2325 Foster	2325-B4	[REDACTED]	\$1,900.00
Homewood Gardens	416-444 Hawthorne	416-3	[REDACTED]	\$2,400.00
Homewood Gardens	416-444 Hawthorne	416-4	[REDACTED]	\$2,530.00
Homewood Gardens	416-444 Hawthorne	424-1	[REDACTED]	\$1,575.00
Homewood Gardens	416-444 Hawthorne	430-1	[REDACTED]	\$2,500.00
Homewood Gardens	416-444 Hawthorne	444-2	[REDACTED]	\$1,550.00
Homewood Gardens	652-668 Brooklyn Ave	652-1	[REDACTED]	\$2,500.00
Homewood Gardens	652-668 Brooklyn Ave	652-2	[REDACTED]	\$2,433.00
Homewood Gardens	652-668 Brooklyn Ave	656-1	[REDACTED]	\$3,229.00
Horizon Management	1258 Bergen Street, Brooklyn, NY	1258-GARDEN	[REDACTED]	\$2,500.00
Horizon Management	295A Cooper	295A-DUPLEX	[REDACTED]	\$3,200.00
Horizon Management	456 Quincy	456-2	[REDACTED]	\$2,300.00
Horizon Management	456 Quincy	456-2	[REDACTED]	\$2,600.00
Lefferts Lincoln	433 Rogers	433-1	[REDACTED]	\$1,925.00
Lefferts Lincoln	433 Rogers	433-11	[REDACTED]	\$2,000.00
Lefferts Lincoln	433 Rogers	433-12	[REDACTED]	\$1,900.00
Lefferts Lincoln	433 Rogers	433-2	[REDACTED]	\$2,025.00
Lefferts Lincoln	433 Rogers	433-7	[REDACTED]	\$2,275.00
Lefferts Lincoln	433 Rogers	433-9	[REDACTED]	\$1,900.00
Western Clarkson	305-311 Clarkson	305-10	[REDACTED]	\$2,200.00

Exhibit B -- Full Refund List

Entity	Address	Unit	Tenant Short Name	Paid Security
Western Clarkson	305-311 Clarkson	305-3	[REDACTED]	\$2,300.00
Western Clarkson	305-311 Clarkson	305-5	[REDACTED]	\$4,450.00
Western Clarkson	305-311 Clarkson	305-8	[REDACTED]	\$2,050.00
Prospect Brooklyn Realty	24 Rogers Ave, Brooklyn, NY	24-1D	[REDACTED]	\$1,975.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-2A	[REDACTED]	\$2,150.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-2C	[REDACTED]	\$2,400.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-3B	[REDACTED]	\$2,300.00
Prospect Brooklyn Realty	30 Rogers Ave, Brooklyn, NY	30-3C	[REDACTED]	\$2,450.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-2G	[REDACTED]	\$1,975.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-4E	[REDACTED]	\$2,175.00
864 Nostrand Estates, LLC	864 Nostrand Ave, Brooklyn, NY	864-2	[REDACTED]	\$2,900.00
Eastern Presidential	1131 President Street, Brooklyn, NY	1131-1B	[REDACTED]	\$3,400.00
Eastern Presidential	1131 President Street, Brooklyn, NY	1131-1B	[REDACTED]	\$3,900.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B11	[REDACTED]	\$1,950.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B18	[REDACTED]	\$2,150.00
Midwood 35th	1155 East 35th Street, Brooklyn, NY	1155-B4	[REDACTED]	\$1,750.00
DeKalb Marcy	709 Dekalb	709-8	[REDACTED]	\$2,250.00
DeKalb Marcy	709 Dekalb	709-9	[REDACTED]	\$2,300.00
Homewood Gardens	652-668 Brooklyn Ave	652-B1	[REDACTED]	\$2,100.00
Western Clarkson	305-311 Clarkson	305-10	[REDACTED]	\$2,100.00
Bainbridge Brooklyn	364 Bainbridge	364-3	[REDACTED]	\$2,400.00
DeKalb Marcy	709 Dekalb	709-12	[REDACTED]	\$2,050.00
DeKalb Marcy	709 Dekalb	709-9	[REDACTED]	\$2,000.00
DeKalb Marcy	709 Dekalb	709-21	[REDACTED]	\$2,300.00
Eastern Hawthorne	651-667 Brooklyn	661-3	[REDACTED]	\$2,400.00
Horizon Management/Sho	456 Quincy	456-TRIPLX	[REDACTED]	\$6,000.00
Lefferts Lincoln	433 Rogers	433-1	[REDACTED]	\$1,750.00
Prospect Brooklyn Realty	641 St Marks Ave, Brooklyn, NY	641-1G	[REDACTED]	\$2,375.00
Western Clarkson	305-311 Clarkson	305-7	[REDACTED]	\$2,000.00

EXHIBIT C

Security Deposit Policy and Procedures.

1. Initial Security Deposit

- a. The tenant security deposit shall be placed in an interest bearing segregated account. Owner is entitled to a 1% administration fee. Any remaining interest to be paid to tenants.
- b. Tenant shall be provided notice of the name and address of the bank where security is deposited.
- c. The amount of the security can be no more than one month's rent.

2. Security Deposit Increases

- a. If monthly rent increases the owner may request that the tenant pay an additional sum so that the security deposit equals the current monthly rent.

3. Post Lease Signing Inspection Requirements

- a. After lease signing, but before the tenant takes possession, a "Notice of Right Inspection" must be provided to tenants. See **Exhibit A**.
- b. If the tenant elects to have an inspection the parties shall enter an "Initial Inspection Agreement" stating the condition of the apartment. **See Exhibit B**.
- c. The owner may not deduct from the security deposit based on any conditions listed in the "Initial Inspection Agreement" upon surrender of the apartment.

4. Surrender Inspection Requirements

- a. If Landlord terminates tenancy it must provide a "Notice of Right to Inspection Prior to Surrender of Apartment." **See Exhibit C**.
- b. If Tenant terminates tenancy and provides at least two weeks' notice, Landlord must provide a "Notice of Right to Inspection." **See Exhibit C**.
 - i. If tenant fails to provide sufficient notice Landlord is not required to provide the inspection notice.
- c. If an inspection is requested, it must be held no earlier than two weeks prior, but no later than one week before the vacate date.
- d. Landlord must provide "48 Hour Notice of Inspection" in writing stating the date and time of inspection. **See Exhibit D**.
- e. After the inspection the Landlord is to provide "Post-Inspection Proposed Repairs and Cleaning." **See Exhibit E**. The landlord will list all items that will be the basis for deductions. Tenant is given an opportunity to cure.

5. Security Deposit Return/Deduction Procedures

- a. Within 14 days of tenant vacating the apartment, the owner will provide a “Fourteen Day Notice: Statement of Security Deduction”. **See Exhibit F.** The statement will indicate the basis and amount for deductions for the security deposit. Any remaining amount, must be returned to the tenant.
- b. Failure to provide the statement and/or return deposit within 14 days will result in owner forfeiting any rights to retain any portion of the security.
- c. Whether or not an inspection is conducted pursuant to “Paragraph 4. Surrender Inspection Requirements,” upon the surrender of the apartment, by the tenant, the Landlord has 14 days to provide **Exhibit F.**
- d. Landlord has no obligation to return the security deposit or provide the Fourteen Day Notice: Statement of Security Deduction until such time as a forwarding address is provided by the tenant.

6. **Form of Notice**

- a. Electronic format can be utilized for notices and agreements in these policy and procedures.

SECURITY DEPOSIT RIDER

You are required to provide the Owner the sum of \$_____ when you execute the lease. Said sum shall constitute the security deposit. Owner/Landlord will deposit the security in

_____ Bank with an address of

Dated: _____, 20__

Landlord
BY:

Tenant
BY:

EXHIBIT A

NOTICE OF RIGHT TO INSPECTION

Upon signing your initial lease, you are afforded the opportunity to inspect the apartment, with the landlord/landlord agent to determine the condition of the property.

To schedule an inspection you may contact_____.

Dated: _____, _____ 20____

Tenant:_____

BY:

EXHIBIT B

Post Lease Signing Inspection Agreement

It is hereby agreed, by an between landlord _____ with a business address of _____ and tenant(s) _____ who has executed a lease for Apartment __ at _____ that:

1. A post lease signing inspection of the premises was conducted on _____;
2. The tenant(s) had an opportunity to fully inspect each and every room in the subject premises and (check one that applies):
 - a. That there are no conditions, defects or damages
 - b. That there are conditions, defects or damages
3. The parties agree the following conditions, defects or damages existed on the inspection date:

Dated: _____, 20__

Landlord
BY:

Tenant
BY:

EXHIBIT C

NOTICE OF RIGHT TO INSPECTION

You are entitled to request an inspection of your apartment to take place no earlier than two weeks and no later than one week before vacating the premises. You have the right to be present at the inspection.

If you wish for an inspection to be conducted, please contact management at:

_____.

You will be advised of the date and time, 48 hours prior to the inspection.

EXHIBIT D

48 HOUR NOTICE OF INSPECTION

Please be advised the surrender inspection shall place on:

_____, _____, 20____

between: __:_____ AM/PM and __:_____ AM/PM

This Notice was provided to you by _____

EXHIBIT E

EXHIBIT F

**FOURTEEN DAY NOTICE: STATEMENT OF
SECURITY DEDUCTION**

1. The total amount of security held by the landlord was: \$ _____

2. The following are the basis for amount of the deposit retained by the landlord:

- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

Following deductions, the amount to be returned to you is \$ _____.

Dated: _____, 20 _____

Landlord
BY:

Exhibit D

Dear [Name of tenant]

SGW Properties LLC and [Landlord LLC name] have entered into a settlement with the Office of the New York Attorney General (the OAG) to return the security deposit that was retained when you moved out of [address of tenant apartment] on [date tenant moved out].

According to our records, you were the tenant of record and we retained \$[amount retained] which was the security deposit you provided when you initially rented your apartment. Enclosed please find a check for \$[amount retained] that should be the entire amount you provided us as a security deposit.

This payment does not constitute a waiver or settlement of any rights, outside of security, the Landlord may have as to the tenancy, including rent.

Should you have immediate questions, please call [Landlord's Managing Agent] at _____ and ask to speak with _____ about this Notice.

[Landlord]