

ATTORNEY GENERAL OF THE STATE OF NEW YORK  
REAL ESTATE FINANCE BUREAU

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In the Matter of

Assurance No. 20-066

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

132-40 Sanford LLC, Pinnacle Managing Co., LLC,

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 General Business Law § 352 *et seq.* and New York Executive Law § 63(12) into the conduct of 132-40 SANFORD LLC and PINNACLE MANAGING CO., LLC, (each a “Respondent,” and collectively, “the Respondents”) concerning: (1) the vacancy of 17 rent-stabilized units at the residential building located at 132-40 Sanford Avenue, Queens during its conversion from rental to condominium; and (2) the modification of the front door lock and key mechanism at 132-40 Sanford Avenue, Queens. 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**

**I. The Respondents**

1. Respondent 132-40 SANFORD LLC is a New York limited liability company with its office at One Penn Plaza, Suite 4000, New York, New York 10119, and is the Sponsor of

the condominium located at 132-40 Sanford Avenue, Queens, which is also known as the Summit at Infinity Eight Condominium (the “Building” or the “Condominium”). The sole member of 132-40 SANFORD LLC is an entity named ZAR Realty NY LLC, which has as a managing member an entity named The Zarasai Group LLC. Both ZAR Realty NY and The Zarasai Group LLC have offices at One Penn Plaza, Suite 4000, New York, New York 10119.

2. PINNACLE MANAGING CO., LLC, is a New York limited liability company with its office at One Penn Plaza, Suite 4000, New York, New York 10119, and is the managing agent of the Condominium.

3. Respondent JOEL WIENER is a Principal of the Sponsor, the managing member of Pinnacle Managing Co., LLC, and the President and Chairman of the Board of The Zarasai Group Ltd., which is the managing member of The Zarasai Group LLC.

4. Respondent SHERRY WIENER is a Principal of the Sponsor.

5. The Condominium is a residential building in the City of New York constructed in or about 1963, and it contains 93 residential units and two commercial units. The Condominium is located at 132-40 Sanford Avenue, in Flushing, Queens.

## **II. Legal Standard**

6. The Martin Act protects the public from fraudulent practices in the public offer and sale of securities. General Business Law (“G.B.L.”) § 352 *et seq.*

7. When an occupied rental building in New York City is converted to cooperative or condominium ownership, the Martin Act imposes strict requirements on the sponsor of the conversion with respect to those tenants in occupancy. G.B.L. § 352-eeee. For example, when the conversion plan is a non-eviction plan, as is the case here, the Martin Act provides that sponsors may not evict “non-purchasing” tenants, or tenants who elect not to buy their unit, “for

failure to purchase or any other reason applicable to expiration of tenancy . . . .” G.B.L. § 352-  
eeee(2)(c)(ii).

8. In addition, sponsors of converting condominiums may not interfere with the comfort, repose, and peace of any tenant to force them to abandon their tenancies. G.B.L. § 352-  
eeee(4).

9. New York Executive Law § 63(12) prohibits repeated or persistent fraud or illegality in the carrying on, conducting or transaction of business.

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

11. The New York City Human Rights Law prohibits owners of housing accommodations in the City of New York from discriminating against persons residing in or applying to reside in those accommodations based on several protected categories, including, inter alia, “actual or perceived . . . national origin [and] alienage or citizenship status.” N.Y.C. Admin. Code § 8-107(5)(a)(1). In addition, under the same law, it is illegal for an owner to circulate any statement or use any form in connection with the purchase, rental or lease of housing accommodations which expresses “directly or indirectly, any limitation, specification or discrimination as to . . . alienage or citizenship status . . . or any intent to make such limitation, specification or discrimination.” N.Y.C. Admin Code § 8-107(5)(a)(2).

12. Generally, all buildings in New York City with six or more residential units built before January 1, 1974 are covered by Rent Stabilization. 9 N.Y.C.R.R. § 2520.11. Residential units within such buildings may become exempt from Rent Stabilization when they are “owned as cooperatives or condominium.” 9 N.Y.C.R.R. § 2520.11(l).

13. In a building converting from rental to condominium, rent-stabilized tenants in occupancy prior to the consummation of the condominium offering plan retain all protections offered by Rent Stabilization throughout their entire tenancies, even as units may be sold by the sponsor under the condominium offering plan. Therefore, as long as rent-stabilized tenants remain tenants, the owner of their units—here, Respondent 132-40 Sanford LLC (“Sponsor”)—must comply with Rent Stabilization.

14. 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.

15. Throughout the duration of their tenancy, rent-stabilized tenants are entitled to receive the same services provided to them at the inception of their tenancy, including ancillary services that are provided to the entire building, such as a laundry room and security. 9 N.Y.C.R.R. § 2520.6(r). Changing a door-locking device constitutes a change to a required service when it impacts access to the building or security. 9 N.Y.C.R.R. § 2523.4(e). When an owner desires to modify or substitute a required service, 9 N.Y.C.R.R. § 2522.4(e) provides a procedure for owners to seek permission from the New York State Division of Housing and Community Renewal (“DHCR”) to do so. The regulation provides that “[n]o such modification or substitution of required services shall take place prior to the approval of the owner’s application of the DHCR . . . .”

16. DHCR adjudicates owners' applications pursuant to 9 N.Y.C.R.R. § 2522.4(e) by administrative order. Through such orders, DHCR has articulated guidelines for owners to follow when modifying or substituting services provided for rent-stabilized tenants. One such order, found under DHCR Docket No. XK110024OD, concerned the proposed change to a lock and key mechanism at a rent-stabilized building at 94-25 57<sup>th</sup> Avenue, in Elmhurst, Queens.\* The owner of that building sought to replace the existing lock and key mechanism with an electronic key card system. Tenants objected, raising, *inter alia*, privacy concerns. The DHCR Rent Administrator ruled that the owner was permitted to substitute the lock and key mechanism as proposed, with no reduction to tenants' legal regulated rents, provided that the owner met 13 conditions. Among those conditions, DHCR mandated the following three, which are relevant to this matter:

- a. While individuals requesting key cards must provide "adequate proof of identity," "the owner may not record any data (e.g. driver's licenses number)."
- b. The owner must provide unlimited electronic key cards at no cost to all tenants and lawful occupants of each unit.
- c. "The tenants will be given electronic keycards based on information on file with the landlord. Landlord may periodically request tenants to verify that keycard information is current; however, this shall occur no more than one time per year."

### **III. Factual Findings**

17. The OAG's investigation found no evidence that the Respondents intentionally violated the New York City Human Rights Law or DHCR regulations and guidance in carrying

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\*A copy of this decision is attached to this Assurance as an Appendix. See also DHCR Docket No. XE430031OD (Sept. 4, 2009) (imposing similar guidelines under 9 NYCRR § 2522.4(e), including that the owner may not record any data from the tenant's proof of identity).

out the actions described in the paragraphs below. The OAG's investigation found no intentional discrimination by Respondents against tenants.

A. Condominium Conversion

18. On March 30, 2017, Sponsor acquired title to the Building. At the time, all residential units in the Building were subject to Rent Stabilization.

19. In March 2018, Sponsor submitted the offering plan to the OAG. Schedule A annexed to the offering plan represented that 76 out of 93 units were occupied by rent-stabilized tenants and that 17 units were vacant. Over the next several months, as the Sponsor revised the initial offering plan pursuant to the OAG's regulations, an additional 17 units in the Building became vacant. The final submission of the offering plan, dated June 2019, indicated that 59 out of 93 units were occupied by rent-stabilized tenants and 34 units were vacant. The submission noted that twelve of the 34 vacant units were not being offered for sale pending an investigation by the OAG into how the units became vacant.

20. On July 8, 2019, the OAG accepted the offering plan for filing.

21. On November 8, 2019, Sponsor certified that it had entered into purchase agreements with 17 individuals. Based upon this certification, the offering plan was declared effective.

22. On June 12, 2020, Sponsor caused a condominium declaration to be filed with the City Registrar, and the first closing on a unit was held on June 23, 2020.

B. OAG's Investigation

23. The OAG's investigation focused on: the impact of Respondents' decision to modify the front door lock and key mechanism, which Respondents allege was for the purpose of enhancing security in the Building; whether Respondents complied with DHCR regulations and

guidance, as well as the New York City Human Rights Law; and to what extent the modification of the front door lock and key mechanism caused the vacancies of rent-stabilized units after the Sponsor acquired title to the Building and before the offering plan was accepted for filing. The OAG's investigation revealed as follows.

24. Soon after acquiring the Building, Respondents hired SW Security Services, LLC (hereinafter "SecureWatch 24" or "SW24") to perform a security survey of the Building. SecureWatch 24 recommended a plethora of technological security enhancements to the Building, including the addition of an electronic access control system to the front door.

25. The electronic access control system features electronic panels and readers that are installed adjacent to the manual front door lock and are connected by cables to a computerized monitoring center. Once installed, an electronic device bearing an individualized facility code ("key fob") is necessary to unlock the door. The monitoring center records data such as, inter alia, the date and time of each access, the facility code assigned to each fob that gained access, and incidents of denied access.

26. In 2017, Respondents accepted SW24's recommendation to add an electronic access control system to the Building entrance and hired SW24 to implement the system, including installing the necessary parts and creating the electronic monitoring station. In addition, rather than distribute the initial set of key fobs themselves, Respondents hired the Director of Investigations and Security Services of SW24 (hereinafter "the Director of Investigations") to hand out the key fobs to tenants in the lobby. The Director of Investigations is a retired New York Police Department officer and oversees all private investigations conducted by SW24, including private investigations into tenants.

27. Respondents did not submit an application to the DHCR pursuant to 9

N.Y.C.R.R. § 2522.4(e) for permission to modify the front door lock and key mechanism.

(1) *Key fob Distribution in Lobby*

28. In early 2018, Respondent Pinnacle Managing Co., LLC (“Pinnacle”) created flyers and posted them in common areas of the Building to advertise the initial key fob distribution dates to tenants. The flyers appeared in both English and Chinese.

29. The flyers advertised that distribution would take place in the lobby of the Building on March 12 and March 13, 2018. The flyers further instructed tenants that in order to receive a key fob they must provide a “**New York State valid ID** indicating that you are a resident” (emphasis in original). In 2018 only citizens, legal permanent residents, and immigrants with acceptable documentation were able to obtain New York State-issued identification; therefore, the flyer implied that individuals without such immigration status would not be able to receive a key fob. The flyers also instructed that only two key fobs would be provided per apartment and that, if a tenant required additional key fobs, Respondents would evaluate a request for additional key fobs on a case-by-case basis.

30. While the flyer stated that a “New York State valid ID” was required, in fact, SW24 did not require a “New York State valid ID” to verify the identity of tenants for purposes of distributing key fobs. Consistent with DHCR guidance, SW24 only required that tenants photographic provide proof of identity and accepted identification cards such as New York City-issued ID, employment identification cards, and identification issued by foreign governments.

31. Over 30 tenants failed to appear to collect key fobs in the lobby of the Building on the dates set by Respondents.

32. The Director of Investigations selected the afternoons of three days in March 2018 to distribute key fobs to tenants in the lobby of the Building. The Director of Investigations



is fluent in English and Spanish but does not speak any Chinese dialect. As a result, many tenants of Chinese national origin with limited English proficiency required that their neighbors provide interpretation services when interacting with the Director of Investigations.

33. Respondents did not take any measures to ensure that the Director of Investigations complied with DHCR guidance when distributing the key fobs. Although the Director of Investigations correctly accepted any photographic proof of identity from tenants seeking key fobs, and not strictly “New York State valid ID[s],” as the flyer warned, he nevertheless violated DHCR guidance by recording data from the photo identifications provided by tenants, such as driver’s license numbers, the state or jurisdiction issuing the identification, and any address listed on the identification. The Director of Investigations also recorded his perceptions about the behavior of tenants requesting key fobs, including whether tenants left the Building after receiving key fobs, who was with the tenant when she requested a key fob and, if the individual requesting a key fob was not on the list of tenants provided by Respondents, what the individual disclosed about her relationship with the tenant of record.

(2) *Private Investigations*

34. Soon after distributing key fobs in March 2018, the Director of Investigations e-mailed Respondent Joel Wiener directly and informed him that he had “encountered circumstances which [he] believed should be investigated further.” The Director of Investigations listed 13 apartment numbers and explained why, in his opinion, there should be private investigations into the tenants of those 13 apartments. Ten of the 13 tenants were individuals with Chinese surnames.

35. The Director of Investigations explained that these 13 units should be investigated because, *inter alia*, tenants presented out-of-state IDs and IDs with addresses other than the

Building when collecting their key fobs. In addition, he recommended investigations when tenants presented IDs that listed the Building as the tenant's address in cases where those tenants left the Building after receiving the key fobs. As SW24 charged Respondents per investigation, there was a financial incentive for the Director of Investigations to recommend private investigations into many tenants. In response to this e-mail, Respondent Joel Wiener responded, "We need investigations on each."

36. SW24 thereafter initiated private investigations into the occupancy of the 13 apartments identified by the Director of Investigations. Using information collected from the key fob distribution, including addresses on the IDs provided by tenants, private investigators from SW24 ran background checks on the tenants of record of the 13 apartments, visited those apartments to speak with the occupants, and traveled to alternate addresses in an effort to identify whether the tenant was living at the Building.

37. Between March 2018 and June 2019, a total of seven of the 13 apartments subject to private investigations became vacant. Tenants of record of six of those apartments had Chinese surnames.

38. Additional apartments became vacant after private investigations initiated by Respondents unrelated to the information collected during key fob distribution. Six additional tenants with Chinese surnames vacated their units between March 2018 and December 2018.

*(3) Key fob Distribution by Respondent Pinnacle*

39. Respondents arbitrarily limited the number of key fobs that tenants could receive during the in-person lobby distribution to two key fobs, regardless of household size. They additionally instructed the Director of Investigations to direct tenants seeking additional key fobs to the management office run by Respondent Pinnacle.

40. Respondent Pinnacle required that those tenants requesting additional key fobs—and those tenants who did not appear at the lobby for key fob distribution—complete an application which required that they provide a copy of a “valid government-issued ID (NYS-issued driver’s license or Identification card).” Such a requirement was contrary to DHCR guidelines and necessarily excluded individuals who could not legally obtain such an ID.

41. The application also required that, if the identification card presented by the tenant did not list the address of the apartment in question, they may “include a current paystub or a utility bill that references your current address.” The solicitation of this additional information was contrary to DCHR guidelines and necessarily excluded individuals who could not produce such documents.

42. The application further required that the applicant include “government-issued picture ID[s]” for all occupants for which the applicant was requesting a key fob, with the exception of minor children. This requirement was contrary to DHCR guidelines.

43. The application further required that tenants “name all individuals who reside in the apartment and their relationship to the tenant.” This requirement was contrary to DHCR guidelines.

44. The application warned that the applicant must e-mail the application to Respondent Pinnacle and that the applicant would at some time thereafter learn “whether your application has been approved or denied.” The discretion Pinnacle afforded itself to withhold key fobs was contrary to DHCR guidelines and regulations requiring owners to maintain required services for all rent-stabilized tenants.

45. The application was in English and was not translated into any additional languages.

46. Respondents admit the OAG's Findings, Paragraphs (1)-(45) above.

47. 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 at any time for violations of General Business Law § 352 and Executive Law § 63(12) based on the conduct described above.

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

**RELIEF**

48. General Injunction: Respondents shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to General Business Law § 352-eeee(2)(c)(ii), General Business Law § 352-eeee(4), N.Y.C. Admin Code § 8-107(5), 9 N.Y.C.R.R. § 2522.4(e), and Executive Law § 63(12), and expressly agree and acknowledge 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 47 above, in addition to any other appropriate investigation, action, or proceeding.

49. Programmatic Changes: Effective immediately, Respondents will implement the following programmatic changes to their procedures for modifying the lock and key system in any residential multifamily building under their management or control, including but not limited to any building converting to condominium ownership under G.B.L. § 352 *et seq.*:

- a. Respondents will submit an application to DHCR pursuant to 9 N.Y.C.R.R. § 2522.4(e) in advance of modifying the lock and key system of any building under their management or control that contains rent-stabilized housing accommodations.

b. Respondents will comply with the DHCR guidelines articulated in the order under DHCR Docket No. XK110024OD (Appendix 1 to this Assurance) including, inter alia, ceasing to require that tenants produce photo identification issued by any particular state or jurisdiction, ceasing to record data from the photo identification, and issuing an unlimited number of key fobs to all tenants and lawful occupants of each unit.

c. In order to notify tenants of an upcoming modification to the lock and key system, Respondents will create a form flyer that is consistent with the DHCR guidelines articulated in the order under DHCR Docket No. XK110024OD (Appendix 1 to this Assurance). In buildings where there is a population of tenants with limited English proficiency, Respondents will post and circulate this flyer translated into the commonly spoken languages. No other flyer advertising key fob distribution will be posted or circulated.

d. Respondents will not require tenants seeking key fobs to complete any application that runs afoul of the order under DHCR Docket No. XK110024OD (Appendix 1), for example, that demands that tenants produce photo identification issued by any particular state or jurisdiction, produce any other documentation (e.g., pay stubs or utility bills), or list all occupants of the apartment and their relationship to the tenant of record.

e. Respondents will not hire any security services firm to distribute key fobs, including any firm that conducts private investigations, such as SecureWatch 24.

50. Human Rights Law Training: Within 90 days of the date of this Assurance, all employees of Respondents with supervisory and/or management responsibilities shall attend a “Know Your Obligations” virtual workshop provided by the New York City Commission on

Human Rights. Within 95 days after the date of this Assurance, Respondent shall provide to the OAG a certification or receipt from the New York City Commission on Human Rights, confirming the date(s) and time(s) of the workshop(s) attended by said employees and the names of said employees.

51. Charitable Contribution: Within five (5) business days of the date of this Assurance, Respondents will make a contribution of Fifty Thousand Dollars (\$50,000) to one or more charitable organizations, approved by the Attorney General, that provide tenant organizing or tenant advocacy services to Asian and Asian-American New Yorkers.

#### **MISCELLANEOUS**

##### Subsequent Proceedings.

52. 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, or if the Assurance is voided pursuant to Paragraph 65, 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).

53. 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:

54. 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.

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

56. 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.

Communications:

57. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 20-066, 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:

Ronald B. Kremnitzer, Esq.  
Pryor Cashman LLP  
7 Times Square  
New York, New York 10036  
rkremnitzer@pryorcashman.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 Bureau Chief, Real Estate

Finance Bureau.

Representations and Warranties:

58. 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 (1)-(45) above. The Respondents represent and warrant that neither they nor their counsel has made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondents or their counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.



59. 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.

60. 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 Joel Wiener, as the signatory to this Assurance, is a duly authorized officer and has the authority to execute this Assurance on behalf of all institutional Respondents.

General Principles:

61. 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.

62. 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.

63. 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.

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

65. 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.

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

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

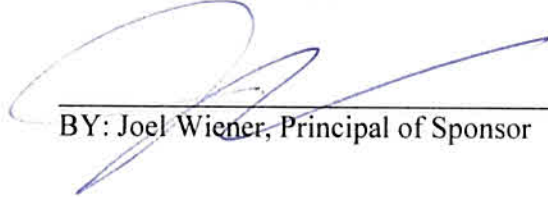
68. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

69. 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.

70. The effective date of this Assurance shall be the date the Assurance is signed by OAG.

Dated: September 24 2020

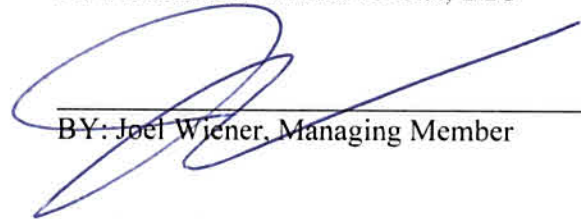
132-40 SANFORD LLC



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BY: Joel Wiener, Principal of Sponsor

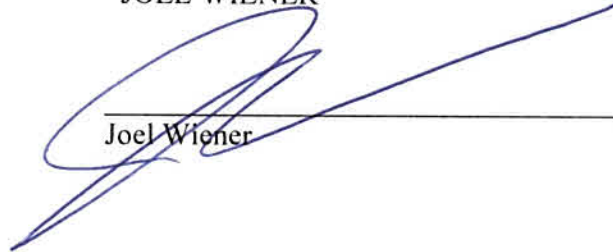
PINNACLE MANAGING CO., LLC



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BY: Joel Wiener, Managing Member

JOEL WIENER



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Joel Wiener

SHERRY WIENER



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Sherry Wiener

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

By: 

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Rachel Hannaford, Esq.  
Senior Enforcement Counsel  
Housing Protection Unit

# **APPENDIX**



**New York State Division of Housing and Community Renewal**

Gertz Plaza 92-31 Union Hall St.  
Jamaica, NY 11433  
Web Site [www.nysdher.gov](http://www.nysdher.gov)

Docket Number:

**XK110024OD**

**Order Granting Permission to Change or Decrease  
 Dwelling Space, Essential Services, ETC., in Occupied  
 Apartment(s)**

Mailing Address Of Tenant:	Mailing Address Of Owner/Owner's Rep:
<b>Various Tenants</b> <b>94-25 57th Avenue</b> <b>ELMHURST, NEW YORK 11373</b>	<b>MYDAC Realty Corp.</b> <b>c/o Realty Program Consultants, LLC</b> <b>182-30 Wexford Terrace, Suite LB7</b> <b>JAMAICA ESTATES, NEW YORK 11432</b>
Subject Building (Number and Street)	(If Different From Tenant's Mailing Address) (Apt. No.) (Municipality)
<b>94-25 57th Avenue</b>	<b>Various Elmhurst, New York 11373</b>

**Applicable Regulations:**

- Section 2102.5 of the State Rent and Eviction Regulations
- Section 2502.4 of the Tenant Protection Regulations
- Section 2202.21 of the NYC Rent and Eviction Regulations
- Section 2522.4 of the Rent Stabilization Code

**Determination:**

After consideration of all the evidence in the record, the Rent Administrator finds:

That the owner's request for authorization to modify services by replacing the traditional metal key system with a modern FOB entry card system [at no expense to the tenants] should be granted.

**FACTS:**

On November 20, 2009, the owner/owner's representative filed an application before this Agency requesting authorization to modify services at the subject premises by replacing the existing lock and key mechanism with an electronic card system. The tenants were apprised of the owner's request on December 11, 2009, and were afforded the opportunity to file a response; several tenants responded filing no objections to the owner's request. However, on behalf of some 90+ tenants, a response was received from the Urban Justice Center with various concerns, to wit: number and cost of keys, cost of replacement keys, private information and photo identification, and enhancement of building security.

Pursuant to the Rent Regulatory Regulations, an owner may file an application to modify or substitute required services, at no change in the legal regulated rent, on grounds that such modification or substitution is not inconsistent with the Rent Stabilization Law and Code or the New York City Rent and Eviction Regulations.

The Rent Administrator has considered the records and deems it appropriate to issue an Order granting the owner's request as follows:

- (1). Entry to the building may be accessed by electronic key cards. The metal key lock will remain in place for use by building management in the event of an emergency; and for use by religious observers if the facts warrant.

RO-350D

\*RO-350D\*

- (2). All tenants and lawful occupants are to receive free electronic keycards. In this regard, there is no limit to the number of keycards which may be issued for an apartment. Occupants of the apartment include children who are to be issued keycards if their parent/guardian requests it. Tenants may also receive up to four (4) additional keycards, at no charge, for employees and/or guests. Guests include family members and friends who can be expected to visit on a regular basis or visit as needed to care for a tenant or the apartment if the tenant is away. Employees, who may be contractors, professional caregivers, etc. may have an expiration date electronically placed on the keycard, which may be extended upon request by the tenant.
- (3). Each person receiving a keycard is required to sit for a photo to be electronically associated with such keycard in the security system database, however, minors are not required to have their photos taken. Photographs must be arranged to be taken on site or at a mutually agreed upon location.
- (4). Individuals obtaining keycards must provide appropriate proof of identity, but the owner may not record any data (e.g. driver's license number).
- (5). The tenants will be given electronic keycards based on information on file with the landlord. Landlord may periodically request tenants to verify that keycard information is current; however, this shall occur no more than one time per year.
- (6). The owner may not request or retain, in any form, the social security number of more than one tenant or legal occupant for each apartment unless the security deposit is kept in a joint type of an account.
- (7). The tenant's name, address and photo will not appear on the keycard.
- (8). The only information stored in the system database is the keycard holder's name, address, and picture. No other personal information of residents is to be stored.
- (9). The system may only record each time a keycard is used to open the front door; it will not record departures.
- (10). If tenants are locked out, tenants will be able to contact the building superintendent or the assistant superintendent who will be equipped with a spare "keyfob" for assistance. Per owner's statement dated 2/12/2010, tenants may contact the superintendents at (718) 592-8801 or (718) 271-0089; these numbers are also posted on the main entrance door on top of the door belts.
- (11). Religious observers who cannot operate electronic devices on the Sabbath will be allowed to request regular keys at the management office.
- (12). In the event of a power outage, in addition to the battery generator back-up system, sufficient staff is to be provided at all building entrances, at all times, until power is restored.
- (13). The cost to replace a lost or stolen electronic key card or for additional keycards not provided as per #2 (above) will be a maximum of \$25.00 each.

As this conversion is deemed an adequate substitution of services, no rent reduction is warranted. If the owner fails to meet the requirements provided above, the tenants may file an application for rent reduction based upon decreased services, if the facts so warrant.

If you believe this order is based on an error in law and/or fact, you may file a Petition for Administrative Review (PAR), form RAR-2, no later than 35 days after the issuance date of the order. PARs filed after the time limit specified above will be considered late and will be dismissed. Call (718) 739-6400 or visit your local Rent Office and request form RAR-2. This form is also available on our website at [www.nysdhcr.gov](http://www.nysdhcr.gov).

**March 12, 2010**  
Issue Date

*Lilia Albano*  
Rent Administrator

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Additional Parties:

Sadia Rahman  
c/o Urban Justice Center  
123 William Street - 16th Floor  
New York, New York 10038

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