

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ONONDAGA

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The People of the State of New York, by Letitia James,
Attorney General of the State of New York

Petitioner,

-against-

VERIFIED PETITION

Greenland Property Services, LLC (also d/b/a Green National);
Green Real Estate Holdings, LLC; Green Chestnut, LLC;
Green James, LLC; Green Skyline Apartments, LLC, Green
Vincent, LLC, Green Historical Park Apartments, LLC; and
Green HP Apartments, LLC,

Hon:
Index No.:
RJI No.:

Respondents.

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The People of the State of New York, by their attorney, Letitia James, Attorney General
of the State of New York, respectfully allege, upon information and belief, that:

INTRODUCTION

1. Petitioner brings this summary proceeding to enjoin Greenland Property Services, LLC (also d/b/a Green National); Green Real Estate Holdings, LLC; Green Chestnut, LLC; Green James, LLC; Green Skyline Apartments, LLC, Green Vincent, LLC, Green Historical Park Apartments, LLC; and Green HP Apartments, LLC (hereinafter “Respondents” or Green National”) from engaging in deceptive, fraudulent and illegal practices in connection with their ownership, operation and/or management of residential multifamily properties and from non-compliance with the terms of the Assurance of Discontinuance dated February 21, 2021. Petitioner also seeks civil penalties and costs, as authorized by statute, to be paid to the State of New York.

PARTIES AND JURISDICTION

2. Petitioner is the People of the State of New York, by Letitia James, Attorney General of the State of New York (hereinafter “NYAG”). This Court has jurisdiction pursuant to (1) New York Executive Law § 63(12) under which the NYAG, on behalf of the People of the State of New York, is empowered to seek injunctive relief, restitution, damages and costs when any person or entity has engaged in repeated fraudulent or illegal acts or has otherwise engaged in persistent fraud or illegality in the conduct of its business; and (2) New York General Business Law (“GBL”) Article 22-A under which the NYAG is empowered to seek injunctive relief, restitution and penalties against any person or entity which has engaged in deceptive practices or false advertising in the conduct of business.

3. In 2020 - 2021, Green National’s related entities owned, managed and/or operated 19 residential multi-family, affordable housing buildings in New York State. Several properties were recently sold,¹ and Green National currently owns four properties in the Syracuse area. Green National also owns affordable housing complexes in Ohio, Pennsylvania and Michigan.

4. Green National is part of a structure for organizing and incorporating its related entities, which include, but are not limited to:

- a) Green National, LLC, is a domestic limited liability company that incorporated on April 9, 2019. Troy Green is the Chief Executive Officer and co-founder of the company. Tim Green is a co-founder.
- b) Greenland Property Services, LLC, is a domestic limited liability company that incorporated on October 5, 2015. Greenland Property Services, LLC, is a real estate asset

¹ Green Village East Apartments, located in Vernon, NY, was sold on June 9, 2020 (but is still managed by Greenland Property Services, LLC). Green Beekman Towers, located in Plattsburgh, NY, was sold on January 14, 2022. Green Springfield Gardens, located in Syracuse, NY, was sold on December 30, 2021. Green Syracuse Rehab Apartments, consisting of 6 buildings located in Syracuse, NY, was sold on January 27, 2022, and Green Historical Park Apartments, located in Utica, NY, was sold on July 14, 2022.

management and operations firm. Troy Green is a co-founder and member. Greenland Property Services, LLC, also does business as Green National.

- d) Green Real Estate Holdings, LLC, is a domestic limited liability company that incorporated on March 19, 2015. Its members are Troy Green and the Green Family 2015 Irrevocable Trust. Green Real Estate Holdings, LLC, wholly owns and operates Green Chestnut, LLC and Green James, LLC, and partially owns, with ARC Properties, LLC, Green Skyline Apartments, LLC, Green Vincent, LLC. Until the sale on July 14, 2022, Green Real Estate Holdings, LLC, wholly owned and operated Green Historical Park Apartments, LLC and Green HP Apartments, LLC.

5. In New York State, the properties owned and/or managed by Green National's related entities are owned by Single Purpose Entities, that are owned, in principal, by Green Real Estate Holdings, LLC. These entities are Green Skyline Apartments LLC, Green Vincent LLC, Green Chestnut LLC, and Green James LLC.

6. Prior to the recent sales, *supra* at footnote 1, eleven properties were located in Onondaga County, with ten in the City of Syracuse and one in Dewitt. These buildings accounted for 1273 residential units. Green National's related entities owned other properties in Utica, Plattsburgh and Vernon. Those properties accounted for an additional 269 units. A number of these complexes are project-based section 8 housing. Greenland Property Services, LLC, manages, but does not own, five other properties, which account for 198 units.

7. Troy Green is a member of each of Green National's managing and owning entities, and oversees the day-to-day executive management of Green National's real estate business and its related entities through their regional managers, site managers and other personnel. Tim Green is a co-founder of the managing and owning entities.

8. The NYAG initiated an investigation of Green National and its related entities in

March 2021, in response to reports of rampant crime, unsafe conditions and unabated code violations at some of their Syracuse area properties, including but not limited to the Skyline Apartments, the Vincent Apartments and the James Apartments.

9. The Attorney General has complied with the statutory notice requirements of GBL §§ 349(c) and 350-c.

FACTS

10. Records of code violations provided to the NYAG by the City of Syracuse revealed that Respondents repeatedly failed to comply with state and local codes requirements, including but not limited to the Syracuse Property Conservation Code, Gen. Ord. No. 30-1993 (“SPCC”), the Property Management Code of New York State (“PMCNYC”), the International Property Management Code (“IPMC”), and the International Fire Code (“IFC”). Respondents failed to make necessary repairs in a timely manner, often surpassing the compliance due dates by many months.

11. The records also revealed that Respondents repeatedly failed to provide essential services such as heat, hot water, adequate plumbing and elevator services in violation of Real Property Law (“RPL”) § 235-B.

12. On its website, www.greennational.com, Respondents represents that it is “poised to be a leader in the affordable housing industry with a focus on creating cleaner, safer, and sustainable communities.” Green National states that it is “committed to having a positive impact on the lives of our residents and community,” that it “believe[s] that everyone should have access to affordable housing that is clean, well-kept and safe,” and that Green National “believe[s] clean, safe, and affordable housing is for everyone.” Such advertising is false and deceptive as many of Green National’s related properties have been notoriously unsafe and unsanitary.

13. As a result of the NYAG's investigation, the NYAG determined that Respondents repeatedly violated City and State property and maintenance Codes, Real Property Law § 235(b) and GBL §§ 349, 350, and therefore engaged in conduct that violated Executive Law § 63(12).

PRIOR ASSURANCE OF DISCONTINUANCE

14. As a result of an the NYAG's investigation of Respondents' business and advertising practices, Respondents signed an Assurance of Discontinuance on February 21, 2022 (hereinafter "Assurance"), which was executed by the NYAG on that date. In this Assurance, Respondent agreed to fully comply with all applicable laws governing the legal rights of tenants in properties currently owned or managed by them.

15. Respondents also agreed to a) correct all code violations issued by the Syracuse Division of Code Enforcement by their compliance due dates, unless such date was extended, by agreement, by the citing code enforcement official; b) correct, within 60 days, all code violations that were open and outstanding on the Effective Date of the Assurance; c) comply with the Notice of Public Nuisance and Opportunity to Abate Public Nuisance (referred to in the Assurance as "Notice of Nuisance Abatement") that was issued by the City on March 23, 2021; d) pay \$100.00 per day for each and every default in the performance of any obligation occurring after the Effective Date of the Assurance; e) provide monthly compliance certifications affirming their compliance with the programmatic relief section of the Assurance; f) retain a monitor to review its code compliance procedures and submit monthly reports to the NYAG; and to g) pay \$300,000 in costs and penalties.²

² Respondents paid \$50,000 upon executing the Assurance, with the remaining \$250,000 suspended for 60 days. The balance would have been considered satisfied had Respondents complied with the terms of the Assurance. Since

16. Respondents admitted that the facts alleged by the NYAG could support a finding in Court that their actions violated the cited statutory provisions and agreed to the terms of the Assurance in order to avoid the time, expense and distraction of litigation. The NYAG found the relief and agreements set forth in the Assurance to be appropriate and in the public interest. As such, the NYAG accepted the Assurance pursuant to Executive Law § 63(12) and GBL §§ 349 and 350, in lieu of commencing a statutory proceeding for violations of Executive Law § 63(12) and GBL § 349 and 350.

17. Respondents expressly agreed that a default in the performance of *any obligation* under the Assurance constitutes a violation of the Assurance and that the NYAG may thereafter commence a civil action or proceeding pursuant to Executive Law § 63(12) and GBL §§ 349, 350, in addition to any other appropriate investigation, action or proceeding.

18. Additionally, Respondents expressly agreed that evidence that the Assurance has been violated constitutes *prima facie* proof of the statutory violations of Executive Law § 63(12) and GBL §§ 349, 350.

19. Due to the difficulty in valuing the damages caused by any default in the performance of any obligation required pursuant to Assurance, the parties agreed that Greenland Property Services, LLC, would, on behalf of all the Respondents, pay to the State of New York a stipulated penalty of \$100.00 per day for each and every default in the performance of any obligation.

Respondents' Violations of the Assurance

20. Respondents have defaulted in the performance of several obligation under the

Respondents had not complied with the programmatic and compliance requirements set forth in the Assurance, the remaining \$250,000 transferred to the NYAG on July 7, 2022.

Assurance, as detailed below. As such, evidence of these violations constitutes *prima facie* proof of statutory violations of Executive Law § 63(12), RPL § 235-b and GBL §§ 349, 350.

I. Repeated Illegality

21. In violation of State real property laws and City property maintenance, building and fire codes, Respondents repeatedly and persistently failed to remedy dangerous conditions and physical defects at their properties.

22. Respondents have repeatedly and persistently failed to comply with City and State property maintenance and fire codes, including the SPCC,³ PMCNYC,⁴ IPMC,⁵ IFC,⁶ and FCNYS.⁷

23. Respondents have also repeatedly violated GBL §§ 349 and 350 and RPL § 235-b.

24. Furthermore, after the Effective Date of the Assurance, Respondents failed to correct all new code violations issued by the Division of Code Enforcement by their compliance

³ The SPCC § 27-2 establishes basic and uniform standards governing the “condition, occupancy and maintenance of all premises” in order to “enhance the residential neighborhoods and to protect the safety, health and welfare of the persons who live, work and recreate in the city. City Ordinances § 27-2.

⁴ The PMCNYC is part of the NYS Fire Prevention and Building Code. The PMCNYC is a maintenance document intended to establish minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety. Any person who violates an order to remedy a condition pursuant to the PMCNYC subject to a fine of up to \$1,000 per day. See Executive Law § 382(2).

⁵ The IPMC is a model code that regulates the minimum maintenance requirements for existing buildings. The IPMC is a maintenance document intended to establish minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety.

⁶ The IFC is a comprehensive fire code that establishes minimum regulations for fire prevention and fire protection systems using prescriptive and performance-related provisions. It is founded on broad-based principles that make possible the use of new materials and new system designs.

⁷ The FCNYS establishes minimum requirements for fire prevention and fire protection systems using prescriptive and performance-related provisions. It is founded on broad-based principles that make possible the use of new materials and new system designs.

due dates, which is a violation of state and local law as well as paragraph 43 of the Assurance.

25. Respondents also failed to correct all outstanding violations (those that were open and unresolved on the Effective Date), within 60 days of the Effective Date of the Assurance in violation of paragraph 44 of the Assurance. Respondents also failed to report in writing to the NYAG the reasons for each missed deadline, as is required by paragraph 44 of the Assurance.

26. Respondent also failed to comply with the Notice of Nuisance Abatement issued by the City of Syracuse on March 23, 2021, in violation of local law and paragraph 45 of the Assurance.

II. Respondents Failed to Comply with the Oversight and Monitoring Requirements of the Assurance.

27. Respondents failed to provide monthly Affirmations of Compliance to the NYAG as required by paragraph 52 of the Assurance. These Affirmations, certifying compliance with the requirements set forth in paragraphs 43 - 51 of the Assurance, are due monthly for the one year period following the Effective Date of the Assurance. In response to the NYAG's requests for such Affirmations, Respondents instead submitted letters with information regarding the status of violations, many of them open past their compliance due dates.

28. Respondents failed to retain a monitor as required by paragraph 53 of the Assurance. The role of the independent monitor was to review Respondents' code compliance procedures, including review of the data. The monitor was supposed to submit monthly reports to the NYAG with their determination as whether Respondents violated the Assurance and provide the factual basis for their determination. A third party monitor is critical for tracking the number and nature of code violations given that Respondents own multiple buildings. The monitor would keep track of any extensions granted, review Respondents' reasons, if any, for late compliance and to

determine the penalty amount to be paid (\$100 per day for each and every such default in the performance of any obligation).

**FIRST CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12)
REPEATED ILLEGALITY - VIOLATION OF CITY AND STATE PROPERTY
MANAGEMENT AND FIRE CODES**

29. As set forth above, Respondents repeatedly failed to comply with the SPCC, PMCNYS, IPMC, FCNYS and IFC and thereafter failed to remedy the violations by the compliance due dates set forth in the Notices of Violation issued by the City of Syracuse.

30. Pursuant to Executive Law § 63(15), a violation of the Assurance dated February 21, 2022, is *prima facie* proof that Respondents have engaged in illegal conduct.

31. As set forth above, Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) and a violation of the Assurance.

**SECOND CAUSE OF ACTION
REPEATED ILLEGALITY
VIOLATION OF REAL PROPERTY LAW ("RPL") § 235-b**

32. Pursuant to RPL § 235-b, tenants living in Respondents' properties must have leases that include an implied warranty that the premises and the common areas are: 1) fit for human habitation, 2) fit for uses reasonably intended by the parties, and (3) that the occupants of those premises will not be subjected to any conditions which would be dangerous, hazardous or detrimental to their life, health or safety.

33. Respondents own and/or manage residential properties that are within the protection of RPL § 235-b.

34. As set forth above, Respondents failed to maintain their premises in a habitable and usable manner. The conditions at Respondents' properties were often dangerous and/or

detrimental to life, health or safety of the buildings' tenants.

35. Further, Respondents failed to maintain their properties in accordance with the uses reasonably intended for the tenants.

36. Respondents were repeatedly cited by the City of Syracuse for these conditions, yet failed to timely make repairs and maintain services. Some violations remained open for months, or even years, past their compliance due dates. As such, Respondents breached the warranty of habitability under RPL § 235-b.

37. Pursuant to Executive Law § 63(15), a violation of the Assurance dated February 21, 2022, is *prima facie* proof that Respondents have engaged in illegal conduct.

38. As set forth above, Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) and the Assurance dated February 21, 2022.

**THIRD CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12)
ILLEGALITY VIOLATIONS OF GBL §§ 349 and 350
DECEPTIVE ACTS AND PRACTICES and FALSE ADVERTISING**

39. GBL § 349 declares unlawful any deceptive acts or practices in the conduct of any business, trade or commerce in this state.

40. GBL § 350 prohibits false advertising in the conduct of any business, trade or commerce or in the furnishing of any service in the state.

41. Respondents represent on their website that they believe that everyone should have access to affordable housing that is clean, well-kept and safe. They also state that they are committed to having a positive impact on the lives of their residents and communities. Despite their express representations, Respondents failed to provide safe and sanitary housing for their tenants. Tenants who were induced to rent by these representations were deceived. As such,

Respondents have engaged and continue to engage in deceptive acts and practices and false advertising in violation of GBL §§ 349 and 350.

42. Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) and the Assurance dated February 21, 2022.

**FOURTH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(15)
VIOLATION OF ASSURANCE
BREACH OF CONTRACT**

43. Respondents entered into the Assurance dated February 21, 2022, in which it agreed to comply with provisions of all applicable laws, as well as: a) correct all code violations issued by the Syracuse Division of Code Enforcement by the compliance due date, unless such date was extended by the City; b) correct, within 60 days, all code violations that were open and outstanding on February 21, 2022; c) comply with the Notice of Nuisance Abatement that was issued by the City on March 23, 2021; d) pay \$100.00 per day for each and every default in the performance of any obligation occurring after the Effective Date of the Assurance; e) provide monthly compliance certifications affirming their compliance with the programmatic relief section of the Assurance; and f) retain a monitor to review its code compliance procedures and submit monthly reports to the NYAG.

44. The 2022 Assurance is a binding contract, entered into knowingly and willingly by Respondents, for valid consideration.

45. As set forth above, Respondents have violated the terms of the Assurance which is *prima facie* evidence that they have violated Executive Law § 63 (12), GBL Article 22-A and RPL § 235-b.

46. By reason of the foregoing, Respondents have engaged in practices enjoined by

the Assurance and thus breached this contract.

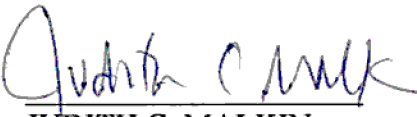
WHEREFORE, Petitioner requests that this Court grant relief pursuant to Executive Law § 63(12), GBL Article 22-A against Respondents by issuing an Order and Judgment:

1. Permanently enjoining Respondents from committing future violations of Executive Law § 63(12), GBL Article 22-A, Real Property Law § 235-b, and state and local codes requirements, including but not limited to Syracuse Property Conservation Code (SPCC), Property Management Code of NYS (“PMCNYS”), International Property Management Code (“IPMC”), International Fire Code (“IFC”), and Fire Code of New York State (“FCNYS”), and from engaging in the fraudulent, deceptive, and illegal practices alleged in the Verified Petition;
2. Directing Respondents to comply with all obligations in the Assurance including, but not limited to a) correcting all code violations issued by the City of Syracuse, Division of Code Enforcement, by their compliance due dates; b) retaining a monitor who shall i) produce monthly reports to the NYAG identifying specific code violations that were uncorrected by their compliance due dates, ii) submit monthly reports as set forth in the Assurance, including past reports due for April through September 2022, and iii) determine the penalty amount to be paid to the NYAG pursuant to the Assurance, and c) providing Affirmations of Compliance to the NYAG on a monthly basis;
3. Directing Respondents to pay a civil penalty in the sum of \$5,000 to the State of New York for each violation of GBL §§ 349 and 350 pursuant to GBL § 350-d;
4. Directing Respondents to pay \$100 per day for each and every default in the performance of any obligation occurring after the Effective date of the Assurance;
5. Awarding Petitioner statutory costs against each respondent in the amount of \$2,000 pursuant to the New York Civil Practice Law and Rules § 8303 (a); and

6. Granting Petitioner such other and further relief as this Court finds just and proper.

DATED: Syracuse, New York
October 25, 2022

LETITIA JAMES
Attorney General of the State of New York
Attorney for the Petitioner
300 South State Street, Suite 300
Syracuse, New York 13202

By: 
JUDITH C. MALKIN
Assistant Attorney General
Syracuse Regional Office
Judith.Malkin@ag.ny.gov
Telephone No.: 315-448-4848

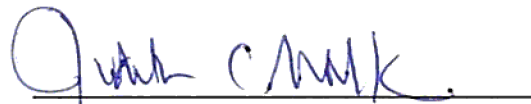
STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss.:

JUDITH C. MALKIN, being duly sworn, deposes and says that:

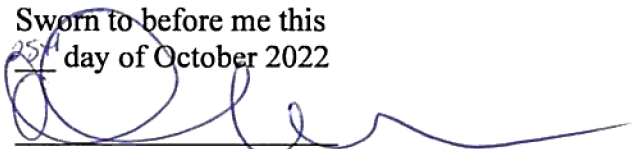
I am an Assistant Attorney General in the Office of Letitia James, Attorney General of the State of New York, and am authorized to make this verification.

I have read the foregoing Verified Petition and know the contents thereof, which are to my knowledge true, except as to matters stated to be alleged on information and belief, and as to those matters, I believe them to be true. The grounds of my belief as to all matters stated upon information and belief are set forth in the attached affirmation and include investigatory materials and information contained in the files of the Syracuse Regional Office.

That the reason this verification is made by your deponent and not by the State of New York is that the State of New York is a body politic and sovereign acting through its officials and agents.


JUDITH C. MALKIN

Syracuse, New York
Sworn to before me this
25th day of October 2022


NOTARY PUBLIC

DANIELLE MILLER
NOTARY PUBLIC, STATE OF NEW YORK
Qualified in Onondaga County
Registration No. 01M16102578
Commission Expires 2/27/2024