

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

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THE PEOPLE OF THE STATE OF NEW YORK,  
by LETITIA JAMES, Attorney General of the  
State of New York,

Plaintiff,

-against-

COMPLAINT

Index No. \_\_\_\_\_

IAS Part

BALSAMO, ROSENBLATT & HALL, P.C., A. BALSAMO  
& ROSENBLATT, P.C. aka BALSAMO  
& ROSENBLATT, P.C., ROBERT ROSENBLATT, and  
EDWARD HALL

Defendants.

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Of Counsel:

BRENT MELTZER

Chief, Housing Protection Unit

SHERIEF GABER

Assistant Attorney General, Housing Protection Unit

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:

### **INTRODUCTION**

1. The Attorney General, by this action, seeks to stop Balsamo, Rosenblatt & Hall, P.C., A. Balsamo & Rosenblatt, P.C. ("Balsamo"), and its partners Robert Rosenblatt and Edward Hall (collectively "Defendants") from engaging in deceptive debt collection practices and commencing frivolous lawsuits. Defendants have, for years, run a high-volume debt collection and eviction litigation practice by copying and pasting assertions from an intake sheet filled out by their clients without conducting any meaningful attorney review of cases, and have sued and even evicted tenants where there was no legal basis to do so.

2. Law firms and attorneys that send rent demands or file non-payment proceedings under their name are representing that an attorney was meaningfully involved in assessing the legal merits of the claims contained in the rent demands and petitions. Such a representation is false or misleading if, in fact, there has been only superficial, ministerial attorney involvement. Likewise, when attorneys sign their names on court papers they represent to the litigants and the court that what they allege is true and based on a reasonable inquiry.

3. Defendants have sent thousands of rent demand notices and initiated thousands of non-payment eviction proceedings against tenants. They are able to commence a high number of cases because they do not exercise any legal judgment to determine if the allegations they assert in the rent demands and petitions are based in fact or are legally supported.

4. Defendants abdicate their legal review and professional obligations by generating debt collection notices and court filings directly from the contents of a single-page intake form filled out by the client. These intake forms are neither reviewed substantively by Defendants nor

are clients required to provide any documents that either substantiate the rent owed or the landlord's right to collect the rent.

5. The contents of the intake form are transcribed into a computer system that generates the debt collection notices and court filings. Defendants' only review of the debt collection notices and court filings is clerical, to ensure that the information was transcribed properly from the intake form.

6. Consequently, every rent demand and court filing issued by Defendants falsely imply that they have personally considered and formed a legal conclusion about the tenant's case when, in fact, they are merely transcribing information given to them by their clients with no further review. This fraudulent and deceptive representation violates N.Y. Executive Law § 63(12), the Federal Debt Collection Practices Act (15 U.S.C. § 1692e), and N.Y. Gen. Bus. Law §§ 349 and 601(9).

7. Based, in part, on the lack of meaningful attorney review, Defendants also violate debt collection laws and commence frivolous court proceedings by seeking rent arrears from tenants that are either not owed or where there is no legal basis to seek the rent arrears. Indeed, Balsamo has sought to collect debt or commenced proceedings where:

- a. the debt collection notice or petition name a landlord who does not own the property and therefore had no right to seek rent from the tenant or evict them;
- b. the named tenant never signed a lease with the landlord and therefore never had a rental obligation to the landlord and could not be evicted;
- c. the debt collection notices and court filings seek to evict a tenant with the wrong apartment number identified;
- d. no rent was owed by the tenant;

- e. the petition claims an incorrect monthly rental amount, which is used to calculate the amount of rent owed in the petition;
- f. the petition mischaracterizes the nature of the debt by claiming a current valid lease exists between the parties when in fact it had expired months or even years previously; and
- g. in rent stabilized tenancies, the apartment rent was not registered with the New York State Division of Housing and Community Renewal (“DHCR”), which, as a consequence, would limit the amount of rent that can be collected;

8. This reckless practice has, in the most egregious cases, lead Defendants to have tenants evicted where no rent was owed or the landlord had no legal basis to evict the tenant.

9. Balsamo’s inaccurate debt collection letters and unsubstantiated and frivolous lawsuits assert rights that the landlord does not have and make false representations of the character, amount and legal status of the tenant’s debt. These fraudulent and deceptive acts violate N.Y. Executive Law § 63(12), the Federal Debt Collection Practices Act (15 U.S.C. § 1692e), and N.Y. Gen. Bus. Law §§ 349 and 601(8), and 22 N.Y.C.R.R. 130-1.1(b).

10. The Attorney General requests that this Court permanently enjoin Balsamo from engaging in illegal, deceptive, and fraudulent debt collection practices and order restitution, disgorgement, civil penalties, and costs.

**PARTIES**

11. Plaintiff is the People of the State of New York, by its attorney, Letitia James, the Attorney General of the State of New York.

12. Defendant Balsamo, Rosenblatt & Hall, P.C. is a law firm that advertises itself as specializing in landlord tenant law in New York City. Its principal business is the collection of

debt through initiating legal proceedings against tenants and, in that capacity, they regularly attempt to and do collect debts on behalf of their clients. It has its principal place of business at 200-4 Schermerhorn Street, Brooklyn, New York 11201.

13. Defendant A. Balsamo and Rosenblatt, P.C. aka Balsamo and Rosenblatt, P.C. is the predecessor in interest of Balsamo Rosenblatt & Hall P.C.. In *Balsamo, Rosenblatt & Hall, P.C. formerly A. Balsamo & Hall, P.C., Robert Rosenblatt and Edward Hall v. 266 Realty NY, LLC, Heung Sam Tam and Justice McAllister*, Index. No. 504765/2020 (Kings Co. Sup. Ct.) Robert Rosenblatt, its Managing Member, and Edward Hall, a partner, acknowledged that Balsamo Rosenblatt & Hall P.C. succeeded A. Balsamo and Rosenblatt, P.C. aka Balsamo and Rosenblatt, P.C and has the capacity to sue and be sued on the behalf of its predecessor.

14. Defendant Robert Rosenblatt is a natural person and an attorney duly authorized to practice law within the State of New York with a business address at 200-4 Schermerhorn Street, Brooklyn, NY 11201. They are the Managing Member of Balsamo, have knowledge of Balsamo's and Hall's illegal, fraudulent and deceptive debt collection procedures and activities, and they collect debt on behalf of their clients.

15. Defendant Edward Hall is a natural person and an attorney duly authorized to practice law within the State of New York with a business address at 200-4 Schermerhorn Street, Brooklyn, NY 11201. They are a Partner at Balsamo, have knowledge of Balsamo's and Rosenblatt's illegal, fraudulent and deceptive debt collection procedures and activities, and they collect debts on behalf of their clients.

### **JURISDICTION**

16. This Court has jurisdiction pursuant to: (i) N.Y. Executive Law § 63(12) which authorizes the Attorney General to bring an action for injunctive relief, restitution, damages,

disgorgement, and costs on behalf of the People of the State of New York “[w]henver any person shall engage in repeated fraudulent or illegal acts or otherwise demonstrate persistent fraud or illegality in the carrying on, conducting or transaction of business”; (ii) N.Y. Gen. Bus. Law Article 22-A, § 349 which authorizes the Attorney General to bring an action for injunctive relief, restitution, and penalties on behalf of the People of the State of New York against any person or business entity that has engaged in any deceptive acts or practices in the conduct of business, and (iii) N.Y. Gen. Bus. Law Article 29-H, § 602 which authorizes the Attorney General to bring an action for injunctive relief on behalf of the People of the State of New York against any creditor or their agent that has engaged or is about to engage in prohibited debt collection practices.

17. Venue is properly laid in Kings County because Defendants have their office in Kings County.

### **LEGAL FRAMEWORK**

#### **N.Y. State Executive Law § 63(12)**

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

19. “Illegality” as used in Executive Law § 63(12) includes violations of federal, state, and local laws and regulations.

20. “Fraud” as used in Executive Law § 63(12) encompasses acts that have the capacity or tendency to deceive, or conduct that creates an atmosphere conducive to fraud. This definition of fraud “should ... be given a wide meaning so as to include all acts, although not

originating in any actual evil design or contrivance to perpetrate fraud or injury upon others, which do by their tendency to deceive or mislead the purchasing public come within the purpose of the law.” *People v. Credit Suisse Sec. (USA) LLC*, 31 N.Y.3d 622, 630, 633 (2018). It is therefore well-settled that the Attorney General does not need to prove intent, scienter, or bad faith to establish liability under Executive Law § 63(12). *See, e.g., id.*, 31 N.Y.3d at 632-34; *People v. GE*, 302 A.D.2d 314, 315 (1st Dep’t 2003); *People v. Apple Health & Sports Clubs*, 206 A.D.2d 266, 267 (1st Dep’t 1994)

21. Continuing conduct, a repetition of any separate or distinct fraudulent or illegal act, or conduct which affects more than one person, satisfies the requirements to establish a violation of Executive Law § 63(12).

**Federal Fair Debt Collection Practices Act (15 U.S.C 1692 et seq)**

22. Congress enacted 15 U.S.C. § 1692 et seq (Fair Debt Collection Practices Act “FDCPA”) “to eliminate abusive debt collection practices by debt collectors.” 15 U.S.C. § 1692e.

23. The FDCPA focuses on improper collection practices and does not distinguish between debts that are actually owed and those that are not. *See, e.g., id.* § 1692e; § 1692f; *see also Bautz v. ARS Nat’l Servs.*, 226 F. Supp. 3d 131 (E.D.N.Y. 2016).

24. The FDCPA applies to “attorneys who ‘regularly’ engage in consumer-debt-collection activity, even when that activity consists of litigation.” *Heintz v. Jenkins*, 514 U.S. 291 (1995) (quoting 15 U.S.C. § 1692a(6)) Attempts to collect back rent, including litigation, are therefore covered by the FDCPA. *Romea v. Heiberger & Assocs.*, 163 F.3d 111 (2d Cir. 1998).

25. Under the FDCPA, “a debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt.” 15 U.S.C.

§ 1692e. This section of the FDCPA contains a specific list of prohibited debt collection practices as well as prohibiting any other conduct that is false, deceptive, or misleading. *Id.* Conduct that violates the FDCPA includes making “false representations of the character, amount or legal status of any debt” and making “the false representation or implication that any individual is an attorney or that any communication is from an attorney.” *Id.* (2)(A) and (3).

26. In addition, a debt collector is prohibited from collecting any amount unless such amount is expressly authorized by the agreement creating the debt or permitted by law. 15 U.S.C. § 1692f (1).

27. The FDCPA imposes strict liability on debt collectors and a plaintiff does not need to show that the debt collector knew or intended to violate the law. *Lee v. Kucker & Bruh*, 958 F. Supp. 2d 524 (S.D.N.Y. Cir. 2013). A debt collector may avoid liability only if they can show “by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.” 15 U.S.C. § 1692k(c).

28. Attorneys who issue debt collection letters, including pre-litigation letters and court filings, must conduct a meaningful attorney review of the facts otherwise they give a false impression that the attorney has exercised their professional judgment about the contents of the letter or complaint. 15 U.S.C. § 1692e(3); *Miller v. Upton*, 687 F. Supp. 2d 86 (E.D.N.Y. 2009), *Bock v. Pressler and Pressler, L.P.*, 30 F. Supp. 3d 283 (D.N.J. 2014). Failure to conduct a meaningful attorney review of the facts and law underlying a debt collection letter or court filing violates the FDCPA. *Id.*

**New York State Debt Collection Procedures (Gen. Bus. Law § 600 et seq.)**

29. In New York State, a creditor's agent is prohibited from claiming, or attempting to claim, a right with knowledge or reason to know that the right does not exist. N.Y. Gen. Bus. Law § 601(8). In addition, a creditor's agent is prohibited from using a communication which gives the appearance of being authorized, issued, or approved by an attorney at law when it is not. *Id.* at § 601(9).

30. The Attorney General is authorized to commence an action to enjoin the continued violation of the law or potential future violation. N.Y. Gen. Bus. Law § 602(2).

**New York State Deceptive Business Practices Act (Gen. Bus. Law § 349)**

31. Under the N.Y. Gen. Bus. Law, “[d]eceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful.” N.Y. Gen. Bus. Law § 349(a).

32. The law applies to virtually all economic activity and is intended to “secure an honest marketplace.” *Himmelstein, McConnell, Gribben, Donoghue & Joseph, LLP v. Matthew Bender & Co.*, 37 N.Y.3d 169 (2021).

33. The elements of a claim under N.Y. Gen. Bus. Law § 349 are that (1) the defendant's conduct was consumer-oriented; and (2) the defendant's act or practice was deceptive or misleading in a material way. *Id.* The Attorney General does not need to show injury in order to obtain relief under the law. N.Y. Gen. Bus. Law § 349(b); *see e.g., Mount v. PulsePoint Inc*, 684 Fed. Appx. 32, 36 (2d Cir. 2017).

34. Consumer-oriented conduct under N.Y. Gen. Bus. Law § 349 includes repeated filing of fraudulent debt collection lawsuits against New York consumers. *See e.g. Scott. v. E Hope Greenberg*, 2017 U.S. Dist. LEXIS 50822 (E.D.N.Y. 2017).

35. For a practice to violate N.Y. Gen. Bus. Law § 349, the deception does not need to be intentional nor does the consumer need to have relied on the deceptive practice. *See, e.g., Karlin v. IVF Am., Inc.*, 93 N.Y.2d 282 (1999). Instead, a "deceptive act or practice" is a representation or omission "likely to mislead a reasonable consumer acting reasonably under the circumstances" *Id.* (quoting *Oswego Laborers' Local 214 Pension Fund v Mar. Midland Bank, N.A.*, 85 NY2d 20 (1995)).

**22 N.Y.C.R.R. § 130-1.1a**

36. Under the Rules of the Chief Administrator of the Courts, 22 N.Y.C.R.R. § 130-1.1a, an attorney must sign court filings submitted to a court or served on another party certifying "that, to the best of that person's knowledge, information and belief, formed after an inquiry reasonable under the circumstances ... the presentation of the paper or the contentions therein are not frivolous as defined in section 130-1.1(c) of [the Rules]."

37. Frivolous conduct includes an attorney asserting a material factual statement in court filings that is false. 22 N.Y.C.R.R. § 130-1.1(c).

**FACTUAL ALLEGATIONS**

38. Balsamo is a law firm that specializes in landlord-tenant law in New York City. As a principal part of its business practice, Balsamo regularly attempts to collect rent on behalf of their clients through issuing debt collection notices to tenants and commencing proceedings with the Housing Part of the New York City Civil Court ("housing court") for non-payment of rent. In addition, Balsamo also represents landlords in holdover and repair cases in housing court, and other similar matters in small claims, Civil and Supreme Court.

39. Balsamo has had relatively few attorneys employed by the firm at any one time compared to the volume of cases it handles. Based on a review of their website from 2016 to

present, Balsamo has had no more than five attorneys at any given time. Balsamo has confirmed that it has never had more than 10 employees overall. Defendant Hall tends to appear and litigate cases in court while Rosenblatt primarily remains in the office.

40. Despite having few attorneys at the firm, Balsamo files a high number of cases with housing court. The chart below shows the total number of cases filed by Balsamo in housing court, the number of those that are non-payment cases, and the average number of cases per attorney employed at the firm per year.

<u>Year</u>	<u>Total No. Cases</u>	<u>Non-Payment Cases</u>	<u>Cases per Attorney</u>
2014	2074	1695	N/A
2015	2330	1741	582.5
2016	2061	1365	515.25
2017	2224	1497	556
2018	2159	1267	431.8
2019	1670	870	556.6
2020	894	375	178.8
2021	430	122	86 <sup>1</sup>

41. Due to each attorney's substantial caseload, Balsamo does not and is incapable of conducting a meaningful review of all the cases it commences in housing court. In fact, Defendants submitted an affidavit to the OAG that describes their procedures and makes clear that Balsamo and its attorneys fail to even attempt to make any meaningful attorney review of a case prior to issuing debt collection letters or commencing litigation against tenants.

#### **Defendants' Internal Practices**

42. Since at least 2014, Defendants have followed the same procedures for evaluating debt collection activities and commencing non-payment of rent proceedings in housing court.

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<sup>1</sup> Due to the COVID-19 pandemic, courts were closed and filings were significantly reduced across the court systems in 2020 and 2021.

43. According to Defendants, an attorney will meet with a new client to review the facts of the case they are bringing to the firm. However, for existing and returning clients, Defendants do not meet with the client and instead have the client submit an intake form.

44. In both situations, Defendants do not require their client to provide any documents to allow the attorney to make a legal assessment about the client's claims.

45. For instance, Defendants do not require their client to provide a deed or other document which is used to make a legal assessment about the client's right to possession of the property at issue in the non-payment proceeding.

46. Defendants do not require their client to provide a lease which is the contract that gives their client the right to collect the rent from the tenants or occupants of the apartment.

47. In addition, Defendants do not require their client to provide a rent breakdown that shows each payment made by or charged against the tenant from at least a time when there was no rent owed by the tenant. Landlords are required to plead with specificity the months where arrears are owed, and review of a zero-balance breakdown allows an attorney to make a legal assessment about what rent is owed and for what months.

48. Finally, for rent stabilized tenants, Defendants do not require their clients to provide a rent registration statement from the New York State Division of Housing and Community Renewal ("DHCR") for the apartment at issue in the non-payment proceeding. Landlords of rent stabilized tenants can only sue for the legal regulated rent, and a DHCR rent registration is necessary for an attorney to make a legal assessment about the legal regulated rent, including whether the landlord is precluded from seeking rent where the apartment has not been properly registered with DHCR.

49. In addition to not reviewing these crucial documents, Defendants also fail to obtain specific facts from their clients in order to make legal assessments about their client's claims, including:

- a. whether the property is covered by the Multiple Dwelling Law and if so, whether it has a current Multiple Dwelling Registration ("MDR") filed with the New York City Department of Housing Preservation and Development ("HPD"). A landlord is precluded from seeking any rent in a non-payment proceeding if the MDR with HPD has expired. This information is publicly available online;
- b. whether the property requires a Certificate of Occupancy, and if so, whether one exists or whether the property's use conforms with the Certificate of Occupancy. A landlord is precluded from seeking any rent in a non-payment proceeding if no certificate of occupancy exists when required or the property is being used in non-conformity with the legal use. Again, this information is publicly available online;
- c. whether DHCR has issued any orders that affect the legal regulated rent that the landlord is allowed to charge and collect for the apartment or the property at issue in the non-payment proceeding;
- d. whether the tenant is receiving a Senior Citizen or Disability Rent Increase Exemption ("SCRIE" and "DRIE", respectively) capping the rent collectible from the tenant and whether the landlord's rent breakdown and any court filings reflect the SCRIE or DRIE exemption;

- e. whether the tenant has a federal Housing Choice Voucher (also known as a “Section 8 voucher”) and whether the landlord is improperly suing for the Section 8 share rather than the tenant share of the rent. In addition, landlords who sue tenants with Section 8 vouchers in non-payment proceedings must comply with all procedural prerequisites imposed by the Second Partial Consent Judgment entered by the Honorable Robert J. Ward in the case of *Williams v New York City Hous. Auth.*, 81 Civ 1801 (S.D.N.Y. Feb. 2, 1995) (the “*Williams* Consent Decree”);
- f. whether the tenant’s payments are earmarked. An attorney must determine whether rent paid is being properly applied to the month in which it is earmarked; and
- g. Whether the client has sued the tenant in the past, whether there was a decision or settlement in that proceeding, and whether the decision or settlement is reflected in the client’s rent breakdown so that the client is not suing for rent that has already been adjudicated or settled.

50. Defendants do not require these documents and do not review these claims. Instead, they delegate these legal determinations to their clients by having the landlord fill out a single-page intake form, attached as Exhibit A. The intake form requires the landlord to make various legal assessments about the elements of the case, including but not limited to, whether the property is rent regulated, whether the individuals sued have a rental obligation, and whether the party proposed to be named as plaintiff in a summary proceeding is the party entitled to bring such proceeding.

51. Employees of Balsamo, including attorneys, enter the information provided by the client on the intake form (and a rent breakdown if the client decides to provide) into Defendants' L&T software program. The software program then generates pre-litigation notices and court documents. Defendants informed the OAG that an attorney only reviews these documents to check whether the same information appears on the computer-generated legal documents and the intake sheet.

52. Once the software program generates the court documents, Balsamo commences a non-payment proceeding. Defendants will first send a rent demand to the tenant and are required by law to provide a good faith estimate in the rent demand of the arrears owed, broken down by month.

53. The landlord's name and Balsamo's name and address are type written on the bottom of the rent demand.<sup>2</sup> In addition, Defendants acknowledge that they are debt collectors and covered by the Fair Debt Collection Practices Act by including language in the rent demands that is required to be sent to debtors by debt collectors under 15 U.S.C 1692g of the FDCPA.

54. After the rent demand, Defendants file a verified petition with the housing court that pleads its client's case. The allegations contained in the petition include:

- a. The name of the landlord who owns the property and is owed rent through a rental obligation;
- b. The name of the tenant who entered into possession of the property through a lease between them and the landlord;
- c. That the tenant has a rental obligation under the lease;

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<sup>2</sup> Rent demands and court filings used by Defendants use the name "Balsamo & Rosenblatt" despite Balsamo & Rosenblatt, P.C. being dissolved by proclamation on April 29, 2009.

- d. The monthly rent set forth in the lease, the full amount of rental arrears owed, and a monthly breakdown of the arrears owed;
- e. That the tenant is in default in the payment of the monthly breakdown of arrears;
- f. The address of the premises from which eviction is requested, including the apartment number, which should correspond to the address contained in the lease;
- g. Whether the premises are subject to rent stabilization, and when stabilized, that the premises have been registered with DHCR and that the rental amount sought does not exceed the registered rent or the legal regulated rent;
- h. Whether the premises are a multiple dwelling and if so, the HPD registration number.

55. Petitions are signed and verified by Robert Rosenblatt as allowed under RPAPL § 741. Rosenblatt signs the petition as required by 22 NYCRR § 130-1.1a, and therefore is affirming, to the best of his knowledge, information and belief, formed after an inquiry reasonable under the circumstances, the petition is not frivolous, including that there are no false material factual statements in the petition.

56. Defendants frequently litigate ongoing cases without any of the documents necessary to resolve or try the case, including a current rent breakdown. In some instances, Defendants apply for and obtain a default judgment and evict the tenant without having reviewed a single document to assess whether the judgment and eviction are proper.

57. Defendants' entire practice, from initial debt collection to petitioning courts for warrants of eviction, thus involves no meaningful attorney review of the facts and documents supporting the case.

58. This reckless business model, built to maximize volume, gives the false impression to tenants and the courts that Defendants have exercised their professional legal judgment about the contents and validity of the debt collection letter or court filings. These actions are unlawful and have at times had disastrous consequences.

### **The Calixto Complaint**

59. A tenant's attorney notified the OAG that Defendants were sending debt collection notices and litigating cases against tenants who owed no rent or significantly less than the amount verified in their court filings.

60. The complainant provided the OAG with a copy of a federal lawsuit filed in 2018 by its client Luisa Calixto against Defendants for violations of the FDCPA. *Calixto vs. Balsamo Rosenblatt, P.C.* 18-CV-4675 (E.D.N.Y.).

61. A review of the federal complaint and documents associated with Defendants' housing court case against Luisa Calixto showed a troubling set of facts.

62. On or about August 21, 2017, Balsamo issued a 5-day rent demand to Luisa Calixto alleging that she owed \$30,100.00 in rent. The demand alleged that Luisa Calixto had not paid their rent of \$1075.00 per month for the months of May 2015 through August 2017. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

63. On or about September 13, 2017, Balsamo filed a petition with the New York City Housing Court against Luisa Calixto in *266 Realty NY LLC v. Luisa Calixto*, Index No. 84971/17. The petition was signed and verified by Robert Rosenblatt.

64. Balsamo alleged the rent demand and petition were served upon Luisa Calixto.

65. The petition made numerous factual allegations including that Luisa Calixto owed \$31,175.00 in rent for the more than two-year period of May 2015 through September 2017. The petition also alleged that the unit was properly registered with HPD as a Multiple Dwelling and properly registered with DHCR.

66. The only document contained in Balsamo's own file for the Luisa Calixto nonpayment case was a "Court Rent Breakdown" that appeared to have been created for litigation.

67. It appeared that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to, reviewing a deed, a lease to determine whether the landlord had a right to sue Luisa Calixto for rent, the MDR to see if the property was currently registered, or the DHCR rent registrations to see whether the rent was registered or the rent demanded was the legal regulated rent.

68. Contrary to the allegations in the petition, Luisa Calixto did not owe \$31,500.00 in rent. Instead, Luisa Calixto only owed 7 months of rent totaling \$7,500.00 that they withheld in an attempt to have repairs completed in their apartment. However, prior to the first court date, Luisa Calixto paid that entire amount to the landlord and obtained receipts. Thus, by at least the first court date, Luisa Calixto owed no money to the landlord.

69. At the initial court appearance on October 10, 2017, Luisa Calixto submitted to Balsamo receipts from an agent of the landlord earmarked for the rent from June 1, 2016 to

September 30, 2017. The case was adjourned by stipulation to November 27, 2017. That stipulation acknowledged Luisa Calixto presented receipts to Balsamo and also provided that “[Petitioner] to review rent records as petition claims 13 months is owed.”

70. The matter was adjourned several times and on or around February 13, 2018, Luisa Calixto’s counsel served and filed a motion to dismiss the proceeding, in part, on the basis that petitioner was not entitled to collect rent, due to both failure to properly register the property as a Multiple Dwelling and for failing to properly register the rent with DHCR.

71. After service of the motion, an attorney from Balsamo contacted Luisa Calixto’s counsel on March 20, 2018 requesting to discontinue the case. However, that same day, Balsamo, through Defendant Hall, served an affirmation in opposition to Luisa Calixto’s motion.

72. Luisa Calixto’s counsel sent an email to Balsamo inquiring why they filed opposition papers to the motion and Balsamo replied “we were going to [discontinue the case] but our client wanted to proceed with the opp.”

73. In fact, Rosenblatt had a meeting with the owner prior to filing the opposition papers where Rosenblatt told the client that the rents had not been registered for years and that “we would never have proceeded with the action had we known.” *See Balsamo Rosenblatt & Hall, P.C. v. 266 Realty NY LLC et al.*, Kings Co. Sup. Ct. Index # 504765/2021, (Complaint at ¶15, NYCEF Doc. No. 1). Rosenblatt also told the owner that “commencing this action was similar to committing a fraud upon his attorney and upon the court.” *Id.* The owner directed the firm to oppose the motion, at which point Hall filed the opposition, which he certified was not frivolous under Rule 130.

74. On April 2, 2018, the court granted Luisa Calixto's motion dismissing the petition based on the landlord's failure to register the property as a Multiple Dwelling and failure to register the rents with DHCR.

75. Based on the above facts, Balsamo conceded liability under the FDCPA in the federal litigation brought by Luisa Calixto.

76. Luisa Calixto also raised pendent state claims in the federal litigation, including violation of N.Y. Gen. Bus. Law § 349. The federal court refused to exercise pendent jurisdiction on the state claims and therefore Luisa Calixto commenced an action in New York State Supreme Court, Kings County against Defendants that is still ongoing. *See Calixto v. A. Balsamo & Rosenblatt, P.C., Balsamo, Rosenblatt & Hall, P.C. et al.*, Index No. 506969/2021.

#### **Calixto's Neighbors**

77. The federal complaint in *Calixto vs. Balsamo Rosenblatt, P.C.* identified several other tenants Balsamo had sued in buildings owned by the same owner as in *Calixto*.

78. Accordingly, on or about July 20, 2020, the OAG issued a subpoena to Balsamo for documents related to its debt collection practices, including documents for those other tenants.

79. The OAG learned that Calixto and the other tenants live in five neighboring Brooklyn buildings with shared ownership and control: 266, 268, 270, 271 and 272 Prospect Park West (the "Tam buildings").

80. Heung Sang Tam initially owned the five buildings in his individual capacity.

81. In November 2014, Tam deeded ownership of each of the five buildings to separate LLC entities owned and/or controlled by him. Following the 2014 transfers, he was no

longer the owner of any of the buildings and had no standing to collect the rent or bring an eviction proceeding.

82. Tam and/or the LLC entities employed Justice McCallister as the manager for the buildings. According to Balsamo's own internal documents, Justice McCallister filled out the intake forms Balsamo used to generate the debt collection notices and petitions and frequently appeared in court as a representative of the landlords of these buildings.

83. Balsamo maintained the same Client ID number for all the Tam buildings.

84. The OAG reviewed documents related to those other tenants and found a similar pattern of problematic debt collection practices and frivolous litigation.

### **Arturo Solis**

#### ***Solis's First Housing Court Case***

85. On or about March 7, 2017, Balsamo issued a 5-day rent demand to Arturo Solis alleging that they owed \$23,240.00 in rent. The demand erroneously stated that Hueng Sang Tam was the landlord of Solis' building, 266 Prospect Park West (also Luisa Calixto's building), and alleged that Solis had not paid their rent of \$1516.00 per month for the months of July 2015 through October 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

86. On or about March 30, 2017, Balsamo filed a petition with the New York City Housing Court against Solis in *Tam v. Solis*, Index No. LT-62974-17/KI. The petition was signed and verified by Robert Rosenblatt.

87. Balsamo alleged the rent demand and petition were served upon Solis.

88. The petition made numerous factual allegations including that the landlord Hueng Sang Tam entered into a lease with Solis at a rent of \$1516.00 per month; that Solis owed \$23,240.00 in rent for the period of July 2015 through October 2016; that the premises were subject to the Rent Stabilization Law of 1969; that they were duly registered with DHCR; and that the rent demanded did not exceed the registered rent and the lawful Rent Stabilization rent.

89. The only documents contained in Balsamo's own files were an intake sheet filled out by Justice McCallister that Balsamo used to draft the petition, and a rent breakdown that appeared to have been created for litigation. While the rent breakdown stated the monthly rent was \$1516.00 per month, the intake form instead had a monthly rent of \$1016 per month. Balsamo's files make no indication that they discussed this discrepancy with their client.

90. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing the deed to determine the actual owner of the property, a lease to determine who had a right to sue Solis for rent, or the DHCR rent registrations to see whether the rent was registered or the rent demanded was the legal regulated rent.

91. According to court records, Solis never answered the petition and Balsamo, through a Marshal, had Solis evicted on or about July 3, 2017. On that same day, Solis filed an Order to Show Cause with the court where he claimed that he did not owe any rent and was never served any papers related to the proceeding.

92. On July 6, 2017, Balsamo agreed in a stipulation of settlement filed with the court to restore Solis to possession and to discontinue the case without prejudice.

93. According to a review of the city property registry, Tam transferred title to the building on November 13, 2014 to 266 Realty NY, LLC. 266 Realty NY, LLC is controlled by

Tam; however, legally he was not the owner of the building and had no legal basis to evict Solis or to seek rent from him.

94. Incredibly, Balsamo knew by at least May 4, 2017, almost two months before Solis's eviction, that Tam's buildings were owned by corporate entities rather than by him individually. First, they discontinued a case against Rafaela Lucero, a Tam tenant at 272 Prospect Park West, where their internal case notes stated that they named the wrong landlord. Then, twenty days later, Balsamo discontinued a second case against a Tam tenant at 272 Prospect Park West, Elia Sosa, where their internal case notes again stated that they named the wrong landlord. A discussion of these tenants' cases follows at paragraphs 106-123 and 124 – 138 respectively.

#### *Solis's Second Housing Court Case*

95. On or about November 1, 2017, Balsamo issued a new 5-day rent demand to Solis. The demand again identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

96. The demand alleged that 266 Realty NY LLC, not Hueng Sang Tam, was the landlord. In addition, the demand alleged that the rent charged Solis was only \$1460.00 per month and that \$52,560.00 in rent, from December 2014 to November 2017, was now owed, almost double what was claimed in the previous discontinued proceeding.

97. On or about November 16, 2017, Balsamo filed a new petition with the New York City Housing Court against Solis in *266 Realty NY LLC v. Solis*, Index No. LT-93960-17/KI. The petition was signed and verified by Robert Rosenblatt.

98. Balsamo alleged the rent demand and petition were served upon Solis.

99. The petition made numerous factual allegations including that the landlord 266 Realty NY LLC entered into a lease with Solis at a rent of \$1460.00 per month; that Solis owed \$52,560.00 in rent for the period of December 2014 through November 2017; that the premises were subject to the Rent Stabilization Law of 1969; that they were duly registered with DHCR; and that the rent demanded did not exceed the registered rent and the lawful Rent Stabilization rent.

100. The only document contained in Balsamo's own files was a rent breakdown that appeared to have been created for litigation.

101. This new breakdown directly contradicted the breakdown provided to Balsamo in the previous case. First, the previous breakdown stated the monthly rent was \$1516 per month while the latter breakdown had the monthly rent set at \$1460.00 per month (and the previous intake sheet had the rent set at \$1016.00 per month).

102. Second, the previous breakdown stated that Solis had made a payment of \$1060 in July 2015 with no payments afterwards, implying that Solis had paid the rent prior to July 2015. In contrast, the latter breakdown claimed that Solis had not paid rent for the period of December 2014 through June 2015 and did not credit the payment in July 2015.

103. On or about December 18, 2017, Balsamo sought a default judgment against Solis for failing to answer the petition, a warrant of eviction was issued by the court on February 2, 2018 and Solis was evicted on March 29, 2018.

104. However, on February 13, 2018, six weeks prior to Solis's eviction, Balsamo had learned that 266 Prospect Park West, Solis's building, was neither registered with HPD nor DHCR when Luisa Calixto had filed a motion raising the lack of registrations in *266 Realty NY LLC v. Luisa Calixto*. In addition, Balsamo admitted they were aware of the registration

problems at 266 Prospect Park West in February 2018. *See Balsamo v. 266 Realty NY LLC Complaint, infra* at ¶11. The lack of registrations precluded Balsamo from commencing a case seeking rent and evicting Solis.

105. Despite knowing they had no basis to seek rent or evict Solis, Balsamo failed to discontinue the case against Solis and allowed the Marshal to evict them.

### **Rafaela Lucero**

#### ***Lucero's First Housing Court Case***

106. On or about December 29, 2016, Balsamo issued a 5-day rent demand to Rafaela “Lucio” alleging that Lucero owed \$30,000.00 in rent. The demand erroneously stated that Hueng Sang Tam and Paret Tam were the landlords, identified 3L as the tenant’s apartment number, and also misspelled Lucero’s name as “Lucio”. It also alleged that Lucero had not paid their rent of \$1500.00 per month for the months of May 2015 through December 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

107. On or about February 15, 2017, Balsamo filed a petition with the New York City Housing Court against Lucero in *Tam v. Lucio*, Index No. LT-57460-17/KI. The petition was signed and verified by Robert Rosenblatt.

108. Balsamo alleged the rent demand and petition were served upon Lucero.

109. The petition made numerous factual allegations including that the landlord Hueng Sang Tam and Paret Tam entered into a lease with Lucero at a rent of \$1,500.00 per month and that Lucero owed \$33,000.00 in rent for the period of May 2015 through February 2017.

110. The only documents contained in Balsamo's own files was an intake sheet filled out by Justice McCallister that was used to draft the petition. The intake form correctly identified 3L as Lucero's apartment number, but no lease or any other document was included in Balsamo's file.

111. It appears neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing the deed to determine the actual owner of the property, a lease to determine who had a right to sue Lucero for rent or the apartment number or the correct spelling of Lucero's name, or the DHCR rent registrations to see whether the rent was registered or the rent demanded was the legally regulated rent.

112. On or about April 17, 2017, Balsamo obtained a warrant of eviction against Lucero despite the petition naming the wrong landlord.

113. Lucero obtained counsel who filed an Order to Show Cause on their behalf.

114. On or about May 4, 2017, the court vacated the warrant and adjourned the matter to June 14, 2017. According to Balsamo's internal court disposition notes dated May 4, 2017, they were aware that "name of LL not correct.[sic]" Despite this knowledge, Balsamo waited until the next court date on June 14, 2017 to discontinue the case.

#### ***Lucero's Second Housing Court Case***

115. On or about August 21, 2017, Balsamo issued a new 5-day rent demand to Rafaela Lucero alleging they owed \$49,500.00 in rent. The demand corrected the name of the landlord but still misspelled Lucero's name and now stated that Lucero resided at apartment 4L rather than 3L. It alleged that Lucero had not paid their rent of \$1,500.00 per month for the months of December 2014 through August 2017. In addition, the demand identified Balsamo &

Rosenblatt as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

116. On or about September 13, 2017, Balsamo filed a petition with the New York City Housing Court against Lucero in *272 Realty NY LLC v. Lucero*, Index No. LT-84972-17/KI. The petition was signed and verified by Robert Rosenblatt.

117. Balsamo alleged the rent demand and petition were served upon Lucero.

118. The petition made numerous factual allegations including that that the landlord 272 Realty NY LLC entered into a lease with Lucero for apartment 4L at a rent of \$1,500.00 per month and that Lucero owed \$51,000.00 in rent for the period of December 2014 through September 2017.

119. The only document contained in Balsamo’s own files was a rent breakdown that appears to have been used to draft the petition. Significantly, while the original intake sheet from the prior proceeding identified Lucero’s apartment as 3L, the new breakdown identified Lucero’s apartment as 4L, and no lease or DHCR rent registration was found in Balsamo’s files.

120. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support his legal conclusions in the petition, including but not limited to reviewing a lease to determine who had a right to sue Lucero for rent or the correct apartment number.

121. On or about December 7, 2017, Lucero’s counsel appeared in court and, according to an affirmation submitted in support of a later motion to dismiss, notified Balsamo that the petition contained the wrong apartment number. According to Lucero’s counsel, Balsamo spoke with their client and acknowledged the wrong apartment number, but refused to voluntarily discontinue the proceeding.

122. After several adjournments and a court conference where Balsamo still refused to discontinue the proceeding, Lucero's attorney served a motion on or about May 23, 2018 seeking dismissal of the proceeding based on the petition containing the wrong apartment number. Attached to the motion was a copy of Lucero's most recent lease from 2010 that clearly identified the apartment number as 3L and listed Lucero's rent as \$1,066.33.

123. On or about June 14, 2018, Balsamo appeared in court and the court issued a decision dismissing the proceeding based on the petition containing the wrong apartment number.

**Elia Sosa**

***Sosa's First Housing Court Case***

124. On or about December 19, 2016, Balsamo issued a 5-day rent demand to "Elica" Sosa alleging that she owed \$27,040.00 in rent. The demand erroneously stated that Hueng Sang Tam and Paret Tam were the landlords and incorrectly spelled the tenant's name Elica instead of Elia. It alleged that Sosa had not paid their rent of \$1,040.00 per month for the months of October 2014 through December 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

125. On or about February 15, 2017, Balsamo filed a petition with the New York City Housing Court against Sosa in *Tam v. Sosa*, Index No. LT-57459-17/KI. The petition was signed and verified by Robert Rosenblatt.

126. Balsamo alleged the rent demand and petition were served upon Sosa.

127. The petition made numerous factual allegations including that the landlord Hueng Sang Tam and Paret Tam entered into a lease with Sosa at a rent of \$1,040.00 per month and that Sosa owed \$29,110.00 in rent for the period of October 2014 through February 2017.

128. The only documents contained in Balsamo's own files was an intake sheet filled out by Justice McCallister that was used to draft the petition. The intake sheet included the incorrectly spelled name contained in the rent demand and petition and was clearly the basis for the drafting of the petition as opposed to any review of a lease.

129. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing the deed to determine the actual owner of the property, or a lease to determine who had a right to sue Sosa for rent.

130. Sosa retained counsel who, through an amended answer interposed on April 21, 2017, placed Balsamo on notice that the petition named the wrong landlord, that Sosa's name was Elia rather than Elica, that there were other signatories to the lease, and that Sosa had made payments for all months contained in the petition up to April 2017, after which, the landlord stopped accepting rent.

131. After one adjournment, Balsamo discontinued the case without prejudice on May 23, 2017. According to Balsamo's internal court disposition notes dated May 24, 2017, the case was discontinued because "must be re-started [sic] under proper name for landlord."

***Sosa's Second Housing Court Case***

132. On or about September 20, 2017, Balsamo issued a new 5-day rent demand to Elica Sosa alleging that they owed \$30,334.00 in rent. The demand corrected the name of the landlord but still incorrectly spelled the tenant's name Elica instead of Elia. It alleged that Sosa

had not paid their rent of \$1,040.00 per month for the months of October 2014 through December 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

133. On or about November 3, 2017, Balsamo filed a petition with the New York City Housing Court against Sosa in *272 Realty NY LLC v. Sosa*, Index No. LT-92124-17/KI. The petition was signed and verified by Robert Rosenblatt.

134. Balsamo alleged the rent demand and petition were served upon Sosa.

135. The petition made numerous factual allegations including that the landlord 272 Realty NY LLC entered into a lease with “Elica Sosa” at a rent of \$1,046.00 per month and that Sosa owed \$32,426.00 in rent for the period of May 2015 through November 2017.

136. There was no indication in Balsamo’s own file that they requested or reviewed the lease despite being placed on notice in the previous case that Sosa’s name was spelled incorrectly and that there were other signatories to the lease that would have been necessary parties to the proceeding.

137. Balsamo appeared in court on the matter several times, including May 17, 2018 and June 29, 2018.

138. After the sixth appearance date for the proceeding, on August 9, 2018 Balsamo requested to be relieved as counsel for the petitioner, the motion was granted on October 25, 2018 and there were no further actions taken in the case.

**Frank Vazquez*****Vazquez' First Housing Court Case***

139. On or about December 29, 2016, Balsamo issued a 5-day rent demand to “Frank Vazqug” and “Frank Vazaez” alleging that they owed \$18,162.00 in rent. The demand erroneously stated that Hueng Sang Tam was the landlord and incorrectly spelled the tenant’s name, actually Vazquez, twice. It alleged that Vazquez had not paid their rent of \$1,009.00 per month for the months of July 2015 through December 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

140. On or about March 7, 2017, Balsamo filed a petition with the New York City Housing Court against Vazquez in *Tam v. Vazqug*, Index No. LT-60239-17/KI. The petition was signed and verified by Robert Rosenblatt.

141. Balsamo alleged the rent demand and petition were served upon Vazquez.

142. The petition made numerous factual allegations including that that the landlord Hueng Sang Tam entered into a lease with Vazquez at a rent of \$1,009.00 per month and that Vazquez owed \$21,189.00 in rent for the period of July 2015 through March 2017.

143. The only document contained in Balsamo’s own files was an intake sheet filled out by Justice McCallister that was used to draft the petition. The intake sheet included the incorrectly spelled names contained in the rent demand and petition and was clearly the basis for the drafting of the petition as opposed to any review of a lease.<sup>3</sup>

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<sup>3</sup> This particular intake noted that the owner was Hueng Sang Tam but at a line labeled “Name as it appears on the deed” says “Corp.” This discrepancy between the two lines does not seem to have triggered any review by Balsamo given the named petitioner in the housing court proceeding.

144. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing the deed to determine the actual owner of the property, or a lease to determine who had a right to sue Vazquez for rent or the correct spelling of Vazquez's name.

145. On March 29, 2017 Vazquez filed a *pro se* answer alleging that all rent had been paid and that their name was spelled incorrectly on the court papers.

146. The proceeding was adjourned several times, and on July 18, 2017, the matter was adjourned to September 7, 2017 for trial. The transfer order to the trial part stated that Vazquez alleged that they were owed a rent credit.

147. According to Balsamo's internal court disposition notes from July 18, 2017, they finally recognized that they had the wrong petitioner when they wrote "case needs to be re-started (sic) as LL name incorrect." Despite knowing that the court papers were incorrect, Balsamo did not notify Vazquez or the court until the next court date on September 7, 2017 when they merely discontinued the proceeding without prejudice. As described above, Balsamo knew that Tam was not the property owner as early as May 4, 2017.

#### ***Vazquez's Second Housing Court Case***

148. On or about August 21, 2017, Balsamo issued a new 5-day rent demand to "Frank Vaqqus" alleging that he owed \$23,207.00 in rent. The new demand changed the name of the landlord to reflect the deed-owner of the building but still spelled Vazquez's name incorrectly. Balsamo now alleged that Vazquez had not paid their rent of \$1,009.00 per month for the months of October 2015 through August 2017. In addition, the demand identified Balsamo & Rosenblatt

as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

149. On or about September 13, 2017, Balsamo filed a petition with the New York City Housing Court against Vazquez in *271 Realty NY LLC v. Vaqquz*, Index No. LT-84970-17/KI. The petition was signed and verified by Robert Rosenblatt.

150. Balsamo alleged the rent demand and petition were served upon Vazquez.

151. The petition made numerous factual allegations including that the landlord 271 Realty NY LLC entered into a lease with Vazquez at a rent of \$1,009.00 per month and that Vazquez owed \$24,216.00 in rent for the period of October 2015 through September 2017.

152. Defendants failed to produce a case file to the OAG for this proceeding.

153. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing building and rental registrations or a lease to determine who had a right to sue Vazquez for rent, or even the correct spelling of Vazquez’s name.

154. After several defaults by Vazquez, Balsamo attempted to obtain a warrant of eviction against Vazquez on March 1, 2018. That request was denied because Balsamo had failed to obtain a default judgment against Vazquez. The court file shows no further action was taken in Vazquez’s case.

#### **Dionel Calixto<sup>4</sup>**

##### ***Dionel Calixto’s First Housing Court Case***

155. According to court records, Balsamo sued Dionel Calixto for \$16,198.00 in arrears on or about March 23, 2016 in *Tam v. Dionel Calixto*, Index No. LT-62437-16/KI.

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<sup>4</sup> The OAG have been told that Dionel Calixto and Luisa Calixto are not related and live in separate buildings.

156. According to court records, the landlord named in the petition was Hueng Tam, however, according to a review of the city property registry, Hueng Sang Tam sold the building (270 Prospect Park West) to 270 Realty NY, LLC on November 13, 2014.

157. The OAG believes 270 Realty NY, LLC is controlled by Tam, however, legally he was not the owner of the building nor the landlord of the tenant in the petition and had no legal basis to evict Dionel Calixto or to seek rent from them.

158. Despite having the wrong petitioner, Balsamo attempted to obtain a warrant of eviction against Dionel Calixto but their request was denied due to the rent demand being stale.

***Dionel Calixto's Second Housing Court Case***

159. On or about December 19, 2016, Balsamo issued a new 5-day rent demand to Dionel Calixto alleging that they owed \$33,55300 in rent. The demand again erroneously stated that Hueng Tam was the landlord and alleged that Dionel Calixto had not paid their rent of \$1,157.00 per month for the months of August 2014 through December 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

160. On or about March 8, 2017, Balsamo filed a petition with the New York City Housing Court against Dionel Calixto in *Tam v. Dionel Calixto*, Index No. LT-60240-17/KI. The petition was signed and verified by Robert Rosenblatt.

161. Balsamo alleged the rent demand and petition were served upon Dionel Calixto.

162. The petition made numerous factual allegations including, again, that the landlord was Hueng Tam. It further alleged that Tam entered into a lease with Dionel Calixto at a rent of

\$1,157.00 per month and that Calixto owed \$37,024.00 in rent for the period of August 2014 through March 2017.

163. The only document contained in Balsamo's own files was an intake sheet filled out by Justice McCallister that Balsamo used to draft the petition

164. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to reviewing the deed to determine the actual owner of the property, and a lease to determine who had a right to sue Dionel Calixto for rent.

165. Despite the petition containing the wrong landlord, Balsamo sought and obtained a warrant of eviction from the court on April 27, 2017.

166. The court file contains no indication whether the Marshal executed on the improper warrant and Balsamo's records do not indicate whether Dionel Calixto was evicted. If evicted, Dionel Calixto would have been evicted by a named landlord who had no right to legal possession of the property.

### **Elvira Uraga**

167. On or about March 30, 2016, Balsamo issued a 5-day rent demand to Elvira "Vraga" alleging that they owed \$29,295.00 in rent. The demand incorrectly spelled the tenant's name "Vraga" instead of Uraga. It alleged that Uraga had not paid rent of \$945.00 per month for the months of September 2013 through March 2016. In addition, the demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

168. On or about May 16, 2016, Balsamo filed a petition with the New York City Housing Court against Uraga in *270 Realty NY v. Vraga*, Index No. LT-69844-16/KI.

169. The petition was signed and verified by Robert Rosenblatt.

170. The petition claimed that Uruga owed \$29,295.00 in rent for a period of September 2013 through March 2016.

171. Balsamo alleged the rent demand and petition were served upon Uruga.

172. No intake form or rent breakdown were contained in Balsamo's own files.

173. It appears that neither Rosenblatt nor any of the attorneys in his firm reviewed any documents to support the legal conclusions in the petition, including but not limited to a lease to determine who had a right to sue Uruga for rent or the spelling of their name.

174. On or about January 10, 2017 Uruga, represented by Counsel, served a motion to dismiss. The motion attached receipts and printouts from the New York City Human Resources Administration showing that payments had been made for the majority of rent owed during the period for which the rent demand and petition claimed no rent had been paid.

175. Balsamo's internal case notes recognized that the amount sought was incorrect when they wrote on February 22, 2017 that "Client to be in court ready to proceed. There is a major discrepancy, no breakdown. LL to be in court with breakdown!! [sic]." Nevertheless they did not discontinue the case at that time.

176. On May 2, 2017 after further adjournments, the proceeding was settled for \$9511.00, almost \$20,000 less than that sought in the rent demand and petition.

**Balsamo sues the *Calixto* Landlord**

177. On or about February 26, 2021, Defendants filed a summons and complaint in Kings County Supreme Court (Index No. 504765/2021) against 266 Realty NY LLC, Heung Sang Tam and Justice McAllister. Defendants alleged that 266 Realty NY LLC, Heung Sang

Tam and Justice McAllister lied to them about facts in the Luisa Calixto non-payment proceeding causing them to violate the FDCPA.

178. The action was commenced by Balsamo, Rosenblatt & Hall, P.C., who is identified in the complaint as “formerly A. Balsamo & Rosenblatt P.C a/k/a Balsamo & Rosenblatt P.C.” The OAG believes the landlord signed a retainer with A. Balsamo & Rosenblatt P.C.

179. That litigation remains active, although the parties have indicated that they have agreed in principle to settle the action.

180. Despite alleging that the landlord lied to them, and despite the fact that most, if not all of the deceptive debt collection notices and frivolous proceedings filed by Defendants could have been avoided through a review of client documents and public records, Defendants have not changed their intake procedures or otherwise attempted to create additional safeguards to protect against commencing deceptive, fraudulent, and frivolous debt collection efforts and litigation.

**Additional Fraudulent, Deceptive and Frivolous Cases Brought by Balsamo**

181. A review of cases brought by Defendants on behalf of other landlords demonstrates that Balsamo’s abusive debt collection practices outlined above are not isolated to a single client.

182. Below are just a few examples of frivolous and problematic cases where Defendants misrepresented facts and made false statements in the rent demand and petition.

**Paula Stevens**

183. According to court records, on or about April 19, 2017, Balsamo, on behalf of its client, sued Paula Stevens in New York City Housing court for non-payment of \$3,829.00 in rent in *Northgate Development Associates L.P., v. Stevens*, Index No. LT-65379-17/KI.

184. After several adjournments, Stevens obtained counsel who moved to file an amended answer; Balsamo opposed and cross-moved to discontinue the proceeding. The court issued a decision on August 14, 2017 discontinuing the proceeding *with prejudice* and ordering a hearing to determine legal fees to be paid to Stevens based on Balsamo's attempt to discontinue the proceeding.

185. The court's decision found that Balsamo commenced a previous non-payment proceeding against Stevens under Index No. LT-0509080-16/KI that settled on September 19, 2016. The settlement in the previous case discontinued the case and the landlord had acknowledged that Stevens had a rent credit of \$1328.00 for rent through September 2016.

186. The decision noted that Balsamo provided no explanation or client affidavit to account for the accounting errors and decision to commence the nonpayment proceeding.

187. The court ordered legal fees to be paid because Balsamo commenced the proceeding where no rent was owed. The court noted that the new proceeding was commenced only 7 months after the previous case had settled, the identity of the parties and counsel were identical in both cases, and that Balsamo had sued for rent from October 2015, which included the months covered by the previous settlement and tenant's retroactive credit.

188. The court allowed Balsamo to discontinue the non-payment proceeding but ordered a hearing on attorneys' fees and sanctions based, in part, on the proceeding being

dubious and Balsamo's delay in voluntarily discontinuing the case. Balsamo, on behalf of its client, ultimately settled the legal fees and sanctions for a \$2,000.00 credit given to Stevens.

**Melita Thomas**

189. On or about June 15, 2018, Balsamo issued a 10-day rent demand to Melita Thomas alleging that they owed \$693.00 in rent. The demand identified Balsamo & Rosenblatt as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

190. On or about July 9, 2018, Balsamo filed a petition with the New York City Housing Court against Thomas in *Committed Community Associates LP v. Thomas*, Index No. LT-73976-18/KI. The OAG believes the petition was signed and verified by Robert Rosenblatt.

191. Balsamo alleged the rent demand and petition were served upon Thomas.

192. The petition made numerous factual allegations including that Thomas owed \$463.00 in rent.

193. Almost six months later, on December 5, 2018, Balsamo discontinued the non-payment proceeding against Thomas. The stipulation discontinuing the proceeding included the fact that no money was owed when Balsamo sued Thomas. In the agreement, the landlord "... acknowledge[d] that the petition was satisfied in full prior to the commencement of the lawsuit."

**Michael Dwayne**

194. On or about July 23, 2019, Balsamo issued a 14-day rent demand to Michael Dwayne alleging that they owed \$5,000.00 in rent for 162 West 132<sup>nd</sup> Street, apartment #5, 3<sup>rd</sup> Floor. The demand identified A Balsamo & Rosenblatt P.C. as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

195. On or about August 16, 2019, Balsamo filed a petition with the New York City Housing Court against Michael Dwayne and John Doe in *Astley Groves v. Dwayne*, Index No. LT- 66665-19/KI. The petition was signed and verified by Robert Rosenblatt.

196. Balsamo alleged the rent demand and petition were served upon the tenants.

197. The petition made numerous factual allegations including that Michael Dwayne had entered into a lease with the landlord for 162 West 132<sup>nd</sup> Street, apartment #5, 3<sup>rd</sup> Floor, that \$6,000.00 had come due under that lease, and that the apartment was properly registered with DHCR.

198. These factual allegations were false and evidence that Balsamo had failed to make a meaningful review of the records prior to commencing the proceeding. According to court papers filed by Dwayne, the third floor contained three rooms that, although not numbered, informally were known as room numbers 5, 6 and 7. Dwayne had last signed a lease with his landlord for apartment #6 but that lease expired in November 2014. In addition, apartment #5 had not been registered with DHCR since 2006 and apartment #6 had not been registered since 2012.

199. On or about July 7, 2020, Dwayne, through counsel, filed a motion to dismiss the proceeding based, in part, due to no valid lease being in effect and the apartment not being registered with DHCR. The motion to dismiss also noted that the building lacked a certificate of occupancy and therefore the landlord was barred from collecting rent.

200. On November 12, 2020, Balsamo discontinued the proceeding for the rental portion of the case although the tenant continued to litigate repair issues, rent overcharge and other counterclaims. Balsamo moved to be relieved as counsel, which was granted on February 9, 2022.

**Brittney Grant**

201. On or about August 19, 2020, Balsamo issued a 14-day rent demand to Brittney Grant, Briana Grant, Kevon Foster, and Kewana Grant alleging that they owed \$14,068.00 in rent. It alleged that the tenants had not paid their rent for the months of February 2020 through July 2020.

202. The demand identified Balsamo & Rosenblatt as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

203. On or about September 30, 2020, Balsamo filed a petition with the New York City Housing Court against Brittany Grant, Briana Grant, Kevon Foster, Kewana Grant and NYCHA Section 8 in *1241 Flatbush Avenue LLC v. Grant et al*, Index No. 303426/20. The petition was signed and verified by Robert Rosenblatt.

204. Balsamo alleged the rent demand and petition were served upon each named respondent.

205. The petition made numerous factual allegations including that Kewana Grant was a tenant with a rental obligation to the landlord through a lease; that each tenant had a rental obligation of \$2648.00 per month; and that the named tenants owed collectively \$14,068.00 in arrears.

206. The petition also contained an attachment entitled “Certification of Basis for Eviction Proceedings Against Tenant Participating In the Section 8 Housing Choice Voucher Program.” This form is sent to NYCHA pursuant to the second *Williams* Consent Decree that, amongst other things, requires landlords to seek permission from NYCHA to be able to sue the tenant solely for the tenant share of the rent and is designed to ensure that prior to

commencement of any lawsuit, that the landlord (or its attorney) has reviewed what may be the housing authority's share of the rent and the tenant's share and that the lawsuit does not seek to collect more than the tenant's actual share of the rent.

207. The Certification and petition both alleged that Grant's tenant share was \$2,648.00 per month. However, Grant's share of the rent was only \$1,414.00 per month and the amount in the Certification and petition is the total contract rent.

208. In addition, Kewana Grant was not a signatory to the last lease signed with the landlord and therefore was improperly named in the petition.

209. On or about December 18, 2020, Brittany Grant filed an answer with the court.

210. Balsamo has not discontinued the case and the OAG believes that Balsamo continues to attempt to collect the debt.

### **Linda Fleming**

#### ***Fleming's First Housing Court Case***

211. On or about November 23, 2018, Balsamo filed a petition with the New York City Housing Court against Linda Fleming in *Pugsley Gardens LLC v. Linda Fleming*, Index No. LT-78608-18/NY. Balsamo did not issue a rent demand and instead the petition stated the demand was made in person. Accordingly, Balsamo attached a notice to the petition entitled "Fair Debt Collection Notice" that included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor. The petition was signed and verified by Robert Rosenblatt.

212. Balsamo alleged the petition was served upon Fleming.

213. The petition made numerous factual allegations including that Fleming entered into possession pursuant to a lease where they agreed to pay \$724.69 per month; that they owed

\$21,740.40 in rent; that the premises were subject to the Rent Stabilization Law of 1969; that they were duly registered with DHCR; and that the rent demanded did not exceed the registered rent and the lawful Rent Stabilization rent.

214. The proceeding was adjourned three times for Balsamo to review its client's documents -- the DHCR rent registrations and the tenant's leases-- and to provide the tenant with a rent breakdown. It appeared that Balsamo had not reviewed any of these documents prior to commencing the non-payment proceeding and had never obtained a rent breakdown detailing rent arrears owed from their client before verifying the contents of the petition.

215. On December 19, 2019, the court dismissed the proceeding because Balsamo "is not ready for TRIAL or TRAVERSE today, to wit, petitioner does not have a rent breakdown."

***Fleming's Second Housing Court Case***

216. On or about January 20, 2020, Balsamo issued a 14-day rent demand to Fleming alleging that they owed \$31,886.36 in rent. The demand identified Balsamo, Rosenblatt & Hall, P.C as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

217. On or about February 20, 2020, Balsamo filed a second petition with the New York City Housing Court against Fleming in *Pugsley Gardens LLC v. Linda Fleming*, Index No. LT-53780-20/NY. The petition was signed and verified by Robert Rosenblatt.

218. Balsamo alleged the rent demand and petition were served upon Fleming.

219. The petition made numerous factual allegations including that Fleming entered into possession pursuant to a lease where they agreed to pay \$724.69 per month; that they owed \$31,886.36 in rent; that the premises were subject to the Rent Stabilization Law of 1969; that

they were duly registered with DHCR; and that the rent demanded did not exceed the registered rent and the lawful Rent Stabilization rent.

220. These factual allegations were false and evidence that Balsamo had not made a meaningful review of the records prior to commencing the proceeding. Fleming's lease had expired in 2016 and they did not have a current lease with the landlord. Fleming had gone as far as to file a complaint with DHCR (Docket No. HS410036RV, filed July 16, 2019) for the landlord's failure to renew the lease. In addition, the apartment had not been registered with DHCR since 2015 when it was registered at a legal regulated rent of \$514.96. Finally, Fleming's answer, filed January 4, 2021, alleges that a portion of the arrears that Balsamo claimed were owed had been paid.

221. Balsamo has not discontinued the case and the OAG believes Balsamo continues to attempt to collect the debt.

**Natalia Taylor**

222. On or about August 10, 2020, Balsamo filed a petition with the New York City Housing Court against Natalia Taylor and Andrew Robinson in *Deluna v Taylor and Robinson*, Index No. 55427/20. The petition was verified by the landlord but Balsamo, Rosenblatt & Hall, P.C. were identified in the petition as the attorneys who commenced the proceeding on behalf of the landlord.

223. Balsamo alleged the petition was served upon Taylor and Robinson.

224. The petition made numerous factual allegations including that Taylor and Robinson were tenants who had entered into possession of the premises pursuant to a lease at a monthly rent of \$1,950.00 per month and that both respondents owed \$6,100.00 in arrears from February 2020 through May 2020.

225. These factual allegations were false and evidence that Balsamo had made no meaningful review of the records prior to commencing the proceeding. Records appear to show that the last lease signed between the parties was solely between Robinson and the landlord at a rate of \$1900.00 per month. That lease did not name Taylor as a tenant and it expired on February 1, 2019. The OAG does not believe a new lease for \$1950 was entered into between Robinson and the landlord.

226. The OAG has been told that Taylor paid the arrears through the Emergency Rental Assistance Program but based on a monthly rental amount of \$1900.00 rather than the \$1950.00 contained in the petition.

### **Katura Edwards**

227. On or about November 24, 2020, Balsamo issued a 14-day rent demand to Katura Edwards alleging that Edwards owed \$77,300.67 in rent and that they had not paid their rent of \$1,250.00 per month for the period of October 2015 through November 2020. The demand identified Balsamo, Rosenblatt & Hall, P.C as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

228. On or about December 23, 2020, Balsamo filed a petition with the New York City Housing Court against Katura Edwards in *1342 Bergen LLC v. Edwards*, Index No. LT-310110-20/KI. The petition was signed and verified by Robert Rosenblatt.

229. Balsamo alleged the rent demand and petition were served upon Edwards.

230. The petition made numerous factual allegations including that Katura Edwards had entered into a lease with the landlord at a rate of \$1,250.00 and that the apartment was properly registered with DHCR.

231. These factual allegations were false and evidence that Balsamo had failed to make a meaningful review of the records prior to commencing the proceeding. The OAG believes that Edwards did not have a current lease requiring them to pay \$1,250.00 per month. In addition, the apartment had not been registered with DHCR since 2016.

232. On or about March 19, 2021, Edwards, through counsel, filed an answer raising the defense that there was no current lease under which the landlord could sue.

233. Despite being placed on notice of this defect in the case, Balsamo, through Defendant Hall, filed a motion with the court on or about October 25, 2021, seeking to restore the matter to the court calendar and to collect the alleged arrears. The motion makes no mention of the lack of a lease.

234. The OAG believes Balsamo has not discontinued the case and continues to attempt to collect the debt.

**Angel Perez**

235. On or about January 17, 2020, Balsamo issued a 14-day rent demand to Angel Perez alleging that Perez owed \$8,400.00 in rent and that they had not paid their rent of \$1,200.00 per month for the period of July 2019 through January 2020. The demand identified Balsamo, Rosenblatt & Hall, P.C as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

236. On or about February 11, 2020, Balsamo filed a petition with the New York City Housing Court against Perez in *156-160 Vernon LLC v. Perez*, Index No. LT-54796-20/KI. The petition was signed and verified by Robert Rosenblatt.

237. Balsamo alleged the rent demand and petition were served upon Perez.

238. The petition made numerous factual allegations including that Perez had entered into possession pursuant to a lease where they agreed to pay \$1,200.00 per month; that they owed \$8,400.00 in rent; that the premises were subject to the Rent Stabilization Law of 1969; that they were duly registered with DHCR; and that the rent demanded did not exceed the registered rent and the lawful Rent Stabilization rent.

239. These factual allegations were false and evidence that Balsamo had made no meaningful review of the records prior to commencing the proceeding. Perez was a superintendent for the landlord who never received a written lease for their apartment. The year before Perez moved into their apartment, the apartment had been registered with DHCR at a rent of \$836.15. When Perez moved in, the registration was inexplicably increased to \$1,502.12 and each year the rent was increased despite no written lease being provided to Perez.

240. Had Balsamo reviewed the rent registrations and saw that no leases existed for Perez, they would have realized that the rent sought in the petition was incorrect.

241. On or about February 27, 2020, Perez, through counsel, filed an answer that placed Balsamo on notice that Perez had never signed a written lease with the landlord and that the apartment was not currently registered with DHCR.

242. The OAG believes the case was marked off calendar for Balsamo to review whether a written lease was ever signed between the parties. Balsamo has not notified Perez's attorney about its investigation.

**Jose Torres**

243. On or about November 21, 2019, Balsamo issued a 14-day rent demand to Jose Torres alleging that Torres owed \$15,420.00 in rent and that they had not paid their rent of \$1,285.00 per month for the period of December 2018 through November 2019. The demand

identified A. Balsamo & Rosenblatt, P.C as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

244. On or about December 12, 2019, Balsamo filed a petition with the New York City Housing Court against Torres in *Ashrati v. Torres*, Index No. LT-088113-19/KI. The petition was signed and verified by Robert Rosenblatt.

245. Balsamo alleged the rent demand and petition were served upon Torres.

246. The petition made numerous factual allegations including that Torres had entered into possession pursuant to a lease where they agreed to pay \$1,285.00 per month; that they owed \$15,420.00 in rent; and that they were a recipient of rental assistance benefits through LINC, a public assistance program administered by the City of New York that made direct shelter payments to the landlord.

247. On February 25, 2020, Balsamo obtained a default judgment and warrant of eviction against Torres on behalf of their client. However, due to the COVID-19 pandemic, they were unable to execute on the warrant and were required to file a motion prior to proceeding to eviction.

248. On or about April 5, 2021, Balsamo served and filed a motion to restore the matter to the calendar to allow their client to execute on the warrant, as well as alleging that \$39,584.00 was now due. Hall certified the motion pursuant to Rule 130.

249. Balsamo attached as an exhibit to the motion a handwritten rent breakdown that contradicted the allegations in the rent demand and petition, and also contained significant errors. First, the breakdown showed that Torres’ monthly rent was \$1,237.00 per month while the petition and rent demand alleged the monthly rent was \$1,285 per month. Second, the breakdown

showed that November 2018 had not been paid, while the rent demand and petition did not include this month. Third, the breakdown miscalculated the total rent owed as \$39,584.00, however, the breakdown itself only contained 29 months owed at a monthly rent of \$1,237.00 per month which actually totals \$35,873.00. Finally, the breakdown did not show a single payment from the tenant for the 29 months contained in the breakdown despite the petition stating that the tenant was receiving shelter payments through the LINC program.

250. Despite these discrepancies, it appears that Balsamo made no meaningful review of the records prior to commencing the proceeding or restoring the matter to the calendar, as the amounts sought in the rent demand, petition, and motion to restore failed to account for any shelter payments. The rent demand and petition claimed that \$14,844.00 was owed but did not account for \$9,214.20 in payments made by the LINC program for the same months contained in the rent demand and petition. Similarly, Balsamo's motion claimed that \$39,584.00 was owed but did not account for the computation error in the breakdown itself or that the LINC program had paid \$26,528.50 for the same months contained in the breakdown.

251. The amounts claimed by Balsamo in the rent demand, petition, and motion to restore were significantly higher than the actual amounts owed. When the rent demand and petition were filed, Torres owed at most \$5,6298.00 as opposed to the \$14,844.00 alleged. Likewise, when the motion to restore was filed, Torres owed at most \$9,344.50 as opposed to the \$39,584.00 stated in the motion.

252. Fortunately, Torres obtained an attorney who was able to stipulate with Balsamo to vacate the warrant and judgment and to settle the proceeding; the stipulation, filed May 27, 2021, showed that Torres owed only \$2,000.00.

**Ada Sanchez**

253. On or about April 14, 2021, Balsamo issued a 14-day rent demand to Ada Sanchez alleging that Sanchez owed \$4,847.00 in rent and that they had not paid the entire rent of \$2,200.00 per month for the months of April and March 2021 and owed \$447.31 for February 2021. The demand identified Balsamo, Rosenblatt & Hall, P.C as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

254. On or about May 17, 2021, Balsamo filed a petition with the New York City Housing Court against Torres in *Crystal BK Holdings LLC v. Sanchez*, Index No. LT-304193-21/KI. The petition was signed and verified by Robert Rosenblatt.

255. Balsamo alleged the rent demand and petition were served upon Sanchez.

256. The petition made numerous factual allegations including that Sanchez had entered into possession pursuant to a lease where they agreed to pay \$2,200.00 per month and that they owed \$7,047.31, with no payments made in April 2021 or May 2021.

257. These factual allegations were false and evidence that Balsamo had made no meaningful review of the records prior to commencing the proceeding. First, the rent demand included at least \$361.31 in late and other fees that were incorrectly identified as rent.

258. Second, the petition failed to account for payments of approximately \$2,272.00 that were made and credited on the landlord’s ledger after the rent demand was issued. It appears that Balsamo filed the petition without speaking to their client and instead merely added May 2021’s rent of \$2,200.00 to the amount contained in the rent demand. Deducting the improper fees and uncounted payments, Sanchez only owed \$4,414.00 when the petition was issued, almost half of what was claimed owed.

259. On or about September 30, 2021, the parties filed a stipulation with the court where Sanchez agreed that \$79.95 was left outstanding in rent through September 30, 2021.

**Donna Foulks**

260. On or about September 23, 2020, Balsamo issued a 14-day rent demand to Donna Foulks alleging that Foulks owed \$1,291.14 in rent and that they had not paid \$75.95 for each of the months of July 2020 and August 2020, and \$1,139.24 for the month of September 2020. The demand identified Balsamo, Rosenblatt & Hall, P.C as the attorneys for “petitioner” and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

261. On or about October 20, 2020, Balsamo filed a petition with the New York City Housing Court against Foulks in *Winthrop Realty LLC v. Foulks*, Index No. LT-305108-20/KI. The petition was signed and verified by Robert Rosenblatt.

262. Balsamo alleged the rent demand and petition were served upon Foulks.

263. An affidavit of service filed with the court stated that the petition was served on Foulks on November 9, 2020.

264. The petition made numerous factual allegations including that Foulks had entered into possession pursuant to a lease where they agreed to pay \$1,239.24 per month and that they had not paid \$75.95 each for the months of July 2020 and August 2020, and \$1,139.24 for the month of September 2020.

265. Contrary to the claims in the petition, Foulks owed no rent when the proceeding was commenced.

266. On or about January 19, 2021, Balsamo, on behalf their client, entered into a stipulation of settlement with Foulks that stated that “[p]arties agree that, based on a prior

stipulation dated March 30, 2017, wherein [Foulks] was credited \$215 towards the future rent, upon crediting all payments made by [Foulks] between the period of April 1, 2017 and January 5, 2021, [Foulks] is left with a \$0.00 balance through January 31, 2021. The arrears sought are attorneys' fees."

267. The March 30, 2017 stipulation was entered into by Balsamo in *105 Winthrop LLC v. Foulks*, Index No. LT-65042/2015-KI.

**Ayman Almotairi**

268. On or about October 21, 2019, Balsamo issued a 14-day rent demand to Abdullah Hassan and Fatima Alsheri alleging that they owed \$53,200.00 in rent and that they had not paid their rent of \$1,900.00 per month for the period of July 2017 through October 2019. The demand identified A. Balsamo & Rosenblatt, P.C as the attorneys for "petitioner" and included language required by section 1692g of the FDCPA for a first communication by a debt collector to a debtor.

269. On or about December 31, 2019, Balsamo filed a petition with the New York City Housing Court against Hassan and Alsheri in *8701 Ridge Blvd LLC v. Hassan and Alsheri*, Index No. LT-089488-19/KI. The petition was signed and verified by Robert Rosenblatt.

270. Balsamo alleged the rent demand and petition were served upon Hassan and Alsheri.

271. The petition made numerous factual allegations including that Hassan and Alsheri had entered into possession of apartment F6 at 8701 Ridge Boulevard, Brooklyn, NY pursuant to a lease where they agreed to pay \$1,900.00 per month; that they owed \$53,200.00 in rent; and that the premises were no longer subject to the Rent Stabilization Law of 1969 because the maximum rent allowed exceeded \$2,500.00 after a vacancy.

272. These factual allegations were false and evidence that Balsamo had made no meaningful review of the records prior to commencing the proceeding. According to an affidavit supplied by Ayman Almotairi, they have been the tenant of record at 8701 Ridge Boulevard, Apartment F6, Brooklyn NY since 2014 and have continued to reside there with their partner and child. Almotairi submitted to the court a lease from 2015 at a rent of \$1,9000.00 solely in their name and claims to have no connection to Hassan and Alsheri.

273. DHCR rent registrations show that the apartment had been registered as vacant from 2015 through 2018 with a rent of \$1,302.50 registered for each year. In 2019, the apartment was registered as exempt from rent regulation and identified Abdullah Hassa Alsheri and Fatima Ahmed Alsheri as the tenants.

274. According to court records, Balsamo had previously sued Hassan and Alsheri in a non-payment proceeding referencing the same apartment under Index No. LT-076401-18/KI. That case was filed July 25, 2018 and was “dismissed (based on conference)” on or about August 28, 2018.

275. On or about January 8, 2020, Almotairi filed an answer with the court.

276. The matter was adjourned numerous times, including on November 5, 2020, December 16, 2020, January 27, 2021, March 10, 2021, April 21, 2021, June 2, 2021, June 4, 2021, and June 17, 2021.

277. On or about March 16, 2022, Almotairi, through their attorneys, filed a motion to dismiss the proceeding based on the wrong tenant being named in the petition. The motion is still pending.

**FIRST CAUSE OF ACTION****Violation of N.Y. Exec. Law § 63(12)****Repeated violations of 15 U.S.C. § 1692e(3) (Fair Debt Collections Practices Act)**

278. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 - 277.

279. N.Y. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated illegal acts or persistent illegality in the conducting of business.

280. Under the FDCPA, a debt collector is prohibited from making a false representation or implication that they are an attorney or that any communication is from an attorney. 15 U.S.C. § 1692e(3).

281. Attorneys who issue debt collection letters, including pre-litigation letters and court filings, must conduct a meaningful attorney review of the facts surrounding the claim otherwise they are giving a false impression that the attorney has exercised their professional judgment about the validity of the debt. Where an attorney is not using their professional expertise to make a meaningful review of the claims contained in the communication, they are treated as a mere debt collector.

282. Defendants makes no legal determinations about the validity of the debts they act to collect. In fact, it is the business practice of Defendants not to engage in any meaningful attorney review of the facts or any documents related to the debt and instead merely copy form answers provided by the landlord.

283. Thus, Defendants falsely represent and imply in each and every rent demand and petition they send to tenants that they have used their professional judgment about the validity of the debt sought in the rent demands and petitions.

284. By reason of the conduct alleged herein, Defendant has engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

### **SECOND CAUSE OF ACTION**

#### **Violation of N.Y. Exec. Law § 63(12) Repeated violations of 15 U.S.C. §§ 1692e(2)(A) and 1692f(1)**

285. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 - 277.

286. N.Y. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated illegal acts or persistent illegality in the conducting of business.

287. The FDCPA prohibits a debt collector from using any false, deceptive, or misleading representation or means in connection with the collection of any debt, including the false representation of the character, amount, or legal status of any debt. 15 U.S.C. § 1692e(2)(A). A debt collector is also prohibited from collecting any amount unless such amount is expressly authorized by the agreement creating the debt or permitted by law. 15 U.S.C. § 1692f (1).

288. Defendants falsely represent the character, amount, or legal status of debt owed, including:

- a. Attempting to collect debt where the debt collection notice or petition name a landlord who does not own the property and therefore had no right to seek rent from the tenant or evict them;
- b. Attempting to collect debt where the named tenant never signed a lease with the landlord and therefore never had a rental obligation to the landlord and could not be evicted;

- c. Attempting to collect debt where the debt collection notices and court filings seek to evict a tenant with the wrong apartment number identified;
- d. Attempting to collect debt where no rent was owed by the tenant;
- e. Attempting to collect debt where the petition claims an incorrect monthly rental amount which is the basis in the petition to calculate the amount of rent owed;
- f. Attempting to collect debt where the petition mischaracterizes the nature of the debt by claiming a current valid lease exists between the parties when in fact it had expired months or even years previously; and
- g. Attempting to collect debt where in rent stabilized tenancies, the apartment rent was not registered with the DHCR, which, as a consequence, would limit the amount of rent that can be collected;

289. By reason of the conduct alleged herein, Defendants have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

### **THIRD CAUSE OF ACTION**

#### **Violation of N.Y. Exec. Law § 63(12) Repeated acts of Fraud**

290. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 - 277.

291. N.Y. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated or persistent fraud in the conducting of business, including using any device, scheme or artifice to defraud, or using any deception, misrepresentation, concealment, suppression, or false pretense.

292. Defendants' fraudulent acts include, but are not limited to, the following:

- a. Sending pre-litigation debt collection notices to tenants implying that an attorney has reviewed its contents and made a professional determination as to its validity;
  - b. Commencing housing court eviction proceedings against tenants implying that an attorney has reviewed its contents and made a professional determination as to its validity; and
  - c. Sending pre-litigation debt collection notices and commencing housing court eviction proceedings that are deceptive and assert materially false claims against the tenant.
293. By reason of the conduct alleged herein, Defendants have engaged in repeated and persistent fraud in violation of Executive Law § 63(12).

#### **FOURTH CAUSE OF ACTION**

##### **Violation of N.Y. Gen. Bus. Law § 601**

294. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 - 277.

295. New York State law prohibits the agent of a creditor from using a communication which gives the appearance of being authorized, issued, or approved by an attorney. N.Y. Gen. Business Law § 601(9). Letters or court documents sent from an attorney are not considered authorized, issued or approved by an attorney if the attorney is merely acting as a debt collector and not using their professional expertise to make a meaningful review of the claims contained in the communication.

296. Defendants, as attorneys for their clients who are seeking a debt from their tenants, are agents of creditors.

297. Defendants makes no legal determinations about the validity of the debts they

act to collect. In fact, it is the business practice of Defendants not to engage in any meaningful attorney review of the facts or any documents related to the debt and instead merely copy form answers provided by the landlord.

298. Thus, Defendants falsely represent and imply in the rent demands and petitions they serve on tenants that they have used their professional judgment about the validity of the debt sought in the rent demands and petitions.

299. In addition, New York State law prohibits the agent of a creditor from claiming or attempting to claim a right with knowledge or reason to know that the right does not exist. N.Y. Gen. Business Law § 601(8).

300. Defendants collect or attempt to collect debts and evict tenants without any legal basis, including:

- a. Attempting to collect debt where the debt collection notice or petition name a landlord who does not own the property and therefore had no right to seek rent from the tenant or evict them;
- b. Attempting to collect debt where the named tenant never signed a lease with the landlord and therefore never had a rental obligation to the landlord and could not be evicted;
- c. Attempting to collect debt where the debt collection notices and court filings seek to evict a tenant with the wrong apartment number identified;
- d. Attempting to collect debt where no rent was owed by the tenant;
- e. Attempting to collect debt where the petition claims an incorrect monthly rental amount which is the basis in the petition to calculate the amount of rent owed;

- f. Attempting to collect debt where the petition mischaracterizes the nature of the debt by claiming a current valid lease exists between the parties when in fact it had expired months or even years previously; and
- g. Attempting to collect debt where, in rent stabilized tenancies, the apartment rent was not registered with DHCR, which, as a consequence, would limit the amount of rent that can be collected;

301. By reason of the conduct alleged herein, Defendants have engaged in violation of N.Y. Gen. Bus. Law, Article 29-H § 601.

#### **FIFTH CAUSE OF ACTION**

##### **Violation of N.Y. Exec. Law § 63(12) Repeated violations of N.Y. Gen. Bus. Law § 601**

302. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 – 277.

303. N.Y. Executive Law § 63(12) authorizes the Attorney General to bring an action or proceeding when any person or entity engages in repeated illegal acts or persistent illegality in the conducting of business.

304. Defendants repeatedly and persistently violate N.Y. Gen. Business Law § 601 as detailed in paragraphs 294 – 301 above.

305. By reason of the conduct alleged herein, Defendants have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

#### **SIXTH CAUSE OF ACTION**

##### **Violation of N.Y. Gen. Bus. Law § 349**

306. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 – 277.

307. Under the N.Y. Gen. Bus. Law, “[d]eceptive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state are hereby declared unlawful.” N.Y. Gen. Bus. Law § 349(a).

308. The repeated filing of fraudulent debt collection lawsuits against New York consumers qualifies as consumer-oriented conduct under N.Y. Gen. Bus. Law § 349.

309. Defendant’s deceptive acts and business practices include, but are not limited to, the following:

- a. Sending pre-litigation debt collection notices to tenants implying that an attorney has reviewed its contents and made a professional determination as to its validity;
- b. Commencing housing court eviction proceedings against tenants implying that an attorney has reviewed its contents and made a professional determination as to its validity; and
- c. Sending pre-litigation debt collection notices and commencing housing court eviction proceedings that are deceptive in asserting materially false claims against the tenant.

310. By reason of the conduct alleged above, Defendants have engaged in deceptive acts and practices in the conduct of business in violation of N.Y. Gen. Bus. Law, Article 22-A § 349.

### **SEVENTH CAUSE OF ACTION**

#### **Violation of N.Y. Exec. Law § 63(12) Repeated violations of 22 N.Y.C.R.R. 130-1.1a**

311. The Attorney General repeats and re-alleges, as though fully set forth herein, paragraphs 1 – 277.

312. Executive Law § 63(12) authorizes the Attorney General to bring an action or

proceeding when any person or entity engages in repeated illegal acts or persistent illegality in the conducting of business.

313. An attorney is required to sign all court filings to certify that, to the best of that attorney's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, the court filing is not frivolous as defined in 22 NYCRR 130-1.1(c).

314. Conduct is frivolous, under 22 NYCRR 130-1.1 if (1) it is completely without merit in law and cannot be supported by a reasonable argument for an extension, modification or reversal of existing law; (2) it is undertaken primarily to delay or prolong the resolution of the litigation, or to harass or maliciously injure another; or (3) it asserts material factual statements that are false.

315. Both Rosenblatt and Hall certify their court filings pursuant to 22 NYCRR 130-1.1(c) and attest that their filings are not frivolous.

316. However, Rosenblatt commences non-payment proceedings against tenants that are frivolous and completely without merit in law, including commencing cases where:

- a. The tenant owed no money, or significantly less money than that sought in the petition;
- b. The landlord had no legal right to collect rent from the tenant;
- c. The landlord named in the petition had no right of possession and had no basis to commence a proceeding against the tenant; and
- d. The person named in the petition had not signed a lease with the landlord so that there was no rental obligation nor the ability for the landlord to sue the tenant for rent.

317. Rosenblatt commenced these proceedings without conducting a reasonable inquiry prior to commencing litigation that would uncover that the proceeding was frivolous.

318. Hall has actual knowledge of Rosenblatt activities and participates in the preparation of the court filings. Hall has repeatedly and persistently filed motions and opposition to motions that he signed and that were frivolous.

319. In certain instances, Rosenblatt and Hall would become aware that the proceeding was frivolous but did not immediately discontinue the proceeding after learning of the defect in the case. In some cases, Rosenblatt and Hall had maintained proceedings for months, with multiple court appearances, before discontinuing or dismissal.

320. In at least two instances, a warrant of eviction was issued after Rosenblatt and Hall knew or had reason to know that the warrant was based on defective or false pleadings. Rosenblatt and Hall took no action to stop an eviction from taking place under these circumstances.

321. By engaging in conduct that violates 22 NYCRR 130-1.1, Rosenblatt and Hall have engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

**PRAYER FOR RELIEF**

Wherefore, it is respectfully requested that the Court issue an order and judgment as follows:

A. Permanently enjoining Defendants from engaging in the illegal and fraudulent practices alleged in the Verified Petition, and requiring Defendants to dismiss or correct all court filings that are frivolous or violate the law;

B. Directing Defendants to render an accounting to the Attorney General of all sums received as a result of their false and misleading representations and illegal acts;

C. Directing Defendants to make full monetary restitution and pay compensatory damages to all injured persons or entities;

D. Directing Defendants to render an accounting of profits and to disgorge all profits resulting from the illegal and fraudulent practices alleged herein;

E. Awarding Plaintiff costs against Defendants pursuant to CPLR § 8303(a)(6); and

F. Directing Defendants to pay a civil penalty to the State of New York of \$5,000 for each violation of Gen. Bus. Law Article 22-A, pursuant to N.Y. Gen. Bus. Law § § 350-d, or \$10,000 for each violation of Gen. Bus. Law Article 22-A for each violation against an elderly person, pursuant to N.Y. Gen. Bus. Law § 349-c, for a total of at least \$6,800,000.00; and

G. Granting such other and further relief as is just and proper.

DATED: New York, NY  
March 31, 2022

Respectfully submitted,  
LETITIA JAMES  
Attorney General of New York

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