

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

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In the Matter of the

Investigation by ERIC T. SCHNEIDERMAN,  
Attorney General of the State of New York, of

Assurance No. 17-195

1075 GREENE LLC, 920 BUSHWICK LLC, 946  
BUSHWICK AVENUE LLC, GRAHAM JONES, GREG  
JONES,

Respondents.

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**ASSURANCE OF DISCONTINUANCE**

The Office of the Attorney General of the State of New York (“OAG”) commenced an investigation pursuant to New York Executive Law (“EL”) § 63(12) into the conduct of 1075 GREENE LLC, 920 BUSHWICK LLC, 946 BUSHWICK AVENUE LLC, GRAHAM JONES and GREG JONES (each a “Respondent,” and collectively, the “Respondents”) in connection with their offers of money to tenants at the residential buildings located at 1075 Greene Avenue, Brooklyn, New York, 920 Bushwick Avenue, Brooklyn, New York, and 946 Bushwick Avenue, Brooklyn, New York (together “the Bushwick properties”) in exchange for those tenants surrendering their tenancy rights.

This Assurance of Discontinuance (“Assurance”) contains the findings of the OAG’s investigation and the relief agreed to by the OAG and the Respondents (collectively, the “Parties”).

**OAG’S FINDINGS**

1. Respondent 1075 Greene LLC is a New York limited liability company with an office at 156 Fifth Avenue, 4<sup>th</sup> Floor, New York, New York, and it is the owner and landlord of the

28-unit residential building located at 1075 Greene Avenue, Brooklyn, New York. Respondent 920 Bushwick LLC is a New York limited liability company with an office at 156 Fifth Avenue, 4<sup>th</sup> Floor, New York, New York, and it is the owner and landlord of the 24-unit residential building located at 920 Bushwick Avenue, Brooklyn, New York. Respondent 946 Bushwick Avenue LLC is a New York limited liability company with an office at 156 Fifth Avenue, 4<sup>th</sup> Floor, New York, New York, and is the owner and landlord of the 53-unit residential building located at 946 Bushwick Avenue, Brooklyn, New York.

2. Respondent Graham Jones is the head officer of 1075 Greene LLC, 920 Bushwick LLC, and 946 Bushwick Avenue LLC. Respondent Greg Jones is a member of 1075 Greene LLC, 920 Bushwick LLC, and 946 Bushwick Avenue LLC.

3. Respondents became owners of the Bushwick Properties on June 16, 2016. At that time, all residential units in the Bushwick Properties were subject to the Rent Stabilization Law (the “RSL,” codified at New York City Administrative Code § 26-501 *et seq.*) and the Rent Stabilization Code (the “RSC,” codified at 9 NYCRR § 2520.1 *et seq.*).

4. Starting in June 2016 and continuing through July 2017, Respondents Graham Jones and Greg Jones, and agents acting under their authority, personally approached rent-stabilized tenants living in the Bushwick Properties and offered them money in exchange for surrendering their tenancy rights and vacating their units. These efforts are more commonly known as “buyout offers.”

5. Respondents represent to the OAG that they were not aware of Title 27, Chapter 2, Subchapter 1, Article 1, Section 2004(a)(48)(f-2) of the New York City Municipal Code during the time period between June 2016 and July 2017. That Section, in conjunction with Section 2005(d)

of the same Code, required Respondents to provide the tenants they approached with buyout offers written notice explaining: (1) the purpose of such contact; (2) that the tenant could reject the buyout offer and could continue to occupy her unit; (3) that the tenant could seek the guidance of an attorney regarding the buyout offer and could, for information on accessing legal services, refer to The ABCs of Housing guide on the website of the New York City Department of Housing Preservation and Development (“HPD”); (4) that such contact was made by or on behalf of the owner; and (5) that the tenant could, in writing, refuse such contact and such refusal would bar such contact for 180 days, except that the owner could contact such person regarding such an offer if given express permission by a court of competent jurisdiction or if notified in writing by such tenant of an interest in receiving such an offer. *See* N.Y.C. Admin. Code § 27-2004(a)(48)(f-2).

6. In the course of personally approaching at least 33 tenants to make buyout offers between June 2016 to July 2017, Respondents never provided any tenant with the written notice required by Title 27, Chapter 2, Subchapter 1, Article 1, Section 2004(a)(48)(f-2) of the New York City Municipal Code.

7. Tenants living in 33 units in the Bushwick Properties accepted the Respondents’ buyout offers without having received the required written notice. The units that became vacant as a result of these practices include:

<b>Building</b>	<b>Unit Number</b>	<b>Date of Surrender Agreement</b>
946 Bushwick Avenue	A3	July 14, 2017
946 Bushwick Avenue	A4	June 15, 2016
946 Bushwick Avenue	A5	October 20, 2016

946 Bushwick Avenue	B4	July 30, 2016
946 Bushwick Avenue	B5	October 7, 2016
946 Bushwick Avenue	B9	October 11, 2016
946 Bushwick Avenue	C1	October 11, 2016
946 Bushwick Avenue	C6	June 19, 2017
946 Bushwick Avenue	C7	September 28, 2016
946 Bushwick Avenue	C9	November 9, 2016
946 Bushwick Avenue	D1	June 13, 2017
946 Bushwick Avenue	D4	November 17, 2016
946 Bushwick Avenue	D8	September 1, 2016
946 Bushwick Avenue	E1	November 1, 2016
946 Bushwick Avenue	E4	April 14, 2017
946 Bushwick Avenue	E6	October 17, 2016
946 Bushwick Avenue	E7	July 10, 2017
946 Bushwick Avenue	E8	November 25, 2016
946 Bushwick Avenue	F4	May 30, 2017
946 Bushwick Avenue	F5	July 25, 2017
946 Bushwick Avenue	F6	November 1, 2016
946 Bushwick Avenue	F9	December 12, 2016
920 Bushwick Avenue	1A	September 26, 2016
920 Bushwick Avenue	2C	September 21, 2016

920 Bushwick Avenue	3E	October 11, 2016
920 Bushwick Avenue	4E	October 21, 2016
920 Bushwick Avenue	4F	September 1, 2016
1075 Greene Avenue	1C	January 3, 2017
1075 Greene Avenue	1D	July 21, 2017
1075 Greene Avenue	3B	September 9, 2016
1075 Greene Avenue	3D	August 9, 2016
1075 Greene Avenue	4D	December 14, 2016
1075 Greene Avenue	4G	October 3, 2016

8. The OAG finds that Respondents' conduct, set forth in paragraphs 4 through 7 above, violates Title 27, Chapter 2, Subchapter 1, Article 1, Section 27-2005(d) of the New York City Municipal Code and EL § 63(12) in that such conduct falls within Title 27, Chapter 2, Subchapter 1, Article 1, Section 2004(a)(48)(f-2) of the New York City Municipal Code.

9. Respondents have voluntarily disclosed the violations set forth above, have fully cooperated with the OAG's investigation into this matter, and admit the OAG's Findings above.

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

11. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. THEREFORE, the OAG is willing to accept this Assurance pursuant to EL § 63(15), in lieu of commencing a statutory proceeding for violations of Title 27, Chapter 2,

Subchapter 1, Article 1, Section 27-2005(d) of the New York City Municipal Code and EL § 63(12) based on the conduct described above between June 2016 and July 2017.

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

**RELIEF**

12. Respondents shall not engage, or attempt to engage, in violations of any applicable laws, including but not limited to Title 27, Chapter 2, Subchapter 1, Article 1, Section 27-2005(d) of the New York City Municipal Code, and expressly agree and acknowledge that any such conduct is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 11, *supra*, in addition to any other appropriate investigation, action, or proceeding.

13. Respondents shall pay to the New York City Department of Finance (the “City”), or such other entity as may be designated in writing by the City, acting through HPD, \$132,000 (ONE-HUNDRED-THIRTY-TWO THOUSAND DOLLARS AND ZERO CENTS) (the “Monetary Relief Amount upon executing this Assurance).

14. The Monetary Relief Amount payment shall be made by attorney check or certified check, payable to the New York City Department of Finance (the “City”), or such other entity as may be designated in writing by the City, acting through HPD, as restitution (the “Restitution Funds”) for the violation of Title 27, Chapter 2, Subchapter 1, Article 1, Section 27-2005(d) of the New York City Municipal Code. The City, acting by and through HPD, shall use the Restitution Funds to finance projects for “persons of low income” and “families of low income,” as defined in N.Y. Private Housing Finance Law § 2(19).

15. Respondents agree and acknowledge that they are jointly and severally liable for

payment of the Monetary Relief Amount set forth in paragraph 13 above.

16. Respondents expressly agree and acknowledge that a default in the performance of any obligation under paragraph 13 above is a violation of the Assurance.

17. All correspondence related to this Assurance must reference Assurance No. 17-195.

### **MISCELLANEOUS**

#### **Subsequent Proceedings:**

18. In any subsequent investigation, civil action, or proceeding by the OAG to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided, Respondents expressly agree and acknowledge:

- a. that any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;
- b. that the OAG may use statements, documents, or other materials produced or provided by the Respondent prior to or after the effective date of this Assurance;
- c. that any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.

19. If a court of competent jurisdiction determines that the Respondents have violated the Assurance, the Respondents shall pay to OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

#### **Effects of Assurance:**

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

The admissions contained in this Assurance are not admissions in the context of any other proceeding or with respect to any claims asserted by any third party.

21. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of Respondents. Respondents shall cause this Assurance to be adopted in any such transfer agreement. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this assurance without prior written consent of the OAG.

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

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

Representations and Warranties:

24. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by Respondents and their counsel and the OAG's own factual investigation as set forth in the Findings above. The Respondents represent and warrant that neither they nor their counsel have made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondents or their counsel to the OAG are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in his sole discretion.

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



Assurance.

26. Respondents represent and warrant, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized. Respondents shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance or expressing the view that this Assurance is without factual basis. Nothing in this paragraph affects Respondents' (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the OAG is not a party.

General Principles:

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

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

29. This Assurance may not be amended except by an instrument in writing signed on behalf of all the Parties to this Assurance, and any purported amendment of this Assurance that is not memorialized in a writing signed by all parties shall be deemed null and void.

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

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

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

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


34. This Assurance may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

35. The effective date of this Assurance shall be October 30, 2017.

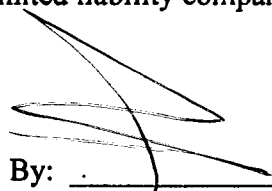
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IN WITNESS WHEREOF, this Assurance is entered into by the Respondents and the OAG  
as of October 30 2017.

ERIC T. SCHNEIDERMAN,  
Attorney General of the State of New York  
120 Broadway  
New York, NY 10271

By:   
\_\_\_\_\_  
Rachel Hannaford, Esq.  
Senior Enforcement Counsel  
Real Estate Finance Bureau

1075 GREENE LLC  
a New York limited liability company

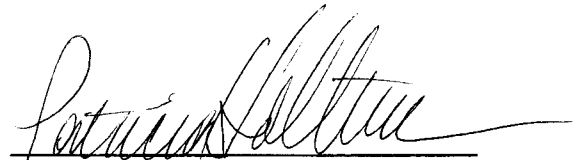
  
By: \_\_\_\_\_  
Graham Jones  
Head Officer

STATE OF NY \_\_\_\_\_ )

COUNTY OF NY \_\_\_\_\_ ) ss.:


On this 30<sup>th</sup> day of October, 20 17, Graham Jones, known personally to me to be the Head Officer of 1075 GREENE LLC, appeared before the undersigned and acknowledged to me that he, as such officer and being authorized to do so, executed the within instrument for the purposes therein set forth, on behalf of 1075 GREENE LLC, by his signature on the instrument as such officer.

Sworn to before me this  
30 day of October, 2017

  
\_\_\_\_\_  
NOTARY PUBLIC

PATRICIA HOLTERMANN  
Notary Public, State of New York  
No. 01HO4830379  
Qualified in Richmond County  
Commission Expires January 25, 20 18

920 BUSHWICK LLC  
a New York limited liability company

By:   
Graham Jones  
Head Officer

STATE OF NY

COUNTY OF NY ) ss.:


On this 30<sup>th</sup> day of October, 2017, Graham Jones, known personally to me to be the Head Officer of 920 BUSHWICK LLC, appeared before the undersigned and acknowledged to me that he, as such officer and being authorized to do so, executed the within instrument for the purposes therein set forth, on behalf of 920 BUSHWICK LLC, by his signature on the instrument as such officer.

Sworn to before me this  
30 day of October, 2017

  
NOTARY PUBLIC

PATRICIA HOLTERMANN  
Notary Public, State of New York  
No. 01HO4830379  
Qualified in Richmond County  
Commission Expires January 25, 2018

946 BUSHWICK AVENUE LLC  
a New York limited liability company

  
By: \_\_\_\_\_  
Graham Jones  
Head Officer

STATE OF NY )  
COUNTY OF NY ) ss.:

On this 30 day of October, 2017, Graham Jones, known personally to me to be the Head Officer of 946 BUSHWICK AVENUE LLC, appeared before the undersigned and acknowledged to me that he, as such officer and being authorized to do so, executed the within instrument for the purposes therein set forth, on behalf of 946 BUSHWICK AVENUE LLC, by his signature on the instrument as such officer.

Sworn to before me this  
30 day of October, 2017

  
\_\_\_\_\_  
NOTARY PUBLIC

PATRICIA HOLTERMANN  
Notary Public, State of New York  
No. 01HO4830379  
Qualified in Richmond County  
Commission Expires January 25, 2018


GRAHAM JONES



GRAHAM JONES

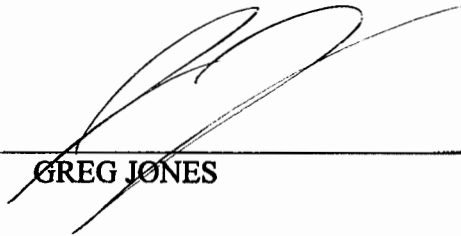
On this 30 day of October, 2017, GRAHAM JONES, known personally to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this  
30 day of October, 2017

  
NOTARY PUBLIC

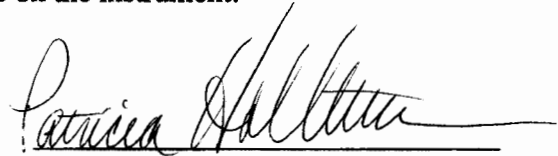
PATRICIA HOLTERMANN  
Notary Public, State of New York  
No. 01HO4830379  
Qualified in Richmond County  
Commission Expires January 25, 2018

GREG JONES

  
\_\_\_\_\_  
GREG JONES

On this 30 day of October, 2017, GREG JONES, known personally to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, appeared before the undersigned and acknowledged to me that he executed the within instrument by his signature on the instrument.

Sworn to before me this  
30 day of October, 2017

  
\_\_\_\_\_  
NOTARY PUBLIC

PATRICIA HOLTERMANN  
Notary Public, State of New York  
No. 01HO4830379  
Qualified in Richmond County  
Commission Expires January 25, 2018