UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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

Plaintiffs,

v.

LILMOR MANAGEMENT LLC and MORRIS LIEBERMAN, *et al.*,

Defendants.

24 Civ. 9520

CONSENT DECREE

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I. RECITALS

1. WHEREAS, plaintiffs United States of America ("United States") and People of the State of New York ("State") have filed a complaint (the "Complaint") asserting their respective claims against defendants Lilmor Management, LLC ("Lilmor"), Morris Lieberman, (Morris Lieberman, together with Lilmor, the "Lilmor Defendants"), and the entities listed in Appendix A (together with the Lilmor Defendants, "Defendants").

2. WHEREAS, the United States on behalf of the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Housing and Urban Development ("HUD") asserts in the Complaint that, between 2012 and the present, Defendants have routinely violated the Lead Disclosure Rule, 24 C.F.R. Part 35, Subpart A, and 40 C.F.R. Part 745, Subpart F, and therefore Section 1018 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. § 4852d, and Section 409 of the Toxic Substances Control Act ("TSCA" or the "Act"), 15 U.S.C. § 2689, by, among other things, failing to provide tenants entering new and (where required) renewal leases with (i) known information relating to lead-based paint or lead-based paint hazards and/or (ii) records in the possession or control of Defendants relating to lead-based paint or lead-based paint hazards.

3. WHEREAS, the United States on behalf of EPA further asserts in the Complaint that Defendants have violated the Renovation, Repair, and Painting Rule ("RRP Rule") and therefore TSCA by, among other things: (i) between 2012 and the present, allowing superintendents employed by Lilmor to conduct renovations subject to the RRP Rule without appropriate firm or renovator certifications and without maintaining records required to be maintained by the RRP Rule; and (ii) between 2015 and 2020, employing and controlling the work of entities for large-scale renovation projects that lacked appropriate firm or renovator certifications and failed to maintain records required to be maintained by the RRP Rule.

4. WHEREAS, the United States also alleges in the Complaint that Defendants have maintained a public nuisance relating to substandard conditions in housing owned or controlled by Defendants.

5. WHEREAS, the United States further asserts that Defendants are liable for civil administrative penalties to EPA and HUD pursuant to 15 U.S.C. § 2615 and 42 U.S.C. § 4852d, on account of the violations of the Lead Disclosure Rule alleged in the Complaint, and to EPA pursuant to 15 U.S.C. § 2615, on account of the violations of the Renovation, Repair, and Painting Rule alleged in the Complaint.

6. WHEREAS, the State alleges in the Complaint, pursuant to its N.Y. Exec. Law § 63(12) authority, that Defendants have repeatedly and persistently violated the N.Y.C. Housing Maintenance Code ("HMC") (N.Y.C. Admin. Code §§ 27¬-2001 et seq.; "Lead Poisoning Prevention and Control", N.Y.C. Admin. Code §§ 27-2056.1–2056.18 [a/k/a "The New York City Childhood Lead Poisoning Prevention Act", Local Law 1 of 2004]; "Control of Pests and Other Asthma Allergen Triggers," §§ 27-2017–2019 [a/k/a "The New York City Asthma Free Housing Act", Local Law 55 of 2018]); "Consumer Protection from Deceptive Acts and Practices," N.Y. Gen. Bus. Law§ 349, and "Warranty of Habitability," N.Y. Real Prop. Law, § 235-b by, among

other things, failing to timely and correctly address substandard conditions, including, but not limited to, lead paint and indoor allergen triggers such as mold, and vermin infestations; by failing to properly follow local law relating to lead paint remediation, disclosure, certification, annual inquiry, investigations and record keeping as well as requirements for addressing indoor allergen triggers. Defendants are therefore liable for civil penalties and restitution damages pursuant to the local and state laws and rules described herein.

7. WHEREAS, to avoid the time, expense, and burden of litigation, the Parties wish to resolve all of the United States' and the State's claims brought in this action by willingly entering into this Consent Decree.

8. WHEREAS, the Parties recognize, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated in good faith by the Parties and is fair, reasonable, and in the public interest.

NOW, THEREFORE, with the consent of the Parties, IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

II. JURISDICTION AND VENUE

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345, 1367, 15 U.S.C. § 2616, and 42 U.S.C. § 4852d.

10. The Court has personal jurisdiction and venue lies in this District because all Defendants reside in this state and Defendant Lilmor resides in this district within the meaning of 28 U.S.C. § 1391(b)(1) and (c)(2). For purposes of this action and Decree, or any action to enforce this Decree, the Parties consent to the Court's jurisdiction and to venue in this judicial district.

III. ADMISSIONS

11. The Lilmor Defendants admit, acknowledge, and accept responsibility for the following:

a. Defendants own, control, or manage, in whole or in part, 49 residential buildings containing 2,539 units in New York City, all of which were built prior to 1978.

b. Government records show that, since 2012, more than 130 children have tested positive for elevated blood lead levels while living in an apartment owned or controlled by one or more of the Defendants.

Disclosures and Lead Hazard Prevention

c. Prior to November 2020, the Lilmor Defendants failed to provide tenants entering new and renewal leases with (i) known information relating to lead-based paint or lead-based paint hazards and/or (ii) records in the possession

or control of Defendants relating to lead-based paint or lead-based paint hazards, as required by the federal Lead Disclosure Rule.

d. From at least the beginning of 2015 through at least the end of 2017, Defendants failed to keep evidence of the "Annual Notice for Prevention of Lead Based Paint Hazards – Inquiry Regarding Child" that they allege they provided to their tenants, as required by The New York City Childhood Lead Poisoning Prevention Act.

e. In hundreds of the apartments it rented, the Lilmor Defendants knew of lead-based paint or previous lead-based paint hazards because of prior lead-based paint hazard violations issued by the New York City Department of Housing Preservation and Development ("HPD") or the New York City Department of Health and Mental Hygiene ("DOHMH"), but the Lilmor Defendants did not disclose this fact to tenants as required by the Lead Disclosure Rule and the NYC Childhood Lead Poisoning Prevention Act.

f. Prior to the dates upon which government records show that children tested positive for elevated blood lead levels while residing in Defendants' apartments, Defendants had received citations for lead-based paint hazard violations from HPD or DOHMH for at least eighteen of these apartments but the Lilmor Defendants did not disclose the fact that these apartments contained lead-based paint to the tenants when they signed their leases or lease renewals.

Inspections, Inquiries, and Remediation

g. From at least 2015 to at least 2019, the Lilmor Defendants conducted no annual inquiries or investigations, as required by the NYC Childhood Lead Poisoning Prevention Act, to determine if a child under six years old resided in the apartments they rented. Since 2020, the Lilmor Defendants failed to conduct satisfactory annual investigations to determine if a child under six years old resided in the apartments.

h. The Lilmor Defendants have in the past systematically failed, in violation of The New York City Childhood Lead Poisoning Prevention Act, to conduct annual inspections of apartments, including instances where the Lilmor Defendants had received notice that children under 6 years of age resided.

i. The Lilmor Defendants have also, in the past, systematically failed to conduct proper lead paint inspection and remediation when apartments were vacated and turned over before new tenants moved in, as required by The New York City Childhood Lead Poisoning Prevention Act. Because the Lilmor Defendants failed to conduct proper turnover work, they failed to properly certify in initial leases with new tenants that turnover work was

done in compliance with the local law, as required by The New York City Childhood Lead Poisoning Prevention Act.

Lead-Safe Work Practices

j. The Lilmor Defendants lacked federal certification to conduct repairs and renovations that required lead-safe work practices pursuant to the RRP Rule, did not provide its maintenance staff with equipment necessary to perform RRP-Rule-compliant work, and did not train its maintenance staff on lead-safe work practices. The Lilmor Defendants provided no instructions to its maintenance staff to prevent them from conducting work that was required to be performed in accordance with lead-safe work practices. The Lilmor Defendants' work-order database nevertheless reflects that work subject to the RRP Rule was conducted by the Lilmor Defendants' maintenance staff.

k. By failing to conduct repairs and renovations pursuant to the federal RRP Rule and other EPA requirements, the Lilmor Defendants also violated the requirements for lead safe work required by The New York City Childhood Lead Poisoning Prevention Act.

l. Through at least 2020, the Lilmor Defendants failed to follow lead-safe work practices required by federal and local law in covered repair and renovation projects for which the Lilmor Defendants engaged an entity that worked solely or principally for the Lilmor Defendants. The Lilmor Defendants would assign work orders to this entity, an employee of the entity would send pictures of the work area to an employee of Lilmor, the employee of Lilmor would provide instructions on how to conduct the work, and the employee of the entity would take pictures once the work was completed and send them to the Lilmor employee for approval of the work. During this time, the entity did not employ lead-safe work practices. Furthermore, although Lilmor had arranged for this entity to receive EPA certifications required by the RRP Rule in 2010 and 2020, the entity was not certified to conduct work covered by the RRP Rule from 2015 to 2020.

Indoor Allergen Hazard Prevention

m. The Lilmor Defendants have failed to implement a comprehensive inspection plan for identifying and remediating indoor allergens, including mold and vermin hazards. In violation of the New York City Asthma Free Housing Act, the Lilmor Defendants failed to: (i) annually inspect all apartments for indoor allergen hazards, including for pests and mold and keep records; (ii) properly remediate indoor allergen hazards using safe work practices as defined by the law; (iii) clean vacant units at turnover to ensure that they are free of pests and mold and using a HEPA vacuum where indicated; (iv) timely establish Integrated Pest Management plans, as

required by law, in many buildings in the portfolio; (v) provide a copy of the NYC DOHMH Fact Sheet "What Tenants Should Know About Indoor Allergens (Local Law 55 of 2018)" with all tenants' initial and renewal leases.

Health and Safety Conditions

n. In a period spanning from 2019 to the present, HPD issued violations to Defendants under applicable housing code provisions:

(1) more than 966 times for lead-based paint hazards,

(2) more than 2331 times for rodent or roach infestations,

(3) more than 1492 times for leaks,

(4) more than 1465 times for mold, and

(5) more than 85 times for lack of heat.

o. In a period spanning from 2019 to the present, 26 buildings Defendants own, control, or manage have been cited by HPD to be in violation of housing codes concerning living conditions like those above 100 times or more.

p. In a period spanning from 2019 to the present, 25 buildings that Defendants own, control, or manage were cited by HPD to be in violation of housing codes concerning living conditions like those above two or more times *per unit*.

IV. DEFINITIONS

12. Terms used in this Consent Decree that are defined in applicable statutes or regulations promulgated pursuant to those statutes shall have the meanings assigned to them in the statutes or such regulations, unless otherwise provided in this Decree. Where applicable local, state, or federal statutes or regulations contain different definitions of terms, the applicable standard will be the most restrictive of those definitions. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

a. "Abatement" and methods of abatement including replacement, removal, enclosure, and encapsulation have the meanings provided in 24 C.F.R. § 35.110 and 40 C.F.R. § 745.223.

b. "Chewable, Friction, or Impact Surface" has the meaning of the definitions provided by NYC Admin. Code § 27-2056.2, 24 C.F.R. § 35.110, and 40 C.F.R. § 745.63, as applicable.

c. "Clearance Examination" means an activity conducted after performance of (i) Abatement activities or (ii) other paint-disturbing activities where clearance is required (including but not limited to, for federally subsidized units, the Lead Safe Housing Rule) to determine that those activities are complete and that no Lead-Based Paint Hazards exist, in accordance with Chapter 15 of the HUD Guidelines, the Lead Based Paint Activities Rule at 40 C.F.R. § 745.227(e), the Lead Safe Housing Rule at 24 C.F.R. § 35.1340, and the New York City Childhood Lead Poisoning Prevention Act at N.Y.C. Admin. Code §§ 27-2056.1-2056.18. The appropriate clearance standards shall be the most restrictive of those set by: (i) N.Y.C. Admin. Code §§ 27-2056.1-2056.18; (ii) Section 403 of TSCA and its implementing regulations, 40 C.F.R. Part 745, Subpart D; or (iii) the HUD Lead Safe Housing Rule, 24 CFR §§ 35.1320, 35.1340(d), where more than one provision is applicable.

d. "Common Area" has the meaning provided by 40 C.F.R. § 745.103, 24 C.F.R. § 35.86, and N.Y.C. Admin. Code § 27-2056.2, where applicable.

e. "Complaint" means the complaint filed by the United States and the State in this action.

f. "Completed Unit," "Completed Common Area," and "Completed Property" mean a Unit, Common Area, or Property that has achieved Work Completion; has been designated as a Completed Unit, Completed Common Area, or Completed Property pursuant to Paragraph 75 of this Decree; and has not had that designation removed pursuant to Paragraph 76 of this Decree.

g. "Compliance Officer" means the person described in Paragraph 66 of this Decree below.

h. "Consent Decree" or "Decree" means this Decree, including Appendices A through I.

i. "Current Transfer Cap," at a given point in time, is equal to the Transfer Cap Base multiplied by the Current Unit Count, divided by the Initial Unit Count, and then rounded to the nearest whole number.

j. "Current Unit Count" means the number of residential units within Properties (excluding Newly Acquired Properties) that are (a) owned or controlled, in whole or in part, directly or indirectly, by Defendants, or (b) managed, directly or indirectly, by Defendants, at a given point in time. For the avoidance of doubt, units within Removed Properties are not included.

k. "Date of Lodging" means the date this Consent Decree is filed with the Court in advance of the period of public comment provided by Paragraph 155 of this Decree.

l. "Day" means a calendar day unless expressly stated to be a business day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business on the next business day.

m. "Deferred Unit" means a Unit designated by the Housing Specialist as a Deferred Unit in accordance with Paragraph 81 of this Decree.

n. "Deferred Work" means any work in a Deferred Unit that Defendants were obligated to perform under this Consent Decree at the time the Unit became a Deferred Unit or during the time the Unit remained a Deferred Unit.

o. "Defendants" means Lilmor, Morris Lieberman, and the entities listed in Appendix A.

p. "Deteriorated Paint" shall have the meaning set forth in 40 C.F.R. § 745.223 and shall include any "deteriorated subsurface" as that term is defined in N.Y.C. Admin. Code § 27-2056.2.

q. "Dispute Resolution" shall mean the process set forth in Section XV (Dispute Resolution).

r. "DOHMH" means the N.Y.C. Department of Health and Mental Hygiene and any of its successor departments or agencies.

s. "EPA" means the United States Environmental Protection Agency and any of its successor departments or agencies.

t. "Effective Date" shall have the definition provided in Section XX (Effective Date).

u. "Housing Specialist" means the person hired by Defendants pursuant to Paragraph 28 of this Decree.

v. "HPD" means the N.Y.C. Department of Housing Preservation and Development and any of its successor departments or agencies.

w. "HUD" means the United States Department of Housing and Urban Development and any of its successor departments or agencies.

x. "HUD Guidelines" shall mean the edition of the "HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" in effect on the date the work is conducted pursuant to this Consent Decree.

y. "Indoor Allergen Triggers" or "Underlying Defect" shall mean those housing conditions which cause an indoor allergen hazard, such as a water leak or water infiltration from plumbing or defective masonry pointing or other moisture condition or causes an infestation of pests, including holes or entryway paths for pests requiring remediation measures to be implemented pursuant to the Asthma Free Housing Act, N.Y.C. Admin. Code §§ 27-2017 *et seq.*

z. "Initial Unit Count" means 2,539 units.

aa. "Interim Controls" shall have the meaning provided in 40 C.F.R. § 745.223.

bb. "Lead-Based Paint Activities Rule" means the regulations at 40 C.F.R. Part 745, Subpart L.

cc. "Lead-Based Paint" means paint or other surface coatings that contain lead equal to or exceeding the stricter of any federal, New York State, or New York City law in force at the relevant time. For avoidance of doubt, that standard is currently 0.5 milligram per square centimeter as defined under N.Y.C. Admin. Code § 27-2056.2(7).

dd. "Lead-Based Paint Inspection Determination" shall mean a written determination of a certified Lead-Based Paint inspector or risk assessor.

ee. "Lead-Based Paint Hazards" shall mean the standards set in 40 C.F.R. § 745.65 and those set by N.Y.C .Admin. Code § 27-2056.2, as applicable.

ff. "Lead-Based Paint Laws" means all federal, state, or local requirements relating to the protection of occupants and workers from Lead-Based Paint and Lead-Based Paint Hazards, including but not limited to the Lead Disclosure Rule, the Lead Safe Housing Rule, the RRP Rule, the Lead-Based Paint Activities Rule, and the New York City Childhood Lead Poisoning Prevention Act, N.Y.C. Admin. Code §§ 27-2056.1-2056.18.

gg. "Lead-Based Paint Work" means Lead-Based Paint inspections, Lead-Based Paint risk assessments, Abatement, work to implement Interim Controls, work to which the RRP Rule or Lead Safe Housing Rule applies, the implementation of Lead Safe Work Practices, or any other work designed to identify, prevent or eliminate Lead-Based Paint Hazards.

hh. "Lead Disclosure Rule" means the regulations set forth at 24 C.F.R. Part 35, Subpart A, and 40 C.F.R. Part 745, Subpart F.

ii. "Lead Safe Housing Rule" means the regulations set forth at 24 C.F.R. Part 35, Subparts B through R.

jj. "Lead Safe Work Practices" means work practices compliant with the Lead Safe Housing Rule, the RRP Rule, and The New York City Childhood Lead Poisoning Prevention Act, N.Y.C. Admin. Code §§ 27-2056.1-2056.18.

kk. "Lead Warning Statement" means the statement described in 40 C.F.R. § 745.113, and 24 C.F.R. § 35.92(b)(1).

ll. "Lilmor" means Lilmor Management, LLC, and all predecessor and successor entities, and all persons or entities controlled by Lilmor Management, LLC.

mm. "Lilmor Defendants" means Lilmor and Morris Lieberman.

nn. "Lilmor-Managed Property LLCs" means the Entities listed in Appendix A.

oo. "Newly Acquired Properties" means residential properties in which, after the Effective Date, one or more Defendants come to hold a controlling interest in or come to operate, manage, or otherwise control, in whole or in part, directly or indirectly.

pp. "Paragraph" means a portion of this Decree identified by an Arabic numeral.

qq. "Parties" means the parties to this Consent Decree: the United States, the People of the State of New York and the Defendants.

rr. "Plaintiffs" means the United States and the People of the State of New York.

ss. "Previously Transferred Properties" means the residential properties listed in Appendix B.

tt. "Properties" means (i) the residential properties listed in Appendix C, and (ii) the Newly Acquired Properties, except as provided in Section VI (Transfer of Interests) and Paragraphs 150-153 of this Decree.

uu. "Removal" or "Removed Property" refers to a Property removed, pursuant to Section XXIV (Property Removal and Termination), from the list of Properties to which this Consent Decree applies, except as to any provision of this Consent Decree that expressly obligates Defendants for a period of time extending beyond the date of that Removal.

vv. "Renovation, Repair, and Painting Rule" or "RRP Rule" means the Renovation, Repair and Painting Rule, promulgated at 40 C.F.R. Part 745, Subpart E.

ww. "Section" means a portion of this Decree identified by a Roman numeral.

xx. "Substandard Conditions" means conditions that violate applicable state or local housing, building or health codes (other than Lead-Based Paint Laws) or Indoor Allergen Trigger laws and include any nuisance conditions that are "dangerous to human life or detrimental to health" (N.Y.C. Admin. Code § 17-142). Substandard Conditions include widespread or recurring mold; infestations of vermin or pests; continued failure to provide adequate heat, hot water, or cooking gas; recurring failure to properly handle sewage or garbage; failing to timely remediate leaks or holes; unsafe electric wiring; fire safety hazards; recurring failure to maintain properly functioning elevators; continued failure to maintain functioning locks on both a building's and each apartment's front door and mailboxes; continued failure to maintain a functioning doorbell, buzzer, or intercom system; and continued failure to provide adequate lighting in Common Areas. "Substandard Conditions" do not include a third-party utility provider's failure to provide services to a Unit or Property where Defendants did not cause or contribute to that failure.

yy. "Transfer Cap Base" means 800 minus the total number of units transferred pursuant to Paragraph 19 over the course of the Consent Decree.

zz. "Two Excluded Multifamily Properties" means the residential properties identified as such in Appendix D. Morris Lieberman, Lillian Lieberman, and Lilmor each represent and warrant that these properties are held in a trust over which Morris Lieberman, Lillian Lieberman, and Lilmor have no control, and that Morris Lieberman, Lillian Lieberman, and Lilmor have never managed or exercised control over either of these properties.

aaa. "Two Excluded Single-Family Properties" means the residential properties identified as such in Appendix E. Morris Lieberman, Lillian Lieberman, and Lilmor each represent and warrant that these properties are single-family houses that Lilmor has never managed or exercised control over.

bbb. "Unit" means a residential apartment, excluding any Common Areas.

ccc. "United States" means the United States of America.

ddd. "Work Unit", "Work Common Area", or "Work Property" means a Unit, Common Area, or Property for which work remains to be performed pursuant to Paragraph 46 (Lead-Based Paint Inspection and Risk Assessment), Paragraph 49 (Comprehensive Abatement of Lead-Based Paint), Paragraph 60 (Current Substandard Conditions), or Paragraph 61 (Future Substandard Conditions) of this Decree.

eee. "Work Completion," for a given Unit, Common Area, or Property means the time at which Defendants have completed all work to be performed at the Unit, Common Area, or Property pursuant to Paragraph 46 (Lead-Based

Paint Inspection and Risk Assessment), Paragraph 49 (Comprehensive Abatement of Lead-Based Paint), Paragraph 60 (Current Substandard Conditions), or Paragraph 61 (Future Substandard Conditions).

V. APPLICABILITY

13. The obligations of this Consent Decree apply to and are binding upon the Defendants and any successors, assigns, or other entities or persons otherwise bound by law.

14. Defendants shall grant authority or access to one another and the Housing Specialist as needed to accomplish the work required by the Consent Decree. Defendants shall not take any action to frustrate or obstruct the work required by the Consent Decree, including but not limited to, by obstructing access to any Common Areas at the Properties that safely and in accordance with law may be used by tenants to hold tenant meetings relating to this Consent Decree or to receive updates from the Housing Specialist or its agents.

15. Defendants shall provide a copy of this Consent Decree to all officers, employees, and agents of Defendants whose duties might reasonably include compliance with any provision of this Decree, as well as to any contractor retained by a Defendant to perform work required under this Consent Decree. Defendants shall condition any such contract upon performance of the work in conformity with the terms of this Consent Decree, whether the work is to be performed by the contractor or one or more subcontractors.

16. In any action to enforce this Consent Decree, Defendants shall not raise as a defense the failure by any of their officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Consent Decree.

17. Notwithstanding any other provisions in this Consent Decree: (a) Defendants' obligations under this Consent Decree with respect to Newly Acquired Properties shall be limited to: (*i*) Paragraphs 44, 51, 53-56, 59, 61, 64, 89, 91-94, and 125-131; (*ii*) Paragraphs regarding the Housing Specialist (including Paragraphs 28-43, 52, and 89-98) as they relate to obligations in the Paragraphs enumerated above in (*i*); and (*iii*) Sections XIII (Stipulated Penalties), XIV (Force Majure), XV (Dispute Resolution), XVII (Effect of Settlement/Reservation of Rights), and XXIX (Final Judgment) as they relate to obligations in the provisions enumerated above in (*i*) and (*ii*); (b) the acquiring Defendants shall specifically request the transferor of Newly Acquired Properties to provide the acquiring Defendants with all documents and information for the Newly Acquired Properties that are required to be disclosed under 24 C.F.R. § 35.88(a)(2) and (4) and 40 C.F.R. § 745.107(a)(2) and (a)(4), and shall obtain a representation from the transferor that it has done so, and (c) the acquiring Defendant shall inform Plaintiffs and the Housing Specialist in writing of a Newly Acquired Property within 30 days of the property becoming acquired and confirm that the requirements of (b) have been satisfied. Newly Acquired Properties shall be treated as Completed Properties upon acquisition.

VI. TRANSFERS OF INTEREST

18. No less than 30 Days before entering into any agreement that involves the transfer of any interest in any of the Properties (except as to any mortgage of the Properties), Defendants shall provide a copy of this Consent Decree to the proposed transferee and shall simultaneously provide written notice of the prospective transfer, together with a copy of the proposed written agreement, to the Plaintiffs in accordance with Section XIX (Notices). Any transfer of ownership or operation of the Properties by Defendants without complying with this Paragraph constitutes a violation of this Decree, except as to any mortgage of the Properties. No transfer of ownership or operation of the Properties by Defendants (including by foreclosure), whether in compliance with the procedures of this Paragraph or otherwise, shall relieve Defendants of their obligation to ensure that the terms of the Decree are implemented (subject to Defendants' being granted access in the case of foreclosure) unless the Plaintiffs consent, which consent may be contingent on the transferee's becoming a party to, and liable as Defendant under, this Decree.

19. Notwithstanding Paragraph 18, Defendants may invoke this Paragraph in writing delivered to the Plaintiffs in accordance with Section XIX (Notices) to transfer their interests in a Property if (a) that Property is a Completed Property under Paragraphs 75 and 76 or would be a Completed Property but for the presence of one or more Deferred Units, and has been maintained as such for a period of no less than six months; (b) Defendants have provided to the transferee (i) all documents and information that is required to be disclosed by the Defendants to the transferee pursuant to the Lead Disclosure Rule, including under 24 C.F.R. § 35.88(a)(2) and (4) and 40 C.F.R. § 745.107(a)(2) and (a)(4), and (ii) a list of any Deferred Units at the Property with a statement describing the work that has been deferred; (c) the transferee agrees to provide Defendants notice of the initial vacancy of any Deferred Units; (d) Defendants have provided the occupants of any Deferred Units with a notice in the form of Appendix F advising the occupants, with at least 60 days' notice, that obligations under this Consent Decree to complete the Deferred Work prior to vacancy will no longer apply after transfer if occupants do not provide access, and that Defendants will perform any Deferred Work for which occupants provide access after receiving this notice; (e) the Housing Specialist has confirmed that the tenants of any Deferred Units do not wish for the Deferred Work to be performed prior to transfer or the Housing Specialist determines that such tenants cannot be reached or made to respond; (f) the transfer would not reduce the value of any Financial Assurance, unless property or interests of equal value replace the value of the transferred Property; and (g) Properties containing, in aggregate, no more than the Current Transfer Cap are transferred pursuant to this Paragraph; provided that the Current Transfer Cap does not apply (1) for a Property that is not owned or controlled, in whole or in part, directly or indirectly, by any Defendant and for which Lilmor and Morris Lieberman have been removed from management by the owners; or (2) with respect to Properties not owned or controlled, in whole or in part, directly or indirectly, by any other Defendant, if Lilmor, Morris Lieberman, and Lillian Lieberman no longer remain engaged in the business of residential property management

or ownership, excepting direct or indirect minority[1] ownership interests in purely passive investments. If, through transfers pursuant to this Paragraph, Defendants transfer their interests in a Property such that the Property is no longer owned or controlled, in whole or in part, directly or indirectly, by Defendants, then, upon such transfer, such Property shall no longer be considered a Property subject to this Consent Decree, except that Paragraph 126 shall continue to apply to such Property with "the termination of this Consent Decree" replaced by "the date of the last transfer pursuant to Section VI," and Defendants shall remain obligated pursuant to Paragraph 81 to perform the Deferred Work in a Deferred Unit upon vacancy (subject to Defendants' being granted access). If Defendants are not granted access to such a transferred Deferred Unit upon vacancy, Defendants shall so advise the Housing Specialist (if prior to the termination of the Consent Decree), as well as the United States and the State, within seven days of the new owner's refusal; if, after speaking with the Housing Specialist, the United States, or the State, the new owner grants access to the Deferred Unit, Defendants shall complete the work pursuant to Paragraph 81. Notwithstanding the foregoing, Defendants may satisfy their obligation to complete work in a transferred Deferred Unit by paying the new owner the reasonable cost of such work in return for an agreement by the new owner promptly to complete that work.

20. For avoidance of doubt, nothing in this Consent Decree shall: (a) prohibit or place any restriction upon any current or future mortgage-holder's right or ability to foreclose on a mortgaged Property in an arms-length transaction not designed to remove that Property from the coverage of this Consent Decree, consistent with any mortgage agreements applicable thereto; or (b) place any obligations or restrictions upon a current or future mortgage-holder upon foreclosure of the Property or upon a subsequent third-party purchaser (not affiliated with Defendants) of a foreclosed Property, provided that Defendants are granted required access to the Property in the case of foreclosure.

VII. PENALTY AND RESTITUTION PAYMENT

21. Within 30 Days after the Effective Date, Defendants shall pay the total sum of $3,250,000 as a civil penalty to the United States. Fifty percent of this penalty shall be deemed paid on account of violations asserted in the Complaint on behalf of EPA and fifty percent shall be deemed paid on account of violations asserted in the Complaint on behalf of HUD.

22. Within 180 Days after the Effective Date, Defendants shall pay the total sum of $325,000 to the State of New York, Office of the Attorney General as a civil penalty made payable to the N.Y.C. Department of Housing Preservation and Development.

23. Within the timeframe provided by Paragraph 27, Defendants shall pay the total sum of $2,925,000 to the State of New York, Office of the Attorney General for restitution that the

[1] For purposes of this provision, Morris Lieberman and Lillian Lieberman shall qualify as having a "minority ownership interest" in a particular residential property only if their aggregated direct and indirect ownership interests—including interests held by any entities in which Morris Lieberman or Lillian Lieberman hold any direct or indirect interest, including as beneficiaries of a trust—amount to less than 50% of the ownership of that residential rental property.

State will make available to tenants affected by Defendants' conduct, as provided in Section X (Restitution Fund) below.

24. Defendants shall pay the civil penalty described in Paragraph 21 to the United States at https://www.pay.gov to the U.S. Department of Justice account, in accordance with instructions provided to Defendants by the United States Attorney's Office for the Southern District of New York. The payment instructions shall include a Consolidated Debt Collection System ("CDCS") number, which Defendants shall use to identify all payments required to be made in accordance with this Consent Decree. At the time of payment, Defendants shall send notice to the United States by email and by regular mail in accordance with Section XIX (Notices). Such notice shall reference the CDCS number and DJ # 90-5-1-1-11797.

25. Defendants shall pay $325,000 of the amount owing to the State described in Paragraph 22 as a civil penalty by certified bank check sent directly to the NYC Department of Housing Preservation and Development sent to Housing Litigation Division, 100 Gold Street, 6th Floor, New York, NY 10038, Attention: Tasonia Ragin, with simultaneous written notification to the Office of the Attorney General by email and regular mail in accordance with Section XIX (Notices). Such notice shall reference the civil index number for this action.

26. Defendants shall not deduct any penalties paid under this Decree pursuant to Paragraphs 21-25 or Section XIII (Stipulated Penalties) in calculating its federal, state or local income tax.

27. Restitution Payment. No later than the later of 180 Days after the Effective Date, Defendants shall pay $2,925,000 of the amount owing to the State described in Paragraph 23 as restitution by wire transfer, attorney check, or corporate or certified check or bank draft which shall be made payable to the "State of New York" (the "Restitution Fund"), to be distributed to tenants and permitted occupants of the Properties who meet the criteria for "Substandard Conditions Restitution" described in Section X (Restitution Fund). At the time of payment, Defendants shall send notice to the State of New York by email and by regular mail in accordance with Section XIX (Notices). Such notice shall reference the civil index number of this matter. Within 5 business days of receipt of payment, the State of New York shall release from escrow to Lilmor Defendants, the signed HPD letter agreement releasing them from civil penalty liability, an unsigned copy of which is attached to this Consent Decree at Appendix G.

VIII. HOUSING SPECIALIST

28. Housing Specialist. Defendants shall engage, at their own expense pursuant to the budget provisions below, as an independent contractor, a Housing Specialist chosen by Plaintiffs prior to the signing of this Consent Decree. The Housing Specialist, which may be an individual or a firm, shall have expertise and experience with Lead-Based Paint Laws and with the commercial operation and management of housing.

29. Within 30 days of the second anniversary of the Effective Date, and every two years thereafter until the termination of this Consent Decree, Plaintiffs shall either reappoint the current Housing Specialist or replace the Housing Specialist; provided that in the absence of such

reappointment or replacement by such date, the Housing Specialist shall continue in place until such reappointment or replacement occurs. In addition, the Housing Specialist may be removed or replaced by Plaintiffs on 60 days' notice, or for cause; the Housing Specialist may not be removed by Defendants, except that Defendants may request that Plaintiffs remove the Housing Specialist for cause. If the Housing Specialist position becomes vacant during the term of this Consent Decree, Plaintiffs shall promptly select a replacement. At least 30 days prior to choosing a new Housing Specialist, Plaintiffs shall provide notice to Defendants of their proposed Housing Specialist and permit Defendants an opportunity to provide their views to the Plaintiffs regarding the choice. Should Defendants disagree with Plaintiffs' choice, Plaintiffs shall meet with Defendants to discuss their concerns.

30. In addition to the specific responsibilities set forth elsewhere in this Consent Decree, the Housing Specialist shall verify Defendants' compliance with the injunctive terms of this Decree.

31. The Housing Specialist will exercise its judgment and discretion independently of Defendants, although it will consult with Defendants to the extent appropriate or necessary under this Decree. For avoidance of doubt, Defendants acknowledge that the Housing Specialist is not an employee of Defendants; that the Housing Specialist will not have an attorney-client relationship with any counsel for Defendants; that Plaintiffs may communicate with such Housing Specialist without including or notifying counsel for Defendants; and that the Housing Specialist need not share information with Defendants except as required by this Consent Decree.

32. The Housing Specialist is not an agent or agency of Plaintiffs.

33. The Housing Specialist will confer with the Defendants, tenants residing in Defendants' buildings, and tenant groups associated with Defendants' buildings to implement a tenant outreach plan for the purpose of educating tenants residing in Defendants' buildings about the provisions of the Consent Decree, the health and safety risks of lead paint, indoor allergens, and other substandard conditions, and tenant rights and responsibilities during the lead paint, indoor allergen, and substandard conditions abatement and remediation period.

34. The Housing Specialist shall have full access to the Properties, Defendants' principals, employees, contractors, and subcontractors, and Defendants' files and information systems, as they reasonably pertain to matters addressed by this Consent Decree, for the purpose of performing its functions under this Consent Decree in a manner that does not unreasonably interfere with occupants' quiet enjoyment of the Properties or with the operation of Defendants' business subject to the parameters of this Consent Decree. This provision does not permit access to information protected by attorney-client privilege or attorney work product protection without Defendants' consent nor to information not relevant to the Housing Specialist's performance of its functions under this Decree.

35. The Housing Specialist shall be charged with managing and disbursing funds from the Restitution Fund as provided in Section X (Restitution Fund), in consultation with and under the direction of the State of New York, Office of the Attorney General.

36. Housing Specialist Budget. Within 60 days of appointment and no later than 30 days before the beginning of each calendar year thereafter and in consultation with the Defendants, the Housing Specialist shall submit to the Plaintiffs a detailed budgetary estimate of anticipated fees, costs, and expenses for the calendar year for the Plaintiffs' review and approval (the "Budget"). Such fees, costs, and expenses shall be sufficient to allow the Housing Specialist to fulfill the Housing Specialist's duties for the calendar year pursuant to this Consent Decree in a reasonable and efficient manner, including by engaging staff, expert consultants, or other third parties. Defendants may submit an opposition to said budgetary estimate within two weeks of the Housing Specialist's submission to the Plaintiffs if they believe that any aspect is unreasonable. The Housing Specialist may respond to any opposition within one week. Plaintiffs may approve the budget in whole or part. Once the Plaintiffs approve the Housing Specialist's budgetary estimate (or portion thereof), such estimate or portion thereof shall be deemed an "Operative Budget."

37. The Housing Specialist's Budget may not increase by more than 15% from the previous calendar year without a showing that the costs are reasonably necessary to effectuate the purposes of this Consent Decree.

38. If Defendants object to an approved Operative Budget, they may invoke the Dispute Resolution provisions set forth in Section XV (Dispute Resolution). The Operative Budget will remain in effect, and payments shall be made by Defendants thereunder, until Dispute Resolution has concluded.

39. The Housing Specialist may amend the Operative Budget upon a showing of necessity; such amendment will be subject to the process set forth in Paragraphs 36-38.

40. The Housing Specialist shall notify the Plaintiffs and Defendants when the Housing Specialist has spent 75% of the Operative Budget for the current calendar year.

41. Within 30 days of receiving an invoice from the Housing Specialist for costs covered by an Operative Budget, Defendants shall pay that invoice. If the Housing Specialist incurs fees, costs, or expenses that are not covered by an Operative Budget but that are reasonably necessary to perform his or her duties under this Consent Decree, the Housing Specialist must amend the Operative Budget with a reasonable itemization of such increased fees, costs, or expenses and may not submit an invoice to Defendants for those costs until the amendment has been approved by Plaintiffs. The amendment may not result in an increase of the annual budget by more than 10% from the previous calendar year without a showing that the costs are necessary to effectuate the purposes of this Consent Decree.

42. Reporting by Housing Specialist. Each year, on the anniversary of the Effective Date, the Housing Specialist, after undertaking due diligence, shall submit a report to the Plaintiffs concerning Defendants' compliance with this Consent Decree (the "Annual Housing Specialist Report"). The Annual Housing Specialist Report will be made publicly available on a website maintained by the Housing Specialist.

43. Consultation with Plaintiffs. If requested by either Plaintiff, the Housing Specialist shall (i) provide copies of all documentation it receives from Defendants pursuant to this Consent Decree and (ii) consult with such Plaintiff prior to approving or disapproving any deliverable under this Consent Decree. A Plaintiff's request under this Paragraph shall be made by email or otherwise in writing and may address all documentation and deliverables under the Consent Decree; specific documentation or deliverables; or categories of documentation and deliverables. A Plaintiff may modify or withdraw a request previously made under this Paragraph. For avoidance of doubt, nothing in this Paragraph should be construed to alter the obligations of the Housing Specialist set forth in other Paragraphs of this Consent Decree.

IX. INJUNCTIVE REQUIREMENTS

Lead-Based Paint

44. Compliance In General. Defendants shall fully comply with all applicable Lead-Based Paint Laws.

45. Supplemental Lead-Based Paint Disclosure to Tenants. Within 120 days of the Effective Date, Defendants shall provide by regular mail, email (where an email address is known by Defendants), or hand delivery signed for by a tenant, to every lessee of a Unit in the Properties, except for Units that would otherwise be exempt from the Lead Disclosure Rule, the following:

a. All information required to be provided to tenants upon the signing of an initial lease pursuant to 40 C.F.R. §§ 745.107 and 745.113(b), and 24 C.F.R. §§ 35.88 and 35.92(b), including a Lead Warning Statement, which Defendants shall request that tenants sign, date, and return.

b. An N.Y.C. DOHMH pamphlet "Lead Paint Hazards in the Home."

c. A written notice requesting that occupants report to Defendants Deteriorated Paint and, if applicable, failure of encapsulation or enclosure, including the name, address, telephone number, and email address of the Compliance Officer.

46. Lead-Based Paint Inspection and Risk Assessment. Within one year of the Effective Date, Defendants shall conduct: (1) through EPA-certified risk assessors and inspectors approved by the Housing Specialist, an inspection (within the meaning of 40 C.F.R. § 745.227(b)) and consistent with Chapters 5 and 7 of the HUD Guidelines and N.Y.C. Admin. Code § 27-2056.4) of all Units and Common Areas, except as to any Unit or Common Area that was subject to such an inspection by a certified Lead-Based Paint inspector to identify any Lead-Based Paint in that Unit or Common Area on or after December 1, 2021, provided documentation of such a prior inspection is provided to the Housing Specialist and found to meet the requirements of this clause (1); and (2) through EPA-certified risk assessors approved by the Housing Specialist, where the inspections in subsection (1) identify the presence of Lead-Based Paint in Units or Common Areas, a risk assessment of the Units or Common Areas in accordance with 40 C.F.R. § 745.227(d), N.Y.C. Admin. Code § 27-2056.4 and consistent with Chapter 5 of the HUD Guidelines (together,

the "Inspection and Risk Assessment"). Notwithstanding the foregoing deadline, the Inspection and Risk Assessment shall occur no later than: (i) 90 Days after the Effective Date for all Units in which Defendants have received notice that a child under six years or a pregnant occupant has come to reside as of the Effective Date and related Common Areas; and (ii) the date provided in any NYC DOHMH Commissioner's Order to Abate ("COTA"), if such date occurs sooner than one year after the Effective Date. Each Unit must be inspected and evaluated rather than a sampling of Units. With each quarterly Progress Report, Defendants shall provide to (a) such Unit's occupants a report containing the information specified by 24 C.F.R. § 35.125; and (b) the Housing Specialist a report containing the information required by 40 C.F.R. § 745.227(b)(4) (for inspections) and/or 40 C.F.R. § 745.227(d)(11) (for risk assessments), as applicable (a "LBP Inspection and Risk Assessment Report").

47. Lead-Based Paint Hazard Reduction. Defendants shall control (by Interim Controls and/or Abatement) Lead-Based Paint Hazards identified during the Lead-Based Paint Inspection and Risk Assessment using Interim Controls and/or Abatement within 30 days of issuance of an LBP Inspection and Risk Assessment Report. If Defendants learn of Lead-Based Paint Hazards or of Deteriorated Paint on surfaces that are not without Lead-Based Paint by means other than a Lead-Based Paint Inspection and Risk Assessment (including a visual assessment for Deteriorated Paint as provided in Paragraph 48), they shall control (by Interim Controls and/or Abatement) such Lead-Based Paint Hazards or Deteriorated Paint within 30 Days of such Lead-Based Paint Hazards or Deteriorated Paint being made known to Defendants. If Defendants are notified by a government entity of a legal requirement to undertake additional risk assessment, inspections, remediation, Abatement, or other actions required by applicable law to be undertaken in light of Lead-Based Paint Hazards or violations, Defendants shall perform such additional actions as required by law. Defendants shall provide notice to the Housing Specialist of Interim Controls or Abatements in advance of conducting that work where they are required to provide notice to a local, state, or federal agency by law.

48. Lead-Based Paint Operations & Maintenance Plan; Visual Assessments. Within 180 days of the Effective Date, for all Units and Common Areas that have not yet received a Lead-Based Paint Inspection Determination, Defendants shall implement a Lead-Based Paint Operations & Maintenance Plan requiring annual visual inspection of each Unit and Common Area for Deteriorated Paint, to be completed by June 1 of each year and requiring control of Deteriorated Paint that is or may be a Lead-Based Paint Hazard using Interim Controls and/or Abatement within 30 days of the visual inspection. The Lead-Based Paint Operations & Maintenance Plan is subject to the approval of the Housing Specialist, in consultation with the Plaintiffs and Defendants, and must also comply with the New York City Childhood Lead Poisoning Prevention Act requirements for annual inquiry about children under six residing in the units, annual investigatory and inspection follow-up, as provided in N.Y.C. Admin. Code § 27-2056.4, and the requirements of the Lead Safe Housing Rule for any federally subsidized (including insured) units, *see, e.g.*, 24 C.F.R. Part 35, Subpart M (for tenant-based voucher rental assistance); *id.* Subpart G (for multifamily mortgage insurance); *id.* Subpart H (for project-based assistance). Defendants shall comply with the approved Lead-Based Paint Operations & Maintenance Plan.

49. Comprehensive Abatement of Lead-Based Paint. Within five years of the Effective Date, Defendants shall: (1) Abate by replacement or removal all Lead-Based Paint identified on

Chewable, Friction, or Impact Surfaces within the Properties in a manner compliant with local, state, and federal law, including 24 C.F.R. § 35.1325 and 40 C.F.R. § 745.227(e) and the New York City Childhood Lead Poisoning Prevention Act, N.Y.C. Admin. Code §§ 27-2056.1-2056.18 and obtain a Lead-Based Paint Inspection Determination that those surfaces are free of Lead-Based Paint, and (2) abate by replacement, removal, permanent enclosure, or permanent encapsulation—with the choice of these four methods to be made solely in the discretion of Defendants, subject to the HUD Guidelines and applicable federal, state, and local law—all other Lead-Based Paint identified within the Properties. Defendants shall obtain a Lead-Based Paint Inspection Determination identifying areas (other than Chewable, Friction, or Impact Surfaces) where Lead-Based Paint remains but has been Abated by permanent enclosure or encapsulation. For the avoidance of doubt, "permanent" shall have the meaning set forth in 24 C.F.R. § 35.110. Notwithstanding the foregoing deadline, Defendants shall abate Units and associated Common Areas by the following earlier dates, where applicable: (i) the vacancy turnover of a Unit; (ii) 45 days after notification by a government agency of a violation of Lead-Based Paint Laws; (iii) 45 days after learning that a child under 6 years old or pregnant occupant has come to reside in a Unit; or (iv) where N.Y.C. DOHMH has issued a COTA, the deadline for Abatement set in the COTA. Defendants' time to complete the abatement work required by this Paragraph may be extended by the Housing Specialist, on a Unit-by-Unit basis, if Defendants establish to the Housing Specialist's satisfaction that Defendants were diligent in attempting to complete this abatement work in a particular Unit but, for reasons outside of Defendants' control (not to include financial circumstances), Defendants need additional time to do so.

50. Abatement Plan. Within 15 months of the Effective Date, Defendants shall submit a plan ("Abatement Plan") to the Housing Specialist and Plaintiffs setting forth a schedule for completing the comprehensive abatement required by Paragraph 49. The Abatement Plan shall include interim deadlines for accomplishing portions of the abatement. Once approved by the Housing Specialist, Defendants shall implement the Abatement Plan. Defendants may seek amendments to the Abatement Plan schedule, which shall be approved by the Housing Specialist so long as they are consistent with the deadline for Abatement set forth in Paragraph 49.

51. Renovation and Interim Control Standards. When disturbing Lead-Based Paint during Renovations (as defined by 40 C.F.R. § 745.83) and Interim Controls (as defined by 24 C.F.R. § 35.1330), or any other activity besides Abatement, Defendants shall employ Lead-Safe Work Practices (or, if acting through contractors or subcontractors, ensure that the contractor or subcontractors do so) and comply with the following requirements, in addition to following any other applicable legal requirements, including but not limited to N.Y.C. Admin. Code §27-2056.11:

a. Ensuring that only properly trained and certified firms and workers are assigned to perform work to which Lead-Safe Work Practices apply in accordance with 24 C.F.R §§ 35.1330(a)(4), 35.1350(b) and/or 40 C.F.R. §§ 745.85(a), 745.90, as applicable.

b. Obtaining and maintaining certification as a certified renovation firm if any of the workers described in this Paragraph are Defendants' employees, and

the work they do is covered by 40 C.F.R. Part 745, Subpart E, in accordance with 40 C.F.R. §§ 745.81, 745.89.

c. Ensuring equipment, supplies, and materials necessary to perform Lead-Safe Work Practices in accordance with 24 C.F.R § 35.1350 and 40 C.F.R. § 745.85 are readily available to trained and certified workers, as applicable.

d. Ensuring that firms and workers assigned to perform Renovations or Interim Controls use the RRP Renovation Checklist attached to this Consent Decree as Appendix H and establish and maintain records necessary to demonstrate compliance.

e. Ensuring that occupants of Properties in which Renovations or Interim Controls to which Lead-Safe Work Practices apply will be performed are informed of the work to be performed and the risks involved in accordance with 24 C.F.R § 35.1345(b)(2) and 40 C.F.R. §§ 745.84 and 745.85.

f. Complying with the occupant notification and information distribution regulations set forth at 24 C.F.R. § 35.125 and 40 C.F.R. § 745.84, as applicable.

g. Containing or causing to be contained any work area for which Lead-Safe Work Practices are required under applicable law by isolating the work area and waste generated so that no dust or debris leaves the work area in accordance with 24 C.F.R. § 35.1345 and 40 C.F.R. § 745.85(a), as applicable.

h. Containing, collecting, and transporting waste from the renovation in accordance with 40 C.F.R. § 745.85(a)(4).

i. Performing cleanup of any work area to which Lead-Safe Work Practices apply until no dust debris or residue remains above de minimis levels in accordance with 24 C.F.R. §§ 35.1340, 35.1345, 35.1350 and 40 C.F.R. § 745.85(a) and (b) and conducting and passing a Clearance Examination in accordance with 24 C.F.R. § 35.1340 (including follow-up as required by that section's subsection (e) after any clearance failures), as provided by 40 C.F.R. § 745.85(c), before tenants are permitted into the work area, in accordance with Paragraph 54.

j. Retaining records required by 24 C.F.R. § 35.175, 40 C.F.R. § 745.84, and N.Y.C. Admin. Code §27-2056.17.

52. The Housing Specialist may, at its discretion, conduct inspections of the work being conducted under this Section of the Consent Decree in a reasonable manner to ensure that it is being done in compliance with the Consent Decree. If the Housing Specialist determines that work has not been done in compliance with the Consent Decree—either by inspection or by a review of the records provided by Defendants— the Housing Specialist may direct Defendants to correct the

deficiencies in the work or the documentation and may require re-testing or additional work to affect a correction. The Housing Specialist shall allow Defendants a reasonable time for such correction. The Housing Specialist may require additional reporting to demonstrate the corrective action.

53. Abatement Standards. In performing any Abatements, whether pursuant to this Consent Decree or otherwise, Defendants shall comply with the following (or, if acting through contractors or subcontractors, ensure that the contractors or subcontractors comply with the following), in addition to any other applicable legal requirements, including but not limited to N.Y.C. Admin. Code § 27-2056.8:

a. Defendants shall ensure that each firm performing the abatement is certified as an abatement contractor in accordance with 40 C.F.R. §§ 745.220(a) and 745.227(a)(2).

b. Defendants, or their abatement contractors, shall ensure that a certified supervisor shall be onsite or otherwise available in accordance with 40 C.F.R. § 745.227(e)(2), and that all other workers performing abatement are, at a minimum, certified abatement workers. 40 C.F.R. §745.227(e)(1).

c. Defendants, or their abatement contractors, shall notify EPA of Lead-Based Paint Abatement activities electronically using EPA's Central Data Exchange (CDX) in accordance with 40 C.F.R. § 745.227(e)(4), or by alternate means permitted by EPA if CDX is not operational.

d. Defendants, or their abatement contractors, shall notify occupants of Lead-Based Paint Abatement activities in the same manner as required for activities covered by the RRP Rule pursuant to 40 C.F.R. § 745.84.

e. Defendants, or their abatement contractors, shall prepare and implement written occupant protection plans for all Abatement projects in accordance with 40 C.F.R. § 745.227(e)(5).

f. Defendants, or their abatement contractors, shall specify methods of collection and laboratory analysis in accordance with 40 C.F.R. § 745.227(f).

g. Defendants, or their abatement contractors, shall ensure that a Clearance Examination is performed; that clearance is attained before tenants are permitted into the work area, in accordance with Paragraph 54; and that a clearance examination report is provided by a Lead-Based Paint inspector/risk assessor certified and licensed as applicable for the property location, in accordance with 40 C.F.R. § 745.227(e)(8)-(9). The Lead-Based Paint inspector/risk assessor must be independent of the Lead-Based Paint Abatement firm, supervisor, and contractors performing the Abatement work, in accordance with 24 C.F.R. § 35.1340(f).

h. Defendants, or their abatement contractors, shall ensure that the certified supervisor on each Abatement prepares an Abatement report in accordance with 40 C.F.R. § 745.227(e)(10) within 15 days of the conclusion of all work.

i. Defendants shall maintain records in accordance with 40 C.F.R. § 745.227(i) and 24 C.F.R. § 35.175.

54. Clearance Examinations. As part of any Abatement, Interim Controls, or Renovation, Defendants shall ensure that the following requirements are complied with, by including the requirements in all of their contracts with certified firms and persons conducting Abatement, Interim Controls, or Renovation:

a. Daily and final cleanups shall be conducted in accordance with Chapter 14 of the HUD Guidelines and the Lead-Based Paint Activities Rule at 40 C.F.R. § 745.277(e).

b. Clearance Examinations shall be conducted by a certified lead risk assessor or inspector, who is a third party, independent of the owner, in each Unit, Common Area, or building upon completion of final cleanup. If the Clearance Examination report and analysis of dust samples from an EPA-accredited laboratory indicate that clearance is not achieved, Defendants shall repeat the cleaning procedures identified above under Paragraph 54(a), repeat dust clearance sampling within five (5) calendar days of the failed clearance examination, and repeat this procedure until clearance has been attained. Containment will be maintained, and tenants will not be permitted into the work area until, clearance is attained.

55. Defendants shall ensure that Clearance Examinations are not conducted by the same individual or same or affiliated business entity conducting the rest of the Lead-Based Paint Work that is being evaluated by the Clearance Examination.

56. Child with an Elevated Blood Lead Level. During the course of this Consent Decree, if Defendants learn of a child under the age of 18 residing in a Unit who has an elevated blood lead level as defined by New York City Health Code § 173.13(d)(2), Defendants shall comply with that provision and all other applicable laws and additionally shall report the occurrence to the Housing Specialist. The Housing Specialist will take appropriate steps to limit further disclosure of the identity of children with elevated blood lead levels, except where necessary in the Housing Specialist's judgment to the effective implementation of this Consent Decree.

57. Occupant Education on Lead-Based Paint Hazards. Defendants shall implement once at each Property occupant education on the hazards of lead-based paint and methods of minimizing potential exposures. In particular, Defendants shall, at each Property: (a) set up, in the lobby or other common space adjacent to the Property's main entrance, a table (the "Lead Education Table") at which occupants can receive information on the hazards of lead-based paint

and methods of minimizing potential exposures; (b) maintain the Lead Education Table—meaning that the Lead Education Table remains stationed in the lobby or other common space adjacent to the main entrance, with copies of the required educational material refreshed throughout the day—for at least ten days; (c) for at least three days, ensure that the Lead Education Table is staffed for at least two hours each day (after 7 p.m. for at least two of the three days) by a qualified trainer (the "Trainer") who is experienced in educating occupants on the hazards of lead-based paint and methods of minimizing potential exposures, who will be available to answer occupants' questions; (d) post notices in locations reasonably designed to inform occupants of the Lead Education Table, and the dates and times the Trainer will be staffing it, at least one month before it is established and notify Housing Specialist of the same; (e) make available at the Lead Education Table copies of EPA's *Protect Your Family From Lead Paint in Your Home* pamphlet English, Spanish, Arabic, French, Chinese, Russian, Somali, Tagalog and Vietnamese (copies in these languages may be found https://www.epa.gov/lead/protect-your-family-lead-your-home-english); (f) make available at the Lead Education Table copies of the NYC Health Department flyer "Protect Children From Lead Hazards" in English, Haitian-Creole, Korean, Polish, Bengali and Urdu, all available at: https://www.nyc.gov/site/doh/health/health-topics/lead-poisoning-prevention.page; and (g) certify in the next Progress Report that the Lead Education Table was implemented and these requirements complied with at that particular Property. The Housing Specialist, in its discretion, may visit one or more Lead Education Tables.

58. Prioritization of Lead-Based Paint Work. In scheduling Lead-Based Paint Abatement or Interim Control activities, priority shall be given to those Units and Properties where Defendants have been informed that or are otherwise aware that children under the age of six or pregnant women presently reside.

59. Lead-Based Paint Compliance Policies. Within 180 days of the Effective Date, Defendants will submit a written policy (the "LBP Compliance Policy") to the Housing Specialist designed to ensure that all of Defendants' employees, contractors, and subcontractors performing responsibilities related to the Lead-Based Paint Laws comply with those laws. This policy will provide:

a. For the Lead Disclosure Rule: (a) adequate training of employees, (b) adequate protocol to ensure that leasing agents know of and disclose Lead-Based Paint and/or Lead-Based Paint Hazards within Units and Common Areas, and (c) adequate supervision of employees, contractors, and subcontractors, including regular and unannounced paper audits by Defendants.

b. For Lead Safe Work Practices: (a) adequate training of employees, (b) adequate controls to ensure that contractors and subcontractors perform work in accordance with this Consent Decree, (c) adequate supervision of employees, contractors, and subcontractors, to include regular, unannounced spot checks while work is being done, and (d) regular and unannounced audits of records.

Once such a policy is approved by the Housing Specialist, in consultation with Plaintiffs, Defendants shall implement and abide by the approved policy for the duration of the Consent

Decree. The Housing Specialist, in consultation with Plaintiffs, may approve modifications to this policy proposed by Defendants in the future.

Substandard Conditions

60. Current Substandard Conditions. By 180 days after the Effective Date, Defendants shall correct, to the satisfaction of the Housing Specialist, all Substandard Conditions in Properties (i) of which Defendants have received actual notice as of the Effective Date or (ii) for which a violation has appeared on N.Y.C. HPD's "HPD Online" website on or before the Effective Date. Nothing in this Paragraph shall relieve Defendants from their obligations under applicable law to correct violations identified by N.Y.C. HPD or other governmental agencies pursuant to the timeline for correction set out in applicable law or agency order, which may require correction sooner than 180 days.

61. Future Substandard Conditions. At all times thereafter, Defendants shall take all reasonable steps to prevent Substandard Conditions from occurring. "All reasonable steps" shall include, but are not limited to, compliance with applicable Indoor Asthma and Allergen Trigger laws with respect to all Properties and Units therein. Upon receiving actual notice of any Substandard Condition or having a violation related to such condition appear on N.Y.C. HPD's HPD Online website (a "Known Substandard Condition"), Defendants shall promptly remediate it. If, in the view of the Housing Specialist, a Known Substandard Condition threatens an occupant's health or safety, the Housing Specialist shall issue an Action Plan directing Defendants to take action with respect to that Known Substandard Condition and shall have the power to implement some or all of the actions required by an Action Plan should Defendants fail to implement the Action Plan.

62. Substandard Conditions Screen. Within one year of the Effective Date, Defendants shall conduct, through contractors approved by the Housing Specialist, a visual inspection for Substandard Conditions, including for pests and other asthma allergen triggers, in all Properties. Each Unit must be inspected rather than a sampling of Units. Within 15 days of completing a Substandard Conditions Screen for a Unit or Common Area, a written report addressing the findings of the Substandard Conditions Screen (a "Substandard Conditions Inspection Report") shall be provided to tenants and the Housing Specialist.

63. For the purpose of Paragraphs 60 and 61, "actual notice" includes (but is not limited to) conditions that have been reported by a tenant to Defendants or their employees, or that the Housing Specialist has reported to Defendants, even if Defendants have not yet acted on that report.

64. Substandard Condition Remediation at Turnover. Without limiting Defendants' obligations to remediate Substandard Conditions at other times, upon tenant turnover, Defendants shall remediate all visible mold and pest infestations and any underlying defects in the Unit, thoroughly cleaning and vacuuming all carpeting and furniture, if provided, consistent with safe work practices outlined in the N.Y.C. Asthma Free Housing Act.

65. Indoor Allergen Supplemental Disclosure. Within 120 days of the Effective Date, Defendants shall provide by regular mail, email (where an email address is known by Defendants), or hand delivery signed for by a tenant, to every lessee in the Properties an indoor allergens information fact sheet from the N.Y.C. DOHMH entitled "What Tenants Should Know About Indoor Allergens (Local Law 55 of 2018)." This disclosure may be included in the same mailing and email as the supplemental lead-based paint disclosure required by Paragraph 44.

Compliance Officer

66. Compliance Officer. Defendants shall employ a qualified Compliance Officer acceptable to the Plaintiffs for the duration of the Consent Decree. In consultation with the Housing Specialist, within 90 Days of the Effective Date, Defendants shall appoint an individual with appropriate qualifications and experience, acceptable to the Plaintiffs, to serve as Compliance Officer, who will oversee Defendants' compliance with all applicable legal requirements, including this Consent Decree, and will serve as the point of contact between Defendants, Plaintiffs, and the Housing Specialist. The Compliance Officer may be an existing officer or employee of Defendants, if they are otherwise appropriately qualified. In the event that Defendants' Compliance Officer ceases to work in that position, Defendants shall appoint a replacement within 30 Days.

Progress Report

67. Within 20 Days following the end of each calendar quarter ending more than 180 Days after the Effective Date, Defendants shall provide to the Housing Specialist a quarterly report (the "Progress Report"), with copy to counsel for Plaintiffs, including:

a. Proof, in the initial Progress Report, of notifications sent pursuant to Paragraph 45;

b. A list of Units, Common Areas, and Properties for which a report of an Inspection and Risk Assessment or a Substandard Conditions Inspection Report was issued in the prior quarter, with a copy of such reports if not previously provided to the Housing Specialist;

c. A list of Units, Common Areas, and Properties for which an Inspection and Risk Assessment has identified Lead-Based Paint Hazards, or a Substandard Conditions Screen has identified Substandard Conditions during the prior quarter, with the date on which such Lead-Based Paint Hazards and Substandard Conditions were or are to be eliminated.

d. For Lead-Based Paint Hazards and Substandard Conditions identified in subsection (c) that have not yet been eliminated, a proposed schedule according to which each such condition will be eliminated.

e. A list of Units for which the Defendants have been unable to obtain access to conduct activities required by this Consent Decree, including any documented efforts to reach those tenants, during the prior quarter;

f. A list of Units and Common Areas in which Renovations, Interim Controls, or Abatements were performed in the prior quarter, with records showing compliance with Lead-Based Paint Laws during such activity;

g. A list of Units, Common Areas, and Properties for which Defendants received a Lead-Based Paint Inspection Determination in the prior quarter, with a copy of that determination;

h. The status of compliance with any Action Plans issued under Paragraph 69;

i. A list of Units, Common Areas, and Properties that Defendants ask the Housing Specialist to designate as Completed Units, Completed Common Areas, or Completed Properties, respectively, and any Property that Defendants ask the Housing Specialist to determine that it would qualify as a Completed Property but for the presence of Deferred Units;

j. Any housing or health code notices issued by any state or local governmental authority relating to Substandard Conditions in the prior quarter;

k. Other information and records necessary to document Defendants' compliance (and any non-compliance) with the Consent Decree during the prior quarter;

l. Other information requested by the Housing Specialist to be included in Progress Reports to facilitate the Housing Specialist's performance of its duties under this Consent Decree, including but not limited to information necessary to apply the rent abatement credit in Paragraph 84; and

m. A list of any violations of the Consent Decree known to Defendants and not already known to the Housing Specialist that occurred during the prior quarter, the cause of the violation, and the remedial steps taken, or to be taken, to prevent or minimize such violation.

68. The initial progress report shall contain the information described in Paragraph 67 not only for the prior quarter but since the Effective Date.

Housing Specialist Plans

69. Action Plans. No later than 30 days after receipt of a Progress Report, the Housing Specialist shall issue an Action Plan identifying specified actions that Defendants must take to eliminate Lead-Based Paint Hazards and Substandard Conditions identified in the Progress Report and to prevent their recurrence, including through changes to certain policies or procedures, and specified deadlines for taking such actions. Such actions and deadlines may, but need not, be the actions and deadlines proposed by Defendants in the Progress Report. Defendants shall comply with Action Plans, which may be modified by the Housing Specialist upon request of the Defendants.

70. Interim Deadlines. Action Plans shall include interim deadlines for any actions that cannot be completed within 60 days.

71. Considerations for Plans. In Action Plans, the Housing Specialist shall endeavor to (i) prioritize matters presenting the greatest health and safety risks, (ii) ensure that work performed meets legal and professional standards and is of a quality that will reduce the likelihood of recurrence, (iii) ensure that all work performed will be performed in such a way as to protect the health and safety of occupants of the Properties; and (iv) ensure that the Action Plans call for actions that are cost-effective methods to ensure the health and safety of occupants of the Properties.

72. For avoidance of doubt, nothing in Action Plans shall relieve Defendants of their obligation to affirmatively inspect for, identify and eliminate conditions under applicable local, state, or federal law or pursuant to the terms of contracts with governmental entities or under this Consent Decree.

73. The Housing Specialist shall seek to consult with affected tenants prior to issuing an Action Plan.

74. The Housing Specialist may amend an Action Plan or issue a replacement.

Work Completion

75. Work Completion. For each Unit, Common Area, or Property that Defendants have proposed to be a Completed Unit, Completed Common Area, or Completed Property pursuant to Paragraph 67(i), the Housing Specialist will promptly determine, through inspection of relevant documentation or, as the Housing Specialist reasonably determines in its discretion is appropriate, inspection of the Unit, Common Area, or Property or confirmation with the Unit's occupants, whether Work Completion has occurred and shall notify Defendants in writing of its conclusions. For each Property that Defendants have asked the Housing Specialist to determine pursuant to Paragraph 67(i) would have been a Completed Property but for the presence of Deferred Units, the Housing Specialist will promptly determine, through inspection of relevant documentation or, as the Housing Specialist reasonably determines in its discretion is appropriate, inspection of the Property or confirmation with the Property's occupants, whether Work Completion has occurred but for Deferred Units and shall notify Defendants in writing of its conclusions. The Housing Specialist shall make best efforts to complete these reviews and inspections within thirty days of each Progress Report. If the Housing Specialist has determined that the Work Unit, Work Common Area, or Work Property has achieved Work Completion, it will be deemed a "Completed Unit," "Completed Common Area," or "Completed Property," provided, however, that "Completed" status will not impact the jurisdiction of local, state, or federal regulators to issue violations found in Units, Common Areas, or Properties. If the Housing Specialist determines that any Unit, Common Area or Property that Defendants included in a Progress Report pursuant to Paragraph 67(i) is not Completed, the Housing Specialist shall specify the work needed to be done for that Unit, Common Area, or Property to be designated as Completed in the Action Plan for the following quarter.

76. The Housing Specialist shall, in the Action Plan for the following quarter, state the Units, Common Areas, or Properties the Housing Specialist has determined to be Completed since the last Action Plan was issued. If the Housing Specialist thereafter identifies non-compliance with Lead-Based Paint Laws related to the condition of Lead Based Paint or a Substandard Condition in a Completed Unit, Completed Common Area, or Completed Property, or in a Property that the Housing Specialist had determined would be a Completed Property but for the presence of Deferred Units, that Unit, Common Area, or Property will lose its designation as "Completed" (or its status as a property that would be a Completed Property but for the presence of Deferred Units) until such time as the Housing Specialist determines that non-compliance with Lead-Based Paint Laws or Substandard Condition has been corrected.

Guaranty of Performance; Failure of Performance

77. Financial Assurance. To guarantee its remediation and compliance work under this Consent Decree, including the cost of the testing and Abatement required by Paragraphs 46 and 49 above, which Defendants estimate will cost at least $10,000,000, within 30 Days after the Effective Date, Defendants shall provide financial assurance, in the form of cash held by a nationally chartered financial institution in an interest-bearing account pursuant to an escrow agreement or trust agreement acceptable to the Plaintiffs, with a value of $2,000,000 (the "Financial Assurance"). At least once a year thereafter, the Housing Specialist will estimate the cost of the remaining work to be performed under this Consent Decree in the following year and notify the Parties of that revised amount. If that revised amount is less than the then-current value of the Financial Assurance, Defendants may reduce the value of the Financial Assurance to the cost estimate amount. If the revised amount is greater than the then-current value of the Financial Assurance, Defendants must increase the value of the Financial Assurance in a form agreed to by the Plaintiffs by the difference within 60 Days after the notification. Should Defendants dispute the Housing Specialist's new estimated cost, the dispute shall be resolved per the dispute resolution provisions in Section XV (Dispute Resolution) below. The escrow agreement or trust agreement referenced above shall include language authorizing funds to be paid as provided in Paragraph 78 (Failure of Performance) and shall make clear that Defendants' interest in the funds subject to this agreement is solely a contingent interest as to amounts by which the Housing Specialist may reduce the value of the Financial Assurance as provided in this Paragraph and amounts not used pursuant to Paragraph 78 and remaining at termination of this Consent Decree.

78. Failure of Performance. If the Housing Specialist determines that Defendants fail to successfully implement an Action Plan or a portion thereof or are incapable of successfully implementing such plan or a portion thereof, the Housing Specialist may notify Defendants of such determination, after which Defendants shall have the remainder of the quarterly period until the next Progress Report or 60 days, whichever is greater, or such later deadline as the Housing Specialist sets for good cause, to correct the failure. If the Housing Specialist determines that Defendants have not corrected that failure within that time period, the Housing Specialist may implement some or all of the actions required by the Action Plan using contractors engaged by the Housing Specialist. If Defendants fail to pay for such work, the Housing Specialist may direct any third-party responsible for the Financial Assurance to make such payment or take appropriate steps to fund such work.

Occupant Protections

79. Notice of Work. Defendants shall provide occupants reasonable advance written notice of work, which shall be provided no less than 10 calendar days prior to performance of non-emergency work, unless the occupant consents to a shorter time period. Defendants shall make reasonable efforts to schedule the work in a way that minimizes inconvenience to the occupants.

80. Relocation at Occupants' Option. Within 30 Days of the Effective Date, Defendants will submit a written policy ("Relocation Policy") to the Housing Specialist providing: (a) occupants the option to elect to postpone or refuse work required by this Consent Decree (except where such work is required under otherwise applicable law) and (b) occupants the right to temporarily relocate during work when such work either (i) would substantially inconvenience the occupant, as will be further defined in the Relocation Policy, or could not be safely performed otherwise, or (ii) would be performed in a Unit that is subject to the Lead Safe Housing Rule, when required by that Rule, 24 C.F.R. § 35.1345(a)(2) ("Relocation-Eligible Work"). As part of the Relocation Policy, occupants shall have the right, for the duration of any Relocation-Eligible Work, to be temporarily relocated, at Defendants' cost, to a nearby dwelling unit, no more than a mile away, or as close as reasonably available, of adequate size for that household. The relocation unit shall be free of Substandard Conditions including but not limited to lead-based paint hazards and without cost to the relocated tenant and/or occupant who shall, under no circumstance, be considered to have abandoned or surrendered their tenancy rights to their apartment in which Relocation-Eligible Work is performed. Once such a policy is approved by the Housing Specialist, Defendants will implement and abide by the Relocation Policy for the duration of this Consent Decree. The Housing Specialist may amend the Relocation Policy after consultation with Plaintiffs and Defendants.

81. Work Refusal or Postponement. Tenants shall have the right to elect to postpone or refuse any work required under this Consent Decree during their tenancy (unless such work cannot be postponed under applicable local, state, and federal law). A tenant will be deemed "non-responsive" if Defendants are unable to obtain the tenant's, their designated representative's, or their authorized occupant's agreement to schedule work after: (1) three or more written notices, in the language customarily used between Defendants and the tenant, provided at least a week apart from one another; (2) three or more calls to the tenants' last-known phone number to schedule work; and (3) at least one in-person attempt to contact the tenant at their Unit. If a tenant is non-responsive or elects to postpone or refuse work under this Consent Decree, the Defendants shall provide notice to the Housing Specialist, who shall attempt to contact any such tenants, their designated representative, or authorized occupant and confirm that the eligible tenants wish to postpone or refuse that work. If the Housing Specialist confirms that a tenant is refusing work, or if the tenant is not responsive to the Housing Specialist, the Housing Specialist shall designate the Unit a "Deferred Unit" until the tenant agrees to have deferred work performed or until Unit turnover, whichever occurs sooner. Failure to perform work in a Unit designated as a Deferred Unit during the period of designation shall not constitute a violation of this Consent Decree (unless such work cannot be postponed under applicable local, state, and federal law). Defendants and the Housing Specialist shall attempt to contact a tenant and obtain consent to access a Deferred Unit at least once during each following quarter by written notice and one in-person attempt. If Defendants and the Housing Specialist remain unable to obtain consent to access the unit (and

work can be postponed under applicable local, state, and federal law) until vacancy of the Deferred Unit, Defendants will perform the Deferred Work upon vacancy, whether or not vacancy occurs within the term of this Consent Decree. For the avoidance of doubt, when a Property is transferred pursuant to Paragraph 19, Defendants' obligation to perform any remaining Deferred Work in that Property is subject to the provisions of Paragraph 19 concerning that obligation.

82. Coordination of Work. Defendants shall coordinate access for required annual inspections and remediation of lead and indoor allergen hazards as well as other substandard conditions, so as to minimize the number of times that occupants must provide access. In no event should occupants be compelled by Defendants to move from their apartments unless required by applicable law during the performance of work to protect occupants' health and safety.

83. Effect of Work on Rent. Defendants agree that any work done to comply with this Consent Decree or Lead-Based Paint Laws or to remediate Substandard Conditions within the meaning of this Consent Decree shall not entitle Defendants, by virtue of that work, to rent increases. For clarification, no work performed to comply with the requirements of this Consent Decree shall provide the basis to increase the rent of any unit, whether unregulated or regulated, including that remediation work shall not serve as a basis for Major Capital Improvement ("MCI") or Individual Apartment Improvement ("IAI") increases under local and state law or for an increase in payments to be made under any local, state or federal housing subsidy program.

84. Rent Abatement Credit. With respect to any tenant whose Unit is found by the Housing Specialist to have then-current non-compliance with Lead-Based Paint Laws or Substandard Conditions (including those who have agreed to be relocated) a rent abatement credit shall be applied to the tenant's rental account pursuant to an abatement schedule adopted by the Housing Specialist in consultation with Defendants (except insofar as the Unit is a Deferred Unit). The Housing Specialist shall determine the amount of the credit based on the number and severity of conditions and as a percentage of the market rent or legal regulated rent without regard to whether the rent is subsidized with public income sources (*e.g.*, Section 8 or N.Y.C. Family Eviction Prevention Supplements). The credit shall be applied to the tenant's portion of the rent and shall continue on a monthly basis until such time as the Housing Specialist determines that the Substandard Conditions have been corrected to Work Completion (as defined herein) and notifies the tenant to resume regular payment. A tenant shall not be entitled to a credit to the extent the Substandard Conditions are de minimis or are corrected promptly (as determined by the Housing Specialist) after initial notice of the condition or if the Housing Specialist determines that the tenant is refusing to allow access to correct the non-compliance with the Lead-Based Paint Laws or Substandard Conditions.

85. Temporary Freeze on Collectability of Rent Increases. Defendants also agree that the total monthly collectible rent increase for Units in which a percentage rent abatement credit as described in Paragraph 84, shall be frozen until the Unit is deemed a Completed Unit or Deferred Unit. Nothing in the prior sentence, shall restrict or relieve the Defendants from their duty to offer timely lease renewals which may seek to increase the legal regulated rent of rent-regulated tenants in accordance with applicable New York City Rent Guidelines Board orders. For sake of clarity, the legal regulated rent for units in receipt of a rent abatement may increase during a remediation period unless otherwise prohibited by an administrative decision, stipulation or court order,

registered with the NYS Division of Housing and Community Renewal, but the monthly dollar amount representing those increases may not be collected from the tenants until such time as the Unit has been deemed Completed pursuant to Paragraph 75 and 76 herein.

X. RESTITUTION FUND

86. In consultation and under the direction of the State of New York, the Housing Specialist will determine eligibility, determine fund allocation considering harm and risk of harm, and disburse funds from the Restitution Fund to the tenant of record or the authorized occupant who has lived in a Unit of any Property or Previously Transferred Property: (a) who has had Lead-Based Paint Hazards or a Substandard Condition in their Unit or any Common Area within their Property during the six years prior to the Effective Date; or (b) who, while under the age of eighteen, has tested positive for elevated blood lead levels since January 1, 2015. If, after distribution of restitution funds as provided by the prior sentence, funds are remaining in the account held by the Housing Specialist, the Housing Specialist and the State of New York will confer about the appropriate way to disburse remaining funds. In no event will those funds revert back to Defendants and Defendants shall have no input into the manner of funds disbursement.

87. Defendants shall cooperate with the Housing Specialist and provide any information necessary to determine those eligible for payment from the Restitution Fund, including but not limited to providing a list of tenants of record or permitted occupants known to Defendants meeting the criteria in Paragraph 86 above within 90 calendar days after the Effective Date.

88. For the avoidance of doubt: (a) no portion of such restitution payments represent reimbursement to any State or City or other person or entity for the costs of any investigation or litigation, (b) the entire restitution payment is properly characterized as described in Paragraph 27 and this Section X (Restitution Fund), and (c) no portion of the restitution payment constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, punitive damages, or other punitive assessments.

XI. DEFENDANTS' REPORTING REQUIREMENTS

89. In addition to the Progress Report required by Paragraph 67, Defendants shall promptly report to Plaintiffs and the Housing Specialist whenever any of the following may pose an immediate threat to a tenant or other occupant's health or welfare: any violation of this Consent Decree, or any other event affecting Defendants' performance under this Decree, or the condition of its Properties.

90. All reports and notices required under this Consent Decree shall be electronically submitted to the persons designated in Section XIX (Notices).

91. Each report submitted by Defendants under this Section shall be signed by Morris Lieberman, in his individual capacity, and the Compliance Officer or an executive officer or principal of Lilmor on behalf of all other Defendants and include the following certification:

> I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

92. This certification requirement does not apply to emergency or similar notifications where compliance would be impractical.

93. The reporting requirements of this Consent Decree do not relieve Defendants of any reporting obligations otherwise required by law, or by any other federal, state, or local law, regulation, permit, or other requirement.

94. Any information provided pursuant to this Consent Decree may be used by the Plaintiffs in any proceeding to enforce the provisions of this Consent Decree and as otherwise permitted by law.

XII. APPROVAL OF PLAN AND OTHER DELIVERABLES; PERMITS

95. After review of any plan, report, or other item that is required to be submitted to the Housing Specialist pursuant to this Consent Decree, the Housing Specialist shall in writing: (a) approve the submission; (b) approve the submission upon specified conditions; (c) approve part of the submission and disapprove the remainder; or (d) disapprove the submission.

96. If the submission is approved pursuant to Paragraph 95(a), Defendants shall take all actions required by the plan, report, or other document, in accordance with the schedules and requirements of the plan, report, or other document, as approved. If the submission is conditionally approved or approved only in part pursuant to Paragraph 95(b) or (c), Defendants shall take all actions required by the approved plan, report, or other item that the Housing Specialist determines are technically severable from any disapproved portions.

97. If the submission is disapproved in whole or in part pursuant to Paragraph 95(c) or (d), Defendants shall within 30 days correct all deficiencies and resubmit the plan, report, or other item, or disapproved portion thereof, for approval, in accordance with the preceding Paragraphs. If the resubmission is approved in whole or in part, Defendants shall proceed in accordance with the preceding Paragraph.

98. If a resubmitted plan, report, or other item, or portion thereof, is disapproved in whole or in part, the Housing Specialist may again require Defendants to correct any deficiencies, in accordance with the preceding Paragraphs, or may itself correct any deficiencies, subject to the right of the Plaintiffs to seek stipulated penalties as provided in Section XIII (Stipulated Penalties).

99. Obtaining Permits. Where any compliance obligation under this Section requires Defendants to obtain a federal, state, or local permit or approval, Defendants shall submit timely and complete applications and take all other actions reasonably necessary to obtain all such permits or approvals. Defendants may seek relief under the provisions of Section XIV (Force Majeure) for any delay in the performance of any such obligation resulting from a failure to obtain, or a delay in obtaining, any permit or approval required to fulfill such obligation, if Defendants have submitted timely and complete applications and have taken all other actions reasonably necessary to obtain all such permits or approvals.

XIII. STIPULATED PENALTIES

100. Defendants shall be liable for stipulated penalties to the Plaintiffs for violations of this Consent Decree as specified below, unless excused under Section XIV (Force Majeure). A violation includes failing to perform any obligation required by the terms of the Sections and Paragraphs of this Decree enumerated below, including any action plan, work plan, or schedule approved under this Decree, according to all applicable requirements of this Decree and within the specified time schedules established by or approved under this Decree.

101. Late Payment of Civil Penalty. If Defendants fail to pay the civil penalty required to be paid under Section VII (Penalty and Restitution Payment) when due, Defendants shall pay a stipulated penalty of $5,000 per day for each day that the payment is late to the particular Plaintiff.

102. Requirements Relating to Lead-Based Paint, Action Plans, Transfers of Interest, Housing Specialist, and Certain Other Matters. The following stipulated penalties shall accrue per violation per day for each violation of the requirements set forth in clauses (b) and (c) of Paragraphs 17 and 19, Sections VI (Transfers of Interests), VII (Penalty and Restitution Payment), VIII (Housing Specialist), and Paragraphs 44 to 59 and 77 of Section IX (Injunctive Requirements) of this Consent Decree or the requirements of an Action Plan pursuant to Paragraph 69 of Section IX (Injunctive Requirements).

Penalty Per Violation Per Day	Period of Noncompliance
$500	Days 1-10
$750	Days 11-20
$1,000	Days 21 and thereafter

103. Reporting Requirements. The following stipulated penalties shall accrue per violation per day for each violation of the requirements set forth in Paragraph 67 of Section IX (Injunctive Requirements) or Section XI (Defendants' Reporting Requirements) of this Consent Decree:

Penalty Per Violation Per Day	Period of Noncompliance
$500	Days 1-30
$750	Days 31-60
$1,000	Days 60 and thereafter

104. Stipulated penalties under this Section shall begin to accrue on the day after performance is due or on the day a violation occurs, whichever is applicable, and shall continue to

accrue until performance is satisfactorily completed or until the violation ceases. Stipulated penalties shall accrue simultaneously for separate violations of this Consent Decree.

105. Defendants shall pay any stipulated penalty within 30 days after receiving the United States' written demand.

106. The United States may in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due it under this Consent Decree.

107. Stipulated penalties shall continue to accrue during any Dispute Resolution with respect to that violation but need not be paid until the following:

a. If the dispute is resolved by agreement or by a decision of the United States that is not appealed to the Court, Defendants shall pay accrued penalties determined to be owing to the United States within 30 days after the effective date of the agreement or the receipt of the United States' decision or order.

b. If the dispute is appealed to the Court and the United States prevails in whole or in part, Defendants shall pay all accrued penalties determined by the Court to be owing within 60 days of receiving the Court's decision or order, except as provided in subparagraph (c), below.

c. If any Party appeals the District Court's decision, Defendants shall pay all accrued penalties determined to be owing within 15 days of receiving the final appellate court decision.

108. Defendants shall pay stipulated penalties owing to the United States in the manner set forth and with the confirmation notices required by Paragraph 24, except that the transmittal letter shall state that the payment is for stipulated penalties and shall state for which violation or violations the penalties are being paid.

109. Subject to the provisions of Section XVII (Effect of Settlement/Reservation of Rights), the stipulated penalties provided for in this Consent Decree shall be in addition to any other rights, remedies, or sanctions available to the Plaintiffs for Defendant's violation of this Consent Decree or applicable law.

XIV. FORCE MAJEURE

110. "Force majeure," for purposes of this Consent Decree, is defined as any event arising from causes beyond the control of Defendants, of any entity controlled by Defendants, or of Defendants' contractors, that delays or prevents the performance of any obligation under this Consent Decree despite Defendants' best efforts to fulfill the obligation. The requirement that Defendants exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any such event (a) as it is occurring and (b) after it has occurred to prevent or minimize any resulting delay to the greatest

extent possible. "Force Majeure" does not include Defendants' financial inability to perform any obligation under this Consent Decree.

111. If any event occurs or has occurred that may delay the performance of any obligation under this Consent Decree, whether or not caused by a force majeure event, Defendants shall provide notice orally or by electronic transmission to Plaintiffs and the Housing Specialist pursuant to Section XIX (Notices), within seven business days of when Defendants first know that the event might cause a delay. Within seven days thereafter, Defendants shall provide in writing to the Plaintiffs and the Housing Specialist an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Defendants' rationale for attributing such delay to a force majeure event if it intends to assert such a claim; and a statement as to whether, in the opinion of Defendants, such event may cause or contribute to an endangerment to public health, welfare or the environment. Defendants shall include with any notice all available documentation supporting the claim that the delay was attributable to a force majeure. Failure to comply with the above requirements shall preclude Defendants from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Defendants shall be deemed to know of any circumstance of which Defendants, any entity controlled by Defendants, or Defendants' contractors knew or reasonably should have known.

112. If Plaintiffs agree that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Consent Decree that are affected by the force majeure event will be extended by Plaintiffs for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. Plaintiffs will notify Defendants in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

113. If Plaintiffs do not agree that the delay or anticipated delay has been or will be caused by a force majeure event, Plaintiffs will notify Defendants in writing of its decision.

114. If Defendants elect to invoke the Dispute Resolution procedures set forth in Section XV (Dispute Resolution), it shall do so no later than 20 days after receipt of Plaintiffs' decision. In any such proceeding, Defendants shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Defendants complied with the requirements of Paragraphs 110 and 111. If Defendants carry this burden, the delay at issue shall be deemed not to be a violation by Defendants of the affected obligation of this Consent Decree identified to the Plaintiffs and the Court.

XV. DISPUTE RESOLUTION

115. Unless otherwise expressly provided in this Consent Decree, the Dispute Resolution procedures of this Section shall be the exclusive mechanism to resolve disputes raised

by Defendants arising under or with respect to this Consent Decree. Nothing in this Section limits Plaintiffs' right to seek judicial enforcement of the Consent Decree.

116. Informal Dispute Resolution. Other than a Minor Dispute as defined in Paragraph 124, any dispute subject to Dispute Resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Defendants send the Plaintiffs a written Notice of Dispute. Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed 20 days from the date the dispute arises (the "Informal Negotiation Period"), unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by the Plaintiffs shall be considered binding unless, within 21 days after the conclusion of the Informal Negotiation Period, Defendants invoke formal Dispute Resolution procedures as set forth below.

117. Formal Dispute Resolution. Defendants shall invoke formal Dispute Resolution procedures, within the time period provided in the preceding Paragraph, by serving on the Plaintiffs a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Defendants' position and any supporting documentation relied upon by Defendants.

118. The Plaintiffs shall serve their Statement of Position within 45 days of receipt of Defendants' Statement of Position. The Plaintiffs' Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by the Plaintiffs. The Plaintiffs' Statement of Position shall be binding on Defendants, unless Defendants file a motion for judicial review of the dispute in accordance with the following Paragraph.

119. Defendants may seek judicial review of the dispute by filing with the Court and serving on the Plaintiffs, in accordance with Section XIX (Notices), a motion requesting judicial resolution of the dispute. The motion must be filed within 14 business days of receipt of the Plaintiffs' Statement of Position pursuant to the preceding Paragraph. The motion shall contain a written statement of Defendants' position on the matter in dispute, including any supporting factual data, analysis, opinion, or documentation, and shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of the Consent Decree.

120. The Plaintiffs shall respond to Defendants' motion within the time period allowed by the Local Rules of this Court. Defendants may file a reply memorandum, to the extent permitted by the Local Rules.

121. Standard of Review

a. Disputes Concerning Matters Accorded Record Review. Except as otherwise provided in this Consent Decree, in any dispute concerning the Lead-Based Paint Laws brought under Paragraph 117 pertaining to the adequacy or appropriateness of any item requiring approval by the Housing Specialist under this Consent Decree pursuant to Paragraphs 95 through 98 and in any other dispute concerning a decision or action of an agency of the

United States ordinarily accorded review on the administrative record under applicable principles of administrative law, Defendants shall have the burden of demonstrating, based on the administrative record submitted by the United States, if any, that the position of the United States is arbitrary and capricious or otherwise not in accordance with the then applicable legal standard.

b. Other Disputes. Except as otherwise provided in this Consent Decree, in any other dispute brought under Paragraph 117, Defendants shall bear the burden of demonstrating that their position complies with this Consent Decree and better furthers the objectives of the Consent Decree.

122. To the extent any Party would otherwise have the right to appeal an adverse ruling by the District Court, nothing in this Consent Decree limits that right.

123. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Defendants under this Consent Decree, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in Paragraph 107. If Defendants do not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in Section XIII (Stipulated Penalties).

124. Minor Disputes. Notwithstanding the foregoing, Paragraphs 117 to 122 shall not apply to disputes regarding Housing Specialist determinations relating to specific Units or Common Areas, except as to those conditions that Plaintiffs contend violate the Lead-Based Paint Laws. Such Unit- or Common Area-specific disputes shall not be subject to formal dispute resolution or judicial review. For such minor disputes, the decision of the Housing Specialist after informal discussion with Defendants shall be final.

XVI. INFORMATION COLLECTION AND RETENTION

125. Upon reasonable notice to Defendants (or as otherwise authorized by applicable law), the Plaintiffs and their representatives, and the Housing Specialist and its agents, including attorneys, contractors, and consultants, shall have the right of entry into any facility covered by this Consent Decree, at all reasonable times, upon presentation of credentials, to:

a. monitor the progress of activities required under this Consent Decree;

b. verify any data or information submitted to the Plaintiffs in accordance with the terms of this Consent Decree;

c. obtain samples and, upon request, results of any samples taken by Defendants or their representatives, contractors, or consultants;

d. obtain documentary evidence, including photographs and similar data; and

e. assess Defendants' compliance with this Consent Decree.

126. Until three years after the termination of this Consent Decree, Defendants shall retain, and shall instruct its contractors and agents to preserve, all non-identical copies of all documents, records, or other information (including documents, records, or other information in electronic form) in its or its contractors' or agents' possession or control, or that come into its or its contractors' or agents' possession or control, and that relate in any manner to Defendants' performance of its obligations under this Consent Decree. This information-retention requirement shall apply regardless of any contrary corporate or institutional policies or procedures and does not shorten the Defendants' obligation to retain documents for ten years under the NYC Childhood Lead Poisoning Prevention Act (NYC Admin, Code § 27-2056.17). At any time during this information-retention period, upon request by the Plaintiffs, Defendants shall, within a reasonable time, provide copies of any documents, records, or other information required to be maintained under this Paragraph.

127. At the conclusion of the information-retention period provided in the preceding Paragraph, Defendants shall notify the Plaintiffs at least 90 days prior to the destruction of any documents, records, or other information subject to the requirements of the preceding Paragraph and, upon request by the Plaintiffs, Defendants shall deliver copies of any such requested documents, records, or other information to the Plaintiffs.

128. In response to a request by the Plaintiffs under Paragraphs 126 or 127, Defendants may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege or protection recognized by federal law, including the attorney work product doctrine. If Defendants assert such a privilege or protection, they shall provide the following: (a) the title of the document, record, or information; (b) the date of the document, record, or information; (c) the name and title of each author of the document, record, or information; (d) the name and title of each addressee and recipient; (e) a description of the subject of the document, record, or information; and (f) the privilege or protection asserted by Defendants. However, no documents, records, or other information required to be created or generated pursuant to this Consent Decree shall be withheld on grounds of privilege.

129. Defendants may also assert that information required to be provided under this Section is protected as TSCA-specific Confidential Business Information ("CBI") under 15 U.S.C. § 2613 or as general CBI under 40 C.F.R. Part 2. As to any information that Defendants seek to protect as CBI, Defendants shall follow the procedures set forth in the applicable statutory or regulatory provisions.

130. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or the State of New York pursuant to applicable federal, state or local laws, regulations, or permits, nor does it limit or affect any duty or obligation of Defendants to maintain documents, records, or other information imposed by applicable federal, state or local laws, regulations, or permits.

131. Nothing in this Consent Decree shall in any way limit Defendants from identifying information submitted to the Plaintiffs or the Housing Specialist that qualifies as confidential

business information, trade secrets, or information otherwise protected from disclosure for purposes of the Freedom of Information Act or state law equivalents. At least 15 days before the United States produces any such designated information pursuant to a Freedom of Information Act request, it shall advise Defendants.

XVII. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS

132. This Consent Decree resolves only the civil claims of the United States and the State of New York against Defendants for the violations alleged in the Complaint filed in this action through the Date of Lodging.

133. The Plaintiffs reserve all legal and equitable remedies available to enforce the provisions of this Consent Decree, except as expressly stated in Paragraph 132. This Consent Decree shall not be construed to limit the rights of the United States to obtain penalties or injunctive relief under the Lead Disclosure Rule, the Toxic Substances Control Act, the Anti-Fraud Injunction Act, or implementing regulations, or under other federal laws, regulations, or permit conditions, except as expressly specified in Paragraph 132. The United States further reserves all legal and equitable remedies to address any imminent and substantial endangerment to the public health or welfare or the environment arising at, or posed by, the Properties, whether related to the violations addressed in this Consent Decree or otherwise. Nothing in this Consent Decree shall limit any future action that an agency of the United States or local or State agency may take to administer its programs or, except as expressly provided in Paragraph 132, limit an agency of the United States' authority to enforce any relevant statutory or program requirement.

134. In any subsequent administrative or judicial proceeding initiated by the Plaintiffs for injunctive relief, civil penalties, other appropriate relief relating to the Properties or Defendants' violations, Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the Plaintiffs in the subsequent proceeding were or should have been brought in the instant case, except with respect to claims that have been specifically resolved pursuant to Paragraph 132.

135. This Consent Decree is not a permit, or a modification of any permit, under any federal, state, or local laws or regulations. Defendants are responsible for achieving and maintaining complete compliance with all applicable federal, state, and local laws, regulations, and permits; and Defendants' compliance with this Consent Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein. The Plaintiffs do not, by its consent to the entry of this Consent Decree, warrant or aver in any manner that Defendants' compliance with any aspect of this Consent Decree will result in compliance with provisions of any Lead-Based Paint Laws or with any other provisions of federal, state, or local laws, regulations, or permits.

136. This Consent Decree does not limit or affect the rights of the Parties against any third parties, not party to this Consent Decree, nor does it limit the rights of third parties, not party to this Consent Decree, against the Parties, except as otherwise provided by law.

137. This Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not party to this Consent Decree. Nothing in this Consent Decree, including but not limited to Section III (Admissions), or any evidence underlying the Consent Decree, shall be admissible in any proceeding other than a proceeding brought by the United States and/or the State of New York to enforce the terms of this Consent Decree. Nothing in this Consent Decree shall be construed as preventing Defendants from raising any and all defenses and asserting any and all affirmative claims in any other civil proceedings brought by the United States, the State of New York or any third party, provided that doing so would not otherwise violate any term of this Consent Decree.

XVIII. COSTS

138. The Parties shall bear their own costs of this action, including attorneys' fees, except that the Plaintiffs respectively shall be entitled to collect the costs (including attorneys' fees) incurred in any action necessary to collect any portion of the restitution fund payment, civil penalty, or any stipulated penalties due but not paid by Defendants.

XIX. NOTICES

139. Unless otherwise specified in this Decree, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and delivered by reputable carrier, with a copy by email, addressed as follows:

As to the United States by email:	zachary.bannon@usdoj.gov jacob.lillywhite@usdoj.gov Re: Lilmor Consent Decree
As to HUD by email:	leadregulations@hud.gov
As to HUD by mail:	Bruce Haber Office of Lead Hazard Control and Healthy Homes Program and Regulatory Support Division 451 7th Street, SW, Room 8236 Washington, DC 20410
As to EPA by email only:	Re: Lilmor Consent Decree yu.jeannie@epa.gov somma.jerry@epa.gov
As to the People of the State of New York, OAG, by email:	Re: Lilmor Consent Decree Jane.Landry-Reyes@ag.ny.gov Brent.Meltzer@ag.ny.gov

As to the People of the State of New York, OAG by mail:	Re: Lilmor Consent Decree Jane Landry-Reyes, Brent Meltzer Housing Protection Unit Office of the New York State Attorney General 28 Liberty Street, New York, NY 10005
As to Lilmor Management LLC, by email:	Re: Lilmor Consent Decree morris@lilmor.com bryna@lilmor.com sgroff@nixonpeabody.com tsini@nixonpeabody.com jlaufer@lauferlaw.com agoldberg@lauferlaw.com
As to Morris Lieberman, by email:	Re: Lilmor Consent Decree morris@lilmor.com bryna@lilmor.com sgroff@nixonpeabody.com tsini@nixonpeabody.com jlaufer@lauferlaw.com agoldberg@lauferlaw.com
As to the Lilmor-Managed Properties LLCs, by email:	Re: Lilmor Consent Decree morris@lilmor.com bryna@lilmor.com sgroff@nixonpeabody.com jlaufer@lauferlaw.com agoldberg@lauferlaw.com
As to the Housing Specialist:	Address and e-email to be provided by the Housing Specialist after selection

140. Any Party or the Housing Specialist may, by written notice to the other Parties and Housing Specialist, change its designated notice recipient or notice address provided above, or whether notice should be provided by email, U.S. Mail, or both.

141. Notices submitted pursuant to this Section shall be deemed submitted upon mailing and simultaneous emailing, unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XX. EFFECTIVE DATE

142. The Effective Date of this Consent Decree shall be the date upon which this Consent Decree is entered by the Court or a motion to enter the Consent Decree is granted, whichever occurs first, as recorded on the Court's docket.

XXI. RETENTION OF JURISDICTION

143. The Court shall retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Decree or entering orders modifying this Decree, pursuant to Sections XV (Dispute Resolution) and XXII (Modification), or effectuating or enforcing compliance with the terms of this Decree.

XXII. MODIFICATION

144. Except as otherwise set forth herein, the terms of this Consent Decree, including any attached appendices, may be modified only by a subsequent written agreement signed by all the Parties. Where the modification constitutes a material change to this Decree, it shall be effective only upon approval by the Court.

145. Any disputes concerning modification of this Decree shall be resolved pursuant to Section XV (Dispute Resolution), provided, however, that, instead of the burden of proof provided by Paragraph 121, the Party seeking the modification bears the burden of demonstrating that it is entitled to the requested modification in accordance with Federal Rule of Civil Procedure 60(b).

XXIII. CERTAIN REPRESENTATIONS AND WARRANTIES

146. Defendants each represent and warrant that the list of entities in Appendix A includes (a) every entity that either Morris Lieberman or Lillian Lieberman exercised any control over, since March 1, 2012, if that entity has owned, directly or indirectly, any residential rental properties at any point during that period; and (b) every entity that has owned residential rental properties at some point since March 1, 2012, where Lilmor managed or performed maintenance or other work at any of those properties at any point during that period. For the avoidance of doubt, "exercised any control over" in this Paragraph means that Morris Lieberman and Lillian Lieberman, individually or jointly, directly or indirectly, held a controlling ownership interest in the entity, served as the managing agent of the entity, or controlled the managing agent of the entity (where the managing agent was a corporate entity).

147. Defendants each represent and warrant that the list of properties in Appendix C includes every residential rental property in which a Defendant (directly or indirectly, in whole or in part) held any interest or exercised any control since January 1, 2024, provided that either (a) Morris Lieberman or Lillian Lieberman (directly or indirectly) exercised any control over it, since March 1, 2012; or (b) Lilmor managed or performed maintenance or other work at that property since March 1, 2012. For the avoidance of doubt, "Morris Lieberman or Lillian Lieberman . . . exercised any control over" in this Paragraph means that Morris Lieberman and Lillian Lieberman, individually or jointly, directly or indirectly, held a controlling ownership interest in a property,

served as the managing agent of the property's owner, or controlled the managing agent of the property's owner (where the managing agent was a corporate entity).

148. Defendants each represent and warrant that the list of properties in Appendix B includes every residential rental property in which a Defendant (directly or indirectly, in whole or in part) has not held any interest or exercised any control since January 1, 2024, but for which (a) Morris Lieberman or Lillian Lieberman (directly or indirectly) exercised some control over it, since March 1, 2012; or (b) Lilmor managed or performed maintenance or other work at that property since March 1, 2012.

149. Each of the signatories to this Consent Decree for any of the Defendants represent and warrant, individually, that the signatory is fully authorized to enter into the terms and conditions of this Consent Decree on behalf of the party or parties for which the signatory is signing and legally bind that party or parties to all terms and conditions of this Consent Decree.

XXIV. PROPERTY REMOVAL AND TERMINATION

150. Defendants shall be entitled to remove a Completed Property, or a Property that would be a Completed Property but for the presence of Deferred Units (subject to the following sentence) from the list of "Properties" to which this Consent Decree applies ("Removal of a Property") after the Housing Specialist determines that (a) Defendants have maintained continuous satisfactory compliance with this Consent Decree with respect to that Property for a period of two years after the Substandard Conditions identified in the Substandard Condition Screen for that Property were remediated (or the date of acquisition, for a Newly Acquired Property), and (b) Defendants have been in satisfactory compliance with the requirements of this Consent Decree except those specific to other Properties for a period of at least three years (together with subparagraph (a), the "Removal Requirements"). The preceding sentence shall not apply to a Property that would be a Completed Property but for the presence of one or more Deferred Units unless: (i) Defendants have provided the occupants of any Deferred Units with a notice in the form of Appendix F advising the occupants, with at least 60 days' notice, that obligations under this Consent Decree to complete the Deferred Work prior to vacancy will no longer apply after Removal if occupants do not promptly provide access (provided that any work otherwise required by law will continue to be required); (ii) Defendants perform any Deferred Work for which occupants of Deferred Units provide access after receiving this notice; and (iii) the Housing Specialist has either confirmed that the tenants of any remaining Deferred Units do not wish for the Deferred Work to be performed prior to Removal or that the tenants have not responded to the Housing Specialist's attempts to confirm the same. Notwithstanding the foregoing, Removal of a Property shall not obviate any provision of this Consent Decree (including Paragraph 81 (Work Refusal or Postponement)) that expressly obligates Defendants for a period of time extending beyond the date of that Removal.

151. Once the Removal Requirements have been met for a Completed Property, Defendants may serve upon the Plaintiffs a Request for Removal of a Property, together with all necessary supporting documentation.

152. Following receipt by the Plaintiffs of Defendants' Request for Removal, the Parties shall confer informally concerning the Request and any disagreement that the Parties may have as to whether Defendants have met the Removal Requirements. If the Plaintiffs agree that the Removal Requirements have been met for a Completed Property, the Parties shall submit, for the Court's approval, a joint stipulation to effect that Removal.

153. If the Plaintiffs do not agree that the Removal Requirements have been met, Defendants may invoke Dispute Resolution under Section XV (Dispute Resolution). However, Defendants shall not seek Dispute Resolution of any dispute regarding termination until 30 days after service of its Request for Removal.

154. Defendants shall be entitled to terminate this Consent Decree once (1) the last Property (excluding Newly Acquired Properties) has been Removed and (2) Defendants have maintained continuous satisfactory compliance with their obligations under this Consent Decree as to Newly Acquired Properties that have not been Removed for a period of two years or, for Newly Acquired Properties that have been owned or managed by Defendants for less than two years, for the amount of time owned or managed by Defendants; and provided that Defendants will remain obligated to conduct any work (including Deferred Work) required by this Consent Decree where the Decree expressly obligates Defendants beyond the date of that Removal. At that time, the Parties shall submit, for the Court's approval, a joint stipulation effecting that termination.

XXV. PUBLIC PARTICIPATION

155. This Consent Decree shall be lodged with the Court for a period of not less than 30 days for public notice and comment in accordance with 28 C.F.R. § 50.7. At the time of publication of this notice, Defendants will distribute to each lessee of a Unit in the Properties, by regular mail and email (where an email address is known by Defendants), a summary of the terms of this Consent Decree in the form of Appendix I. For lessees with whom Defendants customarily communicate in a language other than English, Defendants shall also include a certified translation of Appendix I into that lessee's language. Additionally, in the event that the United States, in their discretion, determine to schedule a public meeting(s) regarding the proposed Consent Decree, Defendants will post in the lobbies of each of the Properties such notice of meeting as the Plaintiffs may provide.

156. The Plaintiffs reserve the right to withdraw or withhold their consent if the comments regarding the Consent Decree disclose facts or considerations indicating that the Consent Decree is inappropriate, improper, or inadequate. Defendants consent to entry of this Consent Decree without further notice and agree not to withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision of the Decree, unless the Plaintiffs have notified Defendants in writing that they no longer support entry of the Decree or only support entry of a modified Decree.

XXVI. SIGNATORIES/SERVICE

157. Each undersigned representative of Defendants, the U.S. Attorney for the Southern District of New York, the undersigned representative of the New York State Office of the Attorney General certifies that they are fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind to this Consent Decree the Party that they represent.

158. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. Defendants agree to accept service of process by the methods provided in Section XIX (Notices) with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

XXVII. INTEGRATION

159. Except for the Parties' separate agreement regarding Financial Assurance (the "Financial Assurance Agreement"), which remains in full force and effect, this Consent Decree and its attachments constitute the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in the Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. Other than the Financial Assurance Agreement and deliverables that are subsequently submitted and approved pursuant to this Decree, no other document, nor any representation, inducement, agreement, understanding, or promise, constitutes any part of this Decree or the settlement it represents, nor shall it be used in construing the terms of this Decree.

XXVIII. 26 U.S.C. SECTION 162(f)(2)(A)(ii) IDENTIFICATION

160. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 1.162-21(b)(2), Paragraphs 15, 27-96, 99, 125-127, and 130 is restitution, remediation, or required to come into compliance with law.

XXIX. FINAL JUDGMENT

161. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the Plaintiffs and Defendants. The Court finds that there is no just reason for delay and therefore enters this judgment as a final judgment under Fed. R. Civ. P. 54 and 58.

XXX. APPENDICES

162. The following Appendices are attached to and part of this Consent Decree:

Appendix A: List of Lilmor-Managed Properties LLCs

Appendix B: List of Previously Transferred Properties

Appendix C: List of Properties.

Appendix D: List of Excluded Multifamily Properties

Appendix E: List of Excluded Single Family Properties

Appendix F: Notice Titled "Last Chance to Receive Court-Ordered Repairs"

Appendix G: HPD Letter Agreement

Appendix H: Checklist for Renovations Regulated by the RRP Rule

Appendix I: Notice of Settlement and Right to Comment

Dated and entered this __ day of _____, 2024

_____
UNITED STATES DISTRICT JUDGE

FOR THE UNITED STATES OF AMERICA:

Dated: New York, New York
December 13, 2024

DAMIAN WILLIAMS
United States Attorney for the
Southern District of New York
Attorney for Plaintiff the United States of America

By: _____

ZACHARY BANNON
JACOB LILLYWHITE
Assistant United States Attorneys
86 Chambers Street, 3rd Floor
New York, New York 10007
Telephone: (212) 637-2728/2800
Facsimile: (212) 637-2717
E-mail: zachary.bannon@usdoj.gov
jacob.lillywhite@usdoj.gov

FOR THE U.S. ENVIRONMENTAL PROTECTION AGENCY:

DAVID UHLMANN

Digitally signed by DAVID UHLMANN
Date: 2024.11.21 17:10:23 -05'00'

_____
Date

DAVID M. UHLMANN
Assistant Administrator
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency

PAUL SIMON

Digitally signed by PAUL SIMON
Date: 2024.11.26 14:12:20 -05'00'

_____
Date

PAUL SIMON
Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway
New York, NY 10007-1866

JEANNIE YU
Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway
New York, NY 10007-1866

FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Date

LISA MULRAIN Digitally signed by LISA MULRAIN Date: 2024.11.12 14:39:34 -05'00'

LISA V. MULRAIN
Associate General Counsel for Finance, Procurement and Administrative Law
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Date

LEE RICHARDSON Digitally signed by LEE RICHARDSON Date: 2024.11.12 11:20:47 -05'00'

LEE ANN RICHARDSON
Acting Assistant General Counsel for Administrative Law
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

FOR THE STATE OF NEW YORK:

Dated: New York, New York
12/3/, 2024

LETITIA JAMES
New York State Office of the Attorney General
Attorney for Plaintiff the People of the State of New York

By: _____
JANE LANDRY-REYES
Assistant Attorney General, Housing Protection Unit
BRENT MELTZER
Chief, Housing Protection Unit
28 Liberty Street
New York, New York 10005
Telephone: (212) 416-8220
E-mail: Jane.Landry-Reyes@ag.ny.gov
Brent.Meltzer@ag.ny.gov

LILMOR MANAGEMENT, LLC

11/4/2024
Date

By:

MORRIS LIEBERMAN

11/4/2024
Date

12/2124
Date

By: Esther Weiss trustee
Name: Louis Ari Schwartz
Title: Managing Member

354 E 21st Street Realty Corp.

Date

By:
Name:
Title: Managing Member

P Bigg Realty LLC

Date

By;
Name:
Title: Managing Member

LILMOR MANAGEMENT, LLC

_____ By: _____
Date

MORRIS LIEBERMAN

_____ _____
Date

_____ By: _____
Date Name:
Title: Managing Member

354 E 21st Street Realty Corp.

_____ By: _____
Date Name:
Title: Managing Member

P Bigg Realty LLC

11/29/2024 By: _____
Date Name:
Title: Managing

45-55 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

55 Winthrop St LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

130 Clarkson Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

250-251 E 29 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

251 E 29 St LLC

_____
Date

By: _____
Name:
Title: Managing Member

45-55 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

55 Winthrop St LLC

_____
Date

By: _____
Name:
Title: Managing Member

130 Clarkson Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

250-251 E 29 Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

251 E 29 St LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

1590 W 8 St LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

105 Ave P Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

888 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

100 Linden Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

131 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

C & Z Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

2003 Realty, LLC

11/21/2024
Date

By: _____
Name: Lillian Lieberman
Title: Member

SIGN

1429 Carroll Street LLC

_____
Date

By: _____
Name:
Title: Managing Member

59 Logan St LLC

_____
Date

By: _____
Name:
Title: Managing Member

1269 E 18 Street Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

C & Z Realty LLC

11/29/2024
Date

By: 
Name:
Title: Managing Member

2003 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1429 Carroll Street LLC

11/29/2024
Date

By: 
Name:
Title: Managing Member

59 Logan St LLC

11/29/2024
Date

By: 
Name:
Title: Managing Member

1269 E 18 Street Realty LLC

11/29/2024
Date

By: 
Name:
Title: Managing Member

334 Eastern Pkwy Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

840 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

333 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1909 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1690 President Street LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

645 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

3402 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1439 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

103-35 120 St Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

20-30 Merle Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1921 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

_____
Date

By: _____
Name:
Title: Managing Member

3402 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1439 Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

103-35 120 St Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

20-30 Merle Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

1921 Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

410 Westminster LLC

_____
Date

By: _____
Name:
Title: Managing Member

580-585 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

2251 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

209 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

40-71 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

712 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

410 Westminster LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

580-585 Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

2251 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

209 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

40-71 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

712 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

723 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

2420 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1684 Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1660 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1011 Neilson Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1012 Nameoke Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

723 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

2420 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1684 Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1660 Realty LLC

12/2/2024
Date

By: _____
Name:
Title: Managing Member

1011 Neilson Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1012 Nameoke Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1633 West 10th Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

Alit Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

1301 Avenue K Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

1311 Avenue K Realty LLC

11/29/2024
Date

By: _____
Name:
Title: Managing Member

E&S Realty Management LLC

_____
Date

By: _____
Name:
Title: Managing Member

1633 West 10th Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

Alit Realty LLC

12/2/2024
Date

By: 
Name:
Title: Managing Member

1301 Avenue K Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

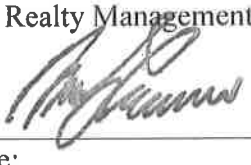
1311 Avenue K Realty LLC

_____
Date

By: _____
Name:
Title: Managing Member

E&S Realty Management LLC

12/2/2024
Date

By: 
Name:
Title: Managing Member

11/21/2024
Date

915 84th Street, LLC

By: _____

Name: Lillian Lieberman
Title: Manager and Member

11/21/2024
Date

2001 Avenue P, LLC

By: _____

Name: Lillian Lieberman
Title: Manager and Member

11/21/2024
Date

2065 Ocean Avenue, LLC

By: _____

Name: Lillian Lieberman
Title: Manager and Member

Appendix A Lilmor-Managed Properties LLCs	Appendix B Previously Transferred Properties	Appendix C Properties
	192-198 Nagle Avenue, New York, NY 10034	
	200-208 Nagle Avenue, New York, NY 10034	
	776 Crown Street, Brooklyn, NY 11213	
	200 East 19th Street, Brooklyn, NY 11226	
	271 Parkside Avenue, Brooklyn, NY 1122	
	1616 President Street, Brooklyn, NY 11213	
	575 Herkimer Street, Brooklyn, NY 11213	
354 E 21th Street Realty Corp.		354 East 21st Street, Brooklyn, NY 11226
P Bigg Realty LLC		2077 East 12th Street, Brooklyn, NY 11229
45-55 Realty LLC		45 Hawthorne Street, Brooklyn, NY 11225
55 Winthrop St LLC		55 Winthrop Street, Brooklyn, NY 11225
130 Clarkson Realty LLC		130 Clarkson Avenue, Brooklyn, NY 11226
250-251 E 29 Realty LLC		250 East 29th Street, Brooklyn, NY 11226
251 E 29 St LLC		251 East 29th Street, Brooklyn, NY 11226
1590 W 8 St LLC		1590 West 8th Street, Brooklyn, NY 11204
105 Ave P Realty LLC		105 Avenue P, Brooklyn, NY 11204
888 Realty LLC		888 Montgomery Street, Brooklyn, NY 11213
100 Linden Realty LLC		100 Linden Blvd, Brooklyn, NY 11226
131 Realty LLC		131 Lincoln Road, Brooklyn, NY 11225
C & Z Realty LLC		1629 West 10th Street, Brooklyn, NY 11223
2003 Realty LLC		2003 Avenue J, Brooklyn, NY 11210
1429 Carroll Street LLC		1429 Carroll Street, Brooklyn, NY 11213
59 Logan St LLC		59 Logan Street, Brooklyn, NY 11208
1269 E 18 Street Realty LLC		1269 East 18th Street, Brooklyn, NY 11230
334 Eastern Pkwy Realty LLC		334 Eastern Parkway, Brooklyn, NY 11225
840 Realty LLC		840 East 17th Street, Brooklyn, NY 11230

Appendix A Lilmor-Managed Properties LLCs	Appendix B Previously Transferred Properties	Appendix C Properties
1909 Realty LLC		1909 Quentin Road, Brooklyn, NY 11229
333 Realty LLC		333 Neptune Avenue, Brooklyn, NY 11235
1690 President Street LLC		1690 President Street, Brooklyn, NY 11213
645 Realty LLC		645 Ocean Parkway, Brooklyn, NY 11230
3402 Realty LLC		3402 Avenue I, Brooklyn, NY 11210
1439 Realty LLC		1439 Ocean Avenue, Brooklyn, NY 11230
103-35 120 St Realty LLC		103-35 120th Street, Richmond Hill, NY 11419
20-30 Merle Realty LLC		20-30 Merle Place, Staten Island, NY 10305
1921 Realty LLC		1921 Avenue I, Brooklyn, NY 11230
410 Westminster LLC		410 Westminster Road, Brooklyn, NY 11218
580-585 Realty LLC		585 East 16th Street, Brooklyn, NY 11226
		580 East 17th Street, Brooklyn, NY 11226
2251 Realty LLC		2251 81st Street, Brooklyn, NY 11214
209 Realty LLC		209 East 16th Street, Brooklyn, NY 11226
40-71 Realty LLC		40-71 Elbertson Street, Elmhurst, NY 11373
712 Realty LLC		712 East 27th Street, Brooklyn, NY 11210
723 Realty LLC		723 East 27th Street, Brooklyn, NY 11210
2420 Realty LLC		2420 Glenwood Road, Brooklyn, NY 11210
1684 Realty LLC		1684 West 10th Street, Brooklyn, NY 11223
1660 Realty LLC		1660 East 21st Street, Brooklyn, NY 11210
1011 Neilson Realty LLC		1011 Neilson Street, Far Rockaway, NY 11691
1012 Nameoke Realty LLC		1012 Nameoke Street, Far Rockaway, NY 11691
1633 West 10th Realty LLC		1633 West 10th Street, Brooklyn, NY 11223
Alit Realty LLC		1902 Avenue L, Brooklyn, NY 11230
1301 Avenue K Realty LLC		1301 Avenue K, Brooklyn, NY 11230
1311 Avenue K Realty LLC		1311 Avenue K, Brooklyn, NY 11230

Appendix A Lilmor-Managed Properties LLCs	Appendix B Previously Transferred Properties	Appendix C Properties
E&S Realty Management LLC		1173 52nd Street, Brooklyn, NY 11219
915 84th Street LLC		915 84th Street, Brooklyn, NY 11228
2001 Avenue P LLC		2001 Avenue P, Brooklyn, NY 11229
2065 Ocean Avenue LLC		2065 Ocean Avenue, Brooklyn, NY 11230

Appendix D – Excluded Multifamily Properties

1599 West 10th Street, Brooklyn, New York 11204

1901 Avenue P, Brooklyn, New York 11229

Appendix E – Excluded Single-Family Properties

1040 East 24th Street, Brooklyn, New York 11210

1052 East 24th Street, Brooklyn, New York 11210

LAST CHANCE TO RECEIVE COURT-ORDERED REPAIRS

Pursuant to a federal court order and a settlement with the United States of America and the State of New York, the property manager Lilmor Management LLC and the owner of your apartment building are currently required to perform the following repair, maintenance, or renovation work in your apartment, **at no cost to you**:

- [LIST DEFERRED WORK FOR THAT UNIT]

This is your **last chance** to have this work performed under that court order. Please contact [identity of housing specialist] immediately at either [email address] or [phone number] to schedule this work. [Housing specialist] will work with your building owner or property manager to schedule the work at a time that is convenient for you and your family.

If you do not contact [housing specialist] by [date no less than sixty days from mailing of notice], you will **lose your right to these repairs under the terms of the court order**.

If you have questions, or if you want additional information, please contact [housing specialist] or visit [housing specialist website]. This court order was entered in the lawsuit *United States of America, et al. v. Lilmor Management LLC, et al.*, No. __ Civ. ____ (S.D.N.Y.)

Appendix G to the Consent Decree in
United States of America, et al. v. Lilmor Management LLC, et al., No. 24 Civ.9520 (___) (S.D.N.Y.)

[HPD letterhead]

[Date]

Jacob Laufer, P.C.
65 Broadway, Suite 1005
New York, NY 10006

RE: *United States of America, and People of the State of New York, by Letitia James, Attorney General of the State of New York v. Lilmor Management, LLC, and Morris Lieberman, et al.*, No. __Civ.___ ( )(S.D.N.Y).

The following constitutes a "letter agreement" between the New York City Department of Housing Preservation and Development ("HPD") and the Defendants intended to resolve and bind HPD on certain claims that are being settled in *United States of America and People of the State of New York by Letitia James, Attorney General of the State of New York v. Lilmor Management, LLC, and Morris Lieberman, et al.*, No. __Civ.___ ( )(S.D.N.Y).[1]

The undersigned, Martha Ann Weithman, is the Assistant Commissioner of the Housing Litigation Division, Office of Enforcement and Neighborhood Services at the New York City Department of Housing Preservation and Development ("HPD") and is duly authorized to resolve and bind HPD with respect to all outstanding claims to civil penalties HPD may have against Defendants relating to any Notice of Violation issued pursuant to the N.Y.C Housing Maintenance Code in the buildings listed in Appendix C to this agreement.

[1] The term "Defendants" is the same definition used in the Consent Decree settling *United States of America and People of the State of New York by Letitia James, Attorney General of the State of New York v. Lilmor Management, LLC, and Morris Lieberman, et al.*, CV Index # . For the avoidance of doubt, nothing in this agreement waives HPD's potential civil penalties' claims against any subsequent owner of the Previously Transferred Properties listed at Appendix B to the Consent Decree.

HPD agrees to accept the monetary terms of the Consent Decree entered into in this case, by the State of New York, as full satisfaction of all claims for civil penalties for violations of the NYC Housing Maintenance Code and/or the New York City Childhood Lead Poisoning Prevention Act. (Administrative Code of the City of NY, tit 27, ch.2, subch. 2, art. 14, §27-2056.1-2056.18 and the New York City Asthma Free Housing Act, Local Law 55 of 2018 (Administrative Code of the City of NY, tit. 27, ch.2, subch. 2, art. 4 §27-2017-2019) issued against the Defendants at the buildings listed at Appendices B&C through the effective date of the Consent Decree. For the sake of clarity, this satisfaction does not extend to the settlement or waiver of any fees and charges separately imposed by HPD (e.g. for costs for past or current work being done by HPD's Emergency Repair Program, the Alternative Enforcement Program or another HPD enforcement program) not representing the potential civil penalties that derive from a particular HMC violation. Nor does the waiver include those civil penalties which have already been reduced to a judgment (whether paid or unpaid) and shall not affect Defendants' obligation to satisfy such charges and judgments.

HPD further agrees not to seek civil penalties for violations that were issued and existed prior to the effective date of the Consent Decree and that may remain open after the effective date of the Consent Decree during the 180-day period when Defendants will be undertaking correction of existing violations.[2]

HPD also agrees not to seek collection of civil penalties which may accumulate *after* the effective date of the Consent Decree for any Record Production Order ("RPO") violation that

[2] This does not limit HPD's ability to seek injunctive relief in the form of an Order to Correct, should hazardous or immediately hazardous conditions exist related to these existing violations, during this period. Under the explicit terms of the Consent Decree, Defendants remain responsible for complying with timeframes for correction of HMC violations under local law.

existed *prior* to the effective date of the Consent Decree, as long as in seeking administrative dismissal of those existing RPO violations during the 180 day period under the Consent Decree, Defendants' produce required records kept in the year immediately prior to the effective date of the Consent Decree and thereafter have complied with the retaining of records Under these circumstances, no administrative fees will be imposed to obtain dismissal of these existing RPO violations.

In seeking administrative dismissal of any *new* RPO violation that may be imposed by HPD *after* the effective date of the Consent Decree, *for conditions that specifically existed before* the Consent decree's effective date, Defendants shall similarly produce records for the one year prior to the effective date of the Consent Decree and subsequent consecutive records without incurring any additional administrative fees as a condition of RPO violation dismissal. However, for the sake of clarity, to obtain clearance of any future RPO violations that are *not* related to past record keeping claims arising under the Consent Decree, Defendants will be required to comply with all terms of Local Law 122, including resolution of civil penalties and/or payment of administrative fees, to obtain dismissal.

This constitutes the full agreement of HPD to fully and satisfactorily resolve the claims raised by the State of New York in *United States of America and People of the State of New York by Letitia James, Attorney General of the State of New York v. Lilmor Management LLC and Morris Lieberman, et al.*, No. __Civ.___ ( )(S.D.N.Y). that HPD could have pursued themselves.

_____

Martha Ann Weithman, Assistant Commissioner
Housing Litigation Division,
Office of Enforcement and Neighborhood Services
Department of Housing Preservation & Development

Appendix H

CHECKLIST FOR RENOVATIONS REGULATED BY THE LEAD RENOVATION, REPAIR, AND PAINTING (RRP) RULE

CHECKLIST FOR RENOVATIONS REGULATED BY THE RRP RULE

I PURPOSE

To facilitate the documentation of compliance with the U.S. Environmental Protection Agency's Lead Renovation, Repair, and Painting (RRP) Rule 40 C.F.R. Part 745, Subpart E, or any applicable U.S. EPA-Authorized State or Tribal program regulating lead-based paint safe work practices. Not all aspects of compliance with the Rule can be fully captured with a checklist and additional logs, records and photos may need to be kept. In addition, any discrepancy between the requirements in this document and the RRP Rule, the RRP Rule prevails.[1]

II GENERAL PROJECT INFORMATION:

Property Address: _____

_____

City State Zip

Property Owner: _____

Address: _____

City:_____State:_____Zip code:___Phone: ( ) _____

Email: _____

Contractor/subcontractor firm name and RRP certification number (copy of the firm certificate must be kept in project file):

_____

Firm Name Certification Number Expiration date

Assigned EPA-certified Renovator name & certification number (copy of training certificate must be available on the work site and kept in project file):

_____

Renovator Name Certification Number Expiration date

Project Start Date: _____ Expected Completion Date: _____

Brief description of Renovation Project (include painted surfaces disturbed and estimated square footage of paint to be disturbed):

_____

_____

_____

[1] Use of the checklist is intended as an adjunct to the requirements of 40 C.F.R. Part 745 and an aid to future compliance therewith. Adherence to the provisions of the checklist shall not be a substitute for compliance with the provisions of 40 C.F.R. Part 745 nor provide a defense to the failure to do so.

☐ Contractor has reviewed scope of work and has secured sufficient supplies to perform all required activities covered in this checklist.

III LEAD TESTING INFORMATION [40 C.F.R. § 745.82(a)] Select A or B below:

_____A) Testing for lead was performed to exclude components from the RRP Rule.
Check one of the following boxes and **attach documentation.**

- ☐ A written determination from an EPA-certified Inspector or Risk Assessor that the components affected by the renovation are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 mg/cm^2 or 0.5% by weight.[2]
- ☐ The assigned certified Renovator, using an EPA-recognized test kit as defined in 40 C.F.R. §§ 745.83 and 745.88, and following the manufacturer's instructions, has tested each component affected by the renovation and determined that the components are free of paint or other surface coatings that contain lead equal to or in excess of 1.0 mg/cm^2 or 0.5% by weight.

_____B) **Testing was not performed**.

IV EMERGENCY RENOVATIONS [40 C.F.R. § 745.82(B)]

_____A) Renovation qualifies as an Emergency Renovation.
Describe emergency situation and continue to Section VI:

_____

_____

_____B) Renovation does not qualify as an Emergency Renovation.

V INFORMATION DISTRIBUTION REQUIREMENTS [40 C.F.R. § 745.84]

_____A) **Renovations in dwelling units**.

- ☐ The property owner was provided with the Renovate Right Pamphlet and (select one):
  - ☐ A written acknowledgment[3] of receipt was obtained and is kept in the project file.
  - ☐ A Pamphlet was delivered to the owner by certified mail at least seven (7) days prior to the start of the renovation, and the certificate of mailing is kept in the project file.
- ☐ If the unit is **not owner-occupied**, Distribution to occupants was ALSO made by (select one):
  - ☐ An adult occupant was provided with the Renovate Right Pamphlet and a written

[2] Under local law in New York City, the definition of lead-based paint is more stringent—0.5 mg/ cm^2 as determined by laboratory analysis or by an x-ray fluorescence analyzer. *See* NYC Admin. Code § 27-2056.2(7)(b). If you would like to access sample compliance forms designed to ensure your compliance with New York City's lead-based paint laws, you can access them under the "Owner Recordkeeping Responsibilities" menu at the following link: https://www.nyc.gov/site/hpd/services-and-information/lead-based-paint.page.

[3] The written acknowledgement must include a statement recording the owner or occupant's name and acknowledging receipt of the pamphlet prior to the start of renovation, the address of the unit undergoing renovation, and the signature of the owner or occupant and the date of signature. It must be written in the same language as the text of the contract or agreement for the renovation or, in the case of non-owner-occupied unit, the same language as the lease or rental agreement or the pamphlet.

acknowledgment of receipt was obtained and is kept in the project file.

- ☐ A Pamphlet was delivered to the unit by certified mail at least seven (7) days prior to the start of the renovation, and a written acknowledgment of receipt was obtained and is kept in the project file.
- ☐ A Pamphlet was delivered to the unit by certified mail at least seven (7) days prior to the start of the renovation, but the firm performing the renovation was unsuccessful in obtaining a written receipt. A written certification that includes: the address of the unit, the date and method of delivery of the pamphlet (including certified mailing documentation), names of the person(s) delivering the pamphlet, reason for lack of acknowledgment, and signature of a firm representative with date of signature is kept in the project file.

☐ No regulated renovations in dwelling units.

_____B) **Renovations in common areas.**

☐ The property owner was provided with the Renovate Right Pamphlet and (select one)

- ☐ A written acknowledgment of receipt was obtained and is kept in the project file.
- ☐ A Pamphlet was delivered to the owner by certified mail at least seven (7) days prior to the start of the renovation, and the certificate of mailing is kept in the project file.

***And one of the following**:*

- ☐ A written notice was distributed to each affected unit describing the general nature and locations of the planned renovation activities including expected start and end dates, information on how occupants can obtain the Pamphlet and a copy of the final records required by 745.86(c) and (d) at no cost. A copy of the written notice is kept in the file.
- ☐ Informational signs were posted at all times during the renovation describing the project, renovation locations, and the anticipated end date. Signs are posted in areas where they are likely to be seen by the occupants of all affected units and are accompanied by a posted copy of the Pamphlet or information on how interested occupants can review or obtain a copy. Information on how occupants can review or obtain a free copy of the records required by 745.86 (c) and (d) are also included.

☐ No regulated renovations in common areas.

_____C) **Renovations are in Child-Occupied Facilities (COF).**

☐ The property owner was provided with the Renovate Right Pamphlet and either a written acknowledgment of receipt was obtained and is kept in the project file or a certificate of mailing at least seven (7) days prior to the start of the renovation is kept in the project file.

☐ If the COF is not the owner of the building, an adult representative of the COF was provided with the Pamphlet and (select one of the following)

- ☐ A written acknowledgment[4] of receipt was obtained and is kept in the project file.
- ☐ A written certification statement that the Pamphlet was delivered to the facility that includes the address of the COF, date and method of delivery of the Pamphlet, names of the persons delivering the Pamphlet, reason for the lack of acknowledgment, if any, the signature of a representative of the renovation firm,

[4] The written acknowledgement must include a statement recording the owner or occupant's name and acknowledging receipt of the pamphlet prior to the start of renovation, the address of the unit undergoing renovation, and the signature of the owner or occupant and the date of signature. It must be written in the same language as the text of the contract or agreement for the renovation or, in the case of non-owner-occupied unit, the same language as the lease or rental agreement or the pamphlet.

and date of said signature. A copy of the written notice is kept in the file.

- ☐ Parents and guardians of children using the COF have been provided with the Pamphlet, information describing the renovation, and information on how to review a copy of the records required by 745.86(c) and (d) by (select one of the following):
  - ☐ Mailing or hand delivering the Pamphlet and renovation information to each parent or guardian of a child using the COF.
  - ☐ Posting signs during the renovation that describe the renovation, including locations and anticipated completion dates, in areas where they can be seen, along with a posted copy of the Pamphlet or how interested parties can review or obtain a copy. Information on how occupants can review a copy at no cost of the records required by 745.86 (c) and (d) are also included.
- ☐ No COF undergoing regulated renovations.

VI WORK PRACTICE STANDARDS [40 C.F.R. § 745.85]

_____A) **Occupant Protection** – Signs have been posted clearly defining the work area and warning occupants and other persons not involved in renovation activities to remain outside of the work area.
- ☐ Primary language of occupants is not English, signs posted in _____ language.

_____B) **Containing the Work Area** – Before beginning the renovation, the work area has been isolated so that no dust or debris leaves the area while the renovation is ongoing.

_____C) **Integrity of containment** is maintained throughout the renovation.

_____D) **Interior Renovations:**
- ☐ All objects in the work area are removed or covered.
- ☐ HVAC ducts in the work area are closed and covered.
- ☐ Windows in the work area are closed.
- ☐ Doors in the work area are closed and sealed. Doors that must be used in the work area are covered to allow passage but prevent spread of dust.
- ☐ Floors in the work area are covered with taped-down plastic sheeting or other impermeable material 6 feet beyond the perimeter of surfaces undergoing renovation.
- ☐ All personnel, tools, and other items, including exteriors of waste containers are free of dust and debris before leaving the work area.

_____E) **Exterior Renovations**
- ☐ Windows in and within 20 feet of the work area are closed.
- ☐ Doors in and within 20 feet of the work area are closed and sealed.
- ☐ Ground is covered by plastic extending 10 feet from work area.
- ☐ Vertical containment is installed when property line prevents 10 feet of ground covering or when necessary to prevent migration of dust and debris to adjacent property.

VII RESTRICTED PRACTICES[5] USED CORRECTLY [40 C.F.R. § 745.85(a)(3)]

_____A) Machines designed to remove paint or other surface coatings through high-speed operations such as sanding, grinding, power planing, needle gun, abrasive blasting, or sandblasting **have shrouds or containment systems and are equipped with a HEPA vacuum attachment to collect dust and debris at the point of generation**. These machines are operated so that no visible dust or release of air occurs outside the shroud or containment system.

_____B) A heat gun operating at temperatures **below 1,100 degrees Fahrenheit** is being used.

[5] Restricted practices include the use of high-speed operation machines and heat guns.

VIII RENOVATION WASTE [40 C.F.R. § 745.85(a)(4)]

- ☐ Waste is contained on-site before removal from the work area, during removal from the work area and while being transported off-site.
  - ☐ A chute is used, and the chute is covered.
- ☐ Waste that is collected from renovation activities at the end of each workday is stored under containment, in an enclosure, or behind a barrier that prevents release of and access to dust and debris.
- ☐ Waste transported from renovation activities is contained to prevent release of dust and debris.

IX WORK AREA CLEANING [40 C.F.R. § 745.85(a)(5)]

- ☐ All paint chips and debris are picked up and sealed in heavy-duty bags.
- ☐ Protective sheeting is misted and folded, dirty side inward, sealed, and disposed as waste.
- ☐ All objects and surfaces in interior work areas and within 2 feet of the work areas are cleaned from higher to lower in the following manner:
  - ☐ Walls: start at the ceiling and work down to the floor by either vacuuming with a HEPA filter or wiping with a damp cloth.
  - ☐ All remaining surfaces and objects in the work area were thoroughly vacuumed, including furniture and fixtures, with a HEPA vacuum, and - except for carpet and upholstered surfaces- wiped with a damp cloth.
  - ☐ Floors were mopped using a wet-mopping system or 2-bucket mopping method.

X POST-RENOVATION CLEANING VERIFICATION [40 C.F.R. § 745.85(b)]

- ☐ Interior Renovations:
  - ☐ The assigned certified Renovator performed a visual inspection until no dust, debris or residue is present.
  - ☐ The assigned certified Renovator wiped windowsills, uncarpeted floors, and countertops within the work area with a wet disposable cleaning cloth using the procedures outlined in 40 C.F.R. 745.85(b).
- ☐ Exterior Renovations:
  - ☐ The assigned certified Renovator performed a visual inspection until no dust, debris or residue is present.
  - ☐ Dust clearance testing **[40 C.F.R. § 745.85(c)]** was performed in lieu of post renovation cleaning by an EPA-certified inspector, risk assessor, or dust sampling technician and was done in accordance with 745.85(c). A copy of the report is attached.

XI Actual Project Completion Date: _____

XII Required Records [40 C.F.R § 745.86] kept with project file for a period of three (3) years:

- ☐ Determinations that lead-based paint was not present on affected components.
- ☐ Notification records including acknowledgments of Pamphlet receipt.
- ☐ Documentation of compliance with the work practice requirements of 40 C.F.R. **§** 745.85.
- ☐ Documentation that the assigned certified Renovator was assigned, and the following responsibilities were met:
  - ☐ The assigned certified Renovator provided training to workers on the work practice requirements of **§** 745.85. [745.90(b)(2)] *See separate training records for each worker trained.*
  - ☐ The assigned certified Renovator was physically present when signs were posted,

work area containment was established, and while the work area cleaning was performed.

- ☐ The assigned certified Renovator regularly directed work performed by other workers, maintained containment integrity, and was available, either on-site or by phone, at all times during the renovation.
- ☐ The assigned certified Renovator performed the post-renovation cleaning verification as described in 40 C.F.R. **§** 745.85(b).
- ☐ The assigned certified Renovator prepared the records required by **§** 745.86(b)(1)(ii) and (6).

_____ **A copy of this completed checklist was provided to the owner of the building, and if different, the adult occupant, in accordance with 40 C.F.R. § 745.86(c)(2).**

Completed by:

_____
Company Name

_____ _____
Name (printed) Title

_____
Signature

NOTICE OF SETTLEMENT AND RIGHT TO COMMENT

You are receiving this notice because you have lived at [FILL IN BUILDING ADDRESS]. The United States of America and the State of New York recently signed a settlement agreement resolving civil claims with a property manager (Lilmor Management LLC) and property owners concerning conditions in fifty-six buildings, including your building. These claims concern noncompliance with federal and local lead-based paint safety laws and other unsafe living conditions in these apartment buildings since 2012. Before seeking approval from a federal court, the federal government is seeking comments on this proposed settlement. If approved, the settlement would require the property manager and owners, among other things, to:

- Create a $2.925 million New York State fund, to pay compensation to tenants who faced substandard living conditions in these buildings since 2012.
- Inspect apartments in buildings currently owned by these landlords for lead-based paint and lead-based paint hazards; eliminate all lead-based paint hazards; and remove or otherwise abate all lead-based paint.
- Inspect apartments in buildings currently owned by these landlords for, and eliminate, all unsafe living conditions, like widespread and recurring mold or infestations of vermin or pests.
- Cooperate with a "Housing Specialist" firm selected by the United States and New York to supervise compliance with the settlement's requirements; and
- Pay a penalty of $3.25 million to the United States of America and a $325,000 penalty to New York City.

The United States is accepting comments on the proposed consent decree, before seeking court approval. If you would like to provide a comment, please send it by email to pubcomment-ees.enrd@usdoj.gov or by mail to Assistant Attorney General, U.S. DOJ—ENRD, P.O. Box 7611, Washington, DC, 20044–7611, no later than **[DATE]**. Please write "Lilmor Settlement, DJ No. 90-5-1-1-11797" on your comment. Any comments submitted in writing may be filed by the United States in whole or in part on the public court docket without notice to the commenter.

A full version of the consent decree is available at https://www.justice.gov/enrd/consent-decrees during the comment period.

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Email: brent.meltzer@ag.ny.gov

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA and THE PEOPLE OF THE STATE OF NEW YORK, by LETITIA JAMES, New York State Attorney General,

Plaintiffs,

v.

LILMOR MANAGEMENT LLC, MORRIS LIEBERMAN, 45-55 REALTY LLC, 55 WINTHROP ST LLC, 130 CLARKSON REALTY LLC, 250-251 E 29 REALTY LLC, 251 E 29 ST LLC, 1590 W 8 ST LLC, 105 AVE P REALTY LLC, 888 REALTY LLC, 100 LINDEN REALTY LLC, 131 REALTY LLC, C & Z REALTY LLC, 2003 REALTY LLC, 1429 CARROLL STREET LLC, 59 LOGAN ST LLC, 1269 E 18 STREET REALTY LLC, 334 EASTERN PKWY REALTY LLC, 840 REALTY LLC, 1909 REALTY LLC, 333 REALTY LLC, 1633 WEST 10TH REALTY LLC, ALIT REALTY LLC, 1301 AVENUE K REALTY LLC, 1311 AVENUE K REALTY LLC, P BIGG REALTY LLC, 354 E 21ST ST REALTY CORP, E & S REALTY MANAGEMENT LLC, 915 84TH STREET LLC, 2001 AVENUE P LLC, 2065 OCEAN AVENUE LLC, 1690 PRESIDENT STREET LLC, 645 REALTY LLC, 3402 REALTY LLC, 1439 REALTY LLC, 103-25 120 ST REALTY LLC, 20-30 MERLE REALTY LLC, 1921 REALTY LLC, 410 WESTMINSTER LLC, 580-585 REALTY LLC, 2251 REALTY LLC, 209 REALTY LLC, 40-71 REALTY LLC, 712 REALTY LLC, 723 REALTY LLC, 2420 REALTY LLC, 1684 REALTY LLC, 1660 REALTY LLC, 1011 NEILSON REALTY LLC, 1012 NAMEOKE REALTY LLC,

Defendants.

COMPLAINT

24 Civ. 9520

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Plaintiff the United States of America (the "United States" or the "Government"), on behalf of the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Housing and Urban Development ("HUD") on the counts indicated below, by its attorney, Damian Williams, United States Attorney for the Southern District of New York, and Plaintiff the People of the State of New York (the "State" or the "State of New York"), by their attorney, Letitia James, New York State Attorney General, allege as follows:

INTRODUCTION

1. Across more than 2,500 apartments in New York City, landlord Morris Lieberman ("Lieberman"), his management company Lilmor Management LLC ("Lilmor"), and owners of properties managed by Lilmor (the "LLC Defendants"[1]) have disregarded federal, state, and local lead paint safety laws, failed to meet basic health and safety standards, and maintained a public nuisance. Many apartments that Lieberman rents are riddled with peeling lead paint and lead dust; infested by rats, mice, and roaches; damp from perpetual leaks and covered with growing mold; and otherwise a danger to human health. His victims, first and foremost, are his residents, many of whom are people of limited means and live in communities disproportionately burdened by environmental and other health hazards.

2. Lead paint is toxic. There is no level of lead in the human body that is safe for children. When children ingest lead paint flakes or dust from deteriorated lead paint, they can suffer lifelong neurological and other severe injuries. To avoid these devastating consequences, most housing built before 1978—including about 2,500 apartments in buildings controlled by Lieberman and managed by Lilmor (and hundreds more apartments that Lieberman formerly

[1] The LLC Defendants are those entities listed in the caption of this case, apart from Lilmor and Lieberman.

controlled or Lilmor formerly managed)—is subject to strict federal lead paint regulations that require landlords to warn tenants of this severe health risk and to take precautions to reduce the risk of poisoning by lead dust generated when performing maintenance. New York state and New York City law impose additional lead paint safety regulations requiring investigation and remediation activities. For years, Defendants have flouted these federal, state, and local lead paint safety regulations. At least 130 children have suffered lead poisoning while living in Lieberman's buildings since 2012, according to New York City Department of Health and Mental Hygiene ("DOHMH") records—a number that almost certainly understates the total number of poisoned children.

3. Beyond the failure to comply with federal, state, and local lead paint safety regulations, Lieberman and Lilmor maintain dangerous and unsanitary conditions in their buildings. Many tenants live without proper heat in the winter; with mold on their walls and ceilings; collapsing ceilings due to unaddressed leaks; and cockroach and rodent infestations. Since 2012, New York City's Department of Housing Preservation and Development ("HPD") has issued thousands of violations for unsafe conditions in Defendants' buildings. These conditions present a direct threat to the health and safety of tenants and amount to a public nuisance.

4. The United States brings this civil action to redress the unsafe and unsanitary conditions in these buildings. It seeks injunctive and other equitable relief for violations of the federal Lead Disclosure Rule (24 C.F.R. part 35, subpart A, and 40 C.F.R. part 745, subpart F) and the Renovation, Repair, and Painting Rule (40 C.F.R. part 745, subpart E), and an order requiring Defendants to abate the public nuisance.

5. The State joins this civil action, seeking injunctive and other equitable relief for Defendants' repeated violations of the New York City Childhood Lead Poisoning Prevention Act

("Local Law One"), *see* NYC Admin. Code § 27-2056.1 *et seq*.; the NYC Asthma Free Housing Act ("Local Law 55"), *see* NYC Admin. Code § 27-2017 *et seq*.; the NYC Housing Maintenance Code (the "Housing Maintenance Code" or "HMC"), *see* NYC Admin. Code § 27-2001, *et seq.*; the New York State Multiple Dwelling Law (the "Multiple Dwelling Law" or "MDL"), *see* MDL § 25 *et seq.*, and the New York State Real Property Law (the "Real Property Law" or "RPL"), *see* RPL § 235-b. The State also seeks disgorgement of ill-gotten profits, restitution on behalf of tenants, and civil penalties from Defendants for their repeated and persistent violations of the local and state housing codes; relief for violating New York State General Business Law ("GBL") § 349 through deceptive business practices relating to these matters; and an order requiring Defendants to abate the public nuisance.

JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of the federal claims in this action pursuant to 15 U.S.C. § 2616, 28 U.S.C. §§ 1331, 1345, and 42 U.S.C. § 4852d. It has subject matter jurisdiction over the State's claims pursuant to 28 U.S.C. § 1367.

7. Venue is proper in this district pursuant to 15 U.S.C. § 2616(a)(2) and 28 U.S.C. § 1391(b)(1), (c)(2), and (d), because all Defendants reside in this State and at least one resides in this district; because certain of the violations alleged in the complaint occurred in this district; and because some or all Defendants transact business or may be found in this district. Furthermore, Defendants have expressly consented to venue in this district in a consent decree to be filed contemporaneously with this complaint.

PARTIES

8. Plaintiffs are the United States of America and the People of the State of New York.

9. Defendant Morris Lieberman has owned—in whole or part, through special purpose vehicles—and has controlled residential multi-family apartment buildings in New York City, including in the Southern District of New York.

10. Defendant Lilmor Management LLC is a residential property management company controlled and partially owned by Lieberman. It has managed buildings owned by Lieberman in New York City, including in the Southern District of New York, as well as buildings owned by third parties.

11. The LLC Defendants are special-purpose vehicles that have nominally owned buildings in New York City, including in the Southern District of New York, that are managed by Lilmor. In many cases these LLCs are owned in whole or part by Lieberman.

BACKGROUND

I. Unsafe Housing and the Public Health

12. Environmental hazards in the home threaten millions of people in the United States.

13. Chief among these hazards is lead paint.[2] Lead is toxic, and lead poisoning—particularly in children—can have devastating, lifelong effects. Children are easily poisoned in the home when they put lead paint flakes in their mouths or ingest lead-contaminated dust. A child's exposure to even small amounts of lead can cause irreversible neurological problems, including learning disabilities, reduced attention span, and behavioral problems. Even for adults, ingestion of small amounts of lead can cause or exacerbate serious health conditions, including cancer, hypertension, and kidney failure.

[2] The terms "lead paint" and "lead paint hazards" as used in this complaint shall have the same meaning as, and are used interchangeably with, the terms "lead-based paint" and "lead-based paint hazards," respectively, as defined in 24 C.F.R. §§ 35.86 and 35.110 and 40 C.F.R. §§ 745.103 and 745.223, as applicable to federal claims, and NYC Admin. Code § 27-2056.2(7)(b) and 28 R.C.N.Y. § 11-01(t)(2), as applicable to state and local claims.

14. In 1992, Congress found that "low-level lead poisoning is widespread among American children, afflicting as many as 3,000,000 children under age 6, with minority and low-income communities disproportionately affected," 42 U.S.C. § 4851(1), and that even "at low levels, lead poisoning in children causes intelligence quotient deficiencies, reading and learning disabilities, impaired hearing, reduced attention span, hyperactivity, and behavior problems," *id.* § 4851(2).

15. In 2004, the New York City Council found that childhood lead poisoning from paint was a preventable public health crisis.

16. Beyond lead paint, other substandard living conditions threaten residents' health, including by exacerbating asthma. In 2018, in response to high incidence of debilitating asthma rates, especially amongst children in low-income communities of color, New York City enacted Local Law 55, which requires owners of multiple dwellings with three or more dwelling units to keep their tenants' apartments free of mold and pests, including by fixing underlying conditions that lead to these problems. *See* NYC Admin. Code §27-2017 *et seq.* One study suggests that close to 80% of asthma in children is exacerbated by poor housing conditions such as from deteriorated paint and walls, mold, and presence of cockroaches, mice and other pests.[3]

17. Other deficient housing conditions also impact health and safety of occupants. For example, a lack of heat in winter threatens the health of the elderly in particular as they have high rates of cold-related hospitalizations.

[3] The Coalition for Asthma Free Homes, *The Impact of Poor Housing Conditions on the Health of Asthmatic New Yorkers*, 4, last https://takerootjustice.org/wp-content/uploads/2019/06/CAFHReport_20may09.pdf (accessed July 3, 2024).

18. It has long been "the policy of the United States" to "promote the goal of providing decent and affordable housing for all citizens." 42 U.S.C. § 1437(a)(4). While the responsibility to ensure decent housing is shared among federal, state, tribal, and local governments and the private sector, "the Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly." 42 U.S.C. § 1437(a)(3). Federal efforts to ensure occupants have safe living conditions include EPA's and HUD's lead-based paint regulations. *See infra* Part III. More generally, however, the law has long recognized that widespread, substandard housing conditions may constitute a public nuisance, and the United States may sue to compel the abatement of nuisances that affect federal interests. *See infra* Part VII(a).

19. Similarly, state and local policy underscore the importance of safe and affordable housing, including as provided by Local Law One (for lead paint) and Local Law 55 (for asthma), and other essential health and safety requirements of the City's Housing Maintenance Code and the State's Multiple Dwelling Law. *See infra* Parts IV & V. The New York State Attorney General also has authority to sue to enjoin "repeated fraudulent or illegal acts" or "persistent fraud or illegality" in "the carrying on, conducting or transaction of business," Executive Law § 63(12), including non-compliance with local housing quality laws; to sue to enjoin deceptive acts or practices in the conduct of business, GBL § 349(b), including with respect to deceptive communications regarding housing quality issues; and to sue for abatement of a public nuisance under both Executive Law § 63(12) and as *parens patriae*.

20. Moreover, both the federal and state governments recognize that unsafe and unsanitary housing may impact overburdened and underserved populations, including low-income populations.

II. The Lieberman/Lilmor Portfolio of Substandard Housing

21. Lieberman owns, controls, and profits from a residential real estate portfolio that subjects residents to deficient conditions, including systematic violations of federal, state, and local lead paint safety regulations. Lieberman's agent has been included in the New York City Public Advocate's list of the worst landlords in New York City.

22. Lieberman controls—and, in most cases, owns in whole or in part indirectly through special purpose vehicles—about 2,500 rent-regulated apartments in 47 residential buildings in New York City. At other times since 2012, he has also owned and/or controlled about 250 additional apartments in nine other apartment buildings. These combined 56 buildings are listed in Exhibit A to this complaint. The buildings are largely located in communities where families have low to moderate incomes and that are disproportionately burdened by environmental and other health hazards.

23. Lieberman exercises much of his control over these buildings through Defendant Lilmor. Lieberman founded and personally controls Lilmor; Lieberman and his wife are each 50% owners of the firm.

24. Lilmor is the current building manager for each of the buildings on Exhibit A that are identified as currently managed or controlled by Lieberman. For the buildings identified on Exhibit A no longer managed or controlled by Lieberman, Lilmor was the building manager when it was managed or controlled by Lieberman. As building manager, Lilmor is responsible for key functions relevant to health and safety in these buildings, including performing maintenance and repairs, as well as for acting as the owner's agent for the purpose of making legally required disclosures to tenants regarding lead paint. Lilmor receives tenant requests regarding necessary repairs or maintenance in the buildings, as well as notices of violations of health, safety, and

housing standards from local government agencies. Lilmor, as an agent of Lieberman and the LLC Defendants, executes leases with residents in these buildings.

25. The LLC Defendants are special purpose vehicles that, at various points since 2012, have nominally owned buildings Lieberman controls or controlled, as indicated on Exhibit A. Lieberman also owns, in whole or part, and controls the majority of the LLC Defendants that appear on Exhibit A.

26. As described below, Lieberman and Lilmor's violations of federal, state, and local lead laws; their violation of state and local housing codes; and their maintenance of a public nuisance arise from policies and practices that impact and have impacted the entire Lieberman/Lilmor residential portfolio.

III. Federal Lead Paint Safety Regulations

27. In 1977, the federal government banned the use of lead-containing paint in residences built in 1978 or later. 16 C.F.R. Part 1303. Lead paint had been frequently used in residences prior to that date and continues to be present in pre-1978 residential buildings across the country.

28. Lead poisoning is a serious health problem in the New York metropolitan area. Each year, thousands of children under the age of six test are reported with elevated blood lead levels.[4]

[4] For the purpose of this complaint, the terms "lead poisoning" and "elevated blood lead level" refer to blood lead levels that equal or exceed 5 micrograms per deciliter, the applicable blood lead level reference value established by the Centers for Disease Control and Prevention ("CDC") between 2012 and 2021. In 2021, the CDC reference value was lowered further to 3.5 micrograms per deciliter. Elevated blood lead levels are also currently defined by local law as 3.5 micrograms per deciliter or above.

29. In 1992, Congress enacted a "broad program to evaluate and reduce lead-based paint hazards in the Nation's housing stock," and "to ensure that the existence of lead-based paint hazards is taken into account . . . in the sale, rental, and renovation of homes and apartments." 42 U.S.C. § 4851a(2), (4).

30. Among other things, Congress directed EPA and HUD to promulgate regulations requiring disclosure of information concerning lead paint to tenants and purchasers of pre-1978 property and amended the Toxic Substances Control Act to provide for EPA to promulgate additional lead paint safety regulations applicable to the general public. Residential Lead-Based Paint Hazard Reduction Act of 1992, Public Law 102-550, Title X, § 1018 (codified at 42 U.S.C. § 4852d); *id.* § 1021 (codified at 15 U.S.C. subch. IV).

31. Pursuant to these authorities, EPA and HUD promulgated the key federal lead paint regulations at issue here: the Lead Disclosure Rule and the Renovation, Repair, and Painting Rule.

A. The Lead Disclosure Rule

32. In 1996, HUD and EPA promulgated substantively identical versions of the "Lead Disclosure Rule." 24 C.F.R. part 35, subpart A (HUD's Lead Disclosure Rule); 40 C.F.R. part 745, subpart F (EPA's Lead Disclosure Rule).

33. The Lead Disclosure Rule requires landlords and their agents to provide disclosures concerning lead paint to prospective tenants prior to signing a new lease (or, in some cases, a renewal lease) in "target housing." "Target housing" means most housing constructed before 1978. Housing for the elderly or persons with disabilities and zero-bedroom dwellings (unless any child who is less than 6 years of age resides or is expected to reside in such housing) are currently excepted. 42 U.S.C. § 4851b(17); 15 U.S.C. § 2681(17).

34. Among other things, the Lead Disclosure Rule requires a landlord to provide the following information and documentation to prospective tenants prior to entering into a lease:

- [A]n EPA-approved pamphlet that warns prospective tenants about the dangers of lead-based paint and provides advice on how to limit those risks. 24 C.F.R. § 35.88(a)(1); 40 C.F.R. § 745.107(a)(1).

- A "lead warning statement" contained in federal regulations that warns prospective tenants of the dangers of lead paint. 24 C.F.R. § 35.92(a)(1); 40 C.F.R. § 745.113(b)(1).

- "[A]ny . . . information available [to the landlord] concerning . . . known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces." 24 C.F.R. § 35.88(a)(2); 40 C.F.R. § 745.107(a)(2).

- All records or reports regarding lead-based paint and/or lead-based paint hazards, including the results of inspections. 24 C.F.R. § 35.88(a)(4); 40 C.F.R. § 745.107(a)(4).

35. The information required to be disclosed by the Lead Disclosure Rule includes not only information related to the prospective tenant's apartment but also information relating to common areas accessible to a tenant of that apartment. 24 C.F.R. § 35.88(a)(4); 40 C.F.R. § 745.107(a)(4).

36. The purpose of the Lead Disclosure Rule is to enable tenants to take steps to protect themselves and their families in light of the knowledge of the potential or actual presence of lead-based paint or lead-based paint hazards in their apartments.

37. For example, before a family becomes a tenant in an apartment that has lead-based paint or lead-based paint hazards, it may decide not to become obligated under the lease and not move in. Alternatively, the family may attempt to reach agreement with the landlord, prior to signing the lease or occupying the apartment, to control any hazards or abate lead paint as a condition to the effectiveness of the lease.

38. Even after moving into a unit with actual or potential lead paint or lead paint hazards, families can take specific steps to minimize the risks posed by lead paint, as described in

the *Protect Your Family From Lead in Your Home* pamphlet that is required to be provided to prospective tenants under the Lead Disclosure Rule. These measures include the following:

- Always keep painted surfaces in good condition to minimize deterioration.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, windowsills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Carefully clean up paint chips immediately without creating dust.
- Talk to the landlord about fixing surfaces with peeling or chipping paint.

39. Moreover, the pamphlet recommends specific steps that tenants can take to minimize risks to children:

- Wash children's hands often, especially before they eat and before nap time and bedtime.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing windowsills or other painted surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.

40. Finally, the pamphlet also contains the critical recommendation that families should "consult their health care provider about testing their children for lead."

B. The Renovation, Repair, and Painting Rule

41. Renovation and maintenance work that disturbs lead paint can expose tenants, visitors, and workers to toxic lead dust and debris.

42. To address this health threat, in 2008, EPA promulgated the Renovation, Repair, and Painting ("RRP") Rule, 40 C.F.R. part 745, subpart E. For renovations (including maintenance work) covered by the rule, the RRP Rule imposes strict requirements regarding (a) training and

certification; (b) notice to tenants; (c) preparation of the work area; (d) work practices used to disturb the painted surface; (e) cleaning of the work area; and (f) recordkeeping.

43. The rule applies to "renovations" for compensation in pre-1978 "target housing," except where the work area has been tested and found to be free of lead. 40 C.F.R. § 745.82. Target housing is thus presumed to contain lead-based paint unless testing has demonstrated to the contrary.

44. "Renovation" is defined broadly to include "the modification of any existing structure, or portion thereof, that results in the disturbance of painted surfaces" and includes work such as "the removal of building components (e.g., walls, ceilings, plumbing, windows)" and "[t]he removal, modification or repair of painted surfaces or painted components (e.g., modification of painted doors, surface restoration, window repair, surface preparation activity (such as sanding, scraping, or other such activities that may generate paint dust))." 40 C.F.R. § 745.83. Certain *de minimis* work referred to as "minor repair and maintenance activities" is excluded from the definition of "renovation," including most interior work affecting six or fewer square feet of painted surfaces. *Id.*

45. The RRP Rule requires that a firm performing covered renovations obtain an EPA certification and assign an EPA-certified renovator to perform certain specified tasks and to supervise or direct the work generally. *Id.* §§ 745.81(a)(3), 745.89(d)(2), 745.90(a). The certified renovator must provide on-the-job training in lead-safe work practices to all workers performing renovations who are not themselves certified renovators. *Id.* §§ 745.81(a)(3), 745.89(d)(1). The rule also requires distribution to tenants of information about lead-safe work practices and the dangers of lead hazards, *id.* § 745.84; requires renovation firms to obtain written acknowledgement

of receipt of such information by tenants, *id.* § 745.84; and requires the posting of warning signs, *id.* §§ 745.84(b)(2)(ii), 745.85(a)(1).

46. Before renovation work begins, the RRP Rule requires that the work area be isolated to contain lead dust, *id.* § 745.85(a)(2), including (when inside an apartment), by covering the floor surface in the work area with plastic sheeting or similar protection, *id.* § 745.85(a)(2)(i)(D); by removing all objects from the work area or covering them, *id.* § 745.85(a)(2)(i)(A); by closing and covering all ducts in the work area, *id.* § 745.85(a)(2)(i)(B); and by closing windows and doors in the work area and covering such doors with plastic sheeting, *id.* § 745.85(a)(2)(i)(C).

47. The RRP Rule also prohibits the use of certain methods and machines that generate dust or debris. *Id.* § 745.85(a)(3).

48. As waste is generated during renovations, the RRP Rule requires that it be contained and disposed of in a manner that prevents the release of dust and debris outside the work area. *Id.* § 745.85(a)(4).

49. After the renovation work is complete, the RRP Rule requires that the work area be cleaned to eliminate all dust, debris, and residue, *id.* § 745.85(a)(5), including (when inside an apartment) by collecting and sealing paint chips and debris, *id.* § 745.85(a)(5)(i)(A); carefully removing and disposing of the protective sheeting used to isolate the work area, *id.* § 745.85(a)(5)(i)(B); cleaning the walls with a damp cloth or HEPA vacuum, *id.* § 745.85(a)(5)(ii)(A); vacuuming, with a HEPA vacuum, all remaining surfaces and objects, including furniture, *id.* § 745.85(a)(5)(ii)(B); and wiping all remaining surfaces and objects with a damp cloth and mopping uncarpeted floors, *id.* § 745.85(a)(5)(ii)(C).

50. To ensure cleaning of the work area was adequate, the RRP Rule requires careful verification of cleaning by a certified renovator, *id.* § 745.85(b), including (when inside an apartment) visual inspection to determine whether dust, debris, or residue remains, *id.* § 745.85(b)(1)(i); and the wiping of windowsills, uncarpeted floors, and countertops in the work area with a cloth and comparison of the color of the wiped cloth to the color of an EPA cleaning verification card, *id.* § 745.85(b)(1)(ii).

51. Finally, the RRP Rule requires that the firm conducting renovation work document its compliance with the RRP Rule and maintain those records for at least three years. *Id.* § 745.86.

IV. State and Local Lead Paint Safety Regulations

52. The NYC Childhood Lead Poisoning Prevention Act, otherwise known as Local Law One, imposes obligations on owners of multi-family residential properties related to notice and management of lead-based paint. NYC Admin. Code § 27-2056.1 *et seq.* Local Law One focuses on "primary prevention, which means eliminating lead hazards before children are exposed" because that is an "essential tool to combat childhood lead poisoning," and on identifying children who are most at risk. *See* NYC Admin. Code § 27-2056.1 (Statement of Findings and Purposes).[5]

53. The Act establishes a rebuttable presumption that the paint in apartments that were built prior to January 1, 1960 (when New York City first imposed limits the level of lead in paint

[5] In 1992, the State amended existing Public Health Law to authorize the State Health Commissioner as well as local county health departments and local housing code agencies to order removal of paint "conditions conducive to lead poisoning" and also to require mandatory blood lead level screenings for children. N.Y. Public Health Law §§ 1370–1376-a. In New York City, Local Law One, together with the New York City Health Code, 24 R.C.N.Y. § 173.13-14, governing safety standards for work that disturbs lead paint, exceed the minimum requirements of the corresponding New York state law. Accordingly, references herein to state and local lead paint safety regulations will be to New York City local law.

used in homes), where a child under six resides, is "lead based paint." *Id.* § 27-2056.5; *see also* 24 R.C.N.Y. § 173.14(b). The presumption may be rebutted, or a building maybe exempted from some requirements of the Act, if the owner submits evidence to HPD that there is no lead-based paint in the building. NYC Admin. Code § 27-2056.5(a), (b).

54. The Act requires owners of these apartment buildings where children under six reside "to prevent the reasonably foreseeable occurrence" of lead-based paint hazards and expeditiously remediate those hazards. *Id.* § 27-2056.3.

55. As of January 1, 2020, "resides" means that a child routinely spends 10 or more hours per week in an apartment. *Id.* § 27-2056.2(12); *see also* 28 R.C.N.Y. §11-01(bb).

56. The term "owner" includes an "agent, or any other person, firm or corporation, directly or indirectly in control of a dwelling." *Id.* § 27-2004(45).

57. As explained below, among other things, Local Law One imposes obligations on owners of multi-family residential properties to provide notice of potential lead paint hazards and also imposes additional affirmative obligations to inquire about whether any children under six years of age reside in apartments under an owner's control, and to investigate, inspect, and remediate and/or abate any lead-based paint to eliminate lead hazards before children are exposed or lead poisoned. NYC Admin. Code § 27-2056.1 *et seq*.

A. Occupant Inquiry and Investigation Requirements

58. The annual inquiry and investigation requirements of Local Law One apply to apartment buildings with at least three apartments that were either: (1) built before January 1, 1960 (unless the presumption of lead-based paint has been rebutted or the building or apartment has been exempted by HPD); or (2) built between January 1, 1960 and January 1, 1978 if the owner has actual knowledge of the presence of lead paint. NYC Admin. Code § 27-2056.4(a).

59. Owners of these apartment buildings are required to ascertain whether a child under six resides in a dwelling unit by providing a notice to tenants inquiring as to whether a child under the age of six resides or will reside in the apartment. NYC Admin. Code § 27-2056.4(d)(1). Owners are required to make these inquiries at the signing of an initial lease, at renewal leases, or upon any agreement to lease. *Id.*; *see also* 28 R.C.N.Y. § 11-03(a)(1).

60. Thereafter, between January 1 and January 16 of each year, the owner must again send this notice to tenants inquiring as to whether a child under six years old resides within a unit. NYC Admin. Code § 27-2056.4(e)(1). If the owner does not receive a response from the occupant by February 15 and the owner does not "otherwise have actual knowledge" as to whether a child under the age of six resides therein, the owner must "at reasonable times and upon reasonable notice," inspect the occupant's apartment to determine whether a child of applicable age lives there. NYC Admin. Code § 27-2056.4(e)(3)(i). Owners are obligated "when necessary, [to] conduct an investigation in order to make that determination." *Id.* If the owner's investigation is unsuccessful by March 1, they are required to notify DOHMH. *Id.* § 27-2056.4(e)(3)(i); s*ee also* 28 R.C.N.Y. § 11-03(b).

B. Lead-Based Paint Investigation Requirement

61. Local Law One further requires owners to conduct investigations at least annually for "peeling paint, chewable surfaces, deteriorated sub surfaces, friction surfaces, and impact surfaces" in apartments and common areas of buildings subject to Local Law One where they have been notified or they have actual knowledge that a child under six resides. NYC Admin. Code § 27-2056.4(a). Owners must expeditiously remediate all lead-based paint hazards and underlying defects identified. *Id.* § 27-2056.3. As discussed above, the owner must take steps to ascertain whether a child under six years old resides within a dwelling unit, if unknown.

62. Local Law One also imposes an additional investigation requirement that must be conducted by an EPA-certified inspector or risk assessor (who is not an agent of the owner or a contractor hired to remediate lead-paint hazards) to assess the presence of lead-based paint within a unit using an "x-ray fluorescence analyzer." NYC Admin. Code § 27-2056.4(a-1). This investigation is required to be completed: (1) by August 9, 2025; (2) within a year of a child under six years old coming to reside in the unit; or (3) as required by an order of DOHMH, whichever is earliest. *Id.*

63. For both of these investigations, owners are required to provide the results of the investigation to the unit's occupant in writing, including providing the occupant with any report generated during the investigation, and the owner must also keep a copy of any such report for at least ten years. NYC Admin. Code § 27-2056.4(f); *see also* 28 R.C.N.Y. § 11-04(c)(1) (the record of the investigation shall "include the location of such inspection and the results of such inspection for each surface").

C. Turnover and Remediation/Abatement Requirements

64. Local Law One also imposes requirements on an owner of qualifying buildings to conduct specified lead-based paint remediation and abatement work upon the earlier of: (i) turnover of any unit; (ii) by July 1, 2027 for any unit where a child of applicable age resides as of January 1, 2025; or (iii) within 3 years of the date a child of applicable age begins to reside in any unit. NYC Admin. Code § 27-2056.8(a).

65. The requirement work includes: (1) remediating all lead-based paint hazards and any underlying defects; (2) making all bare floors, windowsills, and window wells in the unit smooth and cleanable; (3) providing for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and (4) providing for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for

the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows. NYC Admin. Code § 27-2056.8(a)(1)-(4).

66. After an owner has completed this work, a lead dust clearance test must be performed by a certified third party (neither the owner nor the individual or company that performed any repairs or construction to prepare the apartment for turnover). NYC Admin. Code §§ 27-2056.11(a)(3), 2056.11(b); *see also* 28 R.C.N.Y. §§ 11-06(b)(2)(iii), (3)(ii), (4), and (g)(3).

67. Owners must certify compliance with the requirements above in a notice provided to a new occupant upon signing of their lease (including renewal leases) if any, or upon any agreement to lease, or commencement of occupancy if there is no lease. 28 R.C.N.Y. § 11-05(d). The owner must also provide the occupant with a pamphlet developed by the DOHMH about the prevention of lead-based paint hazards. 28 R.C.N.Y. § 11-03(a)(1).

68. Any owner who fails to comply with the requirements to perform work at turnover or prior to turnover in the case of a child of applicable age residing in a unit and subsequent clearance testing is liable for a class C immediately hazardous violation. NYC Admin. Code § 27-2056.8(c).

V. State and Local Housing Quality Laws

69. State and local law impose numerous requirements on property owners to ensure their buildings are free from conditions other than lead. As relevant here and as discussed below, these laws include Local Law 55, the New York State Multiple Dwelling Law, the New York State Real Property Law, and the New York City Housing Maintenance Code.

A. NYC Asthma Free Housing Act (Local Law 55 of 2018)

70. The NYC Asthma Free Housing Act (a/k/a Local Law 55) requires owners of multiple dwellings with three or more dwelling units to keep their tenants' apartments free of mold and pests, including by fixing underlying conditions that lead to these problems. Owners have

both an obligation to remediate any condition constituting an indoor allergen hazard under the law, *and* are responsible for proactively preventing the "reasonably foreseeable occurrence of such conditions." NYC Admin Code § 27-2017.1. Local Law 55 thus imposes obligations to investigate for the existence of such conditions, to ensure that asthma triggers are removed after a tenant moves out and before a subsequent tenant moves in, and to use safe work-practices while conducting that remediation.

71. Investigation and Remediation: Local Law 55 directs owners to conduct investigations at least annually in all occupied units and in common areas for any conditions that are reasonably foreseeable to cause an indoor allergen hazard (such as mice, cockroaches, rats and mold) and to respond when an occupant makes a complaint or when HPD issues a notice of violation for condition likely to cause an indoor allergen hazard. NYC Admin. Code § 27-2017.2(b).

72. Owners must remediate pest infestations and violations for pests using integrated pest management practices to safely control pests and to fix conditions leading to pest problems. NYC Admin. Code § 27-2017.8(a); *see also* 24 R.C.N.Y. §151.02.

73. Upon vacancy and prior to re-occupancy, an owner must remediate all visible mold and pest infestations and underlying defects in a unit and by thoroughly cleaning and vacuuming all carpeting and furniture (if provided by the owner). NYC Admin. Code §27-2017.5(a). The owner must also certify in writing to the incoming occupant that the unit is in compliance with this mandate. NYC Admin. Code §27-2017.5(b).

74. Work Practices: When remediating mold or mold hazards, owners must follow work practices that include (1) covering any furniture or items that cannot be removed with plastic sheeting; (2) minimizing dust and debris dispersion; (3) cleaning an area with soap or detergent

and water; (4) removing and discarding materials that cannot be properly cleaned; and (5) leaving the work area dry and visibly free from mold, dust and debris. NYC Admin. Code § 27-2017.9. Owners must certify that the required work practices were followed when certifying correction of a violation. *Id.* § 27-2017.9(c).

75. Notices: All leases offered to prospective tenants must contain a notice advising them of obligations of the owner and tenant pursuant to Local Law 55. NYC Admin. Code § 27-2017.2(c). Owners must also provide prospective tenants with a DOHMH pamphlet outlining information about indoor allergens for tenants and requirements imposed on owners to keep dwelling units free of pests and mold. *Id.*

B. The MDL, the RPL, and the HMC: Maintenance, Services and Utilities

76. New York State Multiple Dwelling Law applies to residential buildings with three or more dwelling units in cities, including New York City. The MDL sets out a tenants' right to have their unit, including common areas, be kept in good repair by the owner. MDL § 78.

77. New York State Real Property Law § 235-b provides that in every lease or rental agreement for a residential dwelling there is an implied warranty of habitability. RPL § 235-b. Under this implied warranty, a landlord has a non-delegable duty to make sure that occupants are not subject to conditions that are dangerous, hazardous, or detrimental to their life, health, or safety. RPL § 235-b(1).

78. The statutory warranty of habitability is incorporated by operation of law into the local NYC Housing Maintenance Code (NYC Admin. Code § 27-2001 *et seq.*). The HMC applies to all residential apartments in New York City and sets out minimum standards for owners' duties to repair and maintain safe and sanitary housing conditions, including for lead-based paint abatement, the control of pests and other asthma allergen triggers (described above), the collection of waste, and for the provision of heat and hot water. Violations of the HMC are classified as "A"

(non-hazardous), "B" (hazardous) and "C" (immediately hazardous). NYC Admin. Code § 27-2115. The penalties provided for in the HMC include the imposition of fines for false certification of correction of violations. *Id.* § 25-2115(a)(4).

VI. State General Business Law: Deceptive Business Practices

79. Deceptive acts or practices in the conduct of any business or in the furnishing of any service in New York state are unlawful. GBL § 349(a).

80. The New York State Attorney General is authorized to bring actions to enjoin persons or entities from engaging in deceptive acts or practices in the conduct of business. GBL § 349(b). The New York State Attorney General is also authorized to seek restitution of any money or property obtained directly or indirectly by any such unlawful acts or practices, as well as civil penalties of up to $5,000 per violation. *See* GBL § 350-d.

81. A deceptive act or practice in the conduct of business and furnishing of a service can include the misrepresentation that an apartment is habitable and free of health and safety hazards when it is not, or the failure to make required certifications or disclosures to tenants under federal and local lead paint disclosure rules and/or the false representation that qualified work has been performed and code violations were corrected.

82. The State has timely served Defendants with a pre-litigation notice pursuant to GBL § 349(c) and/or Defendants have waived notice.

VII. State Executive Law: Fraud or Illegality

83. New York Executive Law § 63(12) authorizes the New York State Attorney General to commence an action for injunctive and other relief, including penalties related to any underlying statute, against any person or business entity that has engaged in "repeated fraudulent or illegal acts" or "persistent fraud or illegality" in "the carrying on, conducting or transaction of business."

84. "Illegal" conduct under Executive Law § 63(12) includes the violation of any federal, state, or local law or regulation, including those related to lead-based paint and safe housing.

VIII. Public Nuisance

85. A public nuisance exists where there is a substantial and unreasonable interference with a right common to the general public. This includes circumstances where a landlord significantly interferes with the public health, the public safety, the public comfort, or the public convenience, by failing to provide safe and sanitary living conditions to thousands of residents. It includes conduct that is continuous and longstanding, involves repeated violations of law, and is undertaken by a landlord who knows or should have known that the conduct significantly affects the public health.

86. The United States has standing to sue to abate a public nuisance that impacts significant federal interests. Significant federal interests are affected by the conduct at issue in this complaint, which affects interstate commerce, including but not limited to the following: the United States' interests in promoting decent and affordable housing; the United States' interest in preventing conduct or conditions proximate to federally subsidized units that exist in more than a dozen of these buildings and may come to exist in others from impacting those units; and the United States' interest in avoiding additional costs caused by the public nuisance, including increased costs to federal health care programs from the adverse impact of the conditions on the health of individuals insured by federal health care programs such as Medicare or Medicaid.

87. The State of New York, by its Attorney General, has authority to bring an action seeking to enjoin nuisance conditions which affect its residents. The term "nuisance" as defined by Multiple Dwelling Law:

> . . . shall be held to embrace public nuisance as known at common law or in equity jurisprudence. Whatever is dangerous to human life or detrimental to health, and . . . whatever renders the air…unwholesome, are also severally, in contemplation of this law, nuisances. All such nuisances are unlawful.

MDL § 309(1)(a).

88. The City of New York has adopted the same definition of nuisance in its Health Code. *See* NYC Admin. Code § 17-142. Further, NYC Administrative Code § 7-701 *et. seq.* (popularly known as the "Nuisance Abatement Law") was enacted to prohibit the use of property in ". . . flagrant violation of the building code . . . health laws . . . multiple dwelling law. . . all of which interfere with the quality of life[,] . . . public health, safety and welfare of the people of the city [of New York] . . . ." *Id.* § 7-701. The Nuisance Abatement Law mirrors the Health Code definition of nuisance amongst the types of nuisances for which a permanent injunction may be sought. *Id.* § 7-703, 7-706(a), and 7-714. Section 7-706(h) of the Nuisance Abatement Law provides that a penalty may be awarded against a defendant who intentionally conducted, maintained, or permitted a public nuisance.

89. Finally, a state-common-law public nuisance is an offense against the State when the conduct leading to the nuisance condition amounts to a substantial interference with the exercise of a common right of the public or endangers the health, safety or comfort of a considerable number of people.

DEFENDANTS' VIOLATIONS OF LEAD PAINT SAFETY REGULATIONS

90. Defendants have systematically violated federal, state and local lead paint safety rules. Their conduct puts tenants—particularly children under six—and workers at increased risk of lead poisoning. As described below, *see infra* ¶¶ 132-135, since 2012, at least 130 children living in Defendants' buildings in New York City have suffered lead poisoning.

I. Defendants' Violations of the Lead Disclosure Rule

91. Since at least 2012, Defendants have routinely violated the Lead Disclosure Rule.

92. Lilmor and the LLC Defendants have admitted that they systematically violated the Lead Disclosure Rule from at least June 1, 2012, through November 15, 2020, including by:

- Failing to "disclose the presence of any known lead-based paint and/or lead-based paint hazards in target housing . . . to purchasers or lessees of such housing before selling or leasing the housing, as is required under 24 C.F.R. § 35.88(a)(2)";
- Failing to "disclose 'any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces,' to prospective purchasers or lessees of target housing, as required under 24 C.F.R. § 35.88(a)(2)"; and
- Failing to "provide records and reports available to them pertaining to lead-based paint and/or lead-based paint hazards to prospective purchasers and lessees of target housing—including records and reports regarding common areas and other residential dwellings in multifamily target housing, as is required under 24 C.F.R. § 35.88(a)(4)."

93. In addition to these admitted violations, the Government's investigation revealed other failures in Defendants' Lead Disclosure Rule practices. For example, in 103 lease files reviewed by the Government, addressing certain units through 2018, Defendants never provided tenants with a lead disclosure form including a lead warning statement informing tenants about the dangers of lead paint. And in 64 of these 103 files, Defendants made no disclosures despite knowing that the apartments contained lead-based paint, based on citations previously received for violations of New York City's Housing Maintenance Code.

94. Defendants' systematic failure to warn their tenants about lead paint violated the Lead Disclosure Rule and put their tenants, particularly pregnant tenants and young children, at risk. If tenants knew the peeling paint in their apartment contained lead, they could have declined to rent the apartment entirely or, if they decided to rent anyway, they would have been better able

to protect themselves and their families. Even if Defendants themselves did not know specifically of the existence of lead paint or lead paint hazards, their providing the Lead Disclosure Form with the required lead warning statement and providing the EPA's pamphlet would have enabled tenants to guard against the risk of harm, as Congress intended.

95. Unfortunately, these risks were not just theoretical. For example, in April 2015, the LLC Defendant that owned one of Defendants' buildings received five violations from HPD for lead-based paint hazards in a unit at that address.

LOCATION	BORO	AREA	BLDG TYPE	REG. NO.	DATE REPORTED	CYCLE #	PAGE
[redacted]	BK	16	NL	301269	04/05/2015	193967	1 of 1

NOTICE OF VIOLATION

CERTIFIED MAIL: 4
[redacted]
BROOKLYN, NY 11210

All violations listed below are CLASS: C
All violations listed below must be
CORRECTED by **05/08/2015** and
CERTIFIED as corrected by **05/13/2015**
using work practices mandated in the Rules of The City of New York, Title 28, § 11-06.*

POSTPONEMENT information is enclosed with this Notice of Violation.

VIOLATION NO.	ORDER	VIOLATION DESCRIPTION
10667971	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) EAST WALL, WEST WALL IN THE PRIVATE HALLWAY LOCATED AT [redacted] FROM EAST AT SOUTH
10667973	616	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PRESUMED LEAD PAINT THAT IS PEELING OR ON A DETERIORATED SUBSURFACE USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st RADIATOR FROM WEST AT NORTH WALL IN THE 2nd ROOM FROM NORTH AT EAST LOCATED AT [redacted] FROM EAST AT SOUTH
10667974	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st DOOR FRAME FROM WEST AT NORTH WALL IN THE FOYER LOCATED AT [redacted] FROM EAST AT SOUTH
10667975	616	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PRESUMED LEAD PAINT THAT IS PEELING OR ON A DETERIORATED SUBSURFACE USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st RADIATOR FROM EAST AT SOUTH WALL IN THE 3rd ROOM FROM NORTH LOCATED AT [redacted] FROM EAST AT SOUTH
10667976	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) NORTH WALL, SOUTH WALL, EAST WALL, WEST WALL IN THE 3rd ROOM FROM NORTH LOCATED AT [redacted] FROM EAST AT SOUTH

96. In May 2015, Lilmor hired an abatement firm to address the specific areas that had been identified by HPD. The firm abated the violations by a mix of removal (which eliminates lead-based paint from a surface) and enclosure (which leaves the lead-based paint in place). Because that abatement process intentionally left lead in the unit, Lilmor had actual knowledge of the presence of lead in the unit.

97. Nevertheless, when the LLC Defendant, through Lilmor, entered a new lease with the tenants of the unit in February 2016, it did not (1) inform the tenants that Defendants knew that their unit continued to contain lead paint; or (2) provide the tenants with available records reflecting lead paint violations and the abatement that included leaving lead paint in place. The Lead Disclosure Rule required Defendants to provide their tenants with this information.

98. Sadly, ten months later, in December 2016, blood testing performed on the tenants' one-year-old child showed elevated blood-lead levels. Had the tenants been warned about lead in the unit, as required by law, they could have taken steps to protect themselves or insisted that Defendants' eliminate existing hazards in the apartment.

99. Since 2012, Lieberman has been ultimately responsible for ensuring that residential units managed by Lilmor comply with the Lead Disclosure Rule. Throughout this period, he maintained operational control over Lilmor, and the Lilmor employees responsible for leasing and regulatory compliance reported up a chain of command that ended with Lieberman. Although he had the power to ensure Lilmor's compliance with the Lead Disclosure Rule, he failed to do so even after the Government began investigating his company.

100. In light of Defendants' systematic non-compliance, they are likely to continue violating the Lead Disclosure Rule in the absence of an injunction.

II. Lilmor and Lieberman's Violations of the RRP Rule

101. In addition to their widespread non-compliance with the Lead Disclosure Rule, Lilmor and Lieberman have violated the RRP Rule throughout their portfolio, both during routine maintenance work conducted by Lilmor superintendents and in large-scale renovation projects conducted by other entities under their control.

A. Lilmor's Superintendents Conduct Maintenance Work in Violation of the RRP Rule.

102. Lilmor has never been certified as a renovation firm pursuant to the RRP Rule, nor have its superintendents been trained and certified as certified renovators pursuant to that rule.

103. Despite lacking certifications and related training, Lilmor has routinely relied on its superintendents to conduct paint-disturbing work covered by the requirements of the RRP Rule. For example, Lilmor's internal work order database reflects that, on July 20, 2016, the superintendent of one of Defendants' buildings conducted work described in the database as "REPAIR PRIVATE HALLWAY AND ENTIRE APT BULGING WALL." As noted above, the RRP Rule governs "modification or repair of painted surfaces or painted components (e.g., modification of painted doors . . .)" above de minimis levels.

104. In another example, the work order database reflects that the superintendent of another building conducted work described as "SCRAPE OFF PEELING PAINT FROM BDRM CEILING—DONE" on December 23, 2015. Again, the RRP Rule governs "surface preparation activity (such as sanding, scraping, or other such activities that may generate paint dust)."

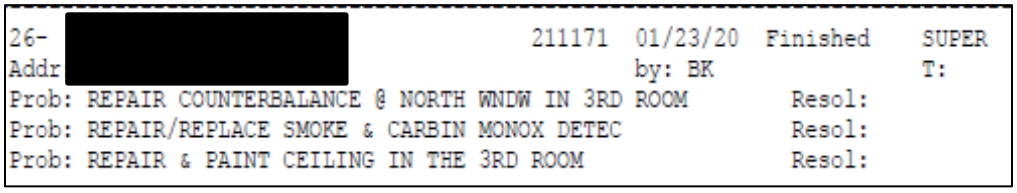
105. In interviews, Lilmor tenants have confirmed that Lilmor's superintendents conducted the kind of work described above. One tenant told investigators that "[t]he superintendent is sent to make almost all repairs." Another tenant described a large recurring leak in her bathroom ceiling for which the building's superintendent would routinely come to cut out portions of the ceiling that were leaking and patch them with plywood.

106. Because Lilmor's superintendents have not been trained or certified to conduct work under the RRP Rule, between 2012 and the present they did not follow the RRP Rule's requirements: They did not distribute informational pamphlets to tenants; post warning signs; exclude tenants from work areas; follow lead-safe work practices; or maintain records of

compliance. Lilmor's failure to take these basic, mandatory steps put its tenants, visitors, and workers at risk of exposure to dust containing lead during maintenance projects in their units.

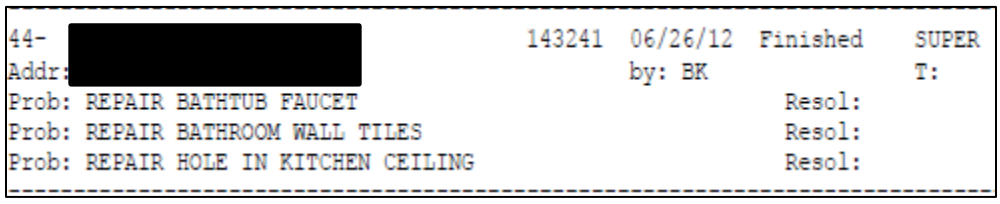
107. Although it is not always possible to trace the origin of lead exposure, Lilmor's documents reflect instances where its superintendents disturbed lead paint in a unit without complying with the RRP Rule and shortly after a child within the unit suffered lead poisoning.

108. For example, in January of 2020, the superintendent of one building performed substantial repairs within a tenant's apartment, as reflected in the following work order:



Less than two months later, blood testing of a two-year old child living in that apartment showed elevated blood lead levels.

109. Similarly, in June of 2012, the superintendent of another building conducted significant work in an apartment within that building, including the repair of bathroom wall tiles and of a hole in the kitchen ceiling, as reflected in the work order below:



110. In November of 2012, blood testing of a child living in that apartment showed elevated blood lead levels the day before his second birthday.

111. The employees at Lilmor responsible for the hiring and training of superintendents, as well as for decisions about what work should be conducted by superintendents and what work should be outsourced to contractors, reported through a chain of command that ended with Morris

Lieberman. At all times relevant to this complaint, Morris Lieberman had final decision-making authority over hiring decisions, training decisions, and decisions regarding whether work would be conducted by in-house employees or contractors, and could have but did not take action to cause compliance.

B. Lilmor and Lieberman Violated the RRP Rule in Larger Renovation Projects.

112. When Lilmor needed to conduct renovation projects larger in scale than those that it required its superintendents to conduct, it would often hire a purported independent contractor—"Individual A"—to perform the renovations.

113. Individual A conducts renovation work through an LLC in which he is the only employee, sometimes with the assistance of a limited number of independent contractors that he employs. Individual A's firm is a "mom and pop shop," as described by the Lilmor employee with responsibility for facilitating apartment repairs and renovations. Individual A's LLC derives substantially all (if not all) of its income from projects assigned to it by Lilmor.

114. Individual A conducts renovation projects in Lilmor housing under the direct supervision and control of Lilmor employees. When Lilmor tasks Individual A with a project, he goes to the apartment, takes pictures of the anticipated worksite, and sends them to the Lilmor employee responsible for managing repairs and renovations. That Lilmor employee would then instruct Individual A on how to perform the project. Once completed, Individual A would send photographs of the worksite to the Lilmor employee, who would approve the work and authorize payment.

115. Lilmor also assumed authority over Individual A's compliance with the RRP Rule. When the RRP Rule's certification requirement first came into effect in 2010, Lilmor scheduled Individual A for individual renovator training and arranged for his LLC's certification. After

Individual A's and his LLC's certifications lapsed in 2015, Lilmor did not cause either to be renewed until February 2021.

116. Despite the fact that Individual A's LLC's certification had lapsed, between 2015 and 2021, Lilmor continued to use Individual A to conduct renovation projects subject to the RRP Rule.

117. For example, in December of 2019, Individual A repaired the condition pictured below on a window within an apartment in 1311 Avenue K:

118. And as another example, in June of 2019, Individual A removed a large section of crumbling ceiling from the bathroom of an apartment in 55 Winthrop, replaced the sheetrock, and repainted it, as pictured below:

119. Individual A has admitted in communications with the Government that when he conducted this kind of renovation work on behalf of Lilmor, he did not provide tenants with the EPA pamphlet on lead safety that is required to be distributed under the RRP Rule, nor did he maintain any records of compliance with other aspects of the RRP Rule. Furthermore (and as mentioned above), these projects were conducted by a firm and renovators who were not certified to conduct work under the RRP Rule. Upon information and belief, Individual A did not follow the work practice requirements of the RRP Rule during these renovations, either.

120. Lilmor's work order database reflects numerous examples of Individual A being used by Lilmor to conduct comparable work in Lilmor apartments.

121. As with the work conducted by Lilmor's superintendents, projects undertaken by Individual A were sometimes followed closely in time by children testing positive for elevated blood lead levels.

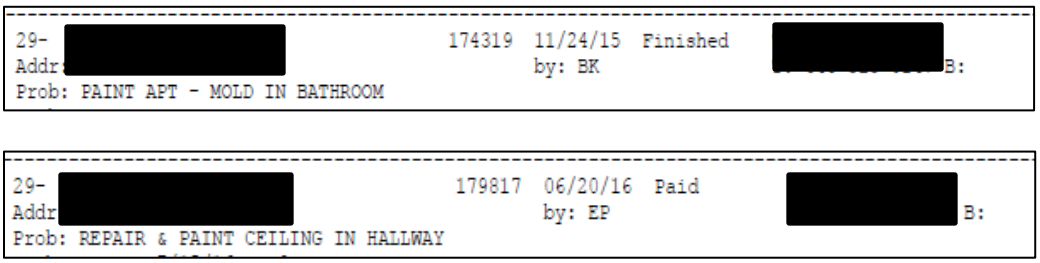
122. In January 2020, for example, Individual A conducted a renovation project in an apartment that involved the repair of missing tiles within a bathroom and the replacement of a damaged door, as reflected in the work order below:

2- [redacted] 01/21/20 Paid [redacted] B:
Addr: by: GD
Prob: BATHROOM-PAINT HEAT RISER INSTALL CAP AT TOP.

Prob: FIX THE LIGHT SWITCH, REPAIR MISSING TILES,
Prob: NEW WOOD IN KIT SINK BASE AND GLUE FORMAICA
Prob: TRIM ON COUNTER. REPLACED DAMAGED DOOR IN APT.
Prob: REMOVE ILLEGAL GATE ON WINDOW AND REPLACE WITH
Prob: NEW GATE (SUPER HAS IT)

In June 2020, blood testing of a child who was less than a year old showed elevated blood lead levels in the same apartment.

123. In another apartment, Individual A conducted multiple renovation projects over the course of late 2015 through mid-2016, including the removal of mold from painted surfaces and the repair of a hallway ceiling.



In November 2016, blood testing of an eight-year-old child who had been living in the apartment during those prior renovation projects showed elevated blood lead levels.

124. The Lilmor employees responsible for managing the work conducted by Individual A reported through a chain of command that ended with Morris Lieberman. At all times relevant to the complaint, Lieberman had authority to ensure that Individual A conducted work in compliance with the RRP Rule (or to stop assigning work to Individual A altogether), but he failed to exercise that authority.

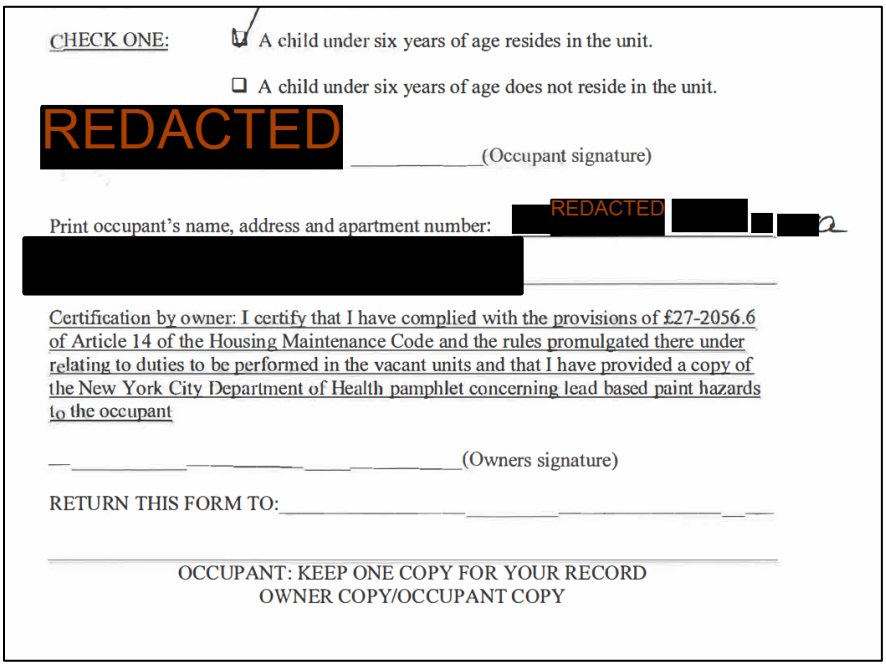
III. Defendants' Violations of State and Local Lead-Based Paint Law

125. For years after its passage, Defendants failed to comply even nominally with its obligations under Local Law One, with the result that HPD has placed over 1,500 violations across Defendants' buildings from 2012 to date for lead paint hazards alone.

A. Defendants' Failure to Certify Turnover Lead Paint Abatement and Distribute the DOHMH Pamphlet on Lead Based Paint Hazards

126. Like their failure to comply with the Lead Disclosure Rule, until at least 2020, Defendants ignored their obligation to certify in initial and renewal leases to its rent-stabilized tenants that work to remediate lead-based paint hazards had been done at the vacancy or turnover of their units in compliance with NYC Admin. Code § 27-2056.8 and 28 R.C.N.Y. § 11-05(d).

Defendants' practice, as demonstrated by the sample below, was simply to leave that certification (and their related certification that they had distributed the relevant DOHMH pamphlet) completely blank:



CHECK ONE: ☑ A child under six years of age resides in the unit.

☐ A child under six years of age does not reside in the unit.

REDACTED _____(Occupant signature)

Print occupant's name, address and apartment number: REDACTED

Certification by owner: I certify that I have complied with the provisions of §27-2056.6 of Article 14 of the Housing Maintenance Code and the rules promulgated there under relating to duties to be performed in the vacant units and that I have provided a copy of the New York City Department of Health pamphlet concerning lead based paint hazards to the occupant

_____(Owners signature)

RETURN THIS FORM TO:_____

OCCUPANT: KEEP ONE COPY FOR YOUR RECORD
OWNER COPY/OCCUPANT COPY

127. For example, in January 2018, a tenant who moved into an apartment signed a lease and notified Defendants that a child under six *would* be residing in the apartment. As shown above, Defendants failed to certify that lead paint abatement and remediation work was done before the family moved in. They also failed to certify that the DOHMH pamphlet, which would have given the tenant basic information about how to identify and prevent lead based paint hazards, was provided.

128. The premises of that apartment were built in 1922 and therefore are presumed under the law to contain lead based paint. In fact, Defendants were aware that tests had come back positive for lead based paint in multiple other units at that building before entering into a new lease with the tenants. Defendants failed to properly inform the tenant at lease signing of the hazards of

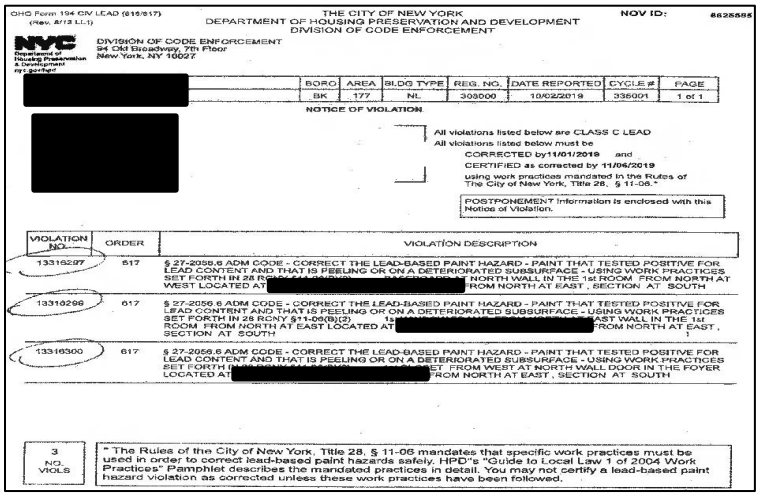
lead based paint when they were aware that lead-based paint had been found at the premises and that a child under six years old would be moving in.

B. Defendants' Failure to Conduct Investigations

129. For every child under six years old that came to reside in an apartment in Defendants' portfolio, Defendants were obligated within one year to "cause an investigation to be made for peeling paint, chewable surfaces, deteriorated subsurfaces, friction surfaces and impact surfaces" to determine any lead-based paint hazards needing remediation or abatement pursuant to its obligation under Local Law One. *See* NYC Admin Code § 27-2056.4(a). From at least 2015 to at least 2019, Defendants failed to conduct these required investigations.

130. In fact, Defendants made no effort to investigate the residence of the child under six who came to reside in the same apartment discussed in Paragraphs 126 and 127, above.

131. Nor did Defendants comply with their further obligation to ascertain whether the child who lived in that apartment in 2018 continued to live there into 2019, even after the February 15, 2019, deadline to do so had passed. This violation of Local Law One's obligations had serious consequences. Nine months later, on October 2, 2019, HPD issued three violations for positive lead paint in that apartment as shown below:



THE CITY OF NEW YORK
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
DIVISION OF CODE ENFORCEMENT

NOV ID: 8625585

DIVISION OF CODE ENFORCEMENT
94 Old Broadway, 7th Floor
New York, NY 10027

[redacted]

BORO	AREA	BLDG TYPE	REG. NO.	DATE REPORTED	CYCLE #	PAGE
BK	177	NL	308000	10/02/2019	336001	1 of 1

NOTICE OF VIOLATION

[redacted]

All violations listed below are CLASS C LEAD
All violations listed below must be
CORRECTED by 11/01/2019 and
CERTIFIED as corrected by 11/04/2019
using work practices mandated in the Rules of The City of New York, Title 28, § 11-06.*

POSTPONEMENT Information is enclosed with this Notice of Violation.

VIOLATION NO.	ORDER	VIOLATION DESCRIPTION
13316297	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 R[redacted] NORTH WALL IN THE 1st ROOM FROM NORTH AT EAST , SECTION AT SOUTH WEST LOCATED AT [redacted] FROM NORTH AT EAST , SECTION AT SOUTH
13316298	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1s[redacted]AST WALL IN THE 1st ROOM FROM NORTH AT EAST LOCATED AT [redacted] FROM NORTH AT EAST , SECTION AT SOUTH
13316300	617	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN [redacted] ET FROM WEST AT NORTH WALL DOOR IN THE FOYER LOCATED AT [redacted] FROM NORTH AT EAST , SECTION AT SOUTH

3 NO. VIOLS

* The Rules of the City of New York, Title 28, § 11-06 mandates that specific work practices must be used in order to correct lead-based paint hazards safely. HPD's "Guide to Local Law 1 of 2004 Work Practices" Pamphlet describes the mandated practices in detail. You may not certify a lead-based paint hazard violation as corrected unless these work practices have been followed.

132. Between 2016 and 2021 there were multiple HPD violations placed for positive lead paint hazards across no less than 17 apartments in that building alone. Approximately 15 children residing in that building have been tested and found to have elevated blood-lead since 2012.

IV. At Least 130 Children Have Suffered Lead Poisoning in These Buildings

133. Defendants' widespread violation of the Lead Disclosure Rule, the RRP Rule, and the NYC Childhood Lead Poisoning Prevention Act puts their tenants at risk, exposing tenants, their visitors, and workers to lead dust and depriving tenants of information that would help them protect themselves and their children.

134. Since 2012, blood tests performed on at least 130 children living in apartments controlled by Lieberman, Lilmor and the relevant LLC Defendants, and owned by Lieberman and/or the LLC Defendant, have shown elevated blood lead levels and had those results reported to DOHMH. At least 14 of those test results occurred between January 1, 2022, and May 1, 2024, the latest information available to the Government.

135. These numbers likely understate the number of poisoned children in Lilmor's buildings. Many children never receive tests for lead poisoning, even in New York where health care providers are required to test children for lead at one and two years of age. *See* N.Y. Public Health Law § 67-1.2. DOHMH has recently estimated that in New York City, 20% of three-year-old children had never been tested, and half had not been tested at ages one and two, as required. Lower-income individuals who have reduced access to medical care may have particular challenges in obtaining testing on this schedule.

136. The Government reviewed the DOHMH files for several instances in which DOHMH investigated apartments following the lead-poisoning of a child living in them, including by visually assessing the apartments for paint that was not intact or was subject to friction and

taking paint samples for laboratory analysis for lead. In every case, DOHMH inspectors identified lead hazards in the apartment.

DEFENDANTS SUBJECT THEIR TENANTS TO UNSAFE AND UNSANITARY CONDITIONS; VIOLATE STATE AND LOCAL HOUSING LAW; AND MAINTAIN A PUBLIC NUISANCE

137. Defendants have maintained unsafe and unsanitary conditions across the buildings they control, not just violating federal, state and local lead paint safety regulations, but also subjecting tenants to incessant leaks; pervasive mold; chronic heat outages; and infestations of roaches, mice, and rats, as well as other serious threats to their health and safety. From 2012 to date, Defendants were cited for 15,680 hazardous or "B" violations and over 7,770 immediately hazardous or "C" violations of the NYC Housing Maintenance Code by HPD.

138. In January of 2024, U.S. Department of Housing and Urban Development Office of the Inspector General ("HUD-OIG") agents conducted inspections of a dozen units within the Lilmor portfolio and found numerous health and safety issues.

139. For example, one tenant directed HUD-OIG to multiple issues in his apartment, including a water leak in his living room and mold growing over the bathroom window, pictured below:

The tenant informed HUD-OIG that he had sent pictures of the mold to Lilmor six months earlier, but that it had yet to fix the problem.

140. As another example, a tenant informed HUD-OIG agents that his apartment has faced continuous mold problems that Lilmor had once painted over, but that had recurred through the paint. He also reported a leak from the upstairs unit and an extreme problem with mice, providing these pictures to substantiate his experience:

141. The Government's interviews with tenants confirmed that they routinely complained of the conditions in their apartments to Lilmor, but their complaints were often met without response or were remediated through temporary fixes that only exacerbated the unsafe and unsanitary living conditions in their apartments.

142. For example, one tenant has lived in a Lilmor apartment for ten years with a crumbling ceiling in his closet caused by a long-existent leak. His superintendent would occasionally come to plaster the damaged ceiling, but without addressing the root cause of the problem. One night in 2020, his ceiling collapsed, sending a rush of water through the apartment. At that point, Lilmor finally sent a plumber to address the leak but, when the tenant spoke to Government investigators one month later, nothing had been done to fix the collapsed ceiling. One

of the tenants had to clean the fallen plaster from a closet floor themselves. Lilmor knew from prior HPD violations that the paint in that closet was lead-based paint.

143. Tenants with young children particularly susceptible to mold and lead paint fare no better under Lilmor's management. Tenants in one building who were interviewed by the Government grew concerned about peeling paint on their apartment door after the birth of their son and called both Lilmor and HPD. Although Lilmor's employees told the tenants not to worry about it, HPD inspectors identified peeling lead paint in several areas in the apartment. The contractors hired by Lilmor to remediate the lead paint violations were unprofessional, according to the tenants' account, and one of the tenants himself went out to purchase appropriate plastic sheeting to protect the work areas after researching the proper way to remediate lead-based paint. These tenants, too, had a ceiling collapse in one of their closets as water crashed through from a leaking pipe.

144. Tenant complaints to Lilmor's central office email account help highlight the full extent of Lilmor's failures to ensure safe and sanitary conditions in tenants' apartments. In April 2021, a tenant sent the following picture of peeling paint on a window to Lilmor's email inbox:

145. She explained that she had "emailed before" about this issue and that although the superintendent "looked at it," he "never came back to fix it [for] more than a month now!"

146. The tenant explained her sentiment about her treatment in no uncertain terms: "It's very frustrating, I'm 6 months pregnant and I've been trying to get this fix before I go into labor. I don't know if the paint that's falling all on my curtains and floors have lead, I need it fixed ASAP! . . . When I email I get no response of what's going to happen . . . I shouldn't have to work months for repairs to be done."

147. Lilmor's inbox is replete with similar complaints of unresponsive superintendents and delayed repairs. For example, on May 6, 2020 at 3:03 P.M., a tenant emailed Lilmor to say "[i]t looks like the ceiling may collapse" due to a leak in the bathroom ceiling. At 7:43 P.M., the tenant followed up, saying "[t]he ceiling has collapsed," but that "[t]he super has told us that a plumber will be coming tomorrow morning to fix it."

148. But on June 9, 2020, the same tenant sent Lilmor the following picture:

149. The tenant's message to Lilmor was simple: "It has been over a month and no repair has been done. We have contacted the Super and nothing has been done. My family and I had to duck tape a plastic bag to stop debris from falling on our heads while using the bathroom. This is unacceptable and outrageous."

150. Some of the conditions faced by tenants shock the conscience. In October of 2020, a tenant emailed Lilmor to request repairs to his apartment. Lilmor scheduled a repair for December of 2020, but when the repair workers came, they only addressed some of the apartment's issues, which the tenant informed Lilmor on January 1, 2021.

151. In March, the tenant emailed Lilmor back with the subject line "URGENT!" That email noted that "[t]he bedroom where [the tenant's] 2 year-old son" sleeps "is also covered in mold on the ceiling that has gotten worst over time." The mold in question is pictured below:

152. The tenants' email—five months after he first contacted his landlord—ended with the following plea: "This is unfair and these repairs need to be addressed IMMEDIATELY before they get worse."

153. HUD-OIG inspections, tenant interviews, and Lilmor's own work order database and email inbox establish that stories like those of the tenants discussed above are not isolated incidents within Lilmor's portfolio—hundreds of tenants have been subjected to unsafe and unsanitary conditions, with no or inadequate responses from Lilmor.

154. Between 2019 and the present, HPD issued thousands of violations for unsafe and unsanitary conditions within the 56 buildings that were owned or controlled by Defendants during this period. Over 2,300 violations were issued related to rat, mice, and roach infestations. Over 1,400 were issued related to mold and over 1,400 violations were issued for water leaks. Over 900 were for lead-paint violations under City law. And over 80 were issued where tenants had no heat. Defendants' violation rate was so high during this period that Lieberman's agent was declared New York City's "Worst Landlord" in 2019 and 2020 by New York City's Public Advocate, climbing from ninth worst in 2018.

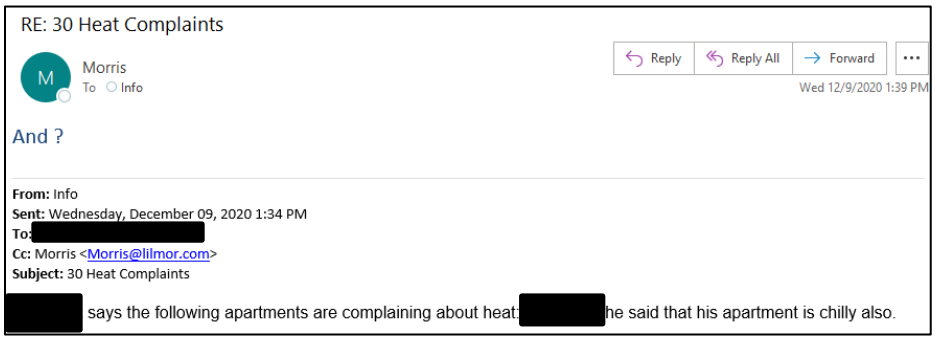
155. Conditions were especially dire in a handful of Lilmor and Lieberman's worst maintained buildings. The buildings located at 192 Nagle Avenue, 200 Nagle Avenue, 1311 Avenue K, 1435 Carroll Street, 575 Herkimer Street, and 1616 President Street each averaged over eight violations *per unit* between 2016 and 2021.

156. Because the hazardous and immediately hazardous violation counts for mold and water leaks were so high in several buildings, those buildings were selected by HPD for mandatory participation in the "Underlying Conditions" program. This program identifies approximately fifty to one hundred of the worst buildings *citywide* for these violation types in the year before selection that remain uncorrected. In October 2019, Defendants' buildings occupied six of those spots.[6]

[6] The six buildings that entered the Underlying Conditions program in October 2019 were 200 Nagle Avenue, 3402 Avenue I, 776 Crown Street, 250 East 29th Street, 575 Herkimer Street, and 271 Parkside Avenue.

157. The persistently poor condition of apartments in Lilmor's portfolio results from Defendants' complete failure to conduct any kind of preventive maintenance or even to proactively identify problems when they arise. When interviewed by the Government in 2021, the Lilmor employee responsible for coordinating apartment repairs stated that "you can be proactive all you want, [but HPD is] going to issue violations." She continued: "We're not looking for issues . . . We're not going to check unless we have reason to check."

158. Defendant Morris Lieberman, who bears ultimate responsibility for the staffing and funding decisions that give rise to the unsafe and unsanitary conditions and who directly supervises the Lilmor personnel responsible for managing unit-by-unit repairs, is unmoved by the suffering of his tenants, as callously reflected in the email correspondence regarding 30 insufficient heat complaints from the winter of 2020, set forth below:


RE: 30 Heat Complaints

M Morris
To Info

Reply | Reply All | Forward | ...
Wed 12/9/2020 1:39 PM

And ?

From: Info
Sent: Wednesday, December 09, 2020 1:34 PM
To: [redacted]
Cc: Morris <Morris@lilmor.com>
Subject: 30 Heat Complaints

[redacted] says the following apartments are complaining about heat: [redacted] he said that his apartment is chilly also.

159. Health and safety violations like leaks and mold persisted in Defendants portfolio in part because Defendants failed abysmally to address these indoor allergen triggers in any comprehensive manner, as required by Local Law 55. Defendants took none of the legally required steps to (i) annually inspect all apartments for indoor allergen hazards, including for pests and mold and keep records of those inspections; (ii) properly remediate indoor allergen hazards using safe work practices as defined by the law; (iii) clean units at vacancy to ensure that they are free of pests and mold and using a HEPA vacuum where indicated; (iv) timely establish Integrated Pest

Management plans, as required by law, in many buildings in the portfolio; or (v) provide a copy of the DOHMH Fact Sheet "What Tenants Should Know About Indoor Allergens" with all tenants' initial and renewal leases.

160. Additionally, the overall numbers of Housing Maintenance Code violations in Defendants' buildings were high enough to land the buildings in another of HPD's mandatory oversight programs, the Alternative Enforcement Program ("AEP"). Based on their high violation count, HPD selects approximately 200 buildings citywide on January 31st of each year to participate. The selected buildings undergo frequent inspections to monitor correction of violations and if the owner fails to act, HPD will make the repairs and bill the owner. Between 2019 and 2022, ten of Defendants' buildings were required to participate in the AEP program.[7]

DEFENDANTS ENGAGED IN DECEPTIVE AND FRAUDULENT BUSINESS PRACTICES

161. In addition to the repeated and persistent violations of laws governing lead-based paint and housing conditions, Defendants have engaged in deceptive and fraudulent business practices in violation of NYS GBL § 349 by (1) their complete failure to establish proper policies and practices for addressing lead-based paint hazards, including their use of uncertified workers to perform renovations of actual or presumed lead paint; (2) their persistent failure to disclose known lead paint hazards to new and existing tenants; (3) their failure to sign required certifications with initial and renewal leases that lead paint inspection and remediation work has been properly done in the units they lease; and (4) their chronic misrepresentation of the habitability of the apartments they lease to the public.

[7] 192 Nagle Avenue, 200 Nagle Avenue, 250 East 29th Street, 251 East 29th Street, 1439 Ocean Avenue, 3402 Avenue I, 776 Crown Street, 575 Herkimer Street, 271 Parkside Avenue, and 1616 President Street.

CLAIMS FOR RELIEF

COUNT ONE: LEAD DISCLOSURE RULE (ON BEHALF OF UNITED STATES) (AGAINST ALL DEFENDANTS)

162. The United States repeats and realleges the allegations in paragraphs 1 through 161.

163. The United States brings this count on behalf of EPA and HUD.

164. Morris Lieberman is a lessor within the meaning of the Lead Disclosure Rule, either directly or through his control of alter egos and agents. Each of the LLC Defendants is also a lessor within the meaning of the Lead Disclosure Rule.

165. Lilmor is an agent of a lessor within the meaning of the Lead Disclosure Rule.

166. Morris Lieberman is a corporate officer of Lilmor and most of the LLC Defendants. He had the authority to cause, and was responsible for causing, those entities to comply with the Lead Disclosure Rule.

167. Between 2012 and the present, Defendants have systematically violated the Lead Disclosure Rule. They will continue to violate the Lead Disclosure Rule absent injunctive relief.

168. These violations of the Lead Disclosure Rule threaten irreparable harm to the health and safety of children and others living in Lilmor's buildings and frequent visitors to these buildings.

169. Violation of the Lead Disclosure Rule is a "prohibited act" under and a violation of TSCA, 15 U.S.C. § 2689, as well as a violation of the Residential Lead-Based Paint Hazard Reduction Act of 1992, Public Law 102-550, Title X ("Title X"), 42 U.S.C. § 4852d.

170. Section 17(a) of TSCA, 15 U.S.C. § 2616(a), provides federal district courts with jurisdiction to restrain any violation of Section 409 of TSCA, 15 U.S.C. § 2689, and Title X authorizes the Secretary of HUD to seek an injunction of violations of the Lead Disclosure Rule, 42 U.S.C. § 4852d(b)(2).

171. Defendants have obtained unjust profits from their violations of the Lead Disclosure Rule, TSCA, and Title X, which unjust profits fund further violations by Defendants.

172. Pursuant to 15 U.S.C. § 2616(a) and 42 U.S.C. § 4852d(b)(2), the Court should issue an order (i) enjoining Defendants to comply with the Lead Disclosure Rule going forward; (ii) directing Defendants to provide remedial disclosures to tenants and former tenants who have not previously received proper disclosure, (iii) directing Defendants to take specified steps to mitigate harm to tenants or others from prior violations, and (iv) requiring Defendants to disgorge unjust profits that they have received in connection with their violations of the Lead Disclosure Rule, to the extent authorized by law. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT TWO: RRP RULE
(ON BEHALF OF UNITED STATES)
(AGAINST MORRIS LIEBERMAN AND LILMOR)

173. The United States repeats and realleges the allegations in paragraphs 1 through 172.

174. The United States brings this count on behalf of EPA.

175. Lilmor is a "firm" "performing renovations" "for compensation" in "target housing" within the meaning of the RRP Rule.

176. Lieberman, who directs and oversees this work in violation of the RRP Rule, is a "firm" "performing renovations" "for compensation" in "target housing" within the meaning of the RRP Rule through his control of Lilmor with respect to compliance with the RRP Rule. He is also a responsible corporate officer of Lilmor and its alter egos.

177. Lieberman had the authority to cause, and was responsible for causing, Lilmor and its agents and alter egos to comply with the RRP Rule.

178. Between 2012 and the present, Lieberman and Lilmor have systematically violated the RRP Rule.

179. Lieberman and Lilmor will continue to violate the RRP Rule absent injunctive relief.

180. These ongoing violations of the RRP Rule threaten irreparable harm to the health and safety of children, others living in Lilmor's buildings, visitors to these buildings, and workers in these buildings.

181. Lieberman and Lilmor have obtained unjust profits from their violations of the RRP Rule, which profits fund further violations by Defendants.

182. Violation of the RRP Rule is a "prohibited act" under and violation of TSCA, 15 U.S.C. § 2689.

183. Section 17(a) of TSCA, 15 U.S.C. § 2616(a), provides federal district courts with jurisdiction to restrain any violation of Section 409 of TSCA, 15 U.S.C. § 2689.

184. Pursuant to 15 U.S.C. § 2616(a), the Court should issue an order (i) enjoining Lieberman and Lilmor to comply with the RRP Rule going forward; (ii) ordering them to take specified steps to mitigate harm to tenants or others from prior violations; and (iii) requiring them to disgorge unjust profits that they have received in connection with their violations of the RRP Rule, to the extent authorized by law. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT THREE: REPEATED AND PERSISTENT VIOLATION OF STATE/LOCAL LEAD-BASED PAINT LAW UNDER EXECUTIVE LAW § 63(12)
(ON BEHALF OF NEW YORK)
(AGAINST ALL DEFENDANTS)

185. The State repeats and realleges paragraphs 1 to 184.

186. Defendants are persons engaged in carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

187. Defendants are "owners" of the residential buildings and apartments they manage and/or own because they are either an "agent" and/or a "corporation" that is "directly or indirectly in control" of those buildings and apartments. *See* NYC Admin. Code § 27-2004(45).

188. Defendants repeatedly and persistently violated multiple provisions of the NYC Childhood Lead Poisoning Prevention Act (Local Law One of 2004) NYC Admin. Code § 27-2017 *et seq*. by failing to:

- Annually investigate whether a child under six years resides in an apartment where the landlord was unable make the determination through annual inquiry.
- Annually investigate for peeling paint, chewable surfaces, deteriorated sub surfaces, friction surfaces, and impact surfaces in multi-family buildings where a child under six years lives including in apartments for which Defendants had actual notice that a child under six resided in the apartment;
- Notify tenants in writing of the results of those investigations.
- Safely and expeditiously remediate and abate all lead-based paint hazards and underlying defects using proper work methods.
- Take remedial measures to address lead-based paint hazards on the turnover of tenants in a building constructed prior to 1960.

189. Defendants, who participated in the conduct and had knowledge of the facts and events herein, have persistently violated the NYC Childhood Lead Paint Poisoning Act constituting repeated illegality under Executive Law § 63(12). They will continue to violate Local Law One absent injunctive relief. These ongoing violations caused and threaten harm to the health and safety of children and others residing in Defendants' buildings and frequent visitors to the buildings.

190. Defendants are liable, pursuant to the New York Attorney General's Executive Law § 63(12) authority, for injunctive relief, for civil penalties for violations related to lead paint conditions and recordkeeping pursuant to NYC Admin Code § 27-2115(a), as well as for an additional civil penalty of up to $1,500.00 for each violation of NYC Admin Code § 27-2056.4 and § 27-2056.8.

191. Defendants have obtained unjust profits from their violations of Local Law One and the Attorney General seeks disgorgement of the monies Defendants received in connection with their violations of Local Law One. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT FOUR: VIOLATIONS OF STATE/LOCAL HOUSING LAW UNDER EXECUTIVE LAW § 63(12)
(ON BEHALF OF NEW YORK)
(AGAINST ALL DEFENDANTS)

192. The State repeats and realleges the allegations in paragraphs 1 through 191.

193. Defendants are persons engaged in the carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

194. Defendants are "owners" of the residential buildings and apartments they manage and/or own because they are either an "agent" and/or a "corporation" that is "directly or indirectly in control" of those buildings and apartments. *See* NYC Admin. Code § 27-2004(45).

195. Defendants repeatedly and persistently violated the Warranty of Habitability of the apartments they leased which is guaranteed by NYS RPL § 235-b and for which the obligation to repair is set out in NYS MDL §78. Defendants also repeatedly and persistently violated housing standards set out in the NYC HMC (Admin. Code of the City of NY, tit. 27, ch. 2, subch. 2, § 27-2001 *et seq*. and including but not limited to Admin. Code of the City of NY, tit. 27, ch. 2, subch.

2, Art. 4 Control of Pests and Other Asthma Triggers, § 27-2017-2019). These violations constitute repeated illegality under Executive Law § 63(12).

196. Defendants have violated and continue to violate the state and local housing law and code. They will continue to violate these laws absent injunctive relief.

197. These ongoing violations of the state and local housing law and code have caused and threaten harm to the health and safety of children and others residing in Lilmor's buildings and frequent visitors to these buildings.

198. Defendants are liable for injunctive relief of total remediation and repair of all open violations of record and substandard conditions as well as for remediation of any indoor allergen triggers and compliance with inspection and notice requirements of the Asthma Free Housing Act.

199. Defendants are liable for restitution to the former and current tenants and occupants of the dwellings they own and manage under Executive Law § 63(12).

200. Defendants are liable for damages pursuant to their breach of the Warranty of Habitability

201. Defendants have obtained unjust profits from their violations of the state and local housing laws and codes, which unjust profits fund further violations by Defendants.

202. The Attorney General seeks disgorgement of the monies Defendants received in connection with their violations of state and local housing law and code as equitable relief..

203. Defendants are also liable for civil penalties that accrued for HPD violation issuance as well as daily penalties accruing for both open and closed HPD violations.

204. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT FIVE: VIOLATION OF NYS GENERAL BUSINESS LAW (ON BEHALF OF NEW YORK) (AGAINST ALL DEFENDANTS)

205. The State repeats and realleges the allegations in paragraphs 1 through 204.

206. GBL § 349(a) prohibits "[d]eceptive acts or practices in the conduct of any business, trade or commerce." Defendants' failure to certify compliance with the turnover requirements of the NYC Childhood Lead Poisoning Prevention Act when entering into hundreds, if not thousands of lease and renewal lease agreements with their tenants was a fraudulent and deceptive business practice which would mislead a reasonable tenant into believing that Defendants either complied with the turnover requirements of the Lead Poisoning Prevention Act or that lead-based paint hazards were not present. These false certifications violate GBL § 349(a). Additionally, Defendants' false representations that hundreds of apartments or more in their portfolio are habitable, when they are not, constitutes a deceptive business practice.

207. Defendants have violated General Business Law § 349(a) by their actions and omissions and will continue to violate the General Business Law absent injunctive relief.

208. These deceptive business practices have caused and threaten harm to the health and safety of children and others residing in Defendants' buildings.

209. Defendants are liable for restitution to the former and current tenants and occupants of the dwellings they own and manage for their violations of GBL § 349(a).

210. Defendants have obtained unjust profits from their violations of the General Business Law § 349(a), which unjust profits fund further violations by Defendants.

211. The Attorney General seeks disgorgement of the monies Defendants received in connection with their violations of GBL § 349(a).

212. Defendants are also liable for civil penalties, pursuant to GBL §§ 349, 350-(d), of up to $5,000 per violation or $10,000.00 pursuant to GBL § 349-c(2) for fraudulent conduct perpetrated against one of more elderly persons.

213. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT SIX: PUBLIC NUISANCE
(ON BEHALF OF UNITED STATES)
(AGAINST ALL DEFENDANTS)

214. The United States repeats and realleges the allegations in paragraphs 1 through 213.

215. Defendants, directly and through agents, have and continue to substantially and unreasonably interfere with the public health, the public safety, the public comfort, and the public convenience including, in particular, the health and welfare of thousands of past, present, and future tenants of Defendants' buildings.

216. This interference is continuous and longstanding and involves repeated violations of federal, state, and local law.

217. Defendants knew or should have known that the conduct at issue significantly affects the public health.

218. Defendants' conduct, which affects interstate commerce and implicates significant federal interests, including but not limited to the United States' interests in promoting decent and affordable housing; the United States' interest in preventing conduct or conditions proximate to federally subsidized units from impacting conditions in those units; and the United States' interest in avoiding additional costs caused by the public nuisance, including increased costs to federal

health care programs from the adverse impact of the conditions on the health of individuals insured by federal health care programs.

219. Defendants have obtained unjust profits from their maintenance of the public nuisance, which fund further violations by Defendants.

220. Pursuant to the common law of nuisance, the Court should issue an order (i) enjoining Defendants to correct living conditions in the buildings that constitute a public nuisance; (ii) directing Defendants to mitigate prior injuries resulting from the public nuisance; and (iii) directing Defendants to disgorge their unjust profits, to the extent authorized by law. The Court should award other appropriate equitable relief, including appointment of a special master, monitor, or receiver, to the extent necessary or appropriate to ensure compliance.

COUNT SEVEN: PUBLIC NUISANCE
(ON BEHALF OF NEW YORK)
(AGAINST ALL DEFENDANTS)

221. The State repeats and realleges the allegations in paragraphs 1 through 220.

222. Defendants' intentional conduct in maintaining, or permitting the existence of conditions conducive to lead poisoning, mold and pest infestation and other conditions hazardous to safety and health around Defendants' properties is a public nuisance under state and local law. NY CLS Mult D §309 (1)(a); NYC Admin. Code § 17-142.

223. The People of the State of New York, the counties in which the buildings are located, and the City of New York have a common right to be free from the detrimental effects of lead in, on and around Defendants' residential rental properties. By allowing these conditions to proliferate across its 56 multi-family rental properties in New York City over a period of more than ten years, Defendants have created and contributed to a public nuisance on a community-wide scale.

224. As a direct and proximate result of Defendants' conduct, conditions conducive to lead poisoning, mold and pest infestations also leading to the exacerbation of indoor allergen conditions, as well as other conditions that are dangerous to health and safety are present in, on and around Defendants' properties and over 2,500 units of housing.

225. As a direct and proximate result of Defendants' conduct, the City of New York and State of New York have incurred and will continue to incur substantial expenses from the presence of conditions conducive to lead poisoning and asthma in, on and around Defendants' properties, including but not limited to costs of monitoring for and treating children suffering from lead poisoning and asthma; addressing the special educational needs of children with lead poisoning and enforcing the law.

226. Defendants have violated and continue to violate the Nuisance Abatement Law and have created and maintained a common law nuisance. They will continue to violate the law and maintain a nuisance absent injunctive relief.

227. Defendants ongoing public nuisance has caused and threatened harm to the health and safety of children and others residing in Defendants' buildings, to frequent visitors to these buildings and to the surrounding community.

228. The Attorney General is authorized under Executive Law § 63(12) and pursuant to NYC Admin Code § 7-706(a) and § 7-714 and the Attorney General's *parens patriae* power, to bring an action to enjoin Defendants' public nuisance. Defendants are also liable pursuant to Section 7-706(h) of the Nuisance Abatement Law for a civil penalty in an amount up to one thousand dollars ($1,000) for each day that the nuisance occurred.

229. Defendants have obtained unjust profits from their maintenance of the public nuisance, which fund further violations by Defendants.

230. The Attorney General is seeking disgorgement of the monies Defendants received in connection with their violations of the public nuisance laws.

231. The Court should enjoin Defendants' nuisance conduct, award other appropriate equitable relief, including appointment of a special master, monitor, receiver, or temporary receiver pursuant to NYC Admin Code §7-713, to the extent necessary or appropriate to ensure compliance.

PRAYER FOR RELIEF

WHEREFORE, on Counts One, Two, and Six, the United States respectfully requests that the Court:

(i) Enjoin Defendants to comply with the Lead Disclosure Rule, make remedial disclosures, mitigate the effect of past violations, and disgorge unjust profits resulting from such violations, to the extent authorized by law;

(ii) Enjoin Lilmor and Lieberman to comply with the RRP Rule, mitigate the effect of past violations, and disgorge unjust profits resulting from such violations, to the extent authorized by law;

(iii) Enjoin Defendants to correct living conditions in the buildings that constitute a public nuisance, mitigate prior injuries resulting from the public nuisance, and disgorge unjust profits, to the extent authorized by law;

(iv) Award other appropriate equitable relief, including appointment of a special master, monitor, or receiver to the extent necessary or appropriate to ensure compliance; and

(v) Order such further relief as the Court may deem just and proper.

And WHEREFORE, on Counts Three, Four, Five, and Seven, the People of the State of New York respectfully request that the Court:

(i) Order Defendants to inspect, within 30 days of the judgment, through a qualified third party inspector, each dwelling unit and common areas of each residence they now own or control or in the future own or manage in New York for lead paint hazards and conditions conducive to lead poisoning. Further direct Defendants to remedy all such conditions in compliance with Local Law One and all other local, state and federal laws within 30 days of such inspection or sooner as required by law;

(ii) Order Defendants to comply with Local Law One requirements for certification of lead paint turnover work and annual inquiry and investigation of children under 6 years residing in dwelling units under their ownership and control, and retain records of the result of their investigations;

(iii) Order Defendants to inspect for and correct, within 30 days of the judgment or sooner as required by law, each dwelling unit and common areas of each residence they now own or control or in the future own or manage in New York for conditions, including but not limited to indoor allergen conditions, that constitute violations of the NYC HMC and/or constitute a public nuisance;

(iv) Order Defendants to follow the direction of a special master, monitor, or receiver to be appointed by the Court at Defendants' expense and file compliance reports to that monitor and the Plaintiffs;

(v) Permanently enjoin Defendants from further illegal acts relating to the claims enumerated in the complaint herein;

(vi) Order disgorgement of all profits Defendants have realized from their repeated and persistent violations of law and fraud in carrying out their residential property leasing and management business;

(vii) Order Defendants to pay restitution to current and former tenants and occupants for their repeated and persistent violations of law and fraud in carrying out their residential property leasing and management business;

(viii) Award civil penalties, in an amount to be determined at trial, for Defendants violations of the NYC Housing Maintenance Code and the NY General Business Law;

(ix) Award damages for the injuries sustained by the Plaintiffs;

(x) Award Plaintiffs costs and disbursements

(xi) Order Defendants to pay all additional allowances authorized by CPLR § 8803.

(xii) Retain jurisdiction over this matter until Defendants have fully complied with their obligations to inspect and remedy all existing conditions that threaten health and safety at the buildings they own or manage;

(xiii) Award other appropriate equitable relief, to the extent necessary or appropriate to ensure compliance; and

(xiv) Order such further relief as the Court may deem just and proper.

Dated: December 13, 2024
New York, New York

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Attorney for the United States
(As to Counts One, Two, and Six)

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Dated: 12/3/, 2024
New York, New York

LETITIA JAMES
New York State Attorney General
(As to Counts Three, Four, Five, and Seven)

By: _____

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Exhibit A

Building Previously Managed by Lilmor and/or Controlled by Lieberman	Building Currently Managed by Lilmor and/or Controlled by Lieberman	LLC Defendant Associated with Building
192-198 Nagle Avenue, New York, NY 10034		
200-208 Nagle Avenue, New York, NY 10034		
776 Crown Street, Brooklyn, NY 11213		
200 East 19th Street, Brooklyn, NY 11226		
271 Parkside Avenue, Brooklyn, NY 1122		
1616 President Street, Brooklyn, NY 11213		
575 Herkimer Street, Brooklyn, NY 11213		
354 East 21st Street, Brooklyn, NY 11226		354 E 21th Street Realty Corp.
2077 East 12th Street, Brooklyn, NY 11229		P Bigg Realty LLC
	45 Hawthorne Street, Brooklyn, NY 11225	45-55 Realty LLC
	55 Winthrop Street, Brooklyn, NY 11225	55 Winthrop St LLC
	130 Clarkson Avenue, Brooklyn, NY 11226	130 Clarkson Realty LLC
	250 East 29th Street, Brooklyn, NY 11226	250-251 E 29 Realty LLC
	251 East 29th Street, Brooklyn, NY 11226	251 E 29 St LLC
	1590 West 8th Street, Brooklyn, NY 11204	1590 W 8 St LLC
	105 Avenue P, Brooklyn, NY 11204	105 Ave P Realty LLC
	888 Montgomery Street, Brooklyn, NY 11213	888 Realty LLC
	100 Linden Blvd, Brooklyn, NY 11226	100 Linden Realty LLC
	131 Lincoln Road, Brooklyn, NY 11225	131 Realty LLC

Building Previously Managed by Lilmor and/or Controlled by Lieberman	Building Currently Managed by Lilmor and/or Controlled by Lieberman	LLC Defendant Associated with Building
	1629 West 10th Street, Brooklyn, NY 11223	C & Z Realty LLC
	2003 Avenue J, Brooklyn, NY 11210	2003 Realty LLC
	1429 Carroll Street, Brooklyn, NY 11213	1429 Carroll Street LLC
	59 Logan Street, Brooklyn, NY 11208	59 Logan St LLC
	1269 East 18th Street, Brooklyn, NY 11230	1269 E 18 Street Realty LLC
	334 Eastern Parkway, Brooklyn, NY 11225	334 Eastern Pkwy Realty LLC
	840 East 17th Street, Brooklyn, NY 11230	840 Realty LLC
	1909 Quentin Road, Brooklyn, NY 11229	1909 Realty LLC
	333 Neptune Avenue, Brooklyn, NY 11235	333 Realty LLC
	1690 President Street, Brooklyn, NY 11213	1690 President Street LLC
	645 Ocean Parkway, Brooklyn, NY 11230	645 Realty LLC
	3402 Avenue I, Brooklyn, NY 11210	3402 Realty LLC
	1439 Ocean Avenue, Brooklyn, NY 11230	1439 Realty LLC
	103-35 120th Street, Richmond Hill, NY 11419	103-35 120 St Realty LLC
	20-30 Merle Place, Staten Island, NY 10305	20-30 Merle Realty LLC
	1921 Avenue I, Brooklyn, NY 11230	1921 Realty LLC
	410 Westminster Road, Brooklyn, NY 11218	410 Westminster LLC
	585 East 16th Street, Brooklyn, NY 11226	580-585 Realty LLC
	580 East 17th Street, Brooklyn, NY 11226	
	2251 81st Street, Brooklyn, NY 11214	2251 Realty LLC
	209 East 16th Street, Brooklyn, NY 11226	209 Realty LLC

Building Previously Managed by Lilmor and/or Controlled by Lieberman	Building Currently Managed by Lilmor and/or Controlled by Lieberman	LLC Defendant Associated with Building
	40-71 Elbertson Street, Elmhurst, NY 11373	40-71 Realty LLC
	712 East 27th Street, Brooklyn, NY 11210	712 Realty LLC
	723 East 27th Street, Brooklyn, NY 11210	723 Realty LLC
	2420 Glenwood Road, Brooklyn, NY 11210	2420 Realty LLC
	1684 West 10th Street, Brooklyn, NY 11223	1684 Realty LLC
	1660 East 21st Street, Brooklyn, NY 11210	1660 Realty LLC
	1011 Neilson Street, Far Rockaway, NY 11691	1011 Neilson Realty LLC
	1012 Nameoke Street, Far Rockaway, NY 11691	1012 Nameoke Realty LLC
	1633 West 10th Street, Brooklyn, NY 11223	1633 West 10th Realty LLC
	1902 Avenue L, Brooklyn, NY 11230	Alit Realty LLC
	1301 Avenue K, Brooklyn, NY 11230	1301 Avenue K Realty LLC
	1311 Avenue K, Brooklyn, NY 11230	1311 Avenue K Realty LLC
	1173 52nd Street, Brooklyn, NY 11219	E&S Realty Management LLC
	915 84th Street, Brooklyn, NY 11228	915 84th Street LLC
	2001 Avenue P, Brooklyn, NY 11229	2001 Avenue P LLC
	2065 Ocean Avenue, Brooklyn, NY 11230	2065 Ocean Avenue LLC