

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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THE PEOPLE OF THE STATE OF NEW YORK, BY
LETTIA JAMES, ATTORNEY GENERAL OF THE
STATE OF NEW YORK,

Petitioner,

VERIFIED PETITION

-against-

Index No. _____

CLAUDETTE HENRY,

IAS Part

Respondent.

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1. Respondent Claudette Henry (“Henry”) owns 134 Sackman Street, Brooklyn, New York 11233, a property that on January 15, 2017, was found by Hon. Leslie Stroth to be covered by the rent stabilization laws and then affirmed by the Appellate Term.
2. Despite the rent stabilization coverage, Henry failed to register any apartments in the building with the New York State Division of Housing and Community Renewal (“DHCR”) as required by law. Registration is important as it is how tenants determine if they are protected by the rent stabilization laws and is how their rents get established.
3. The New York State Office of the Attorney General (“OAG”) has provided Henry several opportunities to come into compliance with the law. Unfortunately, Henry has refused to comply after repeated requests by the OAG to come into compliance.
4. The OAG brings this proceeding under the [New York State Executive Law § 63\(12\)](#) to enjoin Respondent from violating the rent stabilization laws and tenant harassment laws; direct Respondents into complying with the rent stabilization laws; and pay penalties, fees, restitution for Respondent’s repeated and persistent illegal acts.

PARTIES

5. Petitioner, the People of the State of New York, is represented by its attorney, Letitia James, the Attorney General of the State of New York (“Attorney General”). The Attorney General has her principal place of business at 28 Liberty Street, New York, NY 10005, in New York County.
6. Respondent Claudette Henry (“Henry” or “Respondent”) owns 134 Sackman Street, Brooklyn, New York 11233 (“Building”) and resides in Brooklyn, New York.

JURISDICTION AND VENUE

7. The Attorney General brings this action on behalf of the People of the State of New York under the [New York State Executive Law](#) (“Exec. Law”) § 63(12).
8. Under the Executive Law, the Attorney General is authorized to bring a special proceeding in this Court seeking injunctive relief, restitution, damages, disgorgement, and costs on behalf of the People of the State of New York “[w]henver any person shall engage in repeated fraudulent or illegal acts or otherwise demonstrate persistent fraud or illegality in the carrying on, conducting or transaction of business.” [Exec. Law § 63\(12\)](#).
9. Venue is properly laid in New York County because the Attorney General has her principal office in New York County.
10. The Court may exercise personal jurisdiction over Claudette Henry because she resides and transacts business in New York.

LEGAL FRAMEWORK

New York State Executive Law § 63(12)

11. Under [Exec. Law § 63\(12\)](#), the OAG is empowered to investigate underlying violations of federal, state, and local laws, governing rules and regulations, when such violations involve repeated or persistent fraud or illegality in the carrying on, conducting, or transaction of business.
12. “Illegality” as used in [Exec. Law § 63\(12\)](#) includes violations of federal, state, and local laws and regulations. This includes violations of rent stabilization law. See e.g., [State v. Winter](#), 121 A.D.2d 287 (1st Dep’t 1986); [State v. Solil Management Corp.](#), 128 Misc.2d 767 (Sup. Ct. N.Y. Cty. 1985) aff’d 114 A.D.2d 1057 (1st Dep’t 1985).

Rent Stabilization in NYC

13. In New York City, the laws regulating rent-stabilized tenancies are set forth primarily in the Rent Stabilization Law (hereinafter “RSL”), codified at [Chapter 4 of Title 26 of the New York City Administrative Code](#) (hereinafter “NYC Admin. Code”), and the Rent Stabilization Code (hereinafter “RSC”), codified at [Title 9, Subtitle S, Chapter VIII of the New York Codes, Rules and Regulations](#) (hereinafter “NYCRR”).
14. The New York Rent Stabilization Code was enacted to “. . . prevent the exaction of unjust, unreasonable and oppressive rents and rental agreements, and to forestall profiteering, speculation and other disruptive practices” [RSC § 2520.3](#).
15. DHCR promulgates, interprets, and issues regulations and guidance on the rent regulation laws.

16. The RSC regulates the rents and fees collectible in units covered by rent stabilization. In addition, the RSC regulates the leases and services associated with units covered by rent stabilization.
17. The RSC prohibits owners of apartments subject to the RSC from charging, collecting, demanding, and/or receiving any rent in excess of the legal regulated rent. [RSC § 2525.1](#).
18. Owners are required to register the initial rent charged to a tenant within 90 days of when a building becomes subject to rent stabilization. [See RSC § 2528.1](#). The owner is then required to register the rent on an annual basis. [See RSC § 2528.3](#). The registration of rent is intended to be a contemporaneously created history of the rent that the agency relies upon to determine the legal regulated rent. [See generally LL 140 E. 78th St. LLC v. DHCR, 213 A.D. 3d 558 \(1st Dep't 2023\)](#).

De Facto Rent Stabilization

19. Buildings that were built before 1974 and originally had five (5) or fewer residential dwelling units but subsequent to January 1, 1974, had additional units added to the building that met or surpassed the six-unit threshold are subject to the RSC under the judicially created doctrine of “de facto” rent stabilization. Upon the creation of the sixth unit, all units become rent stabilized. [See e.g., 325 Management Corp. v. Statuto, 220 A.D.3d 524 \(1st Dep't 2023\)](#) (rent stabilization turns on number of units and their use, not legality of the apartments); [White Knight Ltd v. Shea, 10 A.D.3d 567 \(1st Dep't 2004\)](#) (same).
20. Even if the owner of the building subsequently reduces the number of residential dwelling units to five or fewer, the remaining units remain rent stabilized. [See e.g.,](#)

- Matter of Shubert v. DHCR, 162.A.D.2d 261 (1st Dep't 1990) (Deregulating based on the destruction of units “would be inconsistent with the purposes underlying the legislation regulating rents for multiple dwellings.”); Rashid v. Cancel, 9 Misc.3d 130(A) (App. Term 2d Dep't 2005) (subsequent reduction in the number of housing accommodations do not exempt the remaining units from rent stabilization).
21. DHCR and the courts have concurrent jurisdiction to issue orders to enforce rent stabilization law and rent stabilization code. See Collazo v. Netherland Property Assets, LLC, 35 N.Y.3d 987, 990 (2020).
22. Court decisions concerning rent stabilization are subject to *res judicata* and collateral estoppel and generally cannot be relitigated. See e.g., East Hampton Capital, LLC v. Fergusson, 183 A.D.3d 409, 409-10 (1st Dep't 2020); Jacob Marion, LLC v. Jones, 168 A.D.3d 1043, 1044-45 (2d Dep't 2019).
23. This is true even if the building is sold to a new owner as “new owners step into the shoes of the prior owner ... [t]o hold otherwise would make a sham of the Rent Stabilization Law.” Charles H. Greenthal Co. v DHCR, 126 Misc.2d 795, 804 (Sup. Ct. N.Y. Cty 1984) quoting Manhattan Beach Estates Assoc. v. CAB, 8/3/81 N.Y.L.J. 14, col. 3 (Sup. Ct. Kings Cty.).
24. Once a building is rent stabilized, the Rent Stabilization Law requires several actions from owners including:
- a. annual registration of the rents and tenants for each rent stabilized apartment with DHCR under RSC § 2528.3 and RSL § 26-517;

- b. provide tenants with rent stabilized leases and renewal leases on the same terms and conditions, and rent stabilization riders pursuant to [RSC § 2522.5](#); and
- c. pay the New York City Department of Finance an annual fee of \$20 for each rent stabilized unit pursuant to [RSL § 26-517.1\(a\)](#).

FACTUAL ALLEGATIONS

25. Respondent bought the Building on November 1, 2004. See a true copy of the November 1, 2004, deed for 134 Sackman Street, Brooklyn, New York 11233 annexed as **Exhibit 1**.
26. On January 15, 2017, Hon. Leslie Stroth found the Building to be covered by the rent stabilization laws based on a tenant's motion for summary judgment showing that the number of housing accommodations was at least six after 1974. See [Henry v. Kingsberry](#), 2017 NYLJ Lexis 464 (Civ. Ct. Kings Cty. 2017).
27. Respondent appealed. On January 31, 2020, the Appellate Term affirmed that the Building is covered by the rent stabilization laws. See [Henry v. Kingsberry](#), 66 Misc.3d 143(A) (App. Term 2d Dep't 2020).
28. Respondents have failed to register the Building's apartments as rent stabilized since the original order in 2017. See a certified copy of DHCR rent registration for the Building annexed hereto as **Exhibit 2**.
29. Respondents have not made any application to deregulate the Building with DHCR.
30. Respondents have failed to pay the annual rent stabilization fee to the New York City Department of Finance from 2017 to present. See true copies of the city property tax payments for the Building made from 2017 to 2025 annexed as **Exhibit 3**.

31. On August 27, 2025, OAG sent Respondent a letter by certified mail requesting a response by October 31, 2025 that Respondent will come into compliance with rent stabilization registration. Respondent did not respond. See a true copy of the August 27, 2025, letter annexed hereto as **Exhibit 4**.
32. On September 30, 2025, OAG sent Respondent a letter by certified mail requesting compliance with rent stabilization registration with a deadline of October 31, 2025 to respond. Respondent did not respond. See a true copy of the September 30, 2025 letter is annexed hereto as **Exhibit 5**.
33. On December 10, 2025, OAG sent Respondent letters by certified mail and regular mail demanding that Respondent come into compliance with rent stabilization registration or face litigation. Respondent did not respond. See a true copies of the December 10, 2025 letters annexed hereto as **Exhibit 6**.
34. On February 4, 2026, an OAG employee physically served Respondent's home with a copy of the December 17, 2025 letter warning of litigation. Respondent did not respond.
35. Respondents' illegality and fraud concerning the Building are not limited to its violation of the rent stabilization laws.
36. Respondent is currently listed as the 8th worst landlord on the Public Advocate's Worst NYC Landlords of 2025. See **Exhibit 7**. This is a slight improvement as Respondent was the 5th worst landlord on the list in 2024. See **Exhibit 8**. The Public Advocate's Worst Landlord list is based on the average number of open housing code violations issued to their buildings by the New York City Department of Housing Preservation and Development ("HPD").

37. The Building presently has 38 violations including 23 immediately hazardous C violations and 10 hazardous B violations of the housing maintenance code. See Open Violations for the Building found by HPD as of May 28, 2026 annexed hereto as **Exhibit 9**.
38. Respondent had two recent eviction cases in Brooklyn Housing court where it failed to plead that the apartments are covered by the rent stabilization laws and is improperly seeking eviction in violation of those laws.. See [Henry v. Kingsberry](#), LT-318886-25/KI and [Henry v. Baugh](#), LT-318890-25/KI. True copies of the petitions are annexed hereto as **Exhibits 10** and **11**.
39. Petitioner notified Respondent's eviction attorney that the eviction cases were improper and Respondent subsequently discontinued the cases. Respondent's attorney confirmed Respondent received the letters from OAG that her building is covered by the rent stabilization laws and that she needed to register the units in the building with DHCR.
40. This isn't the first time Respondent has attempted illegal evictions. Respondent brought nonpayment cases against tenants in the Building in [Henry v. Baugh](#), LT-50025-21/KI and [Henry v. Kingsberry](#), LT-50026-21/KI without alerting the tenants or the court that the Building was rent stabilized. True copies of the petitions are annexed hereto as **Exhibits 12** and **13** respectively. Respondent withdrew the cases once the tenants obtained an attorney and alerted the Court to the Building's status. See **Exhibit 14**.

41. Respondent allegedly changed the locks on the tenant who won rent stabilization and forced him to bring an illegal lockout case. See [Kingsberry v. Henry](#), LT-000974-25/KI Order to Show Cause dated April 17, 2025 annexed as **Exhibit 15**.
42. On December 15, 2023, Respondent was sued by HPD for failing to provide adequate heat and hot water in the Building in [HPD v. Henry](#), LT-300303-24/KI where Respondent eventually settled with an agreement to make repairs.
43. Due to Respondent's near decade of flouting tenant protections and ignoring the OAG warnings there was no choice but to commence litigation.

FIRST CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of RSC §§ 2528.1 and 2528.3 (Failure to Register Apartments with DHCR)

44. The Attorney General repeats and re-alleges the paragraphs above as if fully stated herein.
45. [Exec. Law § 63\(12\)](#) authorizes the Attorney General to bring a special proceeding when any person or entity engages in repeated illegal acts or persistent illegality in conducting of business.
46. At all relevant times, Respondent have engaged in carrying on, conducting, or the transaction of business in New York within the meaning of [Exec. Law § 63\(12\)](#).
47. Landlords are required to register all apartments subject to the RSL and RSC with DHCR at the time they first become subject to regulation and annually thereafter. [RSC §§ 2528.1, 2528.3](#), and [RSL § 26-517](#).

48. Respondent failed to register the Building's apartment with DHCR despite a court finding on January 15, 2017 that the apartments in the Building became subject to the rent stabilization laws.
49. By engaging in repeated and persistent conduct that violated the rent stabilization laws, Respondent have engaged in repeated and persistent illegal conduct in violation of Exec. Law § 63(12).

SECOND CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of RSC § 2522.5 (Failure to Provide Rent Stabilized Leases and Riders)

50. The Attorney General repeats and re-alleges the paragraphs above as if fully stated herein.
51. Owners of rent stabilized leases are required to provide tenants a rent stabilized lease under RSC § 2522.5(a).
52. Owners of rent stabilized leases are required to provide tenants a rent stabilized renewal lease upon expiration of the initial lease under RSC § 2522.5(b).
53. Owners of rent stabilized leases are required to provide rent stabilization riders with leases upon each lease under RSC § 2522.5(c).
54. Upon information and belief, Respondent failed to provide tenants with rent stabilized leases, renewal leases, and riders.
55. By engaging in repeated and persistent conduct that violated the rent stabilization laws, Respondent have engaged in repeated and persistent illegal conduct in violation of Exec. Law § 63(12).

THIRD CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of RSL § 26-517.1 (Failure to Pay Rent Stabilization Fee)

56. The Attorney General repeats and re-alleges the paragraphs above as if fully stated herein.
57. Respondents are required to pay the New York City Department of Finance an annual fee of \$20 for each rent stabilized unit in Building owned by them pursuant to [RSL § 26-517.1\(a\)](#).
58. Respondent has never paid the rent stabilization fee for a unit in a Building owned by them from at least 2017 to present.
59. By engaging in repeated and persistent conduct that violated the rent stabilization laws, Respondent have engaged in repeated and persistent illegal conduct in violation of [Exec. Law § 63\(12\)](#).

FOURTH CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of NYC Admin. Code § 27-2005(d) (Tenant Harassment)

60. The Attorney General repeats and re-alleges the paragraphs above as if fully stated herein.
61. Owners are prohibited from harassing tenants pursuant to [New York City Administrative Code](#) (“[NYC Admin. Code](#)”) § 27-2005(d).
62. Harassment includes “any act or omission by or on behalf of an owner that (i) causes or is intended to cause any person lawfully entitled to occupancy of a dwelling unit to vacate such dwelling unit or to surrender or waive any rights in relation to such occupancy” and includes a rebuttable presumption of harassment through several defined acts or omissions. [See NYC Admin. Code § 27-2004\(a\)\(48\)](#).

63. NYC Admin. Code § 27-2004(a)(48)(a-1) defines tenant harassment to include, “knowingly providing to any person lawfully entitled to occupancy of a dwelling unit false or misleading information relating to the occupancy of such unit[.]”
64. Respondent has claimed the tenants are not rent stabilized and have failed to comply with the rent stabilization laws.
65. NYC Admin. Code § 27-2004(a)(48)(b) defines tenant harassment to include, “repeated interruptions or discontinuances of essential services, or an interruption or discontinuance of an essential service for an extended duration or of such significance as to substantially impair the habitability of such dwelling unit[.]”
66. NYC Admin. Code § 27-2004(a)(48)(b-2) defines tenant harassment to include, “repeated failures to correct hazardous or immediately hazardous violations of this code or major or immediately hazardous violations of the New York city construction codes, relating to the dwelling unit or the common areas of the building containing such dwelling unit, within the time required for such corrections[.]”
67. Respondent presently has 37 violations at the Building including 23 immediately hazardous C violations and 10 hazardous B violations of the housing maintenance code. See Open Violations for the Building found by HPD as of May 28, 2026 annexed hereto as **Exhibit 9**.
68. NYC Admin. Code § 27-2004(a)(48)(d) defines tenant harassment to include “commencing repeated baseless or frivolous court proceedings against any person lawfully entitled to occupancy of such dwelling unit[.]”
69. Respondent has repeatedly brought lawsuits against rent stabilized tenants which are not permitted under rent stabilization. See **Exhibits 10-13**.

70. NYC Admin. Code § 27-2004(a)(48)(f) defines tenant harassment to include
“removing the door at the entrance to an occupied dwelling unit; removing, plugging
or otherwise rendering the lock on such entrance door inoperable; or changing the
lock on such entrance door without supplying a key to the new lock to the persons
lawfully entitled to occupancy of such dwelling unit.”
71. Upon information and belief, Respondent illegally locked out Charles Kingsberry.
See Exhibit 15.
72. By engaging in repeated and persistent conduct that violated the tenant harassment
laws, Respondents have engaged in repeated and persistent illegal conduct in
violation of Exec. Law § 63(12).

FIFTH CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of RSC § 2525.5 (Tenant Harassment)

73. The Attorney General repeats and re-alleges the paragraphs above as if fully stated
herein.
74. Owners are prohibited from harassing tenants pursuant to RSC § 2525.5.
75. “It shall be unlawful for any owner or any person acting on his or her behalf, directly
or indirectly to engage in any course of conduct ... intended to cause the tenant to
vacate such housing accommodation or waive or not exercise any right afforded
under this Code including the right of continued occupancy and regulation under the
RSC and RSL.” See RSC § 2525.5.
76. Respondent ignored their obligations to their tenants under rent stabilization such as
registering rents, providing a rent stabilized lease, and other duties.

77. Respondent has been told by the Court and OAG that they must comply with the laws but have repeatedly failed to do so despite ample time and warnings.
78. By engaging in repeated and persistent conduct that violated RSC § 2525.5, Respondent has engaged in repeated and persistent illegal conduct in violation of Exec. Law § 63(12).

SIXTH CAUSE OF ACTION

Violations of Executive Law § 63(12) – Repeated Violations of RSC § 2525.1 (Rent Overcharge)

79. The Attorney General repeats and re-alleges the paragraphs above as if fully stated herein.
80. The Building is covered by the rent stabilization laws and regulations.
81. Respondent has not registered the apartments with DHCR and have not provided rent stabilized leases to tenants.
82. To establish the legal regulated rent, the owner must add any lawful rent increases and adjustments to the rent on the base date. See RSC §§ 2526.1(a)(3) and 2526.7(c). The base date is “the date of the most recent reliable annual rent registration statement, filed and served upon a tenant six or more years prior...” See RSC § 2526.7(a).
83. If no base date can be established subsequent to June 15, 2015, the base date is June 14, 2015. If this base date cannot be established, the legal regulated rent will be set using the default formula. See RSC § 2522.6.
84. Upon information and belief, Respondents are charging tenants a rent higher than allowed under the rent stabilization laws.

85. By engaging in repeated and persistent conduct that violated the rent stabilization laws, Respondent have engaged in repeated and persistent illegal conduct in violation of Exec. Law § 63(12).

PRAYER FOR RELIEF

WHEREFORE, plaintiffs request an order and judgment:

1. Permanently enjoining Respondent from engaging in the fraudulent, deceptive, and illegal conduct alleged in this Complaint, including violating the rent stabilization laws, tenant harassment laws, and Exec. Law § 63(12);
2. Directing Respondent to take each of the following remedial actions:
 - a. Register all residential dwelling units with DHCR as rent stabilized.
 - b. Immediately submit records to DHCR for calculation of the legal regulated rent for each apartment;
 - c. Provide current tenants with rent stabilized leases and approved riders at the proper legal regulated rent; and
 - d. Provide an accounting of how many residential dwelling units are in the Building and amount of rent tenants have paid from July 1, 2020 to present.
3. Directing Respondent to pay:
 - a. Civil penalty not to exceed \$2,000 pursuant to CPLR § 8303(a)(6) for OAG being forced to bringing a special proceeding under Exec. Law § 63(12).
 - b. Civil penalties of \$500 for each month for each unit that is not registered with DHCR from January 2024 to present pursuant to RSL § 26-517(e);
 - c. Civil penalty of \$2,000 to \$10,000 for each lawful occupant who faced tenant harassment pursuant to NYC Admin. Code § 27-2115(m)(2);

- d. Pay to the New York City Department of Finance for each residential dwelling unit \$20 per unit from 2020 to present pursuant to [RSL § 26-517.1\(a\)](#); and
 - e. Pay restitution to tenants for any rent overcharge from July 1, 2020 to present.
4. Granting such other and further relief as the Court deems just and proper.

New York, NY
June 11, 2026

Respectfully submitted,
LETITIA JAMES
Attorney General of New York

By *Justin R. La Mort*

JUSTIN R. LA MORT
Assistant Attorney General
BRENT MELTZER
Chief, Housing Protection Unit
OFFICE OF THE NEW YORK STATE
ATTORNEY GENERAL
28 Liberty Street
New York, NY 10005

VERIFICATION

State of New York)
) ss:
County of New York)

Justin R. La Mort, an attorney duly licensed to practice law in the Courts of the State of New York, hereby affirms this 11th day of June, 2026, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the foregoing is true, and I understand that this document may be filed in an action or proceeding in a court of law.

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

2. I have read the foregoing petition and know the contents thereof, which are to my knowledge true, except as to matters stated to be alleged on information and belief, and as to those matters, I believe them to be true. The grounds for my beliefs as to all matters stated upon information and belief are investigatory materials and public records contained in the files of the Housing Protection Unit at the Office of the New York State Attorney General.

3. The reason this verification is not made by the Petitioner is that the Petitioner is a body politic and the Attorney General is its duly authorized representative.

Justin R. La Mort

JUSTIN R. LA MORT