

STATE OF NEW YORK  
SUPREME COURT: COUNTY OF SULLIVAN

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

**VERIFIED  
PETITION**

Petitioner,

-against-

Index No.

RIVER VALLEY ESTATES, LLC,  
GEORGE LEVIN, and GAYLA SUE LEVIN

Respondents.

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Petitioner, the People of the State of New York, by their attorney, Letitia James, Attorney General of the State of New York (“OAG” or “Petitioner” or “Office of the Attorney General”), alleges upon information and belief:

**PRELIMINARY STATEMENT**

1. The State brings this special proceeding against the owners of River Valley Estates (formerly known as Foxcroft Village) pursuant to its authority under Executive Law § 63(12) to address persistent sanitary code violations and to enforce the State’s laws governing manufactured home parks. The State seeks injunctive relief, damages, and penalties against the owners of River Valley Estates.

2. This is the second proceeding filed against the owners of this manufactured home park on behalf of the People of the State of New York. The Office of the Attorney General filed a prior special proceeding in Sullivan County Supreme Court (Index Number 2500-2018) alleging many of the same health and safety violations in 2018.

3. Until early 2023, the name of the corporate entity which owned the park was Foxcroft Village LLC, a limited liability company incorporated in 1998. Pursuant to a Certificate of Amendment filed on January 20, 2023, the corporate name was changed from Foxcroft Village LLC to River Valley Estates LLC. The corporation operates a manufactured home park (“MHP”) in Loch Sheldrake, a hamlet of Fallsburg, New York located in Sullivan County. There are 324 lots within the park. From 2019 through the present, park occupancy has varied from 204 occupied lots to 287 occupied lots.

4. As more fully set forth herein and in the Affirmation and Memorandum of Law, the Respondents have continued to engage in repeated illegality under Executive Law § 63(12) by committing violations of:

(1) Real Property Law (“RPL”) §233, which governs the rights of residents of manufactured home parks and the responsibilities of park owners;

(2) RPL §§ 233(m) and 235-b which entitle residents of manufactured home parks to safe and habitable living conditions;

(3) RPL §233-b, which prohibits improper lot rent increases for manufactured home park residents;

(4) New York State Sanitary Code, NYCRR, Title 10, Parts 5 and 17<sup>1</sup> which contains health and safety regulations applicable to drinking water and manufactured home parks;

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<sup>1</sup> <https://regs.health.ny.gov/volume-title-10/content/part-5-drinking-water-supplies> and <https://regs.health.ny.gov/content/part-17-mobile-home-parks>. Cite as 10 NYCRR 5 and 10 NYCRR 17.1- 17.13

(5) the Town of Fallsburg Code Chapter 310 Article 5 which regulates manufactured home developments;

(6) General Business Law (“GBL”) § 518, which prohibits the imposition of a surcharge for payment by credit card;

(7) New York State’s COVID-19 Emergency Rental Assistance Program (“ERAP”) L. 2021, c. 56, Part BB, Subpart A, § 9, as amended by L. 2021, c. 417, Part A, § 5, which prohibits the imposition of late fees for months in which ERAP assistance is received and prohibits rent increases for any months for which assistance was received and for a subsequent period of 12 months after a landlord accepts payment; and

(8) GBL § 349, which prohibits deceptive business practices.

The State seeks statutory penalties and injunctive relief to protect the residents of River Valley Estates from ongoing violations.

### **PARTIES AND JURISDICTION**

5. Petitioner is the People of the State of New York, by their attorney, Letitia James, Attorney General of the State of New York.

6. River Valley Estates, LLC (formerly known as Foxcroft Village, LLC) is a manufactured home park located in Loch Sheldrake in Sullivan County, New York. The deed to the park property remains in the name of Foxcroft Village LLC.

7. Upon information and belief, Respondents George Levin and Gayla Sue Levin are residents of the state of Florida. George Levin supervises the day-to-day management and operation of River Valley Estates remotely with an on-site management office located at 20

Foxcroft Village Loch Sheldrake, New York. Aram Avagyan is River Valley Estates' resident onsite manager.

8. L & F Enterprises, Inc. and River Valley Estates, LLC are New York corporations controlled by George and/or Gayla Sue Levin created for the purposes of managing and operating Foxcroft Village.

9. Petitioner brings this proceeding pursuant to New York Executive Law § 63(12) and GBL § 349 which authorize the Attorney General to seek injunctive relief, restitution, damages and costs when any person or entity has engaged in repeated fraudulent, deceptive or illegal acts and practices or has otherwise engaged in persistent illegality or fraud in the conduct of its business.

10. Petitioner has served Respondent with timely statutory notice pursuant to GBL § 349.

### **FACTS**

11. Residents of River Valley Estates have for years endured conditions at the park which directly impact their quality of life, including raw sewage overflowing onto their lawns and dark and discolored water flowing from their taps and showers. These issues have fostered unmistakable distress among park residents. Due to the persistence of these conditions, park residents have also developed a pervasive sense of resignation. Based on repeated boil water notices, concerns over water safety have become deeply entrenched, leading many residents of River Valley Estates to use only water purchased out of their limited and often fixed incomes. One park resident described the unforeseen expense of purchasing water as “the hidden tax of living at River Valley Estates.”

12. Water running from the taps is brown or rust-colored and stains sinks and bathtubs. The water also stains clothing washed in home washing machines. Park residents have described the water as putrid, sulfuric, sandy, gritty, and topped with a slick, oily film. Respondents fail to consistently provide notice to residents when Boil Water Orders are in place, leading residents to become ill from drinking the water.

13. Park residents routinely experience water outages and low water pressure. Residents are unable to flush toilets, shower, and use dishwashers, washing machines, and water heaters. Residents lacked water during several recent holidays, disrupting family gatherings.

14. Residents have purchased countless gallons of water, home water filtration systems, showerheads with filters, and have needed to wash laundry outside of their home at personal expense. The unpredictability of the water quality and unreliable water pressure led one park resident to rent a separate, additional lot at a different park to ensure access to safe water.

15. Raw sewage has flowed into residents' bathtubs, toilets, dishwashers, and within yards. One resident whose yard was regularly flooded with sewage was given a stick by a park employee and advised to use the stick to push the sewage down a nearby drain. Respondents have enlisted inexperienced staff to replace septic tanks and leech fields, resulting in improper septic tank installations with substantial destruction of residents' yards.

16. In addition to these water and septic concerns, records of code violations reviewed by the OAG also indicate that Respondents have allowed construction to occur without permits during the daytime and nighttime hours, have failed to address significant

accumulations of garbage and debris throughout the park, and have failed to cordon off abandoned, dilapidated homes. These vacant homes have rotted to the ground while left open to animals and children as potential attractive nuisances. In the winter, Respondents have also been cited for code violations due to sizable potholes in the roads in which ground water pools and freezes into solid, thick sheets of ice. Residents must regularly navigate icy, slippery roads which Respondents have also failed to sufficiently plow. The park also lacks adequate lighting, leaving motorists and pedestrians at risk.

17. The OAG's investigation exposed the scope of these persistent conditions and led to the review of the lease agreements offered to residents by Respondents. These leases failed to conform with several key tenant protections enacted in 2019, including the lack of a required Housing and Community Renewal ("HCR") lease rider outlining tenant's rights and protections (RPL § 233(e)(1)), limitations on the amount of fees and the timeframe during which fees may be imposed (RPL §§ 233(x)(o) and (r)), and the park owner's duty to mitigate damages (RPL § 227-e). The lease also contained provisions outlining grounds for eviction which the Legislature removed from the statute as part of amendments in 2019 (RPL § 233(b)).

18. The OAG investigation also revealed widespread administrative issues related to the administration of tax credits (RPL § 233(w)), adherence to obligations under the Emergency Rent Assistance Program (ERAP), imposition of improper lot rent increases (RPL § 233-b), deceptive business practices related to garbage and recycling services at the park (Sullivan County Local Law 1 of 1992 & GBL § 349), and credit card surcharges without proper notice (GBL § 518).

19. The OAG has determined that Respondents have repeatedly violated state and local sanitary and property maintenance codes, RPL §§ 233, 233-b, and 235-b, the ERAP Law, and GBL §§ 518 and 349, and have therefore engaged in conduct in violation of Executive Law § 63(12).

## **CAUSES OF ACTION**

### **FIRST CAUSE OF ACTION**

#### **EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY Real Property Law § 233 Violations**

20. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

21. Under Executive Law §63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive and monetary relief against any person “engage[d] in repeated... illegal acts...in the carrying on, conducting or transaction of business.”

22. Respondents are persons engaged in carrying on, conducting, or transaction of business for the purposes of Executive Law §63(12). Executive Law § 63(12) is broadly construed to apply to virtually “all business activity.” *State v. Feldman*, 210 F. Supp. 2d 294, 301 (S.D.N.Y. 2002). Under this statute, the Attorney General is authorized to investigate and bring enforcement actions against a wide variety of business operations, including within the landlord-tenant context. *State v. Fashion Place Assocs.*, 224 A.D.2d 280, 282 (1st Dep’t. 1996) (action on behalf of tenants harmed by defendant’s denial of rent-stabilized leases and misrepresentations to tenants).

23. Under Real Property Law (RPL) §233(v) New York State has the authority and duty to enforce and ensure compliance with the provisions of this statute.

24. Between 2019 and 2023, Respondents rented lots to 136 new tenants and imposed rent increases for 51 residents prior to the expiration of twelve months, in violation of RPL § 233(e)(1).

25. Between January 2020 and August 2022, Respondents made 605 lease offers without the required tenant rights HCR rider in violation of RPL § 233(e)(1).

26. Respondents implemented multiple rent increases for 24 residents in 2021 and 2022 outside of the lease renewal periods, in violation of RPL §233(x).

27. Respondents implemented a *de facto* rent increase through the imposition of a permanent \$39.50 garbage fee for all 275 park residents in August 2022 with only 46 days' notice instead of the required 90 days' notice and without an accompanying lease offer, in violation of RPL §233(g)(3) and (e).

28. Respondents maintained a policy of charging a \$35 set late fee, in violation of the three percent limit pursuant to RPL §233(r). Three percent of the highest rent charged by Respondents would total a late fee of \$21. Respondents imposed 701 late charges of \$35 each between July 2019 and November 2023, in violation of §233(r).

29. After notice from the OAG, Respondents refunded some residents for late fee overcharges, though in 27 instances Respondents continued to charge the \$35 late in violation of RPL §233(r).



30. Respondents failed to fully credit a park resident who qualified for a veteran's property tax exemption for 13 years in violation of RPL §233(w).

31. As such, Respondents have breached their duties and obligations as owners and managers of a manufactured home park under RPL § 233.

32. As set forth above, Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) and subject to restitution and civil penalties of up to \$1,500 per violation pursuant to RPL § 233(v)(3).

### **SECOND CAUSE OF ACTION**

#### **EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY Violations of Warranty of Habitability - Real Property Law §§ 235 and 233(m)**

33. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

34. Under Executive Law §63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive and monetary relief against any person "engage[d] in repeated... illegal acts...in the carrying on, conducting or transaction of business."

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

36. Pursuant to RPL § 233(m) and RPL § 235-b, an implied warranty of habitability obligates park owners to ensure that the premises and the common areas are: 1) fit for human habitation, 2) fit for uses reasonably intended by the parties, and 3) that the occupants of

those premises will not be subjected to any conditions which would be dangerous, hazardous or detrimental to their life, health or safety.

37. As set forth above, Respondents failed to maintain their premises in a habitable manner. The conditions at Respondents' properties were often dangerous and/or detrimental to the life, health or safety of the manufactured home park's residents.

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

39. Respondents were repeatedly cited by the Town of Fallsburg and the New York State Department of Health for these conditions and continually failed to make timely repairs and maintain services. Some violations remained unaddressed for months, or even years, past their compliance due dates. As such, Respondents have breached the warranty of habitability under RPL § 233(m) and RPL § 235-b.

40. In April 2024 Respondents entered into an agreement with the Department of Health to complete specific repairs. This agreement contained compliance deadlines, including future compliance dates. Respondents' ongoing and future compliance with this agreement is necessary to address the violations cited by the Department of Health, as listed within the relief requested herein.

41. During inspections conducted in February and September 2024, the Department of Health cited Respondents for ongoing discoloration of the water and low water pressure. Since June 4, 2024, park residents have had to contend with a "Boil Water Order," with no end in sight.

42. As set forth above and further detailed within the Affirmation, Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) subject to restitution and civil penalties of up to \$1,500 per violation pursuant to RPL § 233(v)(3).

### **THIRD CAUSE OF ACTION**

#### **EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY**

##### **Violations of the New York State Sanitary Code and Code of the Town of Fallsburg**

43. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

44. As set forth above, Respondents repeatedly failed to comply with New York State Sanitary Code, 10 NYCRR §§ 5 and 17, and Chapter 310, Article 5 of the Code of the Town of Fallsburg and thereafter failed to remedy the violations.

45. Between April 14, 2021, and September 4, 2024, Respondents were issued 105 violations of the New York State Sanitary Code and 20 deficiencies in need of remediation by DOH.

46. Eighteen of these DOH-issued violations were repeated violations which Respondents had failed to remediate.

47. Between January 9, 2019, and April 19, 2024, the Town of Fallsburg Code Enforcement issued 212 violations within the park, 104 of which remain open. These violations primarily related to unsafe or condemned buildings, garbage accumulation, lack of proper building permits, and noncompliance with stop work orders.

48. Other relevant issues cited by the Town have included insufficient lighting, violations of general maintenance standards, and unsanitary disposal of waste.

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

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

##### **EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY**

##### **Violations of Real Property Law § 233-b (Excessive Rent Increases)**

50. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

51. Lot rent increases above three percent and up to six percent must be justified by increased operating expenses, property taxes, and/or costs which are directly related to capital improvements in the park. Real Property Law § 233-b (2).

52. Lot rent increases exceeding six percent cannot be imposed without a park owner first obtaining a temporary hardship order by the Supreme Court of the county in which the park is located. Real Property Law § 233-b (6).

53. Respondents repeatedly violated Real Property Law § 233-b by increasing the annual rent above six percent for eight of their tenants without obtaining a temporary hardship order from the Supreme Court.

54. As set forth above, Respondents' conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12) subject to restitution and injunctive relief.

**FIFTH CAUSE OF ACTION**

**EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY**

**Improper Credit Card Surcharge Violations of General Business Law § 518**

55. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

56. Respondents required residents to pay lot rent by credit and debit cards and then charged a surcharge or “convenience fee,” which was defined as 3% percent of the total of the transaction, in violation of GBL § 518. Under GBL § 518, credit card surcharges are limited to the amount of surcharge that Respondents actually incurred from the credit card processing agent as part of the transaction.

57. Respondents imposed these improper surcharges a total of 450 times, in violation of GBL § 518.

58. Respondents are liable for a fine of up to \$500 for each violation of this statute. GBL §518.

59. As set forth above, Respondents’ conduct constitutes repeated and persistent illegality in violation of Executive Law § 63(12).

**SIXTH CAUSE OF ACTION**

**EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY**

**Illegal Lease Provisions**

60. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

61. The 2023 lease contained an incorrect lease start date and term, terms which contravened residents' statutory rights of occupancy, and incorrect notice periods. Other lease terms shifted Respondents' obligations and responsibilities to the park residents.

62. Respondents included a provision in the 2023 lease which states that park residents could be evicted based on expiration of their lease. Since 2019, manufactured home park residents cannot be evicted solely based on expiration of a lease. Respondents included a provision which improperly shifted to residents the park owner's duty to mitigate damages when a resident does not remain in occupancy for the entire lease term contained terms, contrary to RPL §227-e. Respondents included lease provisions regarding the procedures for handling security deposits which did not reflect the 2019 changes to New York's security deposit law, General Obligations Law § 7-108.

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

#### **SEVENTH CAUSE OF ACTION**

#### **EXECUTIVE LAW § 63(12) REPEATED AND PERISISTENT ILLEGALITY General Business Law § 349 Prohibition on Deceptive Acts and Practices in the Conduct of Business**

64. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

65. Deceptive acts or practices in the conduct of any business or in the furnishing of any service in the state are unlawful. *See* General Business Law § 349(a).

66. Respondents engaged in deceptive business practices by their materially misleading statements and omissions regarding (1) garbage removal costs and (2) required recycling services. These statements deceived park residents.

67. In June 2022, Respondents sent park residents a notice regarding the cost of garbage removal. That notice began: “Everyone is aware of the current financial situation in the USA today. Inflation as of last month (May) hit a 40 year high at 9%. Interest rates are being raised monthly by the federal reserve. Fuel prices have risen over 100%!! Foxcroft finds itself caught up caught up [sic] in this spiraling economy. Foxcroft can no longer absorb the ever-expanding costs for Trash Removal and Utilities.”

68. The notice described a new \$39.50 monthly garbage fee and potential additional charges for households with more than five residents and for garbage bags weighing more than 30 gallons.

69. Previously, park residents had received a notice from Respondents stating that effective May 1, 2014, lot rent, water and sewer, and garbage charges “will not display as three separate figures on monthly billing statements” but instead “will be added together and will be displayed as one amount.”

70. As a result, the June 2022 notice imposing an additional garbage fee deceptively represented that the garbage removal costs were previously “absorbed” by the park owners, when these costs were in fact passed onto park residents as of May 2014.

71. The June 2022 notice was also silent regarding recycling services and warned that “If any trash, other than household trash is put out for collection or Foxcroft is forced to pick

it up...there will be an extra charge applied to tenant's account." The notice also stated that no metal may be collected and concluded: "These are Fallsburg [the Town] conditions."

72. Recycling services are expressly required within Sullivan County under Local Law No. 1 of 1992, entitled "A local law entitled Sullivan County Solid Waste Management Law of 1992."

73. Section 411 of this local law prohibits commercial waste haulers from collecting, hauling, storing, or transporting waste generated in Sullivan County unless the waste has all designated recyclable components separated.

74. Section 412 prohibits disposing of any waste generated in Sullivan County at any waste management facility within Sullivan County unless such solid waste has from it all recyclable components removed.

75. The Town of Fallsburg garbage service complies with the local law and includes recycling pickup once a week, the pickup of two trash cans twice a week, and pickup of two bulk items once per month. The Town of Fallsburg Code includes metal containers as recyclable items.

76. Park residents have lacked curbside recycling services during the last six years.

77. Respondents' materially misleading statements in the June 2022 garbage fee notice constituted deceptive business practices. Park residents were deceived regarding both the additional cost of garbage removal and the lack of recycling services at the park.



78. Respondents are liable for civil penalties of up to \$5,000 pursuant to General Business Law § 350-d for each instance of its deceptive practices and conduct in violation of General Business Law § 349.

79. The Attorney General is authorized under Executive Law § 63(12) to bring an action to enjoin Respondents from further violation of laws that protect manufactured home park tenants.

**WHEREFORE**, Petitioner requests that this Court grant relief pursuant to Executive Law § 63(12), GBL §§ 349 and 518, RPL §§ 233, 233-b, 235-b, 227-e, Sullivan County Local Law No. 1 of 1992 and the implementing rules, and the ERAP Law, against Respondents by issuing an Order and Judgment:

1. Ordering Respondents to perform the following actions to repair and/or replace River Valley Estates' water distribution and septic systems, perform necessary lighting, electrical and road repairs and upgrades, eliminate hazards and immediately correct all outstanding DOH and Town of Fallsburg violations which are past the respective deadlines for correction of such violations and present certifications of compliance from the Town of Fallsburg and DOH to the New York State Office of the Attorney General.

Specifically:

a. Continued identification of water main leaks and/or leaks in service lines to determine the source of significant water loss from the distribution system and contributing to low water pressure to residents;

b. Delivery and installation of two new hydropneumatics pressure tanks – 2,000-gallon gross volume each;

- c. Redundant 20-horsepower booster pump installation; the 10-horsepower pump currently on hand must be installed until the second 20-horsepower pump is installed and operational;
- d. Repair or replace the two six-inch fire hydrants at Cambridge Circle and Oxford Circle so they are available for flushing;
- e. Complete installation of two-inch flushing hydrants on all watermain dead ends;
- f. Repair Culligan water filter system to allow normal operation;
- g. Make available a spare (third) chemical feed pump for chlorination;
- h. Repair or replace water isolation valve boxes at Oxford Circle, Sheffield Lane, and Dartmouth Court;
- i. Repair or replace water meter on well line for Well #1;
- j. Continue with cleanup of the 200-foot wellhead protection area;
- k. Reconfigure the piping that interconnects the booster pumps and hydropneumatics tanks to restrain this piping more effectively from flexural movement and include flexible connectors at all pump inlet and outlet connections;
- l. Identify all dead and/or dangerous trees in the park and submit a plan to the OAG with timelines for the removal of all identified trees;
- m. Identify park roads that are not properly draining and/or are prone to flooding and submit to the OAG a plan to install proper road drainage in impacted areas;

n. Immediately secure any abandoned or dilapidated manufactured homes which currently allow open access to their interiors. Inventory all abandoned or dilapidated homes that need to be removed from the park. Submit a plan for removal of all identified manufactured homes needing removal to the OAG identifying the cost and timeline for removal of each home;

o. Replace all street lighting which does not provide sufficient illumination at night. Submit a plan to the OAG for streetlight replacement which identifies the cost and timeline for replacement;

2. Ordering that Respondents perform the following actions related to incorrect rent and fee administration and providing restitution and disgorgement, totaling \$2,317,627.65 and detailed as follows:

a. Remove any late fees on resident account that exceed three percent of the monthly rent (specifically the remaining \$35 late fees) in violation of RPL § 233(r) and issue rent credits to residents in the amounts of these excessive fees, totaling \$945;

b. Remove any legal fees or associated certified mailing fees on resident account that were not awarded by a court in violation of RPL § 233(o) and issue rent credits to residents in the amounts of these excessive fees, totaling \$1,649.54;

c. Remove all credit card surcharges for payment of rent or other charges with credit cards (“convenience fees”) in violation of GBL § 518 and issue credits to residents in the amounts of these illegal fees, totaling \$9,198.80;

d. Correct any accounts of residents who receive a tax exemption pursuant to Article 4 of the Real Property Tax Law by providing the proper amount of the tax exemption credit,

returning improper charges to overcharged tenants in the form of a payment or rent credit to the residents, at their option, and train office staff in the three statutory methods for compensation of the tax exemption credits pursuant to RPL §233(w), totaling \$6,350;

e. Issue a return of every garbage fee paid by residents since the fee was implemented without a lease offer and without the requisite 90-days' notice in violation of RPL § 233(g)(1) & (3), totaling \$157,249.50;

f. Retroactively adjust prior improper rent increases above six percent consistent with RPL §233-b and issue credits to resident accounts; or for residents who formerly resided in the park, to issue refunds by check, totaling \$7,737.91;

g. Retroactively adjust prior improper rent increases where Respondents raised the rent more than once in a 12-month period in violation of RPL § 233(x), and issue credits to resident accounts; or for residents who formerly resided in the park, to issue refunds by check, totaling \$15,049.50;

h. Retroactively adjust prior improper rent increases where Respondents raised the rent for new residents before the expiration of the initial 12-month period in violation of RPL § 233(e)(1), and issue credits to resident accounts; or for residents who formerly resided in the park, to issue refunds by check, totaling \$13,827.75;

i. Retroactively adjust prior improper rent increases where Respondents raised rent on residents, violating multiple aforementioned statutes, and issue credits to resident accounts; or for residents who formerly resided in the park, to issue refunds by check, totaling \$9,640.34;

3. Ordering Respondents to adopt the following corrective policy and/or procedure changes:

a. Revise the model lease and park rules and regulations (“covenants”) to conform with current law and submit the model lease and revised covenants to the OAG for review and approval;

b. Implement a business protocol by which 12-month leases are consistently offered to residents and prospective residents in accordance with RPL § 233(e) & (g), tracking residents’ anniversary dates for renewal leases to prevent the implementation of rent increases prior to the 12-month anniversary date of each resident; and ensuring that all leases include the required HCR lease rider;

c. Develop a policy to review proposed rent increases before implementation to ensure that no rent increase will exceed permissible limits;

d. Hire a third-party professional property management entity to manage all aspects of the park (maintenance, repairs, and rent collection);

e. Create a park complaint system to accurately manage and track resident complaints regarding warranty of habitability issues. Develop a protocol and methodology by which residents will be compensated for Respondents’ failure to provide clean, potable water of sufficient pressure to the manufactured homes of the park and/or septic tank or system failures for each day the warranty of habitability is violated, particularly for each day that a Boil Water Order is in effect;

f. Communicate with residents and serve official notices through traditional first-class mail in addition to email or electronically;

g. Develop a policy and procedure for compensation of residents for out-of-pocket expenditures on water during water system failures by issuing either funds or credits to rental account;

h. Implement a curbside recycling service as part of its weekly garbage collection;

4. Ordering the appointment of an independent monitor to oversee and report on Respondents' compliance with their Court-ordered obligations, to be paid by Respondents; or, in the alternative, ordering Respondents to provide monthly reports to the OAG through December 31, 2030, confirming: (1) the status of repairs and any new or ongoing conditions in need of repair, and (2) timelines for completion of repairs;

5. Ordering Respondents to post a \$100,000 performance bond, or cash equivalent to be held by the OAG as a surety to assure compliance with all legal obligations and injunctive relief;

6. Ordering Respondents to pay restitution damages reflecting a fifty percent (50%) rent reduction for the 23-month period of water outages and Boil Water Orders, totaling \$2,094,175.73;

7. Permanently enjoining Respondents from further illegal acts relating to the ownership and operation of a manufactured home park, including but not limited to Executive Law § 63(12), General Business Law §§349 and 518, NYS Sanitary Code, and Real Property Law §§233, 233-b, 227-e, and 235-b, and Sullivan County Local Law No. 1 of 1992 and its implementing rules;

8. Permanently enjoining Respondents from retaliating against park residents in violation of RPL § 223-b;

9. Ordering Respondents to pay a civil penalty of \$27,500 pursuant to GBL § 350-d to the State of New York for 275 violations of GBL § 349;

10. Ordering Respondents to pay a civil penalty of up to \$4,500 to the State of New York for each 450 violations of GBL § 518;

11. Ordering Respondents to pay a maximum civil penalty of up to \$263,000 to the State of New York for 1,369 violations of RPL § 233 pursuant to RPL § 233(v), to be deposited in the manufactured home cooperative fund, created pursuant to Private Housing Law § 59-h;

12. Ordering Respondents to pay a maximum civil penalty of up to \$3,000 to the State of New York for 6 violations of RPL § 233(w) to be deposited in the manufactured home cooperative fund, created pursuant to Private Housing Law § 59-h;

13. Retaining jurisdiction over this matter to assure compliance with any Orders and Judgments in this action;

14. Awarding Petitioner the costs and disbursements of the proceedings herein, including costs pursuant to CPLR § 8303(a)(6) which allows for an award of costs of \$2,000 to the State of New York against each Respondent (totaling \$6,000); and

15. Granting such other and further relief as the Court deems just and proper.

DATED: Poughkeepsie, New York  
October 10, 2024

LETITIA JAMES  
Attorney General of the State of New York  
Attorney for Petitioner  
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Poughkeepsie New York 12601

*Justin L Haines*

By:

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VERIFICATION

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

JUSTIN L. HAINES, being duly sworn, deposes and says: 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.

I have read the foregoing petition and knows the contents thereof, and the same is true to my own knowledge, except as to matters therein stated to be alleged on information and belief, and as to those matters I believe them to be true.

The reason this verification is not made by petitioner is that petitioner is a body politic. The Attorney General is petitioner's statutory representative.

Sworn to  
10th day of October, 2024

JUSTIN L. HAINES



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Assistant Attorney General  
of the State of New York