

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

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

Petitioner,

-against-

JESSICA VARGAS, in her personal capacity and as  
Administrator of the Estate of Albert Rivera,

Respondent,

JUSTIN JAMES RIVERA, MATTHEW ADAMS  
RIVERA, ALBERT RIVERA, JR., JAVIER VARGAS,

Relief Respondents.

Index No. \_\_\_\_\_/2025

VERIFIED PETITION

The People of the State of New York, by their attorney Letitia James, Attorney General of the State of New York, as and for her Petition, respectfully allege:

1. For years, Respondent Jessica Vargas has engaged in repeated fraudulent acts in the conducting of business in the State of New York. Ms. Vargas has falsely represented that she is President, Secretary, Treasurer, and sole shareholder of the New York corporation 13 Scholes Street Housing Development Fund Corporation (“13 Scholes Street HDFC” or “the HDFC”) and the head officer and managing agent of the building at 13 Scholes Street, Brooklyn, New York (“the Building”). In fact, Ms. Vargas is none of those things and has never been any of those things; yet, as a result of her misrepresentations and fraud, she has stolen hundreds of thousands of dollars in money meant for 13 Scholes Street HDFC.

2. The low-income cooperative corporation 13 Scholes Street HDFC was established in 1996 exclusively for the purpose of developing a housing project for persons of low income,

and it is the exclusive owner of the Building. All resident shareholders have passed away, and Ms. Vargas, the daughter of one of the three shareholders, has exploited the corporation for her own personal benefit while leaving the Building in debt. She has created false and misleading documents indicating that she has authority over the affairs of the corporation, she has falsely represented to the City of New York and Kings County Supreme Court that she is in control of the corporation, and she has illegally and fraudulently taken at least \$442,000 meant for the corporation and used it for her personal expenses and to distribute to the Relief Respondents, in violation of the corporation's certificate of incorporation and Section 573 of the Private Housing Finance Law.

3. Ms. Vargas's actions are tantamount to attempted fraud in the title of the Building, as her ultimate goal is to sell the building for additional profit. She has attempted to deceive business associates, courts, and regulators into believing that she has control and ownership of the Building. The Attorney General has a substantial interest in ensuring compliance with the laws of New York State, preserving the State's stock of affordable housing, and preventing such a fraud in the marketplace. Accordingly, the Attorney General seeks to redress Respondent's illegal and fraudulent conduct by way of this proceeding.

### **PARTIES**

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

5. Respondent Jessica Vargas is a Florida resident conducting business in New York State. She is one of four children of Albert Rivera who, until his death on June 10, 2018, was a shareholder of 13 Scholes Street HDFC. After he died, Respondent petitioned the Circuit Court for Pasco County, Florida to be appointed personal representative of his estate, and that court

granted the petition. Respondent did not list any shares or other assets related to 13 Scholes Street HDFC as part of the estate, and the estate did not contain any shares or other assets related to 13 Scholes Street HDFC. On April 26, 2021, Respondent was discharged as personal representative of the estate, and the estate was closed. She is not now and never has been a shareholder of 13 Scholes Street HDFC. She has no ownership interest in the Building.

6. Relief Respondent Justin James Rivera is brother to Jessica Vargas and one of four children of Albert Rivera. Upon information and belief, he is a Florida resident. Jessica Vargas has paid him thousands of dollars from the payments meant for 13 Scholes Street HDFC.

7. Relief Respondent Matthew Adams Rivera is brother to Jessica Vargas and one of four children of Albert Rivera. Upon information and belief, he is a Florida resident. Jessica Vargas has paid him thousands of dollars from the payments meant for 13 Scholes Street HDFC.

8. Relief Respondent Albert Rivera, Jr. is brother to Jessica Vargas and one of four children of Albert Rivera. Upon information and belief, he is a Florida resident. Jessica Vargas has paid him thousands of dollars from the payments meant for 13 Scholes Street HDFC.

9. Relief Respondent Javier Vargas is husband to Jessica Vargas. Upon information and belief, he is a Florida resident. Jessica Vargas has paid him thousands of dollars from the payments meant for 13 Scholes Street HDFC.

### **JURISDICTION AND VENUE**

10. The Attorney General brings this proceeding on behalf of the People of the State of New York under Section 63(12) of the New York Executive Law. Under that section, 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.” N.Y. Exec. Law § 63(12).

11. Under Section 716(c) of the New York Business Corporation Law, the Attorney General is authorized to procure a judgment removing an officer of a corporation for cause.

12. Venue is properly laid in New York County because the Attorney General has her principal office in New York County, and Respondent and Relief Respondents are not residents of the State of New York.

13. The Court may exercise personal jurisdiction over Respondent Jessica Vargas because substantially all of the fraudulent transactions described herein took place in the State of New York. Respondent falsely affirmed to the City of New York and others in New York State that she is an officer of the New York corporation 13 Scholes Street HDFC and that she is managing agent of the Building. She has created false and fraudulent documents in connection with at least two litigations pending in New York Supreme Court, Kings County, one of which she filed with the court under penalty of perjury.

14. The Court may exercise personal jurisdiction over Relief Respondents under Executive Law § 63(12) in light of their receipt of funds fraudulently obtained by Respondent pursuant to the transactions described herein.

## FACTUAL ALLEGATIONS

### I. Background of the Building

15. The Building is a three-family residential building that was constructed in 1903. The City of New York foreclosed on the property in 1982 due to the then-owner’s nonpayment of real property taxes. While in City ownership, the New York City Department of Housing

Preservation and Development (“HPD”) accepted the Property under the Tenant Interim Lease (“TIL”) program.

16. The TIL program was created to assist organized tenant associations in City-owned buildings to develop economically self-sufficient low-income cooperatives. As part of the TIL process, the tenants of the Building established a corporation organized under Article XI of the Private Housing Finance Law (“PHFL”) and the Business Corporation Law. Among other requirements, Article XI of the PHFL requires Housing Development Fund Corporations to operate exclusively to develop housing for persons of low income, and it prohibits any private individual, firm, corporation nor association from using any part of the net income or net earnings of the corporation. *See* PHFL § 573.

17. In 1996, with the assistance of HPD, the tenants of the three apartments incorporated 13 Scholes Street HDFC by filing a certificate of incorporation, adopting bylaws, and electing shareholders. *See* Exhibit 1. The three shareholders elected were Carmen Cortez (President), Frances Rivera (Secretary) and Miriom Zusman.<sup>1</sup> Ms. Cortez was a resident of Apartment 2, Ms. Zusman was a resident of Apartment 3, and Ms. Rivera and her husband Albert Rivera were residents of Apartment 1. Both Frances Rivera and Albert Rivera were listed on the stock certificate as shareholders of 250 shares.

18. The certificate of incorporation of 13 Scholes Street HDFC states that the corporation is organized “exclusively” for the purpose of developing a housing project for persons of low income. Exhibit 2. In particular, the certificate of incorporation declares that the Building “shall be operated exclusively for the benefit of persons or families who are entitled to

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<sup>1</sup> The incorporating documents misspelled Ms. Zusman’s name as “Miriam,” whereas the correct spelling was “Miriom.”

occupancy in the Housing Project by reason of ownership of shares in the Corporation,” and that in order to issue shares for home owners’ purchase notes, the corporation has to have received the written endorsement of the Commissioner of the Division of Housing and community Renewal. In addition, the certificate of incorporation states that “[a]ll income and earnings of the Corporation shall be used exclusively for corporate purposes, and no part of the net income or net earnings of the corporation shall inure to the benefit or profit of any private individual, firm, corporation, or association.”

19. There is no record of any meetings of the board of 13 Scholes Street HDFC since its incorporation in 1996.

20. There is no record indicating that the shareholders sold or transferred any of their shares of 13 Scholes Street HDFC since they acquired them in 1996.

21. On January 19, 2003, Carmen Cortez died, and her estate has never been administered. Her shares of 13 Scholes Street HDFC have never been transferred.

22. On April 4, 2005, Miriom Zusman died. The estate of Miriom Zusman was administered in Kings County, New York, and it included the 250 shares of the HDFC. *See* Exhibit 3.

23. The administrator of Ms. Zusman’s estate did not transfer or sell those shares to any individual or entity, and those 250 shares still belong to the estate to this day. *See* Orlofsky Affirmation.

24. In 2009, years after the death of these two shareholders, Frances and Albert Rivera prepared a document called “Certificate of Minutes” that purported to be a written consent of the shareholders of 13 Scholes Street HDFC. *See* Exhibit 4. In fact, two of the shareholders were deceased and therefore did not give their consent. The administrator of the

estate of Miriom Zusman was not informed of any meeting nor consented to any transaction reflected in the document. No meeting of the board of 13 Scholes Street HDFC was held in 2009. The “Certificate of Minutes” purported to elect Albert Rivera and Frances Rivera as Directors of 13 Scholes Street HDFC; however, the document was not signed by all shareholders, and no elections were held in 2009. Instead, only Albert Rivera and Frances Rivera signed the document. This document was a nullity.

25. On September 28, 2013, Frances Rivera died. Albert Rivera became the only living shareholder.

26. Upon information and belief, Albert Rivera thereafter moved to the State of Florida, where he resided until he died on June 10, 2018.

## **II. Albert Rivera Signs Purported Lease Agreement and Contract of Sale as Owner of the Building**

27. Before his death and while living in the State of Florida, Albert Rivera held himself out as the owner of the Building and tried to sell it to enrich himself personally.

28. Albert Rivera entered into a purported six-year lease agreement with a private company named Scholes Residence LLC. *See* Exhibit 5. This purported lease agreement was dated January 25, 2017. It purported to give Scholes Residence LLC the right to purchase the property for \$1,400,000 and included as an exhibit a purported contract of sale between Respondent and an entity named GB Properties NYC LLC. Albert Rivera signed the purported contract of sale as owner of the Building.

29. Scholes Residence LLC and GB Properties NYC LLC are for-profit New York companies that are 100% owned by real estate investors Avraham Garbo and Yaniv Garbo. Neither company is an affordable housing developer.

30. The purported lease agreement provided that Scholes Residence LLC would pay \$6,500 in monthly rent to 13 Scholes Street HDFC in exchange for the right to occupy the entire Building. Scholes Residence LLC was required to pay as additional rent 100% of taxes, water and sewer costs.

31. This purported lease agreement and contract of sale are void *ab initio*, as Albert Rivera had no authority to enter into any contract on behalf of 13 Scholes Street HDFC, and neither agreement was authorized by the certificate of incorporation or the Private Housing Finance Law.

32. Until his death on June 10, 2018, Albert Rivera personally collected all rent moneys that were meant for 13 Scholes Street HDFC and used them for his personal benefit.

### **III. Respondent's Fraudulent and Illegal Conduct While Appointed Administrator of the Estate of Albert Rivera**

33. After Albert Rivera's death, Respondent has attempted to personally profit off of the Building by collecting moneys meant for the HDFC and attempting to sell the Building. Respondent never acquired any shares of 13 Scholes Street HDFC by inheritance, transfer, or any other method. Nevertheless, she has repeatedly and fraudulently held herself out as owner of the Building with authority to sell it.

34. In August 2018, Respondent signed and filed a petition for administration asking the Probate Division of the Circuit Court for Pasco County, Florida to appoint her to serve as the administrator of Albert Rivera's estate. *See* Exhibit 6. In the petition, she declared under penalty of perjury that the entirety of Albert Rivera's assets consisted exclusively of a 1/3 interest in a vacant lot in Moon Lake Estates, Florida, valued at \$2,156.00. She also stated that Mr. Rivera had four beneficiaries of his estate, including herself and Albert Rivera's Relief

Respondents Justin Rivera, Matthew Rivera, and Albert Rivera Jr. Notably missing from the estate was any mention of an interest in 13 Scholes Street HDFC.

35. By order entered October 4, 2018, Judge Philippe Matthey of the Probate Division of the Circuit Court for Pasco County, Florida, appointed Respondent administrator of the Estate of Albert Rivera. *See Exhibit 7.*

36. Respondent thereafter began collecting rent moneys meant for 13 Scholes Street HDFC paid by Scholes Residence LLC pursuant to the purported lease. These moneys were initially payable to the Estate of Albert Rivera, though Respondent never disclosed to the probate court the existence of the moneys or that the estate contained any assets related to the Building.

37. While she was administrator of the Estate, Respondent collected approximately \$221,000 in rent moneys from Scholes Residence LLC. *See Exhibit 8.* This money was paid pursuant to the lease agreement and therefore constituted income of the HDFC.

38. Respondent opened an account with Bank of America, which she used to accept the rent payments to 13 Scholes Street HDFC, and she used the funds for her own personal benefit and the benefit of her family members.

39. Respondent wrote checks from this account to herself and the Relief Respondents, funneling money intended for 13 Scholes Street HDFC to private individuals. During this time period, she kept approximately one fifth of these moneys for her personal use, paid approximately one fifth each to Relief Respondents Justin Rivera, Matthew Rivera, and Albert Rivera Jr., and used approximately one fifth of these moneys for legal fees and costs associated with continuing her fraudulent scheme. *See Exhibit 9.*

40. Respondent did not inform the Probate Division of the Circuit Court for Pasco County, Florida that these monies were paid to the Estate or that she distributed some of these monies to Relief Respondents Justin Rivera, Matthew Rivera, and Albert Rivera Jr.

41. Respondent did not report any of the moneys collected to the Internal Revenue Service, the New York State Department of Taxation and Finance, or to the Florida Department of Revenue.

42. Respondent attempted to sell the Building despite having no authority to do so. In order to deceive others about her authority to conduct business on behalf of the HDFC and collect rent moneys paid to the HDFC, Respondent caused to be prepared a document that appeared to be a stock certificate of the HDFC and purported to transfer 750 shares of stock of the HDFC to the Estate of Albert Rivera. *See* Exhibit 10. This document is dated February 27, 2019. Respondent signed this document as President of the HDFC and as Secretary-Treasurer of the HDFC.

43. In fact, Respondent was never elected President, Secretary or Treasurer of the HDFC pursuant to any election of the shareholders of the HDFC.

44. This document was false and fraudulent.

45. In order to deceive others about her authority to conduct business on behalf of the HDFC and collect rent moneys paid to the HDFC, Respondent caused to be prepared a document entitled "Certificate of Minutes," which declared that the 750 shares of stock of the HDFC were assets of the Estate of Albert Rivera. *See* Exhibit 11. The document, dated May 10, 2019, also purported to elect Respondent as sole member of the Board of Directors of the HDFC and to serve as President, Secretary, and Treasurer.

46. In fact, the Estate of Albert Rivera did not hold 750 shares of stock of the HDFC.

47. In fact, Respondent was never duly elected President, Secretary or Treasurer of the HDFC pursuant to any election of the shareholders of the HDFC.

48. This document was false and fraudulent.

49. On August 12, 2019, Respondent filled out a property registration form and submitted it to HPD. *See* Exhibit 12. In order to deceive others about her relationship to the Building and the HDFC, Respondent falsely represented that she was the co-owner of the Building, head officer of 13 Scholes Street HDFC, and the managing agent of the Building.

50. Respondent also falsely represented that she was a joint owner of the property who had direct or indirect control over the property.

51. Respondent falsely certified that all statements on the form were true and correct.

52. In fact, Respondent was not an officer of 13 Scholes Street HDFC, not the managing agent of the Building, and not a joint owner of the property with direct or indirect control over the property.

53. On February 9, 2021, Respondent caused to be prepared a zoning lot description and caused it to be filed with the Kings County Clerk's Office. *See* Exhibit 13. The zoning lot description contained a description of the parcel of land at 13 Scholes Street. Respondent signed it on behalf of 13 Scholes Street HDFC; however, she had no authority to sign any document on behalf of 13 Scholes Street HDFC.

54. By order entered April 26, 2021, Judge James R. Stearns of the Probate Division of the Circuit Court for Pasco County, Florida, discharged Respondent as personal representative of the Estate of Albert Rivera and found that the estate had been fully administered and properly distributed. *See* Exhibit 14. The order discharging Respondent did not contain any reference to

the shares of 13 Scholes Street HDFC or the hundreds of thousands of dollars collected by Respondent on behalf of the estate.

55. The Estate of Albert Rivera was closed by entry of the April 26, 2021 order.

#### **IV. Respondent's Fraudulent and Illegal Conduct After Being Discharged as Administrator of the Estate of Albert Rivera**

56. After April 26, 2021, despite being discharged as personal representative of the estate and despite having no authority over the HDFC or the purported lease agreement, Respondent texted a representative of Scholes Residence LLC named Ryan and directed him to make a payment in order to “[k]eep the payment arrangement going.” Exhibit 15. She sent this text after her duties as administrator of Albert Rivera’s estate were terminated and despite the fact that she had no direct or indirect interest in any shares of 13 Scholes HDFC.

57. Respondent continued accepting rent payments meant for 13 Scholes Street HDFC into the Bank of America account opened in the name of the Estate of Albert Rivera even though that estate was closed and she was no longer administrator. *See* Exhibit 17. Respondent continued distributing the money to Relief Respondents despite the fact that the estate was closed and Respondent was no longer administrator.

58. In December 2021, Respondent opened another Bank of America account in her own name and continued accepting rent payments meant for 13 Scholes Street HDFC into that account. Examples of two account statements from this account are attached to the Hannaford Affirmation as Exhibit 18. She made payments to herself and Relief Respondents from that account. In addition to her brothers, Respondent made payments to her husband, Javier Rivera, from that account.

59. From May 2021 through March 2024, Respondent accepted payments totaling at least \$221,000 from 13 Scholes Residence LLC. *See* Exhibit 19. 13 Scholes Residence LLC

made these payments as rent for use of the Building under the purported lease agreement that Albert Rivera had signed.<sup>2</sup>

60. Respondent did not report this income to the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Florida Department of Revenue.

61. Respondent did not use this income for the benefit of the Building or 13 Scholes Street HDFC.

62. As of the date of this petition, 13 Scholes Street HDFC owes \$41,479.13 in unpaid property taxes to the City of New York. *See* Exhibit 20.

63. As of the date of the petition, 13 Scholes Street HDFC owes \$3,179.11 in unpaid water and wastewater charges to the New York City Department of Environmental Protection. *See* Exhibit 26.

64. In furtherance of her fraudulent claim of ownership of the building and in an effort to sell the Building for her personal benefit and to deceive others about her authority over the HDFC, on July 28, 2021, Respondent caused to be prepared a document entitled “Shares Transfer Agreement,” which purported to transfer shares stock of the HDFC from Albert Rivera Jr. (the son of Albert Rivera) to the Estate of Albert Rivera; however, Albert Rivera Jr. never owned any stock of the HDFC. *See* Exhibit 21.

65. Respondent caused this document to be prepared despite that the Estate of Albert Rivera had been closed and that she had been discharged according to the April 26, 2021 court order.

66. This document was false and fraudulent.

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<sup>2</sup> Upon information and belief, Respondent continued to receive payments after March 2024. Petitioner does not have those records. A court-ordered accounting would reveal the amount of payments after March 2024.

67. Starting in 2021 and continuing through at least 2023, Respondent was in regular communication with Ryan to ensure that they paid rent to her directly and to try to arrange a date for a closing the sale of the Building; however, a closing date was never scheduled. *See* Exhibit 22, Exhibit 16.

#### **V. False Statements in Connection Kings County Supreme Court Litigation**

68. In at least two actions pending in the Supreme Court, Kings County, Respondent has prepared documents falsely asserting that she has an ownership interest over the building at 13 Scholes Street, Brooklyn.

69. In *Diego Jalca et al. v. 13 Scholes Street Housing Development Fund Corp., et al.* (Kings Co. Index No. 506100/2018), Respondent caused to be prepared a verified answer dated April 11, 2022. *See* Exhibit 23. This answer was submitted in response to a complaint brought by a real estate broker alleging breach of contract by Albert Rivera. Respondent interposed this answer on behalf of 13 Scholes Street HDFC and the Estate of Albert Rivera, though at the time she had no authority to represent either, as she had been discharged as administrator of the estate, the estate was closed, the estate never contained any assets related to the Building, and she never had any control over 13 Scholes Street HDFC. Nevertheless, Respondent swore under penalty of perjury that she was the administrator of the Estate of Albert Rivera. She also swore that the information in the answer was true.

70. In *Scholes Residence LLC v. Clark, et al.* (Kings Co. Index No. 513564/2024), Respondent prepared an answer dated November 5, 2024 that she signed as administrator of the Estate and “Legal Representative” of 13 Scholes Street HDFC. *See* Exhibit 24. At the time that she prepared this answer, Respondent had no authority to represent the estate, as the estate was closed and she had been discharged as administrator, the estate never contained any assets

related to the Building, and she was never a legal representative of 13 Scholes Street HDFC.

Nevertheless, Respondent swore under penalty of perjury that the statements in the answer were true.

71. This document was never filed in the action, but rather Respondent emailed it to all parties, including Petitioner, on November 5, 2024. *See* Exhibit 25.

**FIRST CAUSE OF ACTION**  
**Fraud – N.Y. Exec. Law § 63(12)**

72. Petitioner repeats and re-alleges, as though fully set forth herein, paragraphs 1-71.

73. Executive Law § 63(12) authorizes the Attorney General to bring a special proceeding when any person or entity engages in repeated fraudulent acts or persistent fraud in the operation of a business.

74. Fraud under Executive Law § 63(12) is broadly defined to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

75. Respondent has engaged in repeated and persistent fraud.

76. Respondent has purported to be the co-owner, President, Secretary, and Treasurer of 13 Scholes Street HDFC when, in fact, she was none of those things.

77. Respondent personally enriched herself and Relief Respondents from monies paid to the HDFC for use and occupancy of the Building owned by the HDFC.

78. Respondent repeatedly and persistently misrepresented her legal relationship to the HDFC.

79. Respondent repeatedly and persistently misrepresented that she was the administrator of an estate that controlled the HDFC when, in fact, the estate did not contain any assets related to the HDFC and she was not administrator of any estate after April 2021.

80. Respondent caused to be created and signed false documents in order to give the appearance that she had the authority to conduct business on behalf of 13 Scholes Street HDFC and collect rent moneys meant for 13 Scholes Street HDFC.

81. Respondent caused to be created and signed false documents in order to make it appear that she was an individual with ownership interest in 13 Scholes Street HDFC.

82. Respondent repeatedly and persistently perpetrated a scheme that had the capacity and tendency to deceive by preparing and signing false documents in order to effectuate the sale of the Building, filing false documents with the City of New York, and preparing, signing, filing, and serving false documents related to Kings County Supreme Court actions.

83. By reason of the conduct alleged above, Respondent has engaged in repeated and persistent fraudulent conduct in violation of Executive Law § 63(12).

84. By reason of the conduct alleged above, Relief Respondents have been unjustly enriched by monies meant for 13 Scholes Street HDFC.

**SECOND CAUSE OF ACTION**  
**Removal for Cause**  
**New York Business Corporation Law § 716(c)**

85. Petitioner repeats and realleges, as though fully set forth herein, paragraphs 1-84.

86. Section 716(c) of the New York Business Corporation Law provides that the Attorney General may seek a judgment removing an officer of a New York corporation for cause.

87. Though Respondent was never duly elected or appointed to serve as an officer of 13 Scholes Street HDFC, for the avoidance of doubt, the Court should order that she be removed as an officer of 13 Scholes Street HDFC.

88. There is ample cause for Respondent's removal. She has stolen income meant for 13 Scholes Street HDFC. She has failed to pay \$41,479.13 in property taxes owed by 13 Scholes Street HDFC and failed to enforce the purported lease agreement requiring that Scholes Residence LLC pay the property taxes. She has failed to pay \$3,179.11 in water and wastewater charges owed by 13 Scholes Street HDFC. She has created and executed fraudulent documents in an effort to sell the Building owned by 13 Scholes Street HDFC for her personal benefit. She has violated the certificate of incorporation of 13 Scholes Street HDFC by personally enriching herself from moneys intended for the corporation.

### **PRAYER FOR RELIEF**

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

- A. Permanently enjoining Respondent from further engaging in the fraudulent and unlawful acts and practices alleged herein, pursuant to N.Y. Executive Law § 63(12), including but not limited to holding herself out as a person with authority over the affairs of 13 Scholes Street HDFC, collecting income of 13 Scholes Street HDFC, conducting any business on behalf of 13 Scholes Street HDFC, and taking any actions to effectuate a sale of the Building;
- B. Directing Respondent and Relief Respondents to disgorge the illegal profits and unjust enrichment, in an amount to be determined by the Court after an accounting, but no less than \$442,000, pursuant to N.Y. Executive Law § 63(12) and the inherent equitable powers of this Court;
- C. For the avoidance of doubt, ordering that Respondent be removed as an officer of 13 Scholes Street HDFC, pursuant to Business Corporation Law § 716(c); and

D. Granting such other and further relief as the Court may deem just and proper.

Dated: New York, New York  
March 10, 2025

Respectfully submitted,

LETITIA JAMES  
Attorney General of the State of New York  
Attorney for Petitioner  
28 Liberty Street  
New York, New York 10005  
(212) 416-8122  
Rachel.Hannaford@ag.ny.gov

By:  \_\_\_\_\_

RACHEL HANNAFORD  
Senior Enforcement Counsel  
Housing Protection Unit

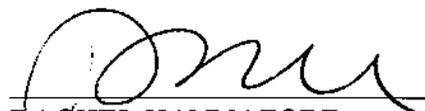
BRENT MELTZER  
Chief  
Housing Protection Unit

**VERIFICATION**

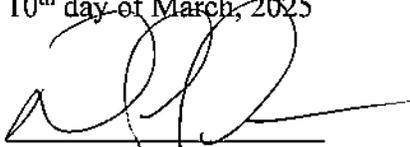
STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

RACHEL HANNAFORD, being duly sworn, deposes and says:

1. I am Senior Enforcement Counsel 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 contained in the files of the Housing Protect Unit in 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.

  
RACHEL HANNAFORD

Sworn to before me this  
10<sup>th</sup> day of March, 2025

  
NOTARY PUBLIC

**NICHOLAS J. MINELLA**  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 02M16137743  
Qualified in Westchester County  
My Commission Expires 12-05-2025