

### 13 NYCRR Section 17.3.

#### Prefiling Procedure (Optional)

(a) Sponsors of cooperative offerings may submit their proposed offering plans in draft form to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23<sup>rd</sup> Floor, New York, N.Y. 10271, with a request for analysis and comments. Three copies of such proposed plan should be submitted together with two copies of the exhibits described in section 17.2(c) of this Part.

(b) On the date the proposed offering plan in draft form is submitted to the Department of Law, the sponsor shall serve each offeree, as defined in section 17.1(f) of this Part, of any occupied building, with a copy of the proposed offering plan together with the following notice:

Date of Notice: \_\_\_\_\_

We have submitted for prefiling review to the New York State Department of Law, Real Estate Finance Bureau, a proposed offering plan for the conversion of [insert address or name of building] to a cooperative. The law requires us to disclose all material information concerning the building and the conversion process in an offering plan. A copy of the proposed offering plan is enclosed for you to retain. Other copies of the offering plan are available for inspection and copying at the office of the sponsor (or sponsor's selling agent) located at [insert address of sponsor or selling agent] and at the Department of Law.

The Attorney General strongly urges you to read this offering plan carefully and to consult with an attorney to advise you as to the meaning and consequences of the offering plan.

You may send written comments to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23<sup>rd</sup> Floor, New York, N.Y. 10271. You may also send your written comments to the sponsor (or sponsor's selling agent).

No apartments may be sold or offered for sale, no subscription agreements may be executed and no down payments may be accepted unless and until the Department of Law files the offering plan and a copy of the filed plan is served on each tenant.

(c) The upper portion of the front cover of every proposed offering plan shall contain the following statement in capital letters printed in red in boldface roman type of at least 10-point modern and at least two points leaded:

**THIS IS A PROPOSED OFFERING PLAN ("RED HERRING") TO CONVERT THE APARTMENTS IN THIS BUILDING TO A COOPERATIVE. IT HAS BEEN SUBMITTED TO THE NEW YORK STATE DEPARTMENT OF LAW, REAL ESTATE FINANCE BUREAU. THIS PROPOSED OFFERING PLAN IS SUBJECT TO MODIFICATION. APARTMENTS MAY NOT BE SOLD OR OFFERED FOR SALE UNTIL THE OFFERING PLAN IS FILED AND A FINAL COPY IS DELIVERED TO EACH TENANT.**

(d) The Department of Law, in its discretion, may issue a letter to the sponsor or sponsor's attorney stating that an offering plan that was submitted pursuant to the prefiling procedure for a building occupied in whole or in part for residential purposes is filed when:

(1) more than 120 days have elapsed from the date the draft offering plan was submitted to the Department of Law; and

(2) after analysis and comment as provided under subdivision (a) of this section, the sponsor submits 15 copies of the bound offering plan and a personal or certified check for one half the filing fees due under [G.B.L. section 352-e\(7\)\(a\)](#) payable to the New York State Department of Law.

At any time during the prefiling procedure, or if the Department of Law declines to issue such a letter to the sponsor or sponsor's attorney under the prefiling procedure, the sponsor may elect to submit for final filing. The sponsor then must comply with section 17.1(d) and (e) of this Part and shall be subject to the minimum and maximum time requirements and other requirements of section 17.1(g) of this Part.