ATTORNEY GENERAL OF THE STATE OF NEW YORK
HOUSING PROTECTION UNIT

In the Matter of

Assurance No. 26-049

Investigation by LETITIA JAMES,
Attorney General of the State of New York, of

Samson Management, LLC

Respondent.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York ("OAG") commenced an investigation pursuant to New York Executive Law ("Exec. Law") § 63(12) and New York General Business Law ("GBL") § 349 concerning Respondent Samson Management, LLC ("Respondent") deceptive and unlawful use of an unconscionable lease rider that made challenging an apartment's rent stabilization status an unlawful basis to be evicted. The lease rider was widely used by Respondent but OAG found and Respondent represents the rider was never enforced against tenants. This Assurance of Discontinuance ("Assurance") contains the findings of the OAG's investigation, and the relief agreed to by the OAG and Respondent Samson Management, LLC whether acting through its respective directors, officers, employees, representatives, agents, affiliates, subsidiaries, or affiliated single-purpose entities owning the property, etc. (collectively, the "Parties").

OAG'S FINDINGS

1. Samson Management, LLC and its corporate predecessors, have owned and/or managed properties in New York City since 1964.

2. The OAG found that Respondent uses a lease rider that states:

> The tenant understands and acknowledges that the apartment is not subject to any rent regulation including Rent Control, the Rent Stabilization law, and the Loft Law. No representations have been made to the tenant with respect to his/her rights to remain in occupancy at the end of the lease or under any rent regulatory provisions.
>
> Tenant acknowledges that in the event that he/she asserts a claim that he/she is covered by any rent regulation, then such claim shall be deemed a material breach of this lease and the owner shall have the right to terminate the lease in accordance with the provision thereof.
>
> Except for the execution of this rider, the landlord would not offer to enter into this lease with the tenant.

3. Respondent presently has 416 tenants in New York City who reside in allegedly unregulated apartments who have received this rider.

4. Respondent used this rider across their portfolio for many years for tenants who they maintain are not subject to rent stabilization, rent control, or the loft law.

5. Respondent has affirmatively represented to the OAG that they have never enforced the rider against a tenant.

6. Respondent stated it did not believe at the time the use of the rider was objectionable or illegal.

7. The OAG found no evidence that Respondent has enforced the rider against a tenant.

8. The OAG finds the second and third paragraphs of Respondent's rider violates New York law:

   a. Residential tenants cannot waive their right to litigate by a lease provision.

b. Residential tenants cannot waive any provision of the rent stabilization law or code pursuant to rent stabilization law §§ 2500.12 and 2520.13. Any such lease provision is illegal and void.

c. The lease rider is unconscionable as it is a non-negotiable term where a tenant must choose between losing their fundamental rights or their home.

d. The lease rider is a deceptive contract term as it implies that a tenant could be evicted for asserting their legal rights regardless of Respondent's ability to enforce.

9. OAG finds that Respondent's lease rider is in violation of Exec. Law § 63(12) and GBL § 349.

10. The OAG recognizes Respondent has cooperated with the OAG investigation and voluntarily agreed to discontinue use of the challenged lease rider.

11. Respondent admits the OAG findings in paragraphs 1-7, 10.

12. Respondent neither admit nor deny the OAG findings in paragraphs 8-9.

13. Respondent has agreed to this Assurance in settlement of the alleged violations described above and to avoid the time, expense, and distraction of litigation.

14. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. Therefore, the OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of Exec. Law § 63(12) and GBL § 349 based on the conduct described above during September 1, 2020 to present.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

RELIEF

15. General Injunction: Respondent shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to using residential leases or lease riders that waive tenants' rights to challenge the regulatory status of their apartments or threatens eviction for asserting their rights to challenge the regulatory status, and expressly agrees and acknowledges that any such conduct is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 19, *supra*, in addition to any other appropriate investigation, action, or proceeding.

16. Programmatic Relief:

a. Respondents to immediately cease use of the residential lease rider that waive tenants' rights to challenge the regulatory status of their apartments or threatens eviction for asserting their rights to challenge the regulatory status.

b. Respondents to provide a letter to current tenants who had the lease rider that explains their rights as tenants to be sent with the next lease renewal or separately by first-class mail or electronic mail before the lease renewal is due but in no event later than October 31, 2027. Respondent's proposed letter is attached as Exhibit 1.

c. Respondents will not use any residential lease or lease riders in the future that will prohibit tenants from challenging their rent regulatory status. Respondents may use a rider that states their belief of the regulatory status of the apartment.

d. Acceptance of this Assurance by the OAG is not an approval or endorsement by OAG of any of Respondent's policies practices or procedures, and the Respondent shall make no representation to the contrary.

e. The Parties agree that it would be difficult to value the damages caused by default in the performance of any obligation under this paragraph and therefore agree that Respondent shall pay to the State of New York a stipulated penalty of $50 for each and every such default in the performance of any obligation under this paragraph occurring after the Effective Date of the Assurance.

17. Oversight/Monitoring:

a. *Compliance Report:* The Respondent shall provide the OAG with a report detailing its compliance with the requirements set forth in this Assurance, paragraph 16 (Programmatic Relief), to be submitted to the OAG by November 15, 2027. This report shall be in writing and shall set forth in detail the manner and form of compliance with this Assurance. This report shall be signed by the Respondent or authorized representative certifying compliance with paragraph 16.

b. Respondent expressly agrees and acknowledges that a default in the performance of any obligation under this paragraph is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 19, *supra*, in addition to any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in paragraphs 8-9, pursuant to Executive Law § 63(15).

18. Monetary Relief:

a. *Monetary Relief Amount*: Respondent shall pay to the State of New York $2,000 in penalties (the "Monetary Relief Amount") without admission of fault or

liability. Payment of the Monetary Relief Amount shall be made in full within ten (10) days after execution of this Assurance.

b. Payments shall be made by attorney check, corporate or certified check, or bank draft, which shall be made payable to the "State of New York", and shall reference Assurance No. 26-049; payments shall be addressed to the attention of Justin R. La Mort, State of New York, Office of the Attorney General, Housing Protection Unit, 28 Liberty Street, New York, NY 10005.

c. *Default in Payment:* In the event that Respondent fails to timely and properly make payment as required by paragraph 18(a), the OAG will seek a monetary judgment for the unpaid sum of up to $2,000 from Respondent, as appropriate, plus collection fees of nine percent (9%) of any unpaid money at the time of the subsequent default, plus statutory cost of $15.

MISCELLANEOUS

Subsequent Proceedings:

19. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 34, and agrees and acknowledges that in such event:

a. any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;

b. the OAG may use statements, documents or other materials produced or provided by the Respondent prior to or after the effective date of this Assurance;

c. any civil action or proceeding must be adjudicated by the courts of the State of New York, in the county of New York, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue; and

d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).

20. If a court of competent jurisdiction determines that the Respondent has violated the Assurance, the Respondent shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Effects of Assurance:

21. This Assurance is not intended for use by any third party in any other proceeding.

22. All terms and conditions of this Assurance shall continue in full force and effect on any affiliated successor, affiliated assignee, or affiliated transferee of Respondent. Respondent shall include in any such affiliated successor, affiliated assignment, or affiliated transfer agreement a provision that binds the affiliated successor, affiliated assignee, or affiliated transferee to the terms of the Assurance. Notwithstanding anything to the contrary herein, the Assurance shall not apply to an unaffiliated purchaser for value. However, any affiliated entity associated with Respondents and/or its principals, shall not, for these purposes, be considered an unaffiliated purchaser.

23. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

24. Any failure by the OAG to insist upon the strict performance by Respondent of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by the Respondent.

Communications:

25. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 26-049, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient below unless Party updates the notice address in writing to opposing party, followed by postage prepaid mail, and shall be addressed as follows:

If to the Respondent, to:

Jordan M. Hyman, counsel for Respondent
Law Office of Jordan M. Hyman, PLLC
119 North Park Avenue, Suite 209, Rockville Centre, NY 11570,
jordan@jhymanlaw.com

If to the OAG, to:

Justin R. La Mort,
Assistant Attorney General,
28 Liberty Street, New York, NY 10038,
justin.lamort@ag.ny.gov,
or in his absence, to the person holding the title of
Bureau Chief, Housing Protection Unit.

Representations and Warranties:

26. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by the Respondent and their counsel and the OAG's own

factual investigation as set forth in Findings, paragraphs 1-10 above including but not limited to their representation in paragraph 5 that they did not enforce the lease rider. The Respondent represents and warrants that neither it nor its counsel has made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondent or its counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

27. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondent in agreeing to this Assurance.

28. The Respondent represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved. Respondent further represents and warrants that Samson Management, LLC by the undersigned officer, is authorized to execute as the signatory to this AOD, is a duly authorized officer acting at the direction of Samson Management, LLC.

General Principles:

29. Respondent's obligations to refrain from the use of illegal lease riders as described under paragraphs 16(a) and 16(c) under this Assurance are enduring. Nothing in this Agreement shall relieve Respondent of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

30. Respondent shall not in any manner discriminate or retaliate against any of its tenants, including but not limited to tenants who cooperated or are perceived to have cooperated with the investigation of this matter or any future investigation related to enforcing this

agreement. OAG will monitor and reserves the right to enforce the Assurance for 2 years from the Effective Date of this Assurance.

31. Respondent agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the Assurance or creating the impression that the Assurance is without legal or factual basis.

32. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that the Respondent violates the Assurance after its effective date.

33. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

34. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

35. Respondents acknowledge that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

36. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

37. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

38. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one

transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Assurance and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

39. The Effective Date of this Assurance shall be November 11, 2026.

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By: Justin R. La Mort
Justin R. La Mort, Esq.
AAG, Housing Protection Unit

SAMSON MANAGEMENT, LLC

By: _____
Brian McCarthy
Executive Vice President

STATE OF NEW YORK

ss.:

COUNTY OF QUEENS

On the 11th day of November in the year 2026 before me personally came Brian McCarthy to me known, who, being by me duly sworn, did depose and say that he/she/they maintain offices in Queens County, New York; that he/she/they is (are) the Executive Vice President of Samson Management, LLC, the Limited Liability Company ("LLC") described in and which executed the above instrument; that he/she/they know(s) the seal of said LLC; that the seal affixed to said instrument is such LLC seal; that it was so affixed by authority of the Limited Manager of said LLC, and that he/she/they signed his/her/their names(s) thereto by like authority.

Sworn to before me this
11th day of November, 2026

_____
NOTARY PUBLIC

SHAWNA L FOWLER
Notary Public - State of New York
NO. 01FO0000732
Qualified in Queens County
My Commission Expires Feb 6, 2027

EXHIBIT "1"

NOTICE OF THE REMOVAL

OF THE RIDER TO THE LEASE

TO ALL TENANTS:

Samson Management LLC and the applicable owners hereby remove the rider which states the following language "Tenant acknowledges that in the event that he/she asserts a claim that he/she is covered by any rent regulation, then such claim shall be deemed a material breach of this lease and the owner shall have the right to terminate the lease in accordance with the provisions thereof".

The Rider will not be included in any future renewal lease as well as any new leases. The managing agent and landlord has never enforced this language against any tenant and will not in the future. The rider is hereby considered to be voided as part of the original lease.