

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE

THE PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General of
New York, ERIE COUNTY, NEW YORK,
and the CITY OF BUFFALO, NEW YORK,

Index No. 804031/2023

Plaintiffs,

-against-

FARHAD RAISZADEH, SHOHRE ZAHEDI,
PRIME HERITAGE HOMES, LLC, PREMIER
HERITAGE HOMES, LLC, PREMIUM
HERITAGE HOMES, LLC, MAXINNOVA, INC.,
and MAXINNOVA DEFINED BENEFITS PLAN,

Defendants.

CONSENT ORDER AND JUDGMENT

WHEREAS, plaintiffs, the People of the State of New York (the “State”), acting by and through by their attorney, Letitia James, Attorney General of the State of New York, Erie County, New York (the “County”), and the City of Buffalo, New York (the “City”) commenced this action on March 29, 2023 by filing a complaint (the “Complaint”) against defendants Farhad Raiszadeh (“Raiszadeh”), Shohre Zahedi, Prime Heritage Homes, LLC, Premier Heritage Homes, LLC, Premier Heritage Homes, LLC, Maxinnova, Inc., and Maxinnova Defined Benefit Plan¹ pursuant to New York Executive Law § 63(12) and General Business Law § 349 alleging, *inter*

¹ Prime Heritage Homes, LLC, Premier Heritage Homes, LLC, Premier Heritage Homes, LLC, Maxinnova, Inc., and Maxinnova Defined Benefit Plan are referred to hereafter as the “Entity Defendants”.

alia, false disclosures and violations of Article IX of the Erie County Sanitary Code, Buffalo City Code, the New York State Property Maintenance Code, New York State Real Property Law § 235-b(1), the New York State Public Health Law and its attendant regulations, the U.S. Environmental Protection Agency’s implementing lead disclosure regulations, 40 C.F.R. Part 745, Subpart F; the U.S. Department of Housing and Urban Development’s implementing lead disclosure regulations, 24 C.F.R. Part 35, Subpart A; and the U.S. Environmental Protection Agency’s implementing regulations governing residential property renovation, 40 C.F.R. Part 745, Subpart E; and

WHEREAS, this Consent Order and Judgment (“Consent Judgment”) is entered at the request of the State, City, County, Raiszadeh and the Entity Defendants; and

WHEREAS, poisoning of children from lead-based paint in aging rental housing is an ongoing public health crisis. Although lead has been banned from paint for over forty years, lead remains among the most common environmental toxins for young children. Lead poisoning in Buffalo is highest among children of color and children living in low-income neighborhoods; and

WHEREAS, since 2008, the defendants have owned or managed at least 78 rental properties, predominantly one- and two-family houses, in Erie County; the vast majority of these properties are in Buffalo (the “Raiszadeh Properties”); and

WHEREAS, defendants Farhad Raiszadeh and Shohre Zahedi are the only members of defendants Prime Heritage Homes, LLC (Prime), Premium Heritage

Homes, LLC (Premium), Premier Heritage Homes, LLC (Premier), the only shareholders of Maxinnova, Inc., and the only trustees of Maxinnova Defined Benefit Plan² and have been at all relevant times; and

WHEREAS, defendant, Shohre Zahedi is not involved in the day-to-day operations of the defendants; and

WHEREAS, as of the filing of the Complaint in this action, the Entity Defendants collectively owned 75 Properties, and

- a. Prime was the owner of 20 of the Properties;
- b. Premium was the owner of 22 of the Properties;
- c. Premier was the owner of 24 of the Properties; and
- d. Maxinnova was the owner of 9 of the Properties; and

WHEREAS, from 2008 to March 2025, at least 51 of the Raiszadeh Properties were cited by inspectors from the Erie County Health Department (County Health), the City of Buffalo Department of Permits and Inspection Services (City DPIS), and/or Section 8 providers for chipping, peeling, or deteriorating paint and other conditions conducive to lead poisoning. In total, at least 410 interior and 599 exterior paint violations were cited at the 51 Raiszadeh Properties; and

WHEREAS, all 78 of the Raiszadeh Properties have buildings that were built between 1850 and 1944 and are presumed to contain lead paint; and

² Maxinnova, Inc. and Maxinnova Defined Benefits Plan are referred to collectively hereafter as “Maxinnova”.

WHEREAS, from 2017 through March 2025 at least 14 children occupying a rental unit in one of the Raiszadeh Properties cited for lead paint violations have been poisoned by lead.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

I. PENALTIES AND PAYMENTS

1. The Effective Date means the date on which this Consent Judgment is entered by the Court. Raiszadeh and the Entity Defendants (collectively referred to as the “Settling Defendants” hereafter), shall be liable as follows:

A. Civil Penalty Upon Entering

2. The Settling Defendants shall pay to the State a penalty in the total amount of seventy thousand dollars and no cents (\$70,000.00) (the “Penalty”) to be used to fund the Raiszadeh Tenant Relief Fund. The Settling Defendants shall remit to the Office of Attorney General of the State of New York (“OAG”) a certified check in the amount of \$70,000 payable to the “The State of New York” and shall deliver it to Patrick B. Omilian, Assistant Attorney General, Environmental Protection Bureau, 350 Main Street, Suite 300A, Buffalo, New York 14202. Such certified check shall be remitted by the Settling Defendants to the Attorney General such that it is received within 30 days of the Effective Date.

3. At the time payment of the Penalty is remitted, the Settling Defendants shall provide notice to the State, County, and City that payment has been made. The Settling Defendants shall include each of their taxpayer identification numbers when

they make that payment to enable compliance with federal Internal Revenue Service reporting requirements.

4. After OAG receives the \$70,000 penalty payment from the Settling Defendants, plaintiffs shall discontinue all claims against Shohre Zahedi, with prejudice.

B. Suspended Penalty

5. The Settling Defendants shall be jointly and severally liable for an additional penalty of four hundred forty-five thousand dollars and no cents (\$445,000.00) accruing interest at the rate of 9% from the Effective Date, all of which shall be stayed contingent on the Settling Defendants' full compliance with the terms of this Consent Judgment (the "Suspended Penalty"). Upon the Settling Defendants' timely remittance of the Penalty and upon satisfactory completion of every Risk Assessment Report and associated remediation through Lead Control Plan completion described in this Consent Judgment, the obligation to pay the Suspended Penalty shall be removed. In the event the Suspended Penalty becomes due, the Settling Defendants shall remit to the Office of Attorney General of the State of New York a certified check payable to the "The State of New York" and shall deliver it to Patrick B. Omilian, Assistant Attorney General, Environmental Protection Bureau, 350 Main Street, Suite 300A, Buffalo, New York, 14202. Such certified check shall be remitted by the Settling Defendants to the OAG within ten (10) days of written notice and demand from the State for such Suspended Penalty.

C. Escrow Account as Security for Performance

6. In consideration for the State agreeing to the Consent Judgment and as security for the Settling Defendants' full compliance with the provisions of this Consent Judgment, the Settling Defendants shall, within five (5) days of the Effective Date, establish an escrow account at a financial institution or other escrow agent, acceptable to the OAG, where the Risk Assessment and Remediation Fund required by this Consent Judgment shall be deposited and maintained. No funds deposited into such escrow account shall be withdrawn by the Settling Defendants or released by the escrow agent without express, prior written authorization by the OAG, and only in accordance with this Consent Judgment.

7. The penalties provided under this Consent Judgment, and any interest, nonpayment penalties, and charges described in this Consent Judgment, shall represent penalties assessed by the State within the meaning of 26 U.S.C. § 162(f) and are not tax deductible for purposes of federal, state, or local law. Accordingly, the Defendants agree to treat all payments made pursuant to this Consent Judgment as penalties within the meaning of 26 C.F.R. § 1.162-21, and further agree not to use those payments in any way as, or in furtherance of, a tax deduction under federal, state, or local law.

II. INJUNCTIVE RELIEF

A. Compliance with Lead Hazard Control Laws

8. The Settling Defendants shall comply in all respects with all applicable laws, including but not limited to the Erie County Sanitary Code, Buffalo City Code, the New York State Public Health Law, the New York State Fire Prevention and

Building Code, the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*, and regulations promulgated thereunder, in their residential rental business in Erie County, New York.

B. Lead Risk Assessment and Control Items

1. Risk Assessments

9. Within thirty (30) days of the Effective Date, the Settling Defendants shall engage an individual or company (the “Risk Assessor”) who will conduct the lead hazard risk assessments at the Properties identified in Appendix A, as described in paragraphs 29-34 below.

10. The Settling Defendants shall submit to the OAG, the County, and the City the name(s) of the individual(s) or companies they propose to serve as the Risk Assessor. At a minimum, the Risk Assessor must be trained by an accredited training program, as defined by 40 C.F.R. § 745.223, and certified by the EPA pursuant to 40 C.F.R. § 745.226, whose approval to conduct risk assessments is not subject to suspension or revocation and be affiliated with a firm that has at least five years of experience as performing lead hazard risk assessments.

11. Prior to engaging the Risk Assessor, the Settling Defendants shall provide a copy of this Consent Judgment to the potential Risk Assessor and assure that the Risk Assessor understands and is willing and able to perform the Risk Assessor’s responsibilities as set forth in this Consent Judgment.

12. The Risk Assessor must be reviewed and approved by the OAG prior to their engagement. The engagement of the Risk Assessor will begin on the date the Defendants execute a signed agreement with the Risk Assessor.

13. Neither the Settling Defendants, nor any of their principals, shall employ any current or former employees of the Risk Assessor during the tenure of this Consent Judgment.

14. The OAG, the County, and the City, at their sole discretion, shall have a right to independently confer with the Risk Assessor and require that the Settling Defendants replace the Risk Assessor, or any one of their designees or agents, upon the OAG's reasonable determination that the Risk Assessor has not effectively performed its responsibilities as described in paragraphs 29-34 below. If, after discussion with the Risk Assessor, the OAG finds that there is a violation of the Consent Judgment the OAG will provide notice to the Settling Defendants identifying the grounds and findings.

15. Should the OAG make a reasonable determination that the Risk Assessor be removed, the Settling Defendants shall have 30 days to propose the name of a new Risk Assessor for approval by the OAG.

16. The Risk Assessor may be replaced at the reasonable request of the Settling Defendants subject to the OAG's approval of the need for and appointment of a new Risk Assessor.

17. The Risk Assessor shall have access to all information within the Settling Defendants' possession, custody, or control that the Risk Assessor finds necessary to fulfill their responsibilities as set forth in this Consent Judgment.

2. Third Party Monitor

18. Within thirty (30) days of the Effective Date, the Settling Defendants shall engage an individual or company ("Monitor") to perform all tasks of the Monitor as specified and described in this Consent Judgment. Such tasks of the Monitor include, without limitation and by way of example, preliminary review of Risk Assessment Reports (as defined herein) before work at properties begins, ongoing consultation with the Settling Defendants on lead remediation and control work as required in Subsections D and E that will ensure efficient and full compliance with this Consent Judgment and preparing Quarterly Lead Control Project Reports as required by Subsection F below.

19. The Risk Assessor and the Monitor contemplated by this Consent Judgment may, but need not, be the same person or firm.

20. Within seven (7) days of the Effective Date, OAG shall provide the Settling Defendants a list of at least three (3) firms who OAG has determined are appropriate to serve as a Monitor in this matter.

21. Prior to engaging the Monitor, the Settling Defendants shall provide a copy of this Consent Judgment to the potential Monitor and assure that the Monitor understands and is willing and able to perform the Monitor's responsibilities as set forth in this Consent Judgment.

22. The engagement of the Monitor will begin on the date the Settling Defendants execute a signed agreement with the Monitor (“Monitor Engagement Date”).

23. The Monitor shall not enter into other contracts or agreements with the Settling Defendants or any of their principals or affiliates during the tenure of this Consent Judgment except as authorized by this Consent Judgment or the OAG.

24. Neither the Settling Defendants, nor any of their principals, shall employ any current or former employees of the Monitor during the tenure of this Consent Judgment and for two (2) years after the termination of this Consent Judgment.

25. The OAG, the County, and the City, at their sole discretion, shall have a right to independently confer with the Monitor and require that the Settling Defendants replace the Monitor, or any one of their designees or agents, upon the OAG’s reasonable determination that the Monitor has not effectively performed its responsibilities as described in Sections E. and F. below. If, after discussion with the Monitor, the OAG finds that there is a violation of the Consent Judgment the OAG will provide notice to the Settling Defendants identifying the grounds and findings.

26. Should the OAG make a reasonable determination that the Monitor be removed, the Settling Defendants shall have 30 days to propose the name of a new Monitor for approval by the OAG.

27. The Monitor may be replaced at the reasonable request of the Settling Defendants subject to the OAG's approval of the need for an appointment of a new Monitor.

28. The Monitor shall have access to all information within the Settling Defendants' and the Risk Assessor's possession, custody, or control that the Monitor finds necessary to fulfill their responsibilities as set forth in this Consent Judgment.

D. Lead Hazard Risk Assessments

29. Within thirty (30) days or as soon as practicable after the Settling Defendants have retained the Risk Assessor, the Risk Assessor shall (a) conduct a lead hazard risk assessment for lead-based paint hazards at the Raiszadeh Properties identified in Appendix A ("Priority Properties") and (b) generate a risk assessment report in accordance with the requirements set forth in paragraph 34 (the "Risk Assessment Report"). A copy of the Risk Assessment Report shall be provided to each of the Settling Defendants, the State, the County and the City.

30. A lead-based paint hazard is "any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects." 24 C.F.R. § 35.86.

31. The Settling Defendants shall cooperate with the Risk Assessor in scheduling the risk assessment at each property.

32. The Lead Hazard Risk Assessment shall be performed in accordance with the requirements set forth below as codified in 40 C.F.R. § 745.227(d)(1)-(10):

(1) A risk assessment shall be conducted only by a person certified by EPA as a risk assessor and, if conducted, must be conducted according to the procedures in this paragraph.

(2) A visual inspection for risk assessment of the residential dwelling or child-occupied facility shall be undertaken to locate the existence of deteriorated paint, assess the extent and causes of the deterioration, and other potential lead-based paint hazards.

(3) Background information regarding the physical characteristics of the residential dwelling or child-occupied facility and occupant use patterns that may cause lead-based paint exposure to one or more children age 6 years and under shall be collected.

(4) The following surfaces which are determined, using documented methodologies, to have a distinct painting history, shall be tested for the presence of lead:

(i) Each friction surface or impact surface with visibly deteriorated paint; and

(ii) All other surfaces with visibly deteriorated paint.

(5) In residential dwellings, dust samples (either composite or single-surface samples) from the interior window sill(s) and floor shall be collected and analyzed for lead concentration in all living areas where one or more children, age 6 and under, are most likely to come into contact with dust.

...

(7) For child-occupied facilities, interior window sill and floor dust samples (either composite or single-surface samples) shall be collected and analyzed for lead concentration in each room, hallway or stairwell utilized by one or more children, age 6 and under, and in other common areas in the child-occupied facility where one or more children, age 6 and under, are likely to come into contact with dust.

(8) Soil samples shall be collected and analyzed for lead concentrations in the following locations:

- (i) Exterior play areas where bare soil is present; and
- (ii) The rest of the yard (i.e., non-play areas) where bare soil is present.
- (iii) Dripline/foundation areas where bare soil is present.

(9) Any paint, dust, or soil sampling or testing shall be conducted using documented methodologies that incorporate adequate quality control procedures.

(10) Any collected paint chip, dust, or soil samples shall be analyzed according to paragraph (f) of [40 C.F.R. § 745.227] to determine if they contain detectable levels of lead that can be quantified numerically.

33. The Risk Assessor shall prepare a Risk Assessment Report that contains the information set forth in 40 C.F.R. § 745.227(d)(11):

- (i) Date of assessment.
- (ii) Address of each building.
- (iii) Date of construction of buildings.
- (iv) Apartment number (if applicable).
- (v) Name, address, and telephone number of each owner of each building.
- (vi) Name, signature, and certification of the certified risk assessor conducting the assessment.
- (vii) Name, address, and telephone number of the certified firm employing each certified risk assessor if applicable.

(viii) Name, address, and telephone number of each recognized laboratory conducting analysis of collected samples.

(ix) Results of the visual inspection.

(x) Testing method and sampling procedure for paint analysis employed.

(xi) Specific locations of each painted component tested for the presence of lead.

(xii) All data collected from on-site testing, including quality control data and, if used, the serial number of any XRF device.

(xiii) All results of laboratory analysis on collected paint, soil, and dust samples.

(xiv) Any other sampling results.

(xv) Any background information collected pursuant to paragraph (d)(3) of [40 C.F.R. § 745.227].

(xvi) To the extent that they are used as part of the lead-based paint hazard determination, the results of any previous inspections or analyses for the presence of lead-based paint, or other assessments of lead-based paint-related hazards.

(xvii) A description of the location, type, and severity of identified lead-based paint hazards and any other potential lead hazards.

(xviii) A description of interim controls and/or abatement options for each identified lead-based paint hazard and a suggested prioritization for addressing each hazard. If the use of an encapsulant or enclosure is recommended, the report shall recommend a maintenance and monitoring schedule for the encapsulant or enclosure.

34. Within seven days of their receipt by the Settling Defendants, the Settling Defendants shall provide copies of the Risk Assessment Reports to the Monitor, the OAG, the County, the City, and every tenant of every occupied unit.

E. Lead Control Plan and Lead Control Projects

1. Lead Control Plans

35. Within thirty (30) days after the Risk Assessment Reports are provided to the Settling Defendants, for each property where conditions conducive to lead poisoning or potential lead hazards are identified by the Risk Assessor, the Defendants shall, in consultation with the Monitor, prepare a lead control plan to correct all conditions conducive to lead poisoning and correct other potential lead hazards identified by the Risk Assessor (the “Lead Control Plan”). Each Lead Control Plan must be reviewed by the Monitor, and approved by the County Department of Health and OAG, prior to any lead-related work at the properties commences.

36. Unless otherwise agreed to in writing by all parties, the Lead Control Plans shall be implemented based on the following schedule of priorities:

- i. First, address and remedy all conditions conducive to lead poisoning on the interior of each residence where a child(ren) six years of age or under resides;
- ii. Second, address and remedy all conditions conducive to lead poisoning on the interior of all residences;
- iii. Third, address and remedy all conditions conducive to lead poisoning on the exterior of each residence where a child(ren) six years of age or under resides;
- iv. Fourth, address and remedy all conditions conducive to lead poisoning on the exterior of all residences.

2. Lead Control Projects

37. The work done to satisfactorily complete a Lead Control Plan at a property shall be referred to as a “Lead Control Project”.

38. For each property where conditions conducive to lead poisoning and/or potential lead hazards are identified by the Risk Assessor, all work required to complete a Lead Control Plan shall be performed by an EPA certified firm, EPA certified renovators, EPA certified lead contractor if needed, and properly trained and licensed workers and in full compliance with all applicable local, state, and federal laws.

39. The EPA certified firm must be reviewed and approved by the Monitor prior to their engagement. The engagement of the EPA certified firm will begin on the date the Settling Defendants execute a signed agreement with the EPA certified firm.

40. For each occupied property where work will be undertaken to correct conditions conducive to lead poisoning and/or control potential lead hazards, the certified firm shall prepare an occupant protection plan in conformance with 40 C.F.R. 745.227(e)(5). Such occupant control plan shall become part of the Lead Control Plan for each respective property. In the event an occupant control plan requires that occupants be temporarily relocated during work, the Settling Defendants shall provide, at the Settling Defendants’ full expense, the impacted tenants with safe and conveniently located accommodations while remediation work is being performed and/or appropriate compensation to terminate their tenancy and leave the premises.

41. Notwithstanding the foregoing provisions, all Lead Control Projects must be completed within eighteen (18) months from the Effective Date.

42. Notwithstanding the foregoing provisions, all City and County violations identified in Appendix B must be corrected within 60 days of the Effective Date.

43. The Settling Defendants shall incur a minimum of \$445,000 in Qualified Expenses to complete the Lead Control Projects unless otherwise relieved of this obligation by the OAG upon satisfactory proof of full compliance with the terms of this Consent Judgment after less expenditures.

44. After completion of all work at a Lead Control Project, the property shall undergo dust wipe clearance sampling in accordance with the dust wipe clearance procedures required by the United States Department of Housing and Urban Development's Lead Safe Housing Rule, 24 C.F.R. 35.1340(b) and the United States Environmental Protection Agency's Dust-Lead Hazard Standards and Dust-Lead Post-Abatement Clearance Levels 40 CFR 745.227(e)(8). Dust wipe sample results shall be provided to the Monitor who shall have final authority to determine when a property at which a Lead Control Project has occurred is cleared as complete.

45. "Satisfactory completion" of the Lead Control Projects shall mean: (a) within 30 days of the Effective Date, establishing an escrow account at an authorized bank or other authorized escrow agent and depositing into such account \$445,000 for use in implementing the Lead Control Projects in accordance with this Consent Judgment; and (b) spending a minimum of \$445,000 in Qualified Expenses (as

defined herein) in completing Lead Control Projects unless otherwise relieved of this obligation by the OAG upon satisfactory proof of full compliance with the terms of this Consent Judgment after less expenditures.

3. Qualified Expenses

46. “Qualified Expenses” shall mean expenses incurred conducting control activities on or involving “Target Components” as part of the Lead Control Project at the Lead Control Project Properties in accordance with this Consent Judgment, and:

a. Costs that are eligible for credit as Qualified Expenses include costs incurred at the Priority Properties for the Risk Assessor, Monitor, and the cost of materials and labor actually incurred in addressing lead hazards on Target Components as identified in a Risk Assessment Report prepared by the Risk Assessor under this Consent Judgment.

“**Target Components**” shall mean building components that have Friction Surfaces, Impact Surfaces or chewable surfaces – such as windows, window sills, thresholds, floors, doors, stairs, porches, and railings – and were either installed and painted as part of the original construction or proven through testing or otherwise to have lead-based paint on them.

b. Qualified Expenses do not include the Defendants’ overhead, cost mark-ups on materials or labor, administrative expenses, legal fees; and/or any time and salary spent by the Defendants’ own personnel supervising, administering, managing, or overseeing Lead Control

Project contractors. Also, costs incurred by the Settling Defendants and/or its employees to obtain training or certifications required for conducting lead control work or for meeting any New York laws and regulations to perform Lead Control Project-related work are not eligible for credit as a Qualified Expense. In addition, costs for repairs or improvements that do not involve lead-based paint hazard control or the mitigation of lead-based paint hazards are not eligible for Lead Control Project expense credit.

c. Costs of conducting dust wipe clearance testing after work that is part of a Lead Control Project are Qualified Expenses. Further, any other costs of post-work inspections by an independent licensed lead inspector are not eligible for Lead Control Project credit.

d. The costs associated with the use of any Interim Controls at any of the Properties are not Qualified Expenses. “**Interim Controls**” shall mean a set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards, including specialized cleaning, repairs, maintenance, painting, temporary containment, ongoing monitoring of lead-based paint hazards or potential hazards, and the establishment and operation of management and resident education programs.

e. The costs of materials and labor for painting any surfaces shall not be considered “Qualified Expenses” unless specifically included in a Lead Control Plan.

f. The Settling Defendants shall have the burden of establishing that an incurred expense constitutes a “Qualified Expense”.

4. Lead Grant Funding

47. The parties recognize that the Settling Defendants may qualify for lead hazard-related grant funding from outside sources for performing certain lead hazard reduction activities in the Properties, some of which may be within the scope of lead hazard reduction contemplated by this Consent Judgment. While the Settling Defendants are encouraged to apply for available outside grant funding, they may not use outside grant funding to pay the entire \$445,000 required to be spent on Lead Control Projects.

48. In the event the Settling Defendants apply for and receive lead-related grant funding that they use at the Properties, the following governs the use of such grant funds and reduction of the Settling Defendants’ \$445,000 Suspended Penalty:

a. The Settling Defendants may apply lead-related grant funds to reduce the \$445,000 liability by no more than 33 1/3% (i.e. \$148,333.33).

b. For every one dollar in lead-related granting funding the Settling Defendants receive and spend as a Qualified Expense at the Properties, they may reduce their out-of-pocket liability for the \$445,000 Suspended Penalty by 33 1/3%, up to a maximum reduction of \$148,333.33. By way of examples only,

Example 1: If the Settling Defendants obtain \$99,000 in lead grant money, the Settling Defendants would receive a credit of 33 1/3% of that (\$33,000) towards the Defendants' Suspended Penalty liability. $\$445,000 - \$33,000 = \$412,000$. The Settling Defendants would still have to spend \$412,000 of their own funds, so total investment on Qualified Expenses (\$99,000 grant plus the Settling Defendants' \$412,000) would be \$511,000 instead of \$445,000.

Example 2: If the Settling Defendants obtain \$24,000 in lead grant funds, the Settling Defendants would receive a 33 1/3% credit (\$8,000) towards the Settling Defendants' Suspended Penalty liability. The Settling Defendants would still have to spend $\$445,000 - 8,000 = \$437,000$ of their own funds. The total lead control project investment would be \$24,000 grant funds, plus \$437,000 of the Settling Defendants' own funds, = \$461,000 total investment in Qualified Expenses.

c. In the event the Settling Defendants apply for lead-related grant funding, the Settling Defendants shall provide copies of any such application to OAG at the time of submission.

d. In the event the Settling Defendants receive any lead-related grant funding, they shall inform OAG of the same and shall provide OAG with an accounting of all such grant funding received, and where such grant funding has been spent at a Raiszadeh Property. Such notice shall be provided in a commercially reasonable manner.

F. Reporting

49. The Monitor shall prepare and submit a quarterly lead control project report ("Quarterly Report") to the Settling Defendants, OAG, the County, and the City no later than the 21st day of the month following each 3-month period after the Effective Date. The Monitor shall continue to submit such written Quarterly Reports for at least four full 3-month reporting periods after the Effective Date, unless the

Lead Control Project has been previously completed and a written Lead Control Project Clearance Report has been submitted to the Monitor.

50. Each Quarterly Report shall outline the work completed as well as any funds spent on Qualified Expenses during the applicable reporting period. For each reporting period, as applicable, each Quarterly Report shall include: 1) copies of all invoices documenting any funds spent towards completion of the Lead Control Project; 2) photographs taken both before control work begins and after work is completed; and clearance reports for any properties cleared during such quarter.

51. For four (4) years following the Effective Date, beginning on the first anniversary of the Consent Judgment, the Settling Defendants shall retain a third party, EPA-certified inspector to perform a visual and dust clearance inspection of every residential rental property that the Settling Defendants own and manage in New York State. At each property where a Risk Assessment was performed in accordance with this Consent judgment, such inspector shall perform an inspection in accordance with the Risk Assessor's recommendations at such property for ongoing inspection and evaluation. At all other Raiszadeh Properties where no Risk Assessment was required to be performed, such inspection shall perform a visual and dust clearance inspection in accordance with federal HUD HQS guidelines. Such inspector shall generate an inspection report for each inspection and the Settling Defendants shall provide a copy of each inspection report to the OAG, the City, the County, and each tenant of an inspected unit within seven days of receipt of such report.

G. Maintenance and Sale of Rental Properties

52. For as long as the Settling Defendants own and/or manage residential rental property in the State of New York, the Settling Defendants are required to maintain and manage their residential rental properties in accordance with all applicable local, state, and federal laws.

53. In the event that any inspection performed at a Raiszadeh property in accordance with paragraph 51 above reveals a condition conducive to lead poisoning, the Settling Defendants shall correct such condition conducive to lead poisoning, using an EPA certified firm to do so, within thirty (30) days of Settling Defendants' receipt of such inspection report.

54. The Settling Defendants will not sell the residential properties identified on Appendix A until these have been satisfactorily lead-controlled in accordance with paragraphs 37 – 45 above.

55. After the Effective Date, OAG shall be entitled to file a Notice of Pendency with respect to each of the properties identified on Appendix A. After a residential property identified on Appendix A has been satisfactorily lead-controlled as required by this Consent Judgment, the OAG and the Settling Defendants shall file an appropriate stipulation cancelling the notice of pendency with respect to such property. The Settling Defendants will be able to sell or transfer a satisfactorily abated residential property identified on Appendix A provided that the Settling Defendants comply with all applicable laws, including payment of any outstanding City or County property taxes or assessments and providing a full and accurate lead

disclosure statement, a lead information pamphlet, and a copy of the risk assessment report for that property to the prospective buyer(s).

56. For five years following entry of this Consent Judgment, in the event that the Settling Defendants acquire any rental property that is not on Appendix C, Settling Defendants shall notify the OAG, the County, and the City in writing within 30 days of acquisition.

57. In the event that County Health and/or any municipal housing code enforcement agency, including the City DPIS, issue any citations to any rental property owned by the Settling Defendants chipping, peeling, or deteriorating paint or other conditions conducive to lead poisoning after the Effective Date, the Settling Defendants will be required to correct those violations in a timely manner and will be subject to any fines, penalties or fees assessed thereon in accordance with all applicable laws.

58. Nothing in this Consent Judgment relieves the Settling Defendants from liability for any future violations of the Erie County Sanitary Code, Buffalo City Code, the New York Public Health Law, or any other law, that have not been cited or noticed as of the Effective Date of this Consent Judgment.

59. Nothing in this Consent Judgement waives any right of the City or County to payment of any unpaid property taxes or assessments on any property owned by Defendants.

60. In the event that the Settling Defendants choose to sell any property that has been cited after the Effective Date by either County Health and/or the City

DPIS for lead-based paint violations, the Settling Defendants are required to retain a Lead Hazard Risk Assessor to perform a risk assessment at such cited property(ies) in accordance with the requirements of Part C of this Consent Judgment. The Lead Hazard Risk Assessor shall generate a report in accordance with the requirements of Part D of this Consent Judgment. The Defendants shall provide a copy of the risk assessment report to OAG, the City, the County, and all prospective buyers of such property.

61. The Settling Defendants are required to comply with all applicable laws, including the federal disclosure laws, prior to selling any property.

H. Lead Disclosures to Tenants

62. Within fourteen (14) days of the Effective Date, the Settling Defendants shall provide the OAG with the following information for each residential rental property owned and/or managed by the Settling Defendants in New York:

- a. Identify the address and designation (e.g. upper, lower, front, rear) of each rental unit; and
- b. names and phone numbers of the tenant(s) at each rental unit.

63. Within thirty (30) days of the Effective Date, the Settling Defendants shall provide every tenant of every residential rental unit owned and/or managed by the Settling Defendants with a full and accurate lead disclosure statement on the form located at https://www.epa.gov/sites/default/files/documents/lesr_eng.pdf (attached as Appendix D) and a lead information pamphlet located at <https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home->

[portrait-color-2020-508.pdf](#) (attached as Appendix E) and any other reports of lead paint or lead hazards relating to such address.

64. For every future tenant in each and every residential rental unit owned and/or managed by the Settling Defendants, the Settling Defendants shall provide every tenant of every residential rental unit owned and/or managed by the Settling Defendants with a full and accurate lead disclosure statement on the form located at https://www.epa.gov/sites/default/files/documents/lesr_eng.pdf and a lead information pamphlet located at <https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home-portrait-color-2020-508.pdf> and any other reports of lead paint or lead hazards relating to such address.

III. ADDITIONAL STIPULATED PENALTIES

65. In the event that the Settling Defendants fail to comply with any of the terms or provisions of this Consent Judgment relating to performance of any Lead Control Project, the Settling Defendants shall be jointly and severally liable for stipulated penalties according to the provisions set forth below (individually and collectively, “Stipulated Penalties”):

- a. For failure to submit any required Lead Control Project Completion Report, for each report the Settling Defendants shall pay a penalty to the State in the amount of \$50 for each day that they are late;
- b. For a Lead Control Project that has not been completed satisfactorily pursuant to this Consent Judgment, the Settling Defendants shall pay a penalty to the State of \$445,000, plus interest from the effective date

of the Consent Judgment. The definition of “satisfactory completion” is set forth above in paragraph 45. However, if the Settling Defendants spend less than \$445,000 but otherwise satisfactorily complete the Lead Control Project, the Settling Defendants shall only be required to pay a penalty to the State in the amount equal to the difference between \$445,000 and the actual amount of Qualified Expenses incurred on the Lead Control Project.

66. The determinations of whether the Lead Control Projects have been satisfactorily completed and whether Settling Defendants have made a good faith, timely effort to implement the Lead Control Projects shall be in the sole discretion of OAG, which shall not be unreasonably withheld.

67. Stipulated Penalties shall begin to accrue on the day after performance is due and shall continue to accrue through the final day of the completion of the activity.

68. The Settling Defendants shall pay Stipulated Penalties not more than 15 days after receipt of written demand by OAG for such penalties. The method of payment shall be in accordance with the provisions of paragraph 2. Interest and late charges shall be paid as stated in paragraph 7.

69. Payment of Stipulated Penalties shall be in addition to any other relief available under New York law.

70. The OAG, the County, and the City may, in their sole discretion, decide not to seek Stipulated Penalties or to waive any portion of the Stipulated Penalties that accrue pursuant to this Consent Judgment.

IV. COMMUNICATIONS BETWEEN THE PARTIES

71. All notices, reports, requests, and other communications pursuant to this Consent Judgment shall be in writing and shall, unless expressly provided otherwise herein, be sent via overnight mail or electronic mail at an address designated in writing by the recipient, and shall be addressed as follows:

If to the State:

Office of the Attorney General
Environmental Protection Bureau
Attention: Patrick Omilian, Assistant Attorney General
350 Main Street, Suite 300A
Buffalo, NY 14202
Patrick.Omilian@ag.ny.gov

If to the County:

Jennifer A. Hemming, Esq.
Assistant County Attorney
Erie County, Department of Law
95 Franklin St., 1634
Buffalo, NY 14202
Jennifer.Hemming@erie.gov

If to the City:

William P. Mathewson, Esq.
Assistant Corporation Counsel
City of Buffalo, Law Department
65 Niagara Square, Room 1128
Buffalo, NY 14202
wmathewson@buffalony.gov

If to the Settling Defendants:

Parker R. MacKay, Esq.
The Law Office of Parker R. MacKay
3110 Delaware Ave.
Kenmore, NY 14217
Parker@MacKayLawOffice.com

V. RELEASE

72. For so long as the Settling Defendants comply with all material terms of this Consent Judgment, the State, County, and City release and covenant not to sue, execute judgment, or take any civil, judicial, or administrative action against the Defendants regarding the claims asserted in the Complaint.

73. All claims asserted in the Complaint by the State, County, and City are hereby dismissed with prejudice.

VI. MISCELLANEOUS

74. The Settling Defendants are entering into this Consent Judgment solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing. No part of this Consent Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by the Settling Defendants. This document and its contents are not intended for use by any third party for any purpose, including submission to any court for any purpose.

75. The Settling Defendants have consented to the jurisdiction of this Court for the purposes of entering and enforcing this Consent Judgment, and consent to venue in this judicial district.

76. This Consent Judgment shall not be construed or used as a waiver or limitation of any defense otherwise available to the Settling Defendants in any other action, or of the Settling Defendants' right to defend from, or make any arguments in, any private individual action, class claims or suits, or any other governmental or regulatory action relating to the subject matter or terms of this Consent Judgment.

77. This Consent Judgment is made without trial or adjudication of any issue of fact or law or finding of liability of any kind. Notwithstanding the foregoing, the OAG, County and/or City may seek to enforce the terms of this Consent Judgment.

78. No part of this Consent Judgment shall create a private cause of action or confer any right to any third party for violation of any federal, state, or local law.

79. Nothing in this Consent Judgment shall relieve the Settling Defendants of other obligations imposed by any applicable local, state, or federal law or regulation or other applicable law.

80. Nothing contained herein shall be construed to limit the remedies available to the OAG, County, and/or City in the event that the Settling Defendants violate the Consent Judgment or are found to have committed violations of any law after the Effective Date of the Consent Judgment.

81. This Consent Judgment shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

82. This Consent Judgment 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 Consent Judgment, all of which shall constitute one agreement to be valid as of the effective date of this Consent Judgment. For purposes of this Consent Judgment, copies of signatures shall be treated the same as originals. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Consent Judgment and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

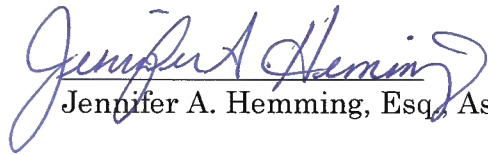
SO AGREED:

For Plaintiff People of the State of New York,
by Letitia James, Attorney General of New York:



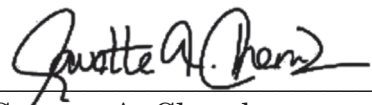
Patrick B. Omilian, Assistant Attorney General
New York State Office of the Attorney General
350 Main Street, Suite 300A
Buffalo, NY 14202

For Plaintiff Erie County, New York

A handwritten signature in blue ink, reading "Jennifer A. Hemming". The signature is written in a cursive style with a large, stylized "J" and "H".

Jennifer A. Hemming, Esq., Assistant County Attorney

For Plaintiff City of Buffalo, New York



Cavette A. Chambers
Corporation Counsel

For Defendants:

F. Raiszadeh
Farhad Raiszadeh, Individually

F. Raiszadeh
Premier Heritage Homes, LLC
by Farhad Raiszadeh

F. Raiszadeh
Maxinnova, Inc.
by Farhad Raiszadeh

F. Raiszadeh
Primo Heritage Homes, LLC
by Farhad Raiszadeh

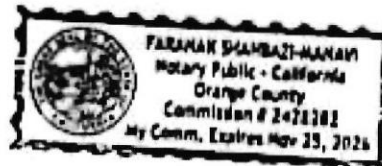
F. Raiszadeh
Premium Heritage Homes, LLC
by Farhad Raiszadeh

F. Raiszadeh
Maxinnova, Defined Benefits Plan
by Farhad Raiszadeh

State of California)
County of Orange) ss.

On the 08 day of 22, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared Farhad Raiszadeh, personally know to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and who acknowledged that he was authorized to sign this Consent Judgment for each listed entity.

F. Raiszadeh
NOTARY PUBLIC



Sh. Zahedi
Shohre Zahedi, Individually

State of California)
County of Orange) ss.

On the 22 day of 8 April, 2025, before me, the undersigned, a Notary Public in and for said state, personally appeared Shohre Zahedi, personally know to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and who acknowledged that he was authorized to sign this Consent Judgment for each listed entity.

Alireza Ghalambor
NOTARY PUBLIC



Counsel for Defendants:

Parker McKay, Esq.
McKay

APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this ____ day of ____, 2025.

Hon.