

ATTORNEY GENERAL OF THE STATE OF NEW YORK
HOUSING PROTECTION BUREAU

In the Matter of

Assurance No. 26-036

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

U.S. Bank National Association, as Trustee, successor in interest to Bank of America, National Association, as Trustee, successor by merger to LaSalle Bank National Association, as Trustee for Washington Mutual Mortgage Pass-Through Certificates WMALT Series 2006-8 Trust

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) into the failure of owners to comply with de facto rent stabilization court orders. This Assurance of Discontinuance (“Assurance”) contains the findings of the OAG’s investigation and the relief agreed to by the OAG and Respondent U.S. Bank National Association, as Trustee, successor in interest to Bank of America, National Association, as Trustee, successor by merger to LaSalle Bank National Association, as Trustee for Washington Mutual Mortgage Pass-Through Certificates WMALT Series 2006-8 Trust (“U.S. Bank” or “Respondent”), whether acting through its respective directors, officers, employees, representatives, agents, affiliates, servicers, or subsidiaries, etc. (collectively, the “Parties”).

OAG’s FINDINGS

1. On September 25, 2023, Respondent obtained legal title for 8624 Glenwood Road, Brooklyn, NY 11236 (“Building”) at a foreclosure sale.

2. After obtaining title, Respondent attempted to evict tenants from the Building.
3. In US Bank v. Abramob, et al., LT-323606-24/KI, Hon. Michael L. Weisberg, on July 2, 2025, dismissed the proceeding after finding the Building was subject to rent stabilization because the number of units in the Building reached six or more after January 1, 1974. The case was dismissed as impermissible under rent stabilization.
4. In a different proceeding US Bank v. Abramob, et al., LT-330506-24/KI Respondent failed to immediately notify the court of the adverse decision in *Abramob*.
5. On July 14, 2025, OAG informed Respondent's eviction attorney that it had a duty to alert the court of the adverse decision and the following day, Respondent discontinued US Bank v. Abramob, et al., LT-330506-24/KI implicitly acknowledging that the Building was covered by the rent stabilization laws. However, Respondent had not registered the units with New York State Division of Housing and Community Renewal ("DHCR") which is a requirement of the Rent Stabilization Code.
6. Accordingly, on August 13, 2025, OAG reached out to the attorneys who handled Respondent's eviction case concerning registering the Building with New York State Division of Housing and Community Renewal ("DHCR") but were told to contact Respondent directly.
7. On August 27, 2025, OAG sent Respondent a letter by certified mail demanding they agree to comply with the rent stabilization laws by October 31, 2025, including registering the apartments in the Building with DHCR.
8. OAG did not receive a response from Respondent and the OAG began preparing to bring litigation. Supporting the litigation, the OAG made the following findings:

- a. The Building had not been registered as rent stabilized with DHCR as required under rent stabilization code §§ 2528.1 and 2528.3 and rent stabilization law § 26-517.
 - b. Respondent had not paid the rent stabilization fee to the New York City Department of Finance (“DOF”) as required by rent stabilization law § 26-5176.1(a).
 - c. Respondent had failed to register the Building as a multiple dwelling with the New York City Department of Housing Preservation and Development (“HPD”) as required by NYC Administrative Code § 27-2097.
 - d. The Building has 56 open Housing Maintenance Code violations including 10 immediately hazardous class C violations and 38 hazardous class B violations.
9. Just prior to filing litigation, the OAG spoke with counsel assisting Respondents who stated that the failure to respond to the OAG’s letter was law office error and was not intentional. Counsel asked whether the OAG would agree to settle the matter instead of bringing litigation.
10. OAG finds that Respondent’s failure to comply are in violation of rent stabilization code §§ 222528.1 and 2528.3; rent stabilization law §§ 26-517; and NYC Administrative Code § 27-2097.
11. Respondent neither admits nor denies the OAG’s Findings, paragraphs 1-9 above.
12. Respondent has agreed to this Assurance in settlement of the violations described above and to avoid the time, expense, and distraction of litigation.
13. 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 rent stabilization law and multiple dwelling law based on the conduct described above from July 2, 2025 to effective date of the Assurance.

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

RELIEF

14. General Injunction: Respondent shall not engage, or attempt to engage, in conduct in violation of the rent stabilization laws and codes regarding the Building, 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 17, *supra*, in addition to any other appropriate investigation, action, or proceeding.

15. Programmatic Relief:

- a. Respondent will register the legal regulated rent for each residential dwelling unit in the Building with DHCR, within 90 days from the Effective Date of this Assurance.
- b. If Respondent lacks sufficient information to determine the legal regulated rent for a residential dwelling unit in the Building, then Respondent will request assistance from DHCR to set the rent. Respondent's obligation to register with DHCR will be delayed until DHCR determines the legal regulated rent. Respondents time to register in section a above will be paused while DHCR determines the legal regulated rent.
- c. Respondent will provide a rent stabilized lease with the proper legal regulated rent on the same terms and conditions and required lease riders to all tenants residing

in the Building within 30 days of determining the legal regulated rent for each residential dwelling unit in the Building.

- d. Respondent to provide each tenant with notice they are rent stabilized as attached as Exhibit 1 when providing the tenant with a rent stabilized lease.
 - e. Respondent shall register the Building as a multiple dwelling with HPD within 30 days from the Effective Date of Assurance.
 - f. Respondent to provide OAG notice by email of compliance with each section of this paragraph. If satisfaction with any of the requirements in this paragraph or in paragraph 16 is not reasonably practicable despite diligent efforts, Respondent will notify OAG.
16. Monetary Relief
- a. Respondent shall pay \$48,000.00 in penalties to the State of New York to be held in reserve and distributed to the Affordable Housing-AG Settlement Fund established by HPD. This Fund is used by HPD to fund housing related initiatives, programs and projects for “persons of low income” and “families of low income,” as those terms are defined by New York Private Housing Finance Law § 2(19). This amount is calculated from \$500 per unit per month from July 2025 to Effective Date of Assurance for the failure to register the Building’s eight units as rent stabilized pursuant to Rent Stabilization Law § 26-517(e);
 - b. Respondent to pay \$320.00 to DOF for annual rent stabilization fee for the years of 2025 and 2026. Payments to be made within 30 days from the Effective Date of Assurance;

- c. Respondent to pay \$2,500.00 in penalties to HPD for failing to register as a multiple dwelling to HPD pursuant to NYC Administrative Code § 27-2107. Payments to be made within 30 days from the Effective Date of Assurance; and
- d. Respondent to refund rent overcharge collected, if any, to tenants of the Building from July 2025 to present once the legal regulated rent is determined. Payments to be made within 30 days from the Effective Date of Assurance. Respondent to provide record of all rent payments collected from Building's tenants from July 2025 to Effective Date of Assurance within 30 days of Effective Date of Assurance.
- e. Payments to the State of New York 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. 26-036; 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 within fourteen days from the Effective Date of Assurance.
- f. Upon default in payment of paragraph 16(a)-(e), OAG will seek a monetary judgment for up to full amount of unpaid penalties, fees, and/or rent overcharge by Respondent, 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.

17. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance regarding the Building, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 31, 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, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.
- 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).

18. 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:

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

20. All terms and conditions in paragraphs 15-16 of this Assurance shall continue in full force and effect, to the extent unperformed, on any successor, assignee, or transferee of the Respondent. Respondent shall include in any such successor, assignment, or transfer agreement a provision that binds the successor, assignee or transferee to the terms of paragraphs 15-16 of the Assurance, to the extent unperformed. No Party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written notice to the OAG.

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

22. 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:

23. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 26-036, and shall be in writing by electronic mail and shall be addressed as follows:

If to the Respondent, to:

Benjamin Velzen
Chief Government Investigations Counsel
U.S. Bank
800 Nicollet Mall
BC-MN-21GL
Minneapolis, MN 55402
benjamin.velzen@usbank.com

with a copy to:

Ben Z. Raindorf
Hinshaw & Culbertson, LLP
800 Third Avenue, 13th Floor, New York, NY 10022,
braindorf@hinshawlaw.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/her absence, to the person holding the title of
Bureau Chief, Housing Protection Unit.

Representations and Warranties:

24. 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 1-9 above. 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.

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

26. 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 U.S. Bank National Association, as trustee, by John G. Richards II, as the signatory

to this AOD, is duly authorized to sign this Assurance on behalf U.S. Bank National Association, as trustee.

General Principles:

27. Unless a term limit for compliance is otherwise expressly specified within this Assurance, the Respondent's obligations under this Assurance are continuing, unless and until it no longer is the record title holder of the Building, provided that it complies with the terms of paragraph 20. Nothing in this Agreement shall relieve Respondent of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

28. 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. The Parties agree, however, that nothing herein prohibits Respondent from communicating regarding its role as Trustee of the WMALT Series 2006-8 Trust, and the roles of others administering the trust.

29. 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.

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

31. 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, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

32. Respondent acknowledges that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

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

34. 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.

35. 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 agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance, 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 Assurance and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

36. The effective date of this Assurance shall be June 16, 2026.

LETITIA JAMES
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By: *Justin R. La Mort*
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