

*Eric T. Schneiderman*

At the ~~N.A.S. Part~~  
of the Supreme Court of the  
State of New York, 60 Centre  
Street, City and State of New  
York on the 12<sup>th</sup> day of  
January, 2015.

Present: **MARCY S. FRIEDMAN, J.S.C.**

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

In the Matter of an Inquiry by ERIC T.  
SCHNEIDERMAN, Attorney General of the  
State of New York,

Petitioner,

Pursuant to Article 23-A of the New York General  
Business Law in regard to the acts and practices of

NEWCASTLE REALTY SERVICES, LLC; 101 WEST  
78<sup>TH</sup> STREET, LLC; 1511-1521 BRIGHTWATER  
AVENUE LLC; and MARGARET STREICKER  
PORRES,

Respondents,

In the issuance, exchange, purchase, sale, promotion,  
negotiation, advertisement, investment advice, or  
distribution of securities in or from New York State.

ORDER PURSUANT TO  
GENERAL BUSINESS LAW  
§ 354

Index No.: *450026/15*

Date Filed:

Upon reading and filing the annexed Affirmation of Elissa Rossi, Assistant Attorney  
General, dated January 12, 2015 and its exhibits; the Affidavit of Tatjana Sofkoska, Deputy  
Chief Architect, dated January 9, 2015, and the accompanying memorandum of law, dated  
January 12, 2015; and upon the application of ERIC T. SCHNEIDERMAN, Attorney General of  
the State of New York, for an order pursuant to General Business Law ("GBL") § 354;

**IT BEING SHOWN** that the New York Attorney General has determined to commence

an action under Article 23-A of the GBL against the above-captioned Respondents and that certain Respondents' testimony, and production of certain books and records is material and necessary to the New York Attorney General's investigation; and

**IT BEING SHOWN** therefrom that it is this Court's duty to grant the New York Attorney General's application for an order, pursuant to GBL § 354, directing the persons mentioned in the application to appear before the Justice of the Supreme Court or referee designated in such order and answer such questions as may be put to them or to any of them, or to produce such papers, documents and books it is hereby

**ORDERED** that "document" is used herein in the broadest sense of the term and means all records and other tangible media of expression of whatever nature however and wherever created, produced or stored (manually, mechanically, electronically or otherwise), including without limitation all versions whether draft or final, all annotated or nonconforming or other copies, electronic mail (e-mail), instant messages, text messages, Blackberry or other wireless device messages, voicemail, calendars, date books, appointment books, diaries, books, papers, files, notes, confirmations, accounts statements, correspondence, memoranda, reports, records, journals, registers, analyses, plans, manuals, policies, telegrams, faxes, telexes, wires, telephone logs, telephone messages, message slips, minutes, notes or records or transcriptions of conversations or Communications or meetings, tape recordings, videotapes, disks, and other electronic media, microfilm, microfiche, storage devices, press releases, contracts, agreements, notices and summaries; that any non-identical version of a document constitutes a separate document within this definition, including without limitation drafts or copies bearing any notation, edit, comment, marginalia, underscoring, highlighting, marking, or any other alteration of any kind resulting in any difference between two or more otherwise identical documents; and

that in the case of documents bearing any notation or other marking made by highlighting ink, the term document means the original version bearing the highlighting ink; and it is

**ORDERED** that Respondent Newcastle Realty Services, LLC, by its Custodian of Records, appear before the Honorable *Referee Liebman*, Justice of the Supreme Court, or any other Justice or Referee of this Court as may be directed, in Room 1041, at the courthouse located at 60 Centre Street, New York, New York, or at any other place as this Court may direct, as follows:

on the 29<sup>th</sup> of January, 2015, at 10<sup>00</sup> a.m., and on any adjourned date and time thereafter, to testify under oath, and answer such questions as may be put to them by the New York Attorney General or a designated Assistant Attorney General, concerning the authenticity or location of certain documents; and to turn over originals, wherever located, whether in their possession or control, or if the originals are unavailable, copies of:

- (i) All documents relating to the property located at 101 West 78th Street, New York, New York;
- (ii) Documents sufficient to identify each employee, agent or officer of Respondent who participated in or has knowledge of the renovation, construction, financing, marketing, sale, offer or management of the property located at 101 West 78th Street, New York, New York, as well as each individual's title, duties, responsibilities, the period of time of in which they were employed by Respondent and source of knowledge as to the property;
- (iii) Documents sufficient to identify all individuals or entities who made or took part in the public offer and sale of real estate securities at the property located at 101 West 78th Street, New York, New York, including the role of each such person or entity; and
- (iv) Any and all other documents that may be requested by the New York Attorney General or a designated Assistant Attorney General during the course of this investigation; and it is further

**ORDERED** that Respondent 101 West 78th Street, LLC, by its Custodian of Records, appear before the Honorable *Referee Liebman*, Justice of the Supreme Court, or any other Justice or

Referee of this Court as may be directed, in Room 641, at the courthouse located at 60 Centre Street, New York, New York, or at any other place as this Court may direct, as follows: on the 29<sup>th</sup> of January, 2015, at 10<sup>00</sup> a.m./p.m., and on any adjourned date and time thereafter, to testify under oath, and answer such questions as may be put to them by the New York Attorney General or a designated Assistant Attorney General, concerning the authenticity or location of certain documents; and to turn over originals, wherever located, whether in their possession or control, or if the originals are unavailable, copies of:

- (v) All documents relating to the property located at 101 West 78th Street, New York, New York;
- (vi) Documents sufficient to identify each employee, agent or officer of Respondent who participated in or has knowledge of the renovation, construction, financing, marketing, sale, offer or management of the property located at 101 West 78th Street, New York, New York, as well as each individual's title, duties, responsibilities, and source of knowledge as to the property;
- (vii) Documents sufficient to identify all individuals or entities who made or took part in the public offer and sale of real estate securities at the property located at 101 West 78th Street, New York, New York, including the role of each such person or entity; and
- (viii) Any and all other documents that may be requested by the New York Attorney General or a designated Assistant Attorney General during the course of this investigation; and it is further

*Referee*

**ORDERED** that Respondent Margaret Streicker Porres appear before the Honorable

Lubman, Justice of the Supreme Court, or any other Justice or Referee of this Court as

may be directed, in Room 641, at the courthouse located at 60 Centre Street, New

York, New York, or at any other place as this Court may direct, as follows: on the 29<sup>th</sup> of

January, 2015, at 10<sup>00</sup> a.m./p.m., and on any adjourned date and time thereafter, to testify

under oath, and answer such questions as may be put to them by the New York Attorney General

or a designated Assistant Attorney General and to turn over certain documents, as originals,

wherever located, whether in their possession or control, or if the originals are unavailable, copies of:

- (i) All documents relating to the property located at 101 West 78th Street, New York, New York;
- (ii) Documents sufficient to identify each employee, agent or officer of Respondent who participated in or has knowledge of the renovation, construction, financing, marketing, sale, offer or management of the property located at 101 West 78th Street, New York, New York, as well as each individual's title, duties, responsibilities, the period of time of in which they were employed by Respondent and source of knowledge as to the property;
- (iii) Documents sufficient to identify all individuals or entities who made or took part in the public offer and sale of real estate securities at the property located at 101 West 78th Street, New York, New York, including the role of each such person or entity; and
- (iv) Any and all other documents that may be requested by the New York Attorney General or a designated Assistant Attorney General during the course of this investigation.

**AND IT FURTHER APPEARING** by the Affirmation of Assistant Attorney General Elissa Rossi, with exhibits, the Affidavit of Tatjana Sofkoksa, and the Memorandum of Law that it is expedient and proper to grant certain preliminary injunctive relief against Respondents, pursuant to General Business Law § 354, because the alleged fraudulent practices threaten continued, immediate and irreparable injury to the purchasing public; it is further

**ORDERED** that all Respondents, their principals, agents and employees are hereby restrained from taking any action to end the tenancy of any tenant in occupancy at the property located at 101 West 78th Street, New York, New York, including any action to remove any occupant from the premises; it is further

**ORDERED** that all Respondents, their principals, agents and employees are hereby restrained from filing any application with the New York State Division of Housing and Community Renewal seeking approval to deregulate any units or to refuse to renew leases or

proceed with any eviction for the purpose of altering or demolishing any units at the property located at 101 West 78th Street, New York, New York; and it is further

**ORDERED** that all Respondents, their principals, agents and employees are hereby restrained from proceeding with any alteration, demolition or other construction at the property located at 101 West 78th Street where such alteration or construction requires a permit from the New York City Department of Buildings, except if such alteration, demolition or other construction is necessary to protect the life, health and safety of occupants, and notice is given to the New York Attorney General and the Department of Buildings at least 48 hours prior to the filing of any permit or commencement of any such alteration, demolition or other construction work; and it is further

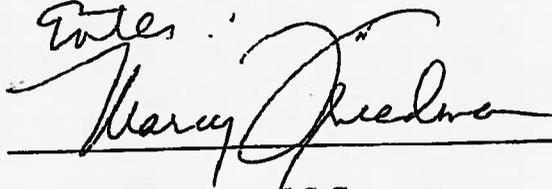
**ORDERED** that all Respondents are hereby directed to copy the Office of the Attorney General on any communication with tenants or occupants of the property located at 101 West 78th Street, New York, New York; and it is further

**ORDERED** that all Respondents, and their principals, agents and employees, are hereby restrained from engaging in any act directly or indirectly relating to the offer, purchase, sale, issuance, advertisement, marketing, promotion, distribution, negotiation, exchange or transfer of securities in or from New York State; and it is further

**ORDERED** that all Respondents, their principals, agents and employees are hereby restrained from violating Article 23-A of the GBL and from engaging in the fraudulent, deceptive and illegal acts alleged in the accompanying Affirmation of Assistant Attorney General Elissa Rossi, with exhibits, the Affidavit of Tatjana Sofkoska, and the Memorandum of Law; and it is further

**ORDERED** that service by delivery and leaving with each Respondent a certified copy

of this Order together with the papers upon which it was granted, or such alternate service as is consented to by Respondents, on or before the <sup>15</sup>15 of January, 2015, be deemed sufficient service thereof.

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