

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF NEW YORK
CIVIL RIGHTS BUREAU

IN THE MATTER OF THE INVESTIGATION OF
ANDREW M. CUOMO, ATTORNEY GENERAL OF
THE STATE OF NEW YORK,

AOD No. 10-016

OF

VANTAGE PROPERTIES, LLC and
VANTAGE MANAGEMENT SERVICES, LLC

WHEREAS, pursuant to the provisions of New York State Executive Law § 63(12), Andrew M. Cuomo, Attorney General of the State of New York, has conducted an investigation into the policies, procedures, and practices of Vantage Properties LLC, Vantage Management Services, LLC, and their affiliates (“Vantage”) with respect to their ownership and management of residential buildings in New York City;

WHEREAS, Vantage is a real estate investment and management company based in New York City;

WHEREAS, Vantage owns and/or manages over 130 residential buildings in Queens and Upper Manhattan that contain approximately 9,500 units, almost all of which were rent-stabilized or rent-controlled and had rents substantially below prevailing market rates at the time of Vantage’s purchase;

WHEREAS, in New York City, landlords may bring holdover eviction proceedings against rent-regulated or rent-controlled tenants who illegally sublet their apartments or otherwise fail to maintain their apartments as their primary residence;

WHEREAS, landlords must serve predicate legal notices on tenants before filing holdover eviction proceedings based on non-primary residence, which are commonly referred to as “Golub Notices;”

WHEREAS, landlords must engage in due diligence to verify that tenants actually owe rent before filing non-payment proceedings;

WHEREAS, the Office of the Attorney General (“OAG”) received complaints alleging that Vantage had served legal notices and filed eviction proceedings in Housing Court without sufficient basis in order to force tenants out of their rent-regulated apartments so that Vantage could impose significant rent increases;

WHEREAS, the New York City Rent Stabilization Code and the New York City Housing Maintenance Code prohibit landlords from engaging in conduct designed to harass tenants, including commencing repeated baseless or frivolous court proceedings against any person lawfully entitled to occupy a dwelling unit (9 N.Y.C.R.R. § 2525.5; N.Y.C. Admin. Code § 27-2005);

WHEREAS, New York State Executive Law § 63(12) prohibits repeated or persistent fraudulent or illegal acts in the transaction of business;

WHEREAS, New York General Business Law § 349 authorizes the Attorney General to bring an action against businesses engaged in deceptive acts or practices, including the filing of deceptive legal notices and petitions in Housing Court;

WHEREAS, Vantage is subject to the above-referenced statutes;

WHEREAS, the parties desire to obviate the need for further investigation or litigation, and it is expressly understood that, with respect to the investigation of the OAG, this is a compromise settlement entered into solely for the purposes of avoiding the expense and inconvenience of further investigation and litigation;

WHEREAS, in consideration of the covenants and understandings set forth herein and intending to be legally bound thereby, the parties hereby agree as follows:

PART ONE: DEFINITIONS

1. As used throughout this Assurance of Discontinuance, the terms set forth below shall mean as follows:
 - (a) "Assurance" or "Agreement" means this Assurance of Discontinuance.
 - (b) "Buy Out Agreement" means an agreement entered into by a Resident and Vantage in which the Resident agrees to terminate his/her tenancy and possessory rights to the subject premises in exchange for the payment of money by Vantage.
 - (c) "DHCR" means the New York State Division of Housing and Community Renewal.
 - (d) "Effective Date" means the date this Assurance is executed by the parties hereto.
 - (e) "Employee" means any owner, shareholder, partner, officer, employee, agent, associate, independent contractor, or representative of Vantage.
 - (f) "FOB" means an electronic device used to gain entrance into a Vantage Building.

- (h) "Golub Notice" means a notice of intent not to renew a lease or any legally required notice that is required to be served prior to the commencement of a non-primary residency Holdover Proceeding pursuant to 9 NYCRR § 2524.4(c) or 9 NYCRR § 2204.3(b).
- (i) "Government Housing Benefit" means any benefit received pursuant to any governmentally funded housing assistance program or a landlord tax benefit that reduces the rent obligations of a Tenant of Record, including but not limited to: the Senior Citizen Rent Increase Exemption ("SCRIE") program; the Disability Rent Increase Exemption ("DRIE") program; the Section 8 housing voucher program, the Section 8 housing certificate program, and the Section 8 project-based subsidy program, administered pursuant to 42 U.S.C. §§ 1437, *et seq.*; any housing or shelter assistance program administered by the New York City Human Resources Administration (a/k/a "Department of Social Services"), including but not limited to the Family Eviction Prevention Program, or HASA; and any program through which the New York City Administration of Children's Services provides rent payments.
- (j) "Holdover Proceeding" means any summary eviction proceeding brought to evict a Resident on the basis of allegations that the Resident lacks tenancy rights because he or she does not occupy the apartment as his or her primary residence, is a squatter or licensee, or illegally sublet the apartment.
- (k) "Including" means including but not limited to.
- (l) "Legal Notice" means any legally required predicate notice that must be served upon a Resident prior to the commencement of summary eviction proceedings, including but not limited to Golub Notices, Rent Demands, Notices of Termination, Notices to Cure, Notices of Intent Not to Renew a Lease, and any other notices required pursuant to 9 NYCRR § 2524.2 and 9 NYCRR § 2204.3.
- (m) "LEP Resident" means a Resident whose primary language is not English and who cannot speak, write, or understand English at a level sufficient to permit such Resident to effectively communicate in English with Vantage.
- (n) "Nonpayment Proceeding" means any summary eviction proceeding brought to evict a Resident on the basis of the nonpayment of rent.
- (o) "Predicate Holdover Notice" means a Legal Notice that must be served upon a Resident prior to the commencement of a Holdover Proceeding.
- (p) "Rent Demand" means a Legal Notice that must be served upon a Resident prior to the commencement of a Nonpayment Proceeding.
- (q) "Rent-Regulated" means subject to rent control or rent stabilization.

- (r) “Resident” means the Tenant of Record or any other occupant of a Rent-Regulated apartment in a Vantage Building.
- (s) “Tenant of Record” means any person(s) named on a lease for a Vantage Building as a lessee(s), or any person(s) who is a party to a rental agreement and obligated to pay rent for the use or occupancy of an apartment in a Vantage Building.
- (t) “Vantage” means Vantage Properties, LLC, Vantage Management Services, LLC, entities affiliated with these companies, and all owners, officers, employees, and agents of these entities.
- (u) “Vantage Building” means any residential building in New York State that has any Rent-Regulated apartment and is owned in whole or in part and/or managed by Vantage, excluding any building for which Vantage does not have the authority to establish and implement residential management policies and procedures or to evict Residents.
- (v) “Vantage Investigator” means an Employee who is responsible for conducting an investigation into the legality of a tenancy prior to the commencement of a Holdover Proceeding or a Nonpayment Proceeding.
- (w) Terms of construction:
 - i. “All” means “any and all” and “any” means “any and all.”
 - ii. “Day” refers to a calendar day, not a business day.
 - iii. The singular of any word includes the plural; the plural of any word includes the singular.

PART TWO: ATTORNEY GENERAL'S INVESTIGATION AND FINDINGS

2. The OAG received complaints alleging that Vantage has engaged in a pattern of unlawful conduct to force Residents out of their Rent-Regulated apartments so that Vantage could impose significant rent increases. The complainants specifically asserted that Vantage served frivolous Legal Notices and filed baseless Housing Court eviction proceedings.
3. The OAG commenced an investigation by serving a subpoena for documents. The OAG reviewed thousands of pages of documents, including business plans, written policies, apartment files, complaints submitted to DHCR, and aggregate data. The OAG also interviewed numerous tenants.
4. According to Vantage's business plans, one component of Vantage's management strategy was to generate significant tenant turnover by serving Golub Notices and

bringing eviction proceedings against individuals whom Vantage believed illegally sublet their apartments or otherwise failed to maintain their apartments as their primary residence. Once units became vacant, Vantage's business plans called for massive renovations to the units, which would allow Vantage to charge substantially higher rents under applicable rent regulations.¹

5. During a two-year period, Vantage served over 1000 Golub Notices and brought a significant number of Holdover and Nonpayment Proceedings in Housing Court.
6. The OAG has determined that Vantage often failed to use due diligence prior to serving individuals with Predicate Holdover Notices or Rent Demands and bringing Housing Court proceedings for lack of tenancy rights or non-payment. In some cases, Vantage relied on unreliable sources of information to determine an individual's residence, and prepared boilerplate Predicate Holdover Notices that lacked specific details concerning the basis for Vantage's allegations. Some Residents who received Predicate Holdover Notices and were subject to Holdover Proceedings lacked tenancy rights. However, some Residents actually had a legal right to reside in their apartments and were subject to the legal process unnecessarily. In addition, there were instances where deficiencies in Vantage's procedures for collecting, processing and tracking rent payments resulted in Nonpayment Proceedings.
7. Based on the foregoing, the OAG has concluded that there is sufficient evidence to support a claim under N.Y. Gen. Bus. Law § 349(b), N.Y.C. Admin. Code § 27-2005, 9 N.Y.C.R.R. § 2525.5, and N.Y. Exec. Law § 63(12).

IT NOW APPEARING THAT Vantage desires to settle and resolve the issues raised by the investigation without admitting or denying the OAG's findings, Vantage and the OAG hereby enter into this Assurance.

PART THREE: COMPLIANCE WITH THE LAW

8. Vantage shall comply with the obligations, terms, and conditions of N.Y. Gen. Bus. Law § 349, N.Y.C. Admin. Code § 27-2005, and 9 N.Y.C.R.R. § 2525.5.

¹ Upon the vacancy of a Rent-Regulated apartment, a landlord may increase the rent by at least 20% for a two-year lease. The landlord may collect an additional rent increase of 1/40 of the costs of any improvements made to the apartment. Once the monthly rent exceeds \$2000, the apartment is no longer Rent-Regulated and the landlord may charge market rates. (N.Y.C. Admin. Code § 26-504.2; Rent Regulation Reform Act of 1997).

PART FOUR: POLICIES AND PROCEDURES

9. Vantage shall revise its existing policies and procedures to the extent necessary to ensure that they include the elements set forth in Appendix A of this Assurance. Within 45 days of the Effective Date, Vantage shall provide the revised written policies and procedures ("New Policies") to the OAG for its review. The New Policies shall be subject to the OAG's approval. Upon the OAG's approval, Vantage shall adopt and implement the New Policies and distribute them to all management Employees and all other Employees whose responsibilities involve any aspect of the areas referenced in the New Policies, including but not limited to Vantage Investigators, leasing office personnel, legal staff, Vantage Legal Department Telephone Line ("Legal Line") staff, customer service line staff, and any other Employees responsible for the collection, processing, and tracking of rent payments or the processing of Government Housing Subsidy applications and re-certifications. The New Policies shall be accompanied by a written notice indicating that the New Policies have been adopted pursuant to an agreement with the OAG.
10. Once the New Policies are adopted, Vantage shall send by first class mail to each Resident a copy of the document attached as Exhibit 1 to this Assurance ("Notice of Residents' Rights") with a cover letter from the OAG. For the duration of this Assurance, Vantage shall prominently post a copy of the Notice of Residents' Rights in each of its leasing offices and in each Vantage Building. Vantage shall provide a copy of the Notice of Residents' Rights to all future Tenants of Record. The provision of the document shall be noted in each apartment file.

PART FIVE: TRAINING

11. Within 45 days of the OAG's approval of Vantage's New Policies, Vantage shall provide training on the New Policies to all management Employees and all other Employees whose responsibilities involve any aspect of the areas referenced in the New Policies, including but not limited to Vantage Investigators, leasing office personnel, legal staff, Legal Line staff, customer service line staff, and any other Employees responsible for the collection, processing, and tracking of rent payments or the processing of Government Housing Benefit applications and re-certifications. All Employees who attend the training session shall acknowledge in writing that they have received the training, read the New Policies, and agree to abide by them. Vantage shall provide to the OAG copies of the executed acknowledgment forms within 15 days of the training.
12. Vantage Investigators shall receive additional specific training on the appropriate ways to conduct an investigation to determine whether a Holdover Proceeding or a Nonpayment Proceeding may be filed. The Auditor, referenced in Part Six, shall provide this additional training.
13. All Employees referenced in Paragraph 11 hired after the training will receive the New Policies referenced in Paragraph 9 and the training referenced in Paragraphs 11 and 12 within 30 days of their start date.

PART SIX: MONITORING

14. Vantage will engage at its own cost an individual ("Auditor") to monitor Vantage's compliance with the New Policies and other provisions of this Assurance. Vantage shall propose an Auditor to the OAG within 30 days of the Effective Date. The selection of the Auditor shall be subject to the OAG's approval in its sole discretion. Vantage shall engage the Auditor within 7 days of the OAG approval. The OAG, at its discretion, shall have a right to independently meet with the Auditor and require Vantage to change the Auditor upon the OAG determining that the auditor has been ineffective in monitoring compliance with this Assurance.

15. Within 60 days of engagement, the Auditor shall prepare and provide to the OAG and Vantage a written plan ("Monitoring Plan") reflecting the processes and procedures that the Auditor will follow to evaluate compliance with each component of the New Policies. Vantage shall have the opportunity to confer with the Auditor and the OAG regarding any elements of the Monitoring Plan that it finds objectionable. The Monitoring Plan shall be subject to the OAG's approval. Upon the OAG's approval, the Auditor shall implement the processes and procedures set forth in the Monitoring Plan throughout the duration of the Assurance. The Monitoring Plan shall include but not be limited to the completion of the following tasks on at least a bi-annual basis:
 - (a) File Reviews of Residents Subject to Legal Process. The Auditor shall review files for a randomly selected sample of Residents who received Letters of Concern (defined in Sections I.A.2 of Appendix A), Residents who were subject to Holdover Proceedings, or Residents who were subject to Nonpayment Proceedings to assess the extent to which Vantage complied with the New Policies. As part of the review process, the Auditor may interview Residents and Employees. If the Auditor finds any instance in which material noncompliance with the New Policies resulted in service of a baseless Legal Notice or the filing of a baseless Holdover or Nonpayment Proceeding, Vantage shall pay the Resident a sum equal to the greater of (i) three times the amount of actual damages, including legal costs, sustained as a result of Vantage's conduct; or (ii) \$1000. The Auditor shall determine the amount of any compensation to be provided to Residents under this provision. The Auditor also shall promptly inform each Claimant in writing of the final determination, and shall inform all Claimants that in order to receive payment, they must execute and return to Vantage the Release, attached as Exhibit 3 to this Assurance.

 - (b) Review of Buy Out Agreements. The Auditor shall review all Buy Out Agreements to assess the extent to which Vantage complied with the New Policies with respect to these agreements. If the Auditor finds that any Buy Out Agreement does not substantially comply with the New Policies, Vantage shall (i) pay the OAG a sum of \$5000; and (ii) pay the Resident who was subject to the Buy Out Agreement a sum to compensate the Resident for any actual damages

sustained as a result of Vantage's conduct. The Auditor shall determine the amount of any compensation to be provided to Residents under this provision. The Auditor also shall promptly inform each Claimant in writing of the final determination, and shall inform all Claimants that in order to receive payment, they must execute and return to Vantage the Release, attached as Exhibit 3 to this Assurance.

- (c) Evaluation of Legal Line. The Auditor shall review the Legal Line Log (defined in Section VI.3 of Appendix A) to assess the extent to which Vantage responded in a timely and adequate manner to telephone inquiries from Residents. If the Auditor finds that Vantage failed to substantially comply with the New Policies with respect to 10% or more of the telephone inquiries reflected in the log, Vantage shall pay the OAG a sum of \$1000 for each instance of noncompliance. The Auditor also shall review the recordings of a randomly selected sample of calls to the Legal Line to assess the extent to which Vantage complied with the New Policies and provided language assistance services to LEP Residents.
16. If a Resident brings such a complaint directly to Vantage, Vantage shall forward the complaint to the Auditor for investigation, in addition to conducting its own investigation and taking all necessary steps to address the matter. Residents may submit directly to the Auditor complaints alleging that Vantage has failed to comply with the New Policies or this Assurance. The Auditor shall complete a thorough investigation of any such complaints and inform the complainant and Vantage of the results of that investigation within 30 days of receiving the complaint. If the Auditor finds noncompliance, Residents would be entitled to compensation as outlined in Paragraph 15.
17. The Auditor shall prepare written reports and provide them to Vantage's Chief Executive Officer and the OAG within two months of the close of each of the five Reporting Periods. The first Reporting Period shall begin four months after the Effective Date and end six months thereafter. The remaining Reporting Periods shall begin at the close of the prior Reporting Period and end six months thereafter. The reports shall include:
- (a) A description of the methodologies used by the Auditor to assess Vantage's compliance with the New Policies during the Reporting Period;
 - (b) A detailed description of the results of each of the monitoring steps set forth in the Monitoring Plan;
 - (c) A brief summary of the nature of any complaints received during the Reporting Period, the results of the Auditor's investigation of the complaint, and any actions taken as a result of the investigation; and
 - (d) The Auditor's conclusion as to whether Vantage complied with each component of the New Policies during the Reporting Period.

18. The Auditor shall identify representatives from local tenant advocacy groups that regularly work with Vantage tenants and shall meet with them on a bi-annual basis or as requested by the OAG or by a tenant advocacy group. The purpose of the meetings shall be to solicit information concerning the extent to which Vantage is complying with the terms of this Assurance. The Auditor also may conduct surveys of Residents to determine the extent to which Vantage has complied with the New Policies and this Assurance.
19. The Auditor shall have access to all information within Vantage's possession, custody, or control necessary to fulfill the responsibilities set forth in this Part, including all documents Vantage is required to maintain under the terms of this Assurance or that relate to obligations under this Assurance. The Auditor also may interview Residents and Employees as is necessary to fulfill the responsibilities set forth in this Part.

PART SEVEN: MONETARY RELIEF

20. Establishment of Monetary Fund. Vantage shall provide monetary relief in the amount of \$1,000,000 to resolve the OAG's investigation. Specifically, within 30 days of the Effective Date, Vantage shall deposit the sum of \$750,000 in an interest-bearing account ("Monetary Fund") that will be used to compensate any current or former Residents who prior to the Effective Date received baseless Predicate Holdover Notices or Rent Demands, meet the other criteria set forth in Paragraph 23. Within 30 days of the Effective Date, Vantage shall provide the OAG with written proof that the account has been established and that the funds have been deposited.

Further, Vantage shall deposit the sum of \$250,000 in an interest-bearing account to be used for not-for-profit organizations ("Not-for-profit Organization(s)") that provide free services, including but not limited to legal representation and/or educational services, to low and moderate income tenants with housing issues. The Not-for-profit Organization(s) must have a service catchment area that includes Vantage Buildings. Within 30 days of the Effective Date, Vantage shall provide the OAG with written proof that the account has been established, that the funds have been deposited, and a list of Not-for-profit Organizations to be considered for payment. The selection of the Not-for-profit Organization(s) shall be subject to the OAG's approval. Vantage shall pay the Not-for-profit Organizations within 15 days of the OAG's approval of the Not-for-Profit Organizations.

21. Claims Administrator. Vantage will engage at its own cost an individual (“Claims Administrator”) who has extensive expertise in the area of New York City landlord-tenant law, to evaluate individual claims for compensation. The Claims Administrator shall be responsible for overseeing the claims process, evaluating individuals' eligibility to receive compensation, and determining the appropriate amount of funds to be awarded. Vantage shall propose a Claims Administrator within 30 days of the Effective Date. The selection of the Claims Administrator shall be subject to the OAG’s approval. Vantage shall engage the Claims Administrator within 7 days of the OAG approval. The OAG, at its discretion, shall have a right to independently meet with the Claims Administrator and require Vantage to change the Claims Administrator upon a good faith demonstration that the Claims Administrator has been ineffective in monitoring compliance with this Assurance.
22. Notice to Tenants. Within 30 days of engagement, the Claims Administrator shall submit to the OAG a plan, which shall be subject to the OAG approval, to notify potential claimants of their right to file a claim for compensation. The notice provided to potential claimants shall be substantially similar to the Notice of Monetary Fund attached as Exhibit 2 to this Assurance.
23. Claimant Eligibility Criteria. In order to be eligible for compensation, an individual must meet the following criteria (“Claimant”):
 - (a) The individual lived in a Vantage Building while Vantage owned and/or managed the property.
 - (b) The individual received a Predicate Holdover Notice from Vantage or was sued by Vantage in a Non-Payment Proceeding.
 - (c) The individual receiving a Predicate Holdover Notice:
 - (i) Had tenancy rights at the time he or she received the Predicate Holdover Notice; and
 - (ii) Either vacated his or her apartment after receiving the Predicate Holder Notice without being subject to a subsequent Housing Court proceeding or was subject to a Housing Court proceeding after receiving the Predicate Holdover Notice, and no judgment of possession based on the termination of tenancy was issued for Vantage in that proceeding.
 - (d) The individual who was sued in a Non-Payment Proceeding:
 - (i) Provided evidence of payment of rent to Vantage after receiving the Rent Demand; and
 - (ii) Was subject to a Housing Court proceeding for non-payment after

Vantage received the rent.

24. Claims Process.

(a) Within 90 days of the issuance and/or publication of the Notice of Monetary Fund, individuals claiming to be eligible for compensation ("Potential Claimants") must submit sworn written statements to the Claims Administrator showing that they meet each of the criteria set forth in Paragraph 23. Individuals shall provide as much documentation as possible to support their claim, including copies of the Predicate Holdover Notice, Non-Payment Notice and any other Legal Notices received, papers relating to Housing Court proceedings, documents demonstrating the individual's tenancy rights at the time the Predicate Holdover Notice was sent, and documents demonstrating that the individual paid rent prior to the commencement of Non-Payment Proceedings. Examples of documents that may demonstrate tenancy rights include but are not limited to:

- i. A notice of occupancy filed with DHCR;
- ii. A valid driver's license or other state-issued identification;
- iii. Tax returns;
- iv. Bank statements;
- v. Voting records;
- vi. Vehicle registration;
- vii. Recent bills (i.e., utility bill, credit card statement, etc.);
- viii. W-4 forms/pay stubs;
- ix. Telephone records;
- x. Insurance policies;
- xi. A will;
- xii. School records;
- xiii. Public assistance statements;
- xiv. Statements from neighbors or building staff; and
- xv. Proof of memberships (i.e., gym, video rental store, religious organization,

etc.).

Potential Claimants also shall submit any information reflecting the harm they may have suffered as a direct result of receiving the Predicate Holdover Notice or Non-Payment Notice, such as lost wages due to court appearances; attorneys' fees; moving expenses; any housing cost increases, such as monthly rent increases, the Claimant incurred after moving out of the Vantage Building; and any medical expenses incurred to treat stress or anxiety.

- (b) Within 30 days of receiving sworn statements from Potential Claimants, the Claims Administrator shall make preliminary determinations as to (i) whether each Potential Claimant is eligible for compensation; and (ii) a fair and equitable amount to be paid to each Claimant. The Claims Administrator may require Potential Claimants to submit any additional information or proof that he or she deems necessary to make these determinations.
- (c) Within 5 days of making the preliminary determinations, the Claims Administrator shall inform Vantage and the OAG in writing of the preliminary determinations. Vantage shall have 30 days to review the preliminary determinations and provide the Claims Administrator with any documentation or other information to refute these preliminary determinations, which shall be reviewed by the Claims Administrator before making any final determinations.
- (d) Within 60 days of submitting written preliminary determinations to Vantage and the OAG, the Claims Administrator shall make final determinations as to (i) whether each Potential Claimant is eligible for compensation, and (ii) a fair and equitable amount to be paid to each Claimant. For purposes of distributing funds from the Monetary Fund, these final determinations shall be binding and may not be challenged by the Claimant or Vantage. The Claims Administrator shall promptly inform Vantage and the OAG in writing of his or her final determinations, including each Claimant's name, address, and compensation amount. The Claims Administrator also shall promptly inform each Claimant in writing of the final determination, and shall inform all Claimants that in order to receive payment, they must execute and return to Vantage the Release, attached as Exhibit 3 to this Assurance.
- (e) Within 30 days of the final determination by the Claims Administrator, Vantage shall send each Claimant a check in the amount determined by the Claims Administrator, and provide the OAG with a written report summarizing the name and address of each Claimant who was sent a check, the amount of the check, and the date the check was sent. The checks shall be drawn from the Monetary Fund. Vantage shall be required to forward the checks only after Vantage has received the Claimant's executed Release.
- (f) The Claims Administrator may issue any other protocols or procedures in

connection to the claims process that he or she deems necessary to fairly and equitably distribute the funds. The Claims Administrator shall have access to any information within Vantage's possession, custody, or control that he or she deems necessary to evaluate a claim for compensation. The Claims Administrator also may interview Potential Claimants, Claimants and/or Employees if he or she deems such interviews necessary to evaluate a claim for compensation.

25. Claimant Compensation. Vantage shall pay each Claimant a minimum of \$1,000 out of the monetary fund for each violation plus a monetary amount reflecting the harm incurred as a direct, indirect and consequential result of the improper Predicate Holder Notice or Non-Payment Proceeding. When determining a fair and equitable amount to be paid to each Claimant, the Claims Administrator may consider a variety of factors, including but not limited to:
- (a) Moving expenses and any past, ongoing, or future additional housing costs incurred by Claimants who vacated their units due to a baseless Predicate Holdover Notice;
 - (b) Lost wages and childcare expenses due to court appearances;
 - (c) Attorneys' fees paid by the Claimants; and
 - (d) Other harm resulting from being subject to a Housing Court proceeding.
26. Remaining Funds. In the event that funds remain in the Monetary Fund (referenced in paragraph 20) after compensation is distributed to all Claimants pursuant to the procedures set forth in this Part, Vantage shall distribute the remainder of the funds, including any accrued interest, to not-for-profit organizations to provide free legal representation to tenants in Housing Court and/or to educate New York City Rent-Regulated tenants about their legal rights. Vantage shall provide a list of Not-for-profit Organizations to be considered for payment. The selection of the Not-for-profit Organization(s) shall be subject to the OAG's approval. This distribution of funds to Not-for-profit Organizations shall occur within 30 days after funds have been distributed to Claimants pursuant to Paragraph 24.

PART EIGHT: RECORD-KEEPING AND REPORTING

27. Vantage shall maintain the following records during the duration of the Assurance:
- (a) All documents concerning Housing Court proceedings;
 - (b) All documents concerning Residents, including but not limited to apartment files; rent records; leases and renewal notices; notices of succession rights; documents concerning Government Housing Benefit applications and re-certifications; and

documents concerning complaints submitted to DHCR or the New York City Department of Housing Preservation and Development;

- (c) All logs, correspondence, and other documents required to be generated pursuant to the New Policies;
 - (d) All documents concerning any complaints alleging that Vantage has engaged in unlawful harassment or failed to comply with the New Policies;
 - (e) All executed training acknowledgment forms required by Paragraph 11; and
 - (f) All curricula and other materials used to train Employees on the New Policies.
28. Within two months of the close of each Reporting Period, Vantage shall provide to the OAG and the Auditor written reports that reflect the following information for each Vantage Building, broken down by month:
- (a) The number of Predicate Holdover Notices served during the Reporting Period, broken down by cause of action;
 - (b) The number of Holdover Proceedings filed during the Reporting Period, broken down by cause of action; and
 - (c) The number of Nonpayment Proceedings filed during the Reporting Period.
 - (d) The total number of Rent-Regulated apartments that became deregulated during the Reporting Period, the reason for deregulation, and the apartment identifier for each of these units.

The report also shall include copies of the executed training acknowledgment forms for any Employee who received the training required by Paragraph 11 during the Reporting Period.

**PART NINE: SCOPE OF THE ASSURANCE, JURISDICTION,
AND ENFORCEMENT PROVISIONS**

- 29. This Assurance will expire three years after the Effective Date.
- 30. Notwithstanding any provision of this Assurance to the contrary, the OAG may, in its sole discretion, grant written extensions of time for Vantage to comply with any provision of this Assurance.
- 31. The signatories to this Assurance warrant and represent that they are duly authorized to execute this Assurance and that they have the authority to take all appropriate action required or permitted to be taken pursuant to this Assurance to effectuate its terms.

32. The OAG may seek to enforce this Assurance through enforcement proceedings including a civil action in federal or state court seeking appropriate relief, such as specific performance of the provisions of this Assurance. Pursuant to New York State Executive Law § 63(15), evidence of a violation of the Assurance will constitute *prima facie* proof of a violation of the applicable laws in any civil action or proceeding hereafter commenced by the OAG. In the event of a dispute among the parties regarding any issue arising hereunder, the parties will attempt in good faith to resolve the dispute before seeking judicial intervention. If there is a change in law during the duration of this Assurance, Vantage shall have the opportunity to propose modifications to this Assurance, including Appendix A, and the OAG agrees to consider such proposed modifications in good faith.
33. Any failure by the OAG to enforce this entire Assurance or any provision thereof with respect to any deadline or any other provision herein shall not be construed as a waiver of the OAG's right to enforce other deadlines and provisions of this Assurance.
34. If any provision, term, or clause of this Assurance is declared illegal, unenforceable, or ineffective in a legal forum, such provision, term, or clause shall be deemed severable, such that all other provisions, terms, and clauses of this Assurance shall remain valid and binding on the parties.
35. This Assurance constitutes the entire agreement between Vantage and the OAG on the matters raised herein, and no other statement, promise or agreement, either written or oral, made by either party or agents of either party that is not contained in this Assurance shall be enforceable.
36. Nothing in this Assurance is intended to, nor shall, limit the OAG's investigatory or compliance review powers otherwise provided by law or this Assurance. In addition, nothing in this Assurance is intended to, nor shall limit, any rights, claims, or defenses that a Resident may raise in any legal proceeding.
37. This Assurance may be executed in multiple counterparts, each of which shall be deemed a duplicate original.
38. This Assurance is final and binding on the parties, including principals, agents, representatives, successors in interest, assigns, and legal representatives thereof. No assignment by any party hereto shall operate to relieve such party of its obligations herewith.
39. Vantage agrees to fully cooperate with any OAG inquiries into the conduct or actions of other parties relating to the purchase, ownership, financing, and management of Vantage Buildings or investments in such properties, including by producing documents, sworn testimony, and trial testimony.

40. Vantage agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Assurance or creating the impression that this Assurance is without factual basis. Nothing in this paragraph affects Vantage's (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General is not a party.
41. Upon execution by the parties to this Assurance, the OAG agrees to suspend, pursuant to New York State Executive Law § 63(15), its investigation into claims that Vantage violated N.Y. Gen. Bus. Law § 349(b), N.Y.C. Admin. Code § 27-2005, and 9 N.Y.C.R.R. § 2525.5 through its management policies, procedures, and practices with respect to Vantage Buildings prior to the Effective Date.
42. Any payments and all correspondence related to this Assurance shall reference OAG Assurance Number AOD 10-016.
43. All communications and notices regarding this Assurance shall be sent by first-class mail and, if twenty-five (25) pages or fewer in length, by facsimile, to:

Office of the Attorney General:

Brooke Davis, Assistant Attorney General
Civil Rights Bureau
Office of the New York State Attorney General
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8250
Facsimile: (212) 416-8074

Vantage:

Orin Snyder
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
(212) 351-2400
Facsimile: (212) 351-6335

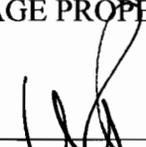
44. This Assurance creates no private causes of action with respect to any individual or entity not a party to this Assurance, including any Resident.

IN WITNESS THEREOF, this Assurance is executed by the parties hereto on February 11, 2010.

Dated: New York, New York
February 8th, 2010

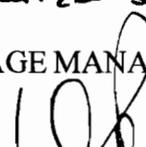
VANTAGE PROPERTIES, LLC

By: _____


Neal Ruzick
Authorized Signatory

VANTAGE MANAGEMENT SERVICES, INC.

By: _____

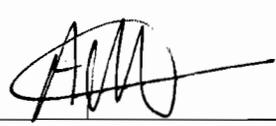

Neal Ruzick
Authorized Signatory

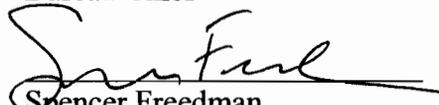
CONSENTED TO:

Dated: New York, New York
February 11, 2010

ANDREW M. CUOMO
Attorney General of the State of New York

By: _____


Alphonso B. David
Bureau Chief


Spencer Freedman
Counsel for Civil Rights

Brooke Davis
Assistant Attorney General

Office of the New York State Attorney General
120 Broadway, 23rd Floor
New York, New York 10271
Tel. (212) 416-8250
Fax (212) 416-8074

EXHIBIT 1
NOTICE OF RESIDENTS' RIGHTS
VANTAGE 1-888-VMS-24X7 (1-888-867-2497)

In order to best serve our residents, we wanted to notify residents of certain rights they have under Management's policies with respect to legal notices/proceedings, rent payments/bills, succession rights, and lease renewals:

1. You have a right to contact Management to discuss any questions you may have concerning legal notices/proceedings, rent payments/bills, succession rights, or lease renewals. A representative will assist you. Any voice mail messages will be promptly returned.
2. If English is not your primary language, you have a right to communicate with Management in your primary language about legal notices/proceedings, rent payments/bills, succession rights, or lease renewals.
3. You have a right to receive a rent bill that itemizes any amounts due, including any fees or surcharges.
4. You have a right to receive a written explanation if Management declines to accept your rent payment for any reason.
5. If you are a government housing benefit recipients (i.e., Section 8, SCRIE, public assistance, etc.), you have a right not be subject to a legal proceeding based solely on a government agency's failure to submit its portion of your rent in a timely manner. Government housing benefit recipients also have the right to have their recertifications processed promptly.
6. You have a right not to be subject to any legal notices or legal proceedings without first receiving a letter explaining Management's concerns and giving you an opportunity to respond informally. Management will not initiate any legal proceeding against a tenant or resident without conducting a thorough and diligent investigation.
7. You have a right to seek to establish succession rights to your apartment if you are a family member or domestic partner of a tenant who has passed away or permanently moved out of the unit and you have lived in the unit with the tenant for a specified period of time. Upon request, Management will provide you with its Succession Rights Policy.
8. You have a right to receive a renewal lease no later than 90 days prior to the expiration of your current lease. Management will execute the renewal lease and provide it to you within 30 days of receipt.

9. You have a right to submit a written complaint to Management if you believe any of the above rights have been violated to the following person and address

Vantage Contact Person: _____

Vantage Address: _____

Vantage Email: _____

A Management representative will follow up and take all necessary steps to address the matter.

You also may submit written complaints to the Auditor who is responsible for investigating resident complaints.

Auditor: _____

Auditor Address: _____

Auditor Email: _____

EXHIBIT 2
NOTICE OF CLAIMS PROCESS FOR VANTAGE TENANTS

The Office of the New York State Attorney General (“Attorney General”) has entered into a settlement with Vantage Properties, LLC and Vantage Management Services, LLC (“Vantage”). The settlement resolves the Attorney General’s investigation into the manner in which Vantage served legal notices and filed eviction proceedings in buildings located in Queens and Upper Manhattan. Under the terms of this settlement, Vantage is required to provide compensation to certain individuals who received improper legal notices challenging their right to live in their apartment or failure to pay rent.

If you believe that you improperly received a legal notice from Vantage alleging that you did not have a legal right to stay in your apartment or that you failed to pay rent and would like to seek compensation pursuant to the Attorney General’s settlement, please contact the Claims Administrator at _____ or write to _____ . The Claims Administrator will then let you know what information you need to submit to establish your right to compensation. The Claims Administrator is responsible for determining whether individuals are entitled to compensation and the amount to be provided to each such person.

You must submit your claim and all supporting documentation (including sworn written statements) by _____ (i.e. five months after effective date of settlement).

EXHIBIT 3
RELEASE

Pursuant to the terms, conditions, and provisions of the Assurance of Discontinuance ("AOD") resolving the investigation of the Office of the New York State Attorney General, entitled In the Matter of Vantage Properties, LLC and Vantage Management Services, LLC (AOD 10-016), and in consideration of the payment made to me pursuant to this AOD, I _____ hereby release and forever discharge all legal claims that I may have had against Vantage Properties, LLC, Vantage Management Services, LLC, and their successors, assigns, agents, and representatives based on the alleged wrongful service of legal notices and/or the filing of Housing Court proceedings through the date of the execution of this AOD.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this ___ day of _____, 2010.

NAME (PRINT)

SIGNATURE

Appendix A

I. Housing Court Proceedings

Vantage shall designate a management Employee (“Chief Legal Officer”) to oversee the process of filing Housing Court proceedings and to ensure that all required protocols and procedures are followed prior to the commencement of such proceedings. The Chief Legal Officer shall be an attorney with extensive expertise in the area of New York City landlord-tenant law.

(A) Holdover Proceedings

The following protocols and procedures shall be followed prior to commencing a Holdover Proceeding:

(1) Investigation

- (a) Vantage shall conduct a thorough investigation to determine whether there is a basis to bring a Holdover Proceeding. Vantage shall exercise due diligence throughout the investigatory process.
- (b) The New Policies shall contain a step-by-step procedure for how to conduct an appropriate investigation. The minimum investigative measures that shall be taken during each investigation are as follows:
 - 1) Apartment file review, including review of all leases, correspondence and work order signatures, and any other information relevant to determine whether the Tenant of Record is residing in the apartment or if any other apartment Resident may have tenancy rights;
 - 2) Review the records of the prior owner of the building, to the extent they are available to Vantage to determine whether the Tenant has a legal right to reside in the unit;
 - 3) Review of any available reports reflecting information from public records databases on property ownership, voting records, car registration and out-of-state driver’s license registrations;
 - 4) Review of the names of the individuals to whom FOBs have been issued, if a FOB system has been installed in the building;
 - 5) Review the Resident’s payment history, including form of

payment, and if the Vantage Investigator deems appropriate, review copies of checks or money orders tendered in payment; and

- 6) Interviewing property managers or other building staff.
- (c) Vantage may not rely on reverse directory searches and other people finder services available through Internet search engines (i.e., Yahoo, Google, Whitepages.com), or other inherently unreliable sources of information.
- (d) To the extent that the Vantage Investigator relies on information from reports or services that aggregate public records data, the Vantage Investigator shall ensure that the public records data are accurate, recent and pertain to the Resident under investigation.
- (e) A Resident who is not the Tenant of Record shall be deemed to have tenancy rights and be entitled to a renewal lease on the same terms as if he or she were the Tenant of Record if the prior landlord accepted rent payments from the Resident, made in the Resident's own name, which covered the rent due for a period of at least two years, as evidenced by the prior owner's records, to the extent that they are in Vantage's possession, or proof provided by the Resident. This provision shall not apply if there is clear evidence showing that:
 - (i) the Resident engaged in fraudulent or illegal conduct to either (A) gain possession of the apartment, (B) conceal his or her residency in the apartment, or (C) conceal that the Tenant of Record had moved out of the apartment;
 - (ii) the prior landlord did not intend to create a landlord-tenant relationship with the Resident who made the payments; or
 - (iii) the Resident has been engaging in criminal activity or represents a danger to the building or its tenants.

The existence of such clear evidence must be fully documented in the file or in Vantage's electronic property management database. If the prior landlord accepted rent payments from a Resident who was not the Tenant of Record for a period of fewer than two years, Vantage shall evaluate the totality of the circumstances to determine whether it is appropriate to treat the Resident as the Tenant of Record.

- (f) Each investigative step and the result of each step shall be documented in detail in the apartment file or in Vantage's electronic property

management database. Copies of all relevant documents obtained or generated through the investigation should also be maintained in the apartment file or in Vantage's electronic property management database.

- (g) At the conclusion of the investigation, the Vantage Investigator shall determine whether there is sufficient credible evidence to support a reasonable suspicion that all Tenants of Record and/or all other Residents of the apartment lack tenancy rights. No further action will be taken if Vantage has not identified such evidence. The evidence must be from at least two sources. Uncorroborated evidence from a single source shall not constitute sufficient evidence to proceed. Each public record (i.e., property ownership records, voting records, etc.) shall be considered separate "sources" of information for purposes of this provision.
- (h) If the Vantage Investigator determines that there is sufficient evidence to support a reasonable suspicion that the Tenant of Record and/or another Resident of the apartment lack tenancy rights, the Vantage Investigator shall complete a standardized form ("Investigation Form"), which may be in an electronic format, that describes the investigation conducted and the evidence supporting the conclusion. (The Investigation Form shall be attached to the New Policies.) The completed Investigation Form, along with copies of any supporting documentation, shall be provided to and reviewed by the Chief Legal Officer. The process to bring a Holdover Proceeding may not proceed without the prior written approval of the Chief Legal Officer.

(2) Letters of Concern

- (a) Upon receiving the approval of the Chief Legal Officer, Vantage shall send a letter ("Letter of Concern"), written in English and in Spanish, indicating that Vantage has reason to believe that the Tenant of Record and/or another Resident of the apartment lack tenancy rights. The letter shall include:
 - (i) A description of the basis for Vantage's determination and the evidence supporting this determination;
 - (ii) A request that the recipient of the letter contact Vantage to discuss Vantage's determination because this determination could be the basis of a potential Housing Court proceeding;
 - (iii) A list of the type of information that the recipient of the letter may submit to establish that he or she lawfully resides in the unit, which shall include but not be limited to tax returns, W-4 forms, a

driver's license or other state-issued identification, a vehicle registration, a voter registration, a Social Security benefits statement, a public assistance statement, insurance documentation, bank statements, bills, pay stubs, a healthcare proxy/power of attorney, a will, a notice of occupancy filed with DHCR, statements from neighbors and/or building staff, proof of memberships (i.e., gym, video rental store, religious organization, etc.), or any correspondence reflecting one's address;

- (iv) The phone number for the Legal Line, which may be contacted if the recipient of the letter has any questions or wishes to schedule an in-person meeting to discuss Vantage's determination;
 - (v) A statement indicating that individuals who do not speak English or Spanish may call the Legal Line if they would like to speak to an Employee in their primary language; and
 - (vi) Copies of relevant "Fact Sheets" prepared by DHCR to inform tenants of their rights, including the "Fact Sheets" on Succession Rights, Sublets, and Lease Renewals.
- (b) The Letter of Concern shall be written in plain language and shall have a non-threatening tone. (A model Letter of Concern shall be attached to the New Policies.)
 - (c) The Letter of Concern shall be sent by certified mail and slipped under or affixed to the apartment door at least 30 days prior to the issuance of any Predicate Holdover Notice.
 - (d) Vantage shall carefully review any documents or other information provided in response to the Letter of Concern. Vantage shall make a good faith effort to resolve the tenancy rights dispute prior to the issuance of any Predicate Holdover Notice.

(3) Legal Notice

- (a) Any Predicate Holdover Notice shall clearly set forth the ground(s) for eviction or removal in a manner that is consistent with the requirements of Part 2524 of the New York City Rent Stabilization Code and Part 2204 of the New York City Rent and Eviction Regulations.
- (b) Any Predicate Holdover Notice shall specify in detail the factual basis for the possible Holdover Proceeding, the evidence supporting Vantage's claim (such as the basis for any allegation that the Tenant of Record slept

at the unit for fewer than 183 days within the past year), and the source of such evidence. Vantage shall attach to the Predicate Holdover Notice copies of supporting documentation whenever such documentation is readily available. (An example of a model Predicate Holdover Notice shall be attached to the New Policies.)

(4) Documentation Requirement

- (a) Vantage shall ensure that copies of all required forms, documentation, and legal papers concerning a Holdover Proceeding are maintained in the apartment file or in Vantage's electronic property management database.
- (b) The New Policies shall include protocols to properly document and verify Vantage's receipt of information from Residents.

(B) Nonpayment Proceedings

The following protocols and procedures shall be followed prior to commencing a Nonpayment Proceeding:

(1) Initial Notice

- (a) In the event that Vantage's electronic billing system reflects that a Tenant of Record has not paid the monthly legal rent within 20 days of its due date, Vantage shall send the Tenant of Record a letter ("Initial Nonpayment Notice"), written in English and in Spanish, stating the amount of legal rent due, the month the rent was billed and became due and owing, and that the payment is overdue and must be paid promptly. The Initial Nonpayment Notice also shall indicate that individuals with questions may contact Vantage by calling Vantage's customer services department, visiting Vantage's leasing office, or sending an email to Vantage. (A model Initial Nonpayment Notice shall be attached to the New Policies.)
- (b) When Residents contact Vantage by phone, in-person, or by email to dispute an Initial Nonpayment Notice or a charge on their rent bill, Vantage shall respond and attempt to resolve the dispute within ten (10) business days and maintain a hard copy or electronic log reflecting the following information for each such inquiry:
 - (i) The caller's name, address, apartment number, and telephone number;
 - (ii) The date and time of the call;

- (iii) The nature of the inquiry;
- (iv) The response provided to the caller, and the date and time when the response was provided; and
- (v) The name of the Employee who communicated with the caller.

(2) Legal Notice: Rent Demand

- (a) Upon receiving the approval of the Chief Legal Officer or his or her designee, Vantage shall send the Tenant of Record a Rent Demand, written in English and in Spanish, informing the Tenant of Record that the rent has not been fully paid. (A model Rent Demand shall be attached to the New Policies.) The Rent Demand shall include:
 - (i) An indication of the amount of legal rent due, the month the rent was billed and became due and owing, and whether any portion of the overdue rent was supposed to be paid directly by a government agency pursuant to a landlord tax benefit or a contractual agreement between the agency and Vantage, such as payments made pursuant to the Section 8, SCRIE, or DRIE programs or if the payment is made pursuant to the government agencies' normal course of business and the amount of payment is known to Vantage.
 - (ii) A statement indicating that legal steps will be taken to collect the rent if the amount due is not paid within 15 days;
 - (iii) The phone number for the Legal Line, which may be contacted if the recipient of the Rent Demand has any questions or wishes to schedule an in-person meeting to discuss Vantage's determination; and
 - (iv) A statement indicating that individuals who do not speak English or Spanish may call the Legal Line if they would like to speak to an Employee in their primary language.
- (b) The Rent Demand shall be sent by process server and slipped under or affixed to the apartment door at least 10 days after service of the Initial Notice and 15 days prior to the commencement of a Nonpayment Proceeding.

(3) Investigation

- (a) Prior to bringing a Nonpayment Proceeding, Vantage shall conduct a thorough investigation to ensure that there is a basis for such a proceeding. Vantage shall exercise due diligence throughout the investigatory process.
- (b) The New Policies shall contain a step-by-step procedure to determine whether there is a basis to bring a Nonpayment Proceeding. These steps shall include at least the following:
 - (i) Confirm that the requested rent is within the legal regulated limit and/or preferential rent amount, and confirm that any charges that may be due, such as late fees or surcharges, have been properly imposed;
 - (ii) Follow clear protocols designed to verify that there have been no record-keeping or accounting errors;
 - (iii) Determine whether the nonpayment is due solely to a failure to collect the portion of the rent paid directly by a government agency pursuant to a Government Housing Benefit program; and
 - (iv) Determine whether the Resident has contacted Vantage to dispute the Initial Nonpayment Notice, and review the records concerning this inquiry and Vantage's response.
- (c) Vantage shall document compliance with each of the above-referenced steps in the apartment file or in Vantage's electronic property management database, and the Chief Legal Officer or his or her designee shall review this documentation. A Nonpayment Proceeding may not be commenced without the prior written approval of the Chief Legal Officer or his or her designee.

(4) Restrictions on Nonpayment Proceedings

- (a) Vantage shall not bring a Nonpayment Proceeding based on the failure of a Tenant of Record to pay any charge other than the legal rent, such as legal fees, late fees, or surcharges.
- (b) With respect to individuals who receive Government Housing Benefits, Vantage shall not bring a Nonpayment Proceeding based solely on a failure to collect the portion of the rent due from the government agency, provided that such failure is not solely due to the fault of the individual.

(5) Documentation Requirement

- (a) Vantage shall ensure that copies of all required forms, documentation, and legal papers concerning a Nonpayment Proceeding are maintained in the apartment file or in Vantage's electronic property management database.

(C) Housing Court Petitions

All Housing Court petitions filed by Vantage shall identify Vantage Management Services, LLC as the managing agent, in addition to the Vantage-controlled limited liability corporation that owns the Vantage Building where the Resident resides.

II. Succession Rights

1. Individuals may seek to show that they meet the required period of co-residency to establish succession rights under applicable law by presenting Vantage with the following documents reflecting their residence:
- a. Category A
 - Tax returns
 - Government Housing Benefits statement
 - b. Category B
 - Driver's license or other state-issued identification
 - Vehicle registration
 - Voter registration
 - Social Security benefits statement
 - Public assistance statement
 - School records
 - c. Category C
 - Insurance documentation
 - Bank statements
 - Bills (telephone bill, utility bill, credit card statement, etc.)
 - Pay Stubs
 - Healthcare proxy/Power of attorney
 - Will
 - W-4 forms
 - d. Category D
 - Written statements from neighbors and/or building staff
 - Proof of memberships (i.e., gym, video rental store, religious organization, etc.)
 - Any personal correspondence reflecting one's address (i.e., not marketing

or mass-mailed correspondence)
Notice of Occupancy filed with DHCR

Vantage shall accept and consider other documents reflecting an individual's residence as well.

2. The New Policies shall include guidance on how to evaluate whether an individual is a family member of the Tenant of Record, as defined in 9 NYCRR § 2520.6(o) and 9 NYCRR § 2204.6(d)(3)(i), for the purpose of establishing succession rights.
3. All succession rights claims shall be reviewed and evaluated by the Chief Legal Officer. Individuals shall be presumed to have succession rights if they establish that they are a family member of the Tenant of Record and provide Vantage with the following documents, each of which shows that they meet the required period of co-residency:
 - a. One document from Category A and two documents from Category B and/or C;
 - b. Four documents from Category B and/or C, provided that at least one is from Category B; or
 - c. A total of five documents from any Category, provided that at least two are from Category B and at least one is from Category C.

Vantage may challenge the succession rights of individuals who satisfy the requirements of Sections II.3(a), (b), or (c) only if Vantage has a compelling reason to believe that the documentation provided by the Resident contains false information, the Chief Legal Officer documents the basis for this conclusion in the apartment file, Vantage has informed the Resident of the basis for its conclusion and has made a diligent effort to resolve the issue, and Vantage obtains prior approval from the Auditor to challenge the individual's claim of succession rights. If an individual does not satisfy the requirements of Sections II.3(a), (b), or (c), the Chief Legal Officer shall evaluate the succession rights claim based on a review of all available evidence and the totality of the circumstances. If Vantage rejects a claim of succession rights, Vantage shall follow the procedures set forth in Part I of this Appendix prior to initiating a Holdover Proceeding.

4. In order to attempt to avoid potential disputes over succession rights, Vantage shall provide Tenants of Record with the following information at the time a lease is signed or renewed:

- a. A document ("Succession Rights Policy") that explains succession rights, identifies the acceptable proof of co-residency set forth in this Section, and suggests steps that may be taken to avoid future succession rights disputes, such as filing a notice of occupancy with DHCR. (The Succession Rights Policy shall be attached to the New Policies.)
 - b. A copy of the "Fact Sheet" on succession rights prepared by DHCR.
5. When an individual or individuals have succession rights, Vantage shall not apply any vacancy rent increase upon renewal of a lease in the first succeeding Resident's name, but may apply vacancy rent increases with respect to subsequent succeeding Residents as permitted under applicable law.
6. Documentation Requirement
 - (a) Vantage shall ensure that copies of documentation and legal papers concerning succession rights claims are maintained in the apartment file or in Vantage's electronic property management database.
 - (b) The New Policies shall include protocols to properly document and verify Vantage's receipt of information from Residents.

III. Collection of Rent

1. Vantage shall provide Tenants of Record with a rent bill at least five days before the rent is due. The rent bill shall indicate the total amount of rent due and the due date. The rent bill also shall itemize any other current charges that may be due, such as late fees, legal fees, or surcharges. Vantage shall, upon request from a Tenant of Record or Resident, provide before the next billing period a complete rent breakdown of all amounts due and owing. If a portion of the rent is paid directly by a government agency pursuant to a landlord tax benefit (SCRIE or DRIE) or a contractual agreement between the agency and Vantage (Section 8), the rent bill shall separate the Tenant of Record's share of the rent from the portion due from the government agency. The rent bill also shall indicate that individuals with questions may contact Vantage by calling Vantage's customer services department, visiting Vantage's billing office, or sending a letter or email to Vantage. Vantage will provide each Tenant of Record with a written explanation of Vantage's standard rent bill format at the time the lease is signed and at least once a year thereafter. This written explanation shall be in English and Spanish.
2. Vantage may impose late fees only as provided for under the original lease. Vantage shall not impose late fees based on the nonpayment of the portion of the rent due from a government agency pursuant to a Government Housing Benefit program, unless the recipient of the benefits is at fault for such nonpayment.

3. Vantage shall not charge a Tenant of Record with legal fees unless they have been awarded by the Housing Court.
4. Vantage shall credit any rent payments, made in accordance with the payment instructions set forth on the rent bill, by the 15th day of the month so that the following month's bill reflects that payment. Vantage shall credit any rent payments from a government agency for the month the check is assigned.
5. Vantage shall provide written receipts Tenants of Record or other authorized persons in a manner that complies with the provisions of N.Y. Real Prop. L. § 235-e(b) and 9 NYCRR § 225.2.
6. Vantage shall accept partial rent payments while still maintaining its right to collect the remainder due.
7. Vantage may refuse to accept rent payments only when: (a) the payments are from a person who is not the Tenant of Record; (b) a Predicate Holdover Notice has been served; or (c) there is an ongoing Nonpayment Proceeding and the payment does not conform with an outstanding court order or stipulation of settlement. In the event there is an ongoing Holdover Proceeding, Vantage shall accept payment in the form of use and occupancy.
8. In the event that Vantage refuses to accept a rent payment, the payment shall be returned with an accompanying letter, written in English and in Spanish, that:
 - a. Explains in detail why the payment was returned;
 - b. Indicates the amount of rent still due;
 - c. Notifies the Tenant of Record that a failure to pay the outstanding rent may result in an eviction proceeding;
 - d. Indicates that personal checks from the spouse of a Tenant of Record not named on the lease will be accepted only if the Tenant of Record provides proof of marriage, and notifies the Tenant of Record that spouses can be added to a lease pursuant to the New York City Rent Stabilization Code;
 - e. Identifies the phone number of the Legal Line, which may be contacted with respect to any questions; and
 - f. Indicates that individuals who do not speak English or Spanish may call the Legal Line if they would like to speak to an Employee in their primary language.

The letter shall be accompanied by the Succession Rights Policy, referenced in Section II.4.a above, and the "Fact Sheet" on succession rights prepared by DHCR.

9. Government Housing Benefits

- a. The New Policies shall contain guidance concerning how to efficiently and timely process initial applications and subsequent recertifications for the Section 8 program, the Senior Citizen Rent Increase Exemption ("SCRIE") program, the Disability Rent Increase Exemption ("DRIE") program, and any other Government Housing Benefit programs. Vantage shall complete and submit to the appropriate agency all documents relating to recertifications for Government Housing Benefits within thirty days of receiving them.
- b. Vantage shall designate a management Employee to be responsible for overseeing the processing of Government Housing Benefit applications and recertifications and for responding to all questions about the use of Government Housing Benefits.

IV. Buy Out Agreements

1. All Buy Out Agreements must be memorialized in writing and signed by the Resident and a management Employee or Vantage's counsel. The written Buy Out Agreement shall be provided to the Resident, and a copy shall be maintained in the apartment file. The written Buy Out Agreement shall include the following information:
 - a. The sum of money to be paid to the Resident.
 - b. A statement advising the Resident that the receipt of funds pursuant to the Buy Out Agreement may have tax consequences and advising the Resident to consult with a tax professional about these potential consequences;
 - c. A statement advising the Resident that the receipt of funds pursuant to the Buy Out Agreement may impact the Resident's eligibility for various types of public assistance and advising the Resident to consult with a professional about this issue;
 - d. A statement indicating that the Resident has a right to reject the Buy Out Agreement and remain in his or her apartment subject to the terms and conditions of applicable law;

- e. A statement indicating that, by entering into the Buy Out Agreement, the Resident is voluntarily agreeing to permanently vacate his or her apartment, and Vantage has not in any way coerced the Resident into accepting the Buy Out Agreement; and
- f. The date by which the Resident agrees to vacate the unit, which must be at least 90 days after the date the Buy Out Agreement is executed, unless the Resident indicates in writing that he or she would prefer to vacate earlier. Vantage shall extend the specified move-out date without penalty based on exigent circumstances.
- g. In instances where the Resident is not represented by counsel, a statement acknowledging that the Resident has been offered the opportunity retain counsel but has voluntarily and knowingly agreed to enter into the agreement without legal representation.

(A standard written Buy Out Agreement shall be attached to the New Policies.)

The Resident shall be required to acknowledge that he or she has read and agrees to each provision of the Buy Out Agreement by marking his or her initials next to each provision.

- 2. Residents who enter into Buy Out Agreements shall receive fair compensation. The determination of fair compensation shall be based on the Resident's current rent, the amount by which Vantage intends to increase the unit's rent, the type of unit, and the particular circumstances of the Resident.
- 3. Vantage shall translate the Buy Out Agreement into the primary language of LEP Residents.
- 4. Prior to executing a Buy Out Agreement, Vantage shall provide Residents with written notice that they may seek a referral to an attorney to represent them in negotiations by contacting the New York City Bar Association, the Metropolitan Council on Housing, or Tenants and Neighbors.
- 5. In the event that a Buy Out Agreement is executed during the pendency of a Housing Court proceeding involving the Resident, the terms of the Buy Out Agreement shall be disclosed to the Housing Court Judge. If the Resident is not represented by counsel in the proceeding, Vantage shall request that the court attorney explain the terms of the Buy Out Agreement to the Resident to ensure that the Resident fully understands them. Any executed Buy Out Agreement shall be incorporated by reference into any stipulation of settlement and shall be "So Ordered" by the Housing Court Judge.

6. If the Resident rejects a Buy Out offer once, Vantage shall not make a subsequent offer for a period of at least two years unless the Resident contacts Vantage earlier and expresses a desire to enter into a Buy Out Agreement.
7. Vantage shall not take any retaliatory actions against Residents who reject a Buy Out offer.

V. Language Assistance Services

1. Vantage shall provide interpretation services to LEP Residents who contact the Legal Line and request such services. Vantage shall provide such services either through bilingual staff who are fluent in the LEP Resident's primary language or through a telephonic interpretation service.
2. Vantage shall notify Residents of the availability of language assistance services through the Legal Line by sending a letter to Residents within 30 days of the Effective Date. The letter shall state that individuals may contact the Legal Line with questions about legal notices and proceedings or succession rights. The letter also shall indicate the toll-free number for the Legal Line. The letter shall be written in English, Spanish, Chinese, Korean, Hindi, Urdu, Bengali, Gujarti, French, Italian, Russian, Tagalog, Greek and Arabic.

VI. Miscellaneous

1. Vantage shall provide renewal leases no later than 90 days prior to the expiration of the current lease. Vantage shall execute and provide Tenants of Record with a fully executed renewal lease within 30 days of receiving a renewal lease signed by the Tenant of Record.
2. The New Policies shall specify the forms of identification that Residents must present to receive a FOB. The forms of identification shall not be limited to state-issued identification.
3. Vantage shall continue to operate a toll-free Legal Line to respond to inquiries about legal notices and proceedings and succession rights. The Legal Line shall be staffed during normal business hours. Legal Line staff shall respond to all inquiries within two business days. All calls with Legal Line staff shall be recorded for quality assurance purposes. Legal Line staff shall maintain a hard copy or electronic log reflecting the following information for each call that is received ("Legal Line Log"):
 - a. The caller's name, address, apartment number, and telephone number;
 - b. The date and time of the call;

- c. The nature of the inquiry;
 - d. The response provided to the caller on the telephone, and the date and time when the response was provided;
 - e. The name of the Employee who communicated with the caller; and
 - f. Provide the caller with a tracking number.
4. Vantage shall provide a superintendent who meets the residence requirements set forth in with N.Y.C. Admin. Code § 27-2054 for each Vantage Building, or shall obtain and maintain a valid waiver from the New York City Department of Housing Preservation and Development for each Vantage Building. Vantage shall maintain a sign in each Vantage Building that contains the superintendent's name, address, and telephone number and otherwise conforms with N.Y.C. Admin. Code § 27-2053(c).