

Today Governor Cuomo will announce that the State's Tenant Protection Unit (TPU) will be sending letters to the owners of more than 4,000 buildings throughout New York City which allegedly registered deregulated apartments while receiving J-51 tax benefits. *Roberts v Tishman Speyer Properties L.P.* (the Stuyvesant Town case) was decided by the Court of Appeals in October 2009, more than six years ago. That case held that apartments could not be luxury deregulated while receiving J-51 benefits. While many owners took steps over the past 6 years to "re-regulate" the apartments in issue, many others did not. Because the rules concerning amended rent registrations and rent calculations for improperly deregulated apartments are extremely complicated, and because many such apartments may now be properly deregulated due to the apartment's history subsequent to the expiration of the J-51, we recommend that you immediately contact your attorney here at Rosenberg & Estis if you receive a TPU letter. If you fail to take immediate and appropriate action you risk substantial penalties.

Even if you do not receive a TPU letter, if you received J-51 benefits and deregulated apartments you should review your records to confirm that none of the apartments in your building(s) were improperly deregulated and correct any errors that you find. The fact that the TPU is proactively taking action highlights the necessity for adding this issue to your due diligence in connection with any property you may be considering for purchase.



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