

## **ROSENBERG & ESTIS, P.C.**

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### ***FOR IMMEDIATE RELEASE:***

## **ROSENBERG & ESTIS SECURES INJUNCTION AGAINST USE OF BUILDING AS ILLEGAL HOTEL**

Judge James E. d'Auguste of the Civil Court of the City of New York has ruled on behalf of CLAC America II Inc., requiring that Sky Worldwide LLC no longer allow short-term rentals of three units located within a residential building on Manhattan's East Side. Norman Flitt, member, with Rosenberg & Estis, P.C. represented CLAC America II in the case.

CLAC America II acquired the property in June 2014. The building was subject to a net lease for the entire building to Sky Worldwide, which specializes in short-term rentals to foreign tourists. The company was marketing units in the building for rents that reached as high as \$800 per night.

On behalf of CLAC America II, Flitt served a notice to cure and then a notice terminating Sky Worldwide's lease, based on the illegal use of the units and other violations. He then brought a holdover proceeding to recover possession, in which he made a motion to receive use and occupancy payments from Sky Worldwide, and for injunctive relief to stop the illegal use of the units.

"Sky Worldwide had already been issued a number of violations by the City for running an illegal hotel," said Flitt. "The judge pointed out in his decision that these actions not only violated the law, they could have put innocent people in danger."

Sky Worldwide argued that its case should have been brought in a residential part rather than in the commercial part. The judge rejected the argument as frivolous, holding that the court has jurisdiction in commercial disputes involving the renting of property to a firm that is itself in the business of renting apartments.

"The court noted that Sky Worldwide was not using any part of the building for its own personal residence," said Flitt.

Sky Worldwide was barred from renting any of the units in the building for illegal short-term occupancy — any period of less than 30 days. In addition, it was required to pay \$86,520 in use and occupancy fees within five days of the order or else a possessory judgment and a money judgment would be entered in favor of Flitt's client.

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*Founded in 1979, Rosenberg & Estis, P.C. is widely recognized as one of New York City's pre-eminent real estate law firms. Rosenberg & Estis, P.C. represents clients in all aspects of real estate development, transactions, financing, litigation, rent regulation and governmental affairs.*

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