

IN BRIEF

Leaner SEC Workforce Won't Weaken Market Oversight, Atkins Says

The U.S. Securities and Exchange Commission will need to fill openings left by hundreds of recent staff departures, SEC Chair Paul Atkins told Congress on Tuesday while insisting the agency can continue to be a strong regulator of financial markets with fewer workers.

"There are 600 and some odd people who left," Atkins said during an oversight hearing before the House Appropriations Subcommittee on Financial Services and General Government. "So I think we miss obviously their expertise but I think that we have plenty of good expertise there at the commission and I intend to tap into that."

Atkins said SEC staff is down 15% since Oct. 1 due to voluntary separations, early retirements and the administration's Fork in the Road deferred resignation program. One year ago, the commission had 5,000 employees and 2,000 contractors, he testified. Today the agency is down to about 4,200 employees and 1,700 contractors.

"These departures leave vacancies that in many cases need to be filled," Atkins said in his opening statement.

The subcommittee's ranking Democrat doubted that the departures were truly voluntary, saying they were led by Elon Musk's Department of Government Efficiency rather than internally at the commission. Rep. Steny Hoyer of Maryland added that the staff reductions weaken the SEC's ability to be a strong enforcer at a time of high market volatility.

But Atkins said, "We're getting the job done."

"I definitely share your concern to make sure that we fill the spots that are needed," Atkins added. "But I think it's good to every once in a while have a house cleaning and to have a reorganization."

Rep. Mark Alford, R-Missouri, asked about a provision in the Republicans' large spending bill that would eliminate the Public Company Accounting Oversight Board and transfer its duties to the SEC.

Atkins said the commission is "fully capable" of taking on the PCAOB's work.

The SEC currently has rule-making and budget authority over the PCAOB, which oversees auditors of publicly traded companies and was created by the 2002 Sarbanes-Oxley Act. The House Financial Services Committee voted this month to advance the proposal as part of President Donald Trump's "One Big Beautiful Bill."

The SEC will "accommodate whatever you decide," Atkins said. "And obviously we would need resources to do that."

—Dan Novak

Shell Nigeria Convinces NY Federal Court to Nix Contractor's \$58M Breach Suit

Shell Nigeria won the dismissal of a \$58 million lawsuit alleging it used money intended for a Nigerian government contractor to bribe officials into accepting an oil and gas processing facility.

Represented by Am Law 100 firm Haynes Boone, the Shell Petroleum Development Company of Nigeria Ltd. successfully argued that the U.S. District Court for the Southern District of New York lacked the jurisdiction to hear a case brought in October by Forstech Technical Nigeria Ltd.

U.S. District Judge Paul Engelmayer agreed, noting that Shell Nigeria is incorporated in Nigeria, which is also the site of the oil and gas processing facility at the heart of the case.

Forstech had argued that Shell Nigeria's export activities to the U.S. were enough for a U.S. court to hear the case. But Engelmayer refuted the argument, saying Forstech needed to show that Shell Nigeria has specific contacts to

First Friends, Now Partners: 'All-Collar' Defense Firm Sarafa Zellan Opens for Business

BY EMILY SAUL

THE DEFENSE bar knows Melinda Sarafa and Andrea Zellan as trial-seasoned lawyers and devoted advocates. But they share another, less-well-known experience: as preteens, they both worked in their families' True Value Hardware franchises in the late 1970s.

While neither of them attributes that exposure to their interest in the law, they say it did teach them to be self-sufficient, resilient and detail-oriented.

All of which are important qualities when deciding to open a law firm, as they did last month when Sarafa Zellan joined the New York legal scene.

COURTESY PHOTOS

Melinda Sarafa and Andrea Zellan, founding partners of Sarafa Zellan

"I think you can always ask the question, 'What's the right time?'" Zellan said. "We've been friends for a long time, we were thinking about how to evolve our careers, and she and I were talking and all of a sudden it was like, 'Wait a

» Page 8



Wendy Zeng, Anica Johnson, and Anya Patterson with Judge Judy Sheindlin

Judge Judy Sheindlin Makes Surprise Visit at NYLS Commencement Ceremony

BY CHRISTINE CHARNOSKY

JUDGE Judy Sheindlin surprised the graduates of New York Law School's commencement on Monday, exactly 60 years to the day after her own graduation from the law school.

Sheindlin was joined by her daughter, Nicole, who graduated from NYLS in 1993, and her granddaughter, Sarah Rose, who graduated from NYLS in 2022, to surprise the 2025 graduates.

Among the 2025 graduates were three inaugural recipients of the Judge Judy Sheindlin Honors Scholars Program, which Sheindlin established three years ago at her alma mater to benefit women

in law, primarily those who have financial needs.

The inaugural scholars include Anya Patterson, of the Bronx, who was selected to receive the New York State Government Excelsior Fellowship after graduation; Anica Johnson, of Queens, who will be a Clerk for a Family Court Judge in Maryland; and California-native Wendy Zeng, who graduated cum laude, will be a Judicial Clerk to the Honorable Melissa Crane in the New York County Supreme Court, Commercial Division.

"Always seek to do the right thing and be guided by your legal and moral principles," she told the honorees during NYLS's 133rd commencement ceremony Monday.

» Page 8

Lawmakers, Bar Advocates Lobby For Ending Constitutional Cap on Supreme Court Judges

BY BRIAN LEE

ALBANY lawmakers and the New York City bar lobbied on Tuesday for a proposed constitutional amendment that would ask statewide voters in 2026 to eliminate an archaic 1846 population-based cap that allocates one state Supreme Court justice per 50,000 inhabitants in judicial districts.

Advocates of the bipartisan-supported bill, the Uncap Justice Act, which also has the backing of Gov. Kathy Hochul and others, say it would increase the number of trial court judges, enabling litigants to get their days in court more quickly.

Backers say the current limit on state Supreme Court judgeships is to blame for an untenable backlog in the New York court system, leaving judges with overwhelming caseloads and forcing New Yorkers to wait longer than they should have to for justice.

During the lobbying effort in Albany, Muhammad U. Faridi, president of the 20,000-member New York City Bar Association, said:

"For far too long, New York has struggled with an insufficient and inadequate number of judges in



State Sen. Brad Hoylman-Sigal, D-Manhattan



Assembly Member Alex Bores, D-Manhattan

Supreme Court, relying on temporary and inadequate stopgap measures" that fail to meet the state's growing and complex judicial needs.

The constitutional cap is partly to blame, he said, and the outdated formula doesn't account for the actual volume or nature of cases, and it's "created a systematic and systemic shortfall that undermines justice across the state."

Faridi noted the state resorts to assigning judges from other courts to serve as acting state Supreme Court justices, a "rob-

» Page 8

Firms Suing Trump Administration Lately Skew Away From M&A-Heavy Practices, Court Records Show

BY DAN ROE AND SAMSON AMORE

BY the time the Trump administration began targeting law firms through executive orders and presidential actions, at least 14 Am Law 200 firms of varying sizes and specialties had already filed suits on behalf of clients against the administration.

But after the executive orders began to drop, the balance of Big Law firms suing the administration skewed away from Am Law 50 firms with corporate-heavy practices, according to an American Lawyer review of cases compiled by the Civil Rights Litigation Clearinghouse and Just Security.

Mirroring the M&A-heavy cohort

of firms that made deals with the administration after learning they'd been targeted, firms that are more renowned for their transactional practices than litigation have been almost absent in litigation against the administration since early March, the analysis found.

Litigating against the current Trump administration has looked increasingly risky for large law firms after the Trump administration began targeting law firms, starting with a presidential memo against Covington & Burling on Feb. 25 and then a March 6 executive order against Perkins Coie. Trump then hit Jenner & Block on March 25, Wilmer Cutler Pickering Hale and Dorr on March 27, and Susman Godfrey on April 9 with executive orders, all referencing

» Page 4

How Law Firms Are Planning for Some 'Rocky' Times Ahead

BY ANDREW MALONEY

LAW firms and businesses in general could be in for a "rocky" next few quarters, industry analysts say. How should they prepare for an economically shaky period ahead? Law firm leaders and industry observers say it's a matter of understanding and tracking their business, as well as being clear about their aspirations. Some are already shifting attorneys from slower practices to busier ones, or easing up on hiring.

Just because there's some softness or uncertainty in the near-term doesn't mean a firm should nix its long-term plans to

do that merger, add that group, or open that office. At the same time, a firm that's still overcapacity in certain practices or certain rungs of experience may revisit its hiring, or redeploy lawyers to areas that are bound to be busier, such as litigation, employment and restructuring.

And some firms this year will be more disciplined in billing and collection efforts, consultants say, even if it means penalizing more attorneys for not entering their time.

To be clear, the legal industry made some real demand and billing rate gains in Q1, after the U.S. shifted trade policy, which led to

employment cuts have ratcheted up uncertainty.

For firms, it "makes sense to stick with the plan if doing so accelerates the partnership's progress getting to where it was already planning to go," said Kent Zimmermann, a law firm consultant with Zeughauser Group. "So if there's an acquisition or merger, for example, on the table, if that accelerates progress toward achieving what the partnership was trying to achieve...it makes sense to continue."

He added in an interview that's not always the case. His consultancy counsels firms to comb through their performance rela-

» Page 4

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New York Law Journal Inside

Family Law »3

Custody Litigation Labels And Love: Healing Divided Families
by Elisa Reiter, Daniel Pollack and Jeffrey Siegel

Online

» Court Calendars

Civil and Supreme Court calendars for New York and surrounding counties are now available weeks in advance at nylj.com. Search cases by county, index, judge or party name. Information is updated daily. **Only at nylj.com.**

Ask the Former Regulator »3

What Exactly is New York's Affordable Housing Retention Act?
by Erica F. Buckley

Outside Counsel »4

Federal Action Halts New York Offshore Project
by Jeffrey Talbert and Stanley Kaminsky

Online

» Today's Tip

Download today's paper at the Law Journal Download Center. **Only at nylj.com.**

REAL ESTATE TRENDS »5

Financing: Receiverships Are a Powerful Remedy for Lenders
by Jeffrey B. Steiner, Scott A. Weinberg and Joel C. Haims

Realty Law Digest

by Scott E. Mollen

Online

» More Real Estate columns are archived at nylj.com.

Perspective »6

But What About the Birthright Babies?
by Bennett L. Gershman

» Perspective »7

Fully Removing State Constitution's Metric For Assigning Judges Would Undercut Separation of Powers
by Frank Caruso

Perspective »7

Lenders: Beware Of the Heter Iska When Loaning Money
by Allen Schwartz and John M. Leventhal

» Calendar of Events »8

Online

» Submit a legal notice for publication on nylj.com.

Q & A

Hogan Lovells Partner Takes On Broadway With Producing Debut

BY ABIGAIL ADCOX

HOGAN Lovells partner Doug Fellman has lately taken on a new position: Broadway producer.

Fellman, who by day represents public and private companies, board committees and individual officers in government and internal investigations, is also a producer for the new Broadway musical "Buena Vista Social Club."

The musical earned 10 Tony Award nominations this year, including for best musical.

Fellman got involved in the behind-the-scenes work on Broadway in recent years, making his producing debut at the beginning of this month.

Despite working as a producer on Broadway, Fellman, who is based in Hogan Lovells' D.C. office,

also maintains his full-time white-collar defense practice.

Fellman talked about becoming a producer on Broadway while maintaining his legal practice.

The following interview has been lightly edited for clarity and length.

Q: How do you get involved with producing?

Fellman: I've been with Hogan Lovells and its predecessor, Hogan & Hartson, for about 37 years, so it's been a long run, and I have a very interesting white-collar practice at the firm. I grew up in Rockville, Maryland, and there was a local dinner theater there that would put on musicals. I can remember my parents taking me for dinner and shows when I was just a little boy, and I definitely formed a love of musical theater

back then. But about 10 years or so ago, I started getting a little bit more involved with New York theater.

Initially, I got involved by just going to shows and enjoying what New York theater had to offer. And then began to get involved with some of the charities in the Broadway community, and then began to think a little bit about what else I could do on Broadway. I certainly don't have any performing talent, but I have a good head for business, and I've got good judgment about what is commercial and what types of shows might have commercial appeal. I began to think about getting involved on the business side, and so that led to an education process and a lot of networking and talking to people.

And ultimately, it became clear that becoming a Broadway producer was within reach.



AYAKUNTAMUKKALA

From left, **Miguel Zaldivar**, CEO of Hogan Lovells; **Doug Fellman**, a partner at Hogan Lovells; and **Ajay Kuntamukkala**, Hogan Lovells' D.C. office managing partner

Q: Can you talk about your schedule as a producer, and how you manage that while still being a partner at a large law firm?

A: When I started getting serious about becoming a Broadway producer, I spoke with my firm and made it clear to them that this would not take away from my full-time practice of law, which it hasn't. And the firm was very sup-

portive from the very beginning. I'm a very efficient person, so I'm able to juggle a lot, and a lot of what I do is in my off hours, in my personal time.

With the Tony Award nominations coming out, the pace and the activity have picked up a little bit, but not in a way that detracts from my practice. And we've done some things in conjunction with the show, with the law firm, and

I've been able to bring a number of my colleagues to see the show. We've had a lot of clients come to see the show, and so I think there are a lot of synergies, actually, with my producing the show and with the private practice of law.

Q: What synergies do you see between practicing law and producing?

A: Having been at the law firm as long as I've been there, practicing law, it's kind of rare at that stage of your life to get an opportunity to do something brand new. And that is so exciting and personally stimulating that it really puts a lot of energy in your step, and it's a very rejuvenating thing to do in parallel with practicing law, which I've been doing for decades at that point.

So I find that is something that I hadn't necessarily expected to see, but that's been a happy sort of after-product of getting involved with producing. And Hogan Lovells has a very big and dynamic New York office, and a practice with a lot of great clients in New York City. And so there have been some real synergies between our goals in New York and my participa-

» Page 6

company decided to stick with it.

The GC, who works with federal contracts, said the reality is that her company would have had to part ways with the firm if it had opted to fight, since Trump's restrictions would have hamstrung its ability to fully represent her business.

"If my firm had chosen to fight, I would have had to find another firm who could help me interact with this administration," she said.

Scott Chaplin, who's been a GC or chief legal officer at seven companies and now runs the consultancy BreakPoint Strategy, said many legal chiefs share her ambivalence.

"I haven't seen a ton of movement with GCs that are going to break or fracture an existing relationship they have with a lawyer," he said. "They'll say, 'I'm not happy about what's going on with that firm, but I've used that lawyer for years.' What I'm hearing is, 'I won't terminate my relationship with you specifically, but I'm not going to expand it either.'"

That's the stance of many GCs interviewed by Law.com: They're not going to levy the ultimate punishment—pulling

» Page 8

Despite Outrage Over Trump Settlements, In-House Not Expected To Go on Law Firm Firing Spree

BY TRUDY KNOCKLESS

SOME general counsel are so furious with law firms that settled with the Trump administration that they'd like to fire them, but in most cases they're keeping the firms aboard because replacing outside counsel mid-matter is too disruptive and costly.

Law.com's interviews with nearly a dozen legal chiefs reveal a tension between principle and pragmatism. While in-house legal leaders say they want to take a stand, their need to bring pending matters to a successful and timely conclusion takes precedence.

"You can't just fire a Skadden and say, 'I'm just bringing in a new company.' It will cost tons of money and time," said a technology industry GC, who spoke

on the condition of anonymity to preserve relationships. "If you're doing corporate work with someone who's been doing your Ps and your Qs for your public company for a really long time, it's very difficult to just turn them off overnight."

Skadden, Arps, Slate, Meagher & Flom, which ranks fourth in the Am Law 100, is among nine law firms that have responded to President Donald Trump's campaign of retribution against Big Law by striking settlements. Under the deals, the firms collectively have pledged \$940 million in pro bono services to causes supported by the administration.

Trump in March began unleashing executive orders on Big Law, targeting firms that have represented clients the president considers enemies. The orders sus-

pended security clearances for firm personnel, restricted their access to government buildings, and threatened to revoke government contracts held by the firm's clients.

Just one of the settling firms—Paul, Weiss, Rifkind, Wharton & Garrison (No. 15 in the Am Law 100)—was the target of a Trump executive order. The others—ranging from Kirkland & Ellis (No. 1) and Latham & Watkins (No. 2) to Willkie Farr & Gallagher (No. 30) and Cadwalader, Wickersham & Taft (No. 85)—apparently settled to avoid becoming a target.

That such formidable firms capitulated has outraged many general counsel, who believe they should use their might to stand up for the rule of law.

Among the critics is Sandra Leung, who retired this month as

general counsel of Bristol Myers Squibb, wrapping up a 33-year career with the drug company. On last week's "Original Jurisdiction" podcast with David Lat, she said, "We all know—we all learn early on—that when a bully confronts you, you have to punch the bully in the nose. You have to fight back and let them know that this is not going to be toler-

ated—or else it just goes on, and there's no end in sight."

She added: "Someone who cowered and agreed to something they know is ridiculous, not right, is frankly not the type of law firm or type of lawyer that I would want on a case."

But a general counsel who does work with one of the settling firms told Law.com that her

company decided to stick with it. The GC, who works with federal contracts, said the reality is that her company would have had to part ways with the firm if it had opted to fight, since Trump's restrictions would have hamstrung its ability to fully represent her business.

"If my firm had chosen to fight, I would have had to find another firm who could help me interact with this administration," she said.

Scott Chaplin, who's been a GC or chief legal officer at seven companies and now runs the consultancy BreakPoint Strategy, said many legal chiefs share her ambivalence.

"I haven't seen a ton of movement with GCs that are going to break or fracture an existing relationship they have with a lawyer," he said. "They'll say, 'I'm not happy about what's going on with that firm, but I've used that lawyer for years.' What I'm hearing is, 'I won't terminate my relationship with you specifically, but I'm not going to expand it either.'"

That's the stance of many GCs interviewed by Law.com: They're not going to levy the ultimate punishment—pulling

» Page 8

The Fate of Nationwide Injunctions Lies With Barrett, Kavanaugh, Say Court Watchers

BY JIMMY HOOVER

WASHINGTON, D.C.

AFTER more than two hours of oral arguments in the U.S. Supreme Court on Thursday, it seems that the fate of nationwide injunctions could come down to the votes of two of President Donald Trump's own appointees.

Justices Brett Kavanaugh and Amy Coney Barrett emerged from the hearing as the apparent key votes in determining whether district courts hold the power to block presidential actions nationwide—a question with profound consequences for the nation's political and legal systems.

Trump has been hit with dozens of injunctions by federal judges around the country amid his aggressive campaign to crack down on immigration, cut funding for federal programs and fire thousands of workers, among other controversial priorities.

The Trump administration urged the Supreme Court to put a stop to nationwide injunctions and, in this case, reinstate Trump's executive order denying birthright citizenship to babies born in the U.S. to undocumented immigrant parents.

With the dust now settled on the hearing, experts say it's hard to predict which way the court will go.

Kavanaugh's questions were "essentially down the middle," said Jesse Panuccio, a former U.S. Justice Department lawyer who has followed the case closely. Mean-

while, Barrett's comments during the hearing could be read as either hostile to the Trump administra-

tion's position or exploring the consequences of ending nationwide injunctions.

"I think those are the two [justices] to watch," said Elora Mukherjee, a Columbia Law School professor.

In contrast to Kavanaugh and Barrett, the remaining members of the court's conservative bloc appeared more overtly sympathetic to the Trump administration that nationwide injunctions exceed the authority of federal judges.

"I think that the more conservative members on the court repeated on Thursday concerns that they've been expressing for years about nationwide injunctions," said Mukherjee.

But even Chief Justice John Roberts Jr.—often seen as the most moderate Republican appointee—appeared open to ending the practice, pointing out that the Supreme Court will still be able to act quickly to decide pressing legal questions in the absence of nationwide injunctions.

"I think we did the TikTok case

in a month," he said.

"Chief Justice Roberts seemed somewhat more sympathetic to the Trump administration's position," said Berkeley Law Dean Erwin Chemerinsky.

As expected, the three liberal justices came out in defense of nationwide injunctions, at least in some contexts.

Justice Sonia Sotomayor ruefully said the Trump administration is claiming "there is absolutely no constitutional way ... to stop a president from an unconstitutional act, a clearly, indisputably unconstitutional act."

The Supreme Court is expected to rule on the case by July, leaving six weeks for the court to coalesce around a majority opinion resolving, perhaps once and for all, a fundamental question about the inherent powers of the federal judiciary.

Of course, the court could chart a different path by ducking the question about nationwide injunctions altogether and proceeding straight to the question of whether Trump's restrictions on birthright citizenship are unconstitutional.

Sotomayor, for instance, floated the idea of using a mechanism known as "cert before judgment" to have the Supreme Court examine the merits before the circuit courts have had a chance to decide them for themselves.

The challengers said they were "very eager" for the court to look at the underlying constitutionality of Trump's birthright citizenship restrictions. And even a lawyer for the Trump administration allowed that granting cert before judgment

was "one possible tool" to quickly resolve the merits.

Here, the National Law Journal breaks down some of the most significant moments during the hearing, and what they may tell us about where the justices are leaning.

'Really?' Barrett Presses Solicitor General on Circuit Precedent, Expedited Appeals

Instead of seeking nationwide injunctions, the Trump administration says that litigants seeking broad relief from federal courts should file traditional class actions, which are governed by Rule 23 of the Federal Rules of Civil Procedure.

U.S. Solicitor General D. John Sauer argued that Rule 23's "rigorous criteria" for litigants seeking to bring class actions protects the rights of defendants, and ensures that the government has the opportunity to "have our day in court" to oppose classwide relief.

At the same time, however, Sauer would not concede that the challengers of Trump's birthright citizenship policy meet that criteria.

"That suggests to me," Justice Elena Kagan said, "you're going to be standing up here in the next case saying that Rule 23 is inapt for this circumstance with this number of people."

Sauer, Kagan suggested, was leading the court into a dead end.

"How else are we going to get to the right result here, which is on my assumption that the [executive order] is illegal?" Kagan asked.

Sauer answered that the proper procedure is to have "multiple lower courts considering it," creating the "appropriate percolation that goes through the lower courts, and then, ultimately, this court decides the merits in a nationwide binding precedent."

To Barrett, the answer was unsatisfactory.

"Are you really going to answer Justice Kagan by saying there's no way to do this expeditiously?" Barrett asked.

Expert Analysis

FAMILY LAW

Custody Litigation Labels and Love: Healing Divided Families

BY ELISA REITER,
DANIEL POLLACK
AND JEFFREY SIEGEL

Few topics in family law generate more heated debate than parental alienation (PA). For decades, mental health and legal professionals have clashed over whether PA is a legitimate psychological phenomenon that harms children or a debunked pseudo-scientific theory that endangers abuse survivors.

This battle continues to rage in courtrooms, academic journals, and professional conferences across the country.

There is little debate that the actions of parent "A" attempting to estrange a child from parent "B" are emotionally damaging for the child and for the child's long-term relationship with parent "B."

Whether or not the actions of parent "A" are based solely on the circumstances of the case, with the array of angry and hurt feelings that accompany a major life disruption, or if the actions of parent "A" are indicative of more significant underlying emotional pathology, becomes the focus of our attention.

The Proponents' Position

Attorney Ashish Joshi argues that decades of case law and peer-reviewed literature support PA's validity. In a recent article, Joshi notes:

Manipulating a child to turn against the other parent is a major problem that should be addressed as soon as possible. Family lawyers should be able to help their clients recognize when alienation is occurring, and then take the necessary steps to deal with it immediately.

ELISA REITER, a senior attorney with Calabrese Budner. DANIEL POLLACK, MSW, JD is a professor at Yeshiva University's School of Social Work in New York City. JEFFREY C. SIEGEL, Ph.D., ABPP is a forensic and clinical psychologist in Dallas, Texas.

Parental alienation can take a significant amount of time to undo, so it is crucial to be cognizant of when and how it might be taking place. Seeking experienced guidance is critical to prevent the damage it can do and seek a workable outcome for everyone involved – especially the child.

Child psychiatrist Dr. William Bernet, founder of the Parental Alienation Study Group, maintains that PA causes demonstrable psychological harm to children. Despite the fact that PA is not specifically recognized in the DSM-V, in responding to critics of PA, Dr. Bernet explains:

...parental alienation was defined as the child's rejection of a parent without good cause. Typically, in cases of PA,

Manipulating a child to turn against the other parent is a major problem that should be addressed as soon as possible.

the child's parents are engaged in high-conflict separation or divorce. In that context, and at the instigation of the alienating parent, the child is encouraged to favor the alienating parent and to refuse to have a relationship with the alienated parent.

Moreover, in Parental Alienation DSM-5, and ICD-11, Dr. Bernet argues that: "...American courts are paralyzed by the DSM's silence regarding parental alienation ... In light of the overwhelming evidence, DSM-5 should recognize parental alienation as a diagnosis."

Despite Dr. Bernet and others' repeated attempts to have PA specifically recognized in the Diagnostic Statistical Manual (DSM), the DSM-5 does not list PA as a diagnosis. Does the mere fact that study groups exist substantiate what is being studied? The DSM-V does list several codes and diagnoses related to parent-child relationship issues:

1. Parent-Child Relational Problem (V61.20) - Used when the focus of clinical attention is on patterns of interaction between parent and child that are associated with significant impairment in functioning or symptoms in one or more individuals.

2. Child Affected by Parental Relationship Distress (V61.29) - Used when the focus is on the negative effects of parental conflict, divorce, or separation on a child.

3. Child Psychological Abuse (995.51) - Includes non-accidental verbal or symbolic acts by a child's parent or caregiver that result in significant psychological harm to the child.

4. Problems Related to Family Upbringing (V61.8) - Includes various issues related to inadequate parenting, family discord, and high expressed emotion within family.

5. Disruption of Family by Separation or Divorce (V61.03) - Used when the primary focus is disruption of the family due to separation or divorce.

Clearly, each of these descriptions can be used to describe the mechanisms and impacts of one parent's attempt to estrange a child from the other parent and create a resist-refuse dynamic.

Whatever we may call the process, it is highly destructive to children and their relationships with their parents. These processes need to be the focus of attention.

While parental alienation is not listed as a diagnosis in the DSM, the experienced child custody evaluator and attorney should explore themes related to the foregoing codes and the specific behaviors being demonstrated when presenting information to the court and when working with families that may be experiencing parent-child contact problems.

The Critics' Perspective

Professor Joan Meier of George Washington University Law School is a leader in the charge » Page 6

ASK THE FORMER REGULATOR

What Exactly is New York's Affordable Housing Retention Act?

Q uestion: I see the New York Budget includes a bill on condominium conversions called the Affordable Housing Retention Act. Can you give me an overview?

Answer: In 2019, New York amended General Business Law (GBL) Section 352-eeee to require that 51% of existing tenants support any conversion of a rental building to condominium ownership and that every tenant be given an opportunity to purchase the apartment they live in.

This change, paired with the robust tenant protections of the Housing Stability and Tenant Protection Act (HSTPA), were designed to protect rental tenants and, for those that are in a building converting to cooperative or condominium, give them a majority vote on whether to become homeowners. However, it had one unintended consequence: it rendered obsolete a 2014 Attorney General policy, "Exemption for Partial Building Sales in Residential Rental Buildings."

That policy, known as the Partial Sales Program, allowed for the conversion of market-rate units in mixed-income buildings if such conversion would result in extending the affordability term of the expiring affordable rental housing, relying on the fact that the right to purchase for tenants was not in the statute, but merely the Department of Law regulations, and therefore such requirement could be exempted.

However, the 2019 amendment to GBL Section 352-eeee required every tenant to be offered a right to purchase and raised the threshold for plan effectiveness from 15% of tenants and bona fide purchasers to 51% of tenants only. As a result, it became nearly impossible to use the Partial Sales Program to pro-



By
Erica F.
Buckley

mote the preservation of expiring affordable rental housing as intended under the Partial Sales Program.

Overview of the Affordable Housing Retention Act (AHRA)—Part GG

The Affordable Housing Retention Act (AHRA), enacted as Part GG of the New York State Budget, is a legislative response to resurrecting the Partial Sales Program.

It creates an entirely new section of the GBL to carry out the original

This mechanism allows tenants in income-restricted rental units to become homeowners while preserving long-term affordability, which explains why AHRA received widespread support from affordable housing advocates.

intent of the Partial Sales Program while leaving every other aspect of the hard-fought changes to GBL Section 352-eeee fully intact. AHRA created a new legal framework for converting certain mixed-income rental buildings in New York City to condominium ownership in exchange for the permanent preservation of expiring affordable rental housing.

Even more, AHRA includes many additional protections for tenants and homeowners that go above and beyond the requirements of the Partial Sales Program.

ERIC A. BUCKLEY is the former Chief of the Real Estate Finance Bureau. She leads Nixon Peabody's Cooperatives & Condominiums and State Attorneys General practices. This column is for informational purposes only and is not a substitute for agency guidance.

Scope of the Law and Eligible Projects

AHRA applies to "eligible projects," defined as buildings or developments in New York City

with 100 or more dwelling units, built after 1996, that are subject to expiring affordability restrictions. These projects must meet specific criteria, such as having received tax exemptions (e.g., 421-a), low-income housing tax credits, or bond financing, and must contain expiring affordable rental housing (referred to as income-restricted rental units).

The law does not apply to most other buildings, including pre-1974 rent-regulated buildings, Mitchell-Lamas, Housing Development Fund Companies, or Redevelopment Companies. Again, the purpose of AHRA is very limited, and is only meant to resurrect the Partial Sales Program for buildings with expiring affordable rental housing that would otherwise be lost or benefit from additional subsidy because such income-restricted rental units are already permanently affordable.

To proceed with a preservation plan, the building owner must obtain a letter of support with its current supervising agency (referred to throughout as the relevant housing finance agency) and such letter of support must be submitted with the preservation plan to the Department of Law. The letter of support will confirm that the property is an eligible project for purposes of complying with AHRA, and the terms of the regulatory agreement that will go into effect once the condominium conversion is consummated.

Types of Income-Restricted Units

The law recognizes several types of income-restricted rental units, including:

- Units that meet the federal definition of "low-income unit" under the Internal Revenue Code and are subject to regulatory agreements with a relevant housing finance agency
- Units previously subject to such agreements but continuously operated as income-restricted rentals
- Units required to be affordable under Real Property Tax Law Section 421-a

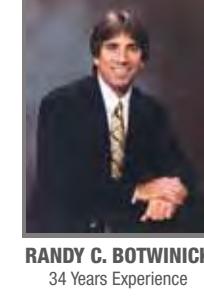
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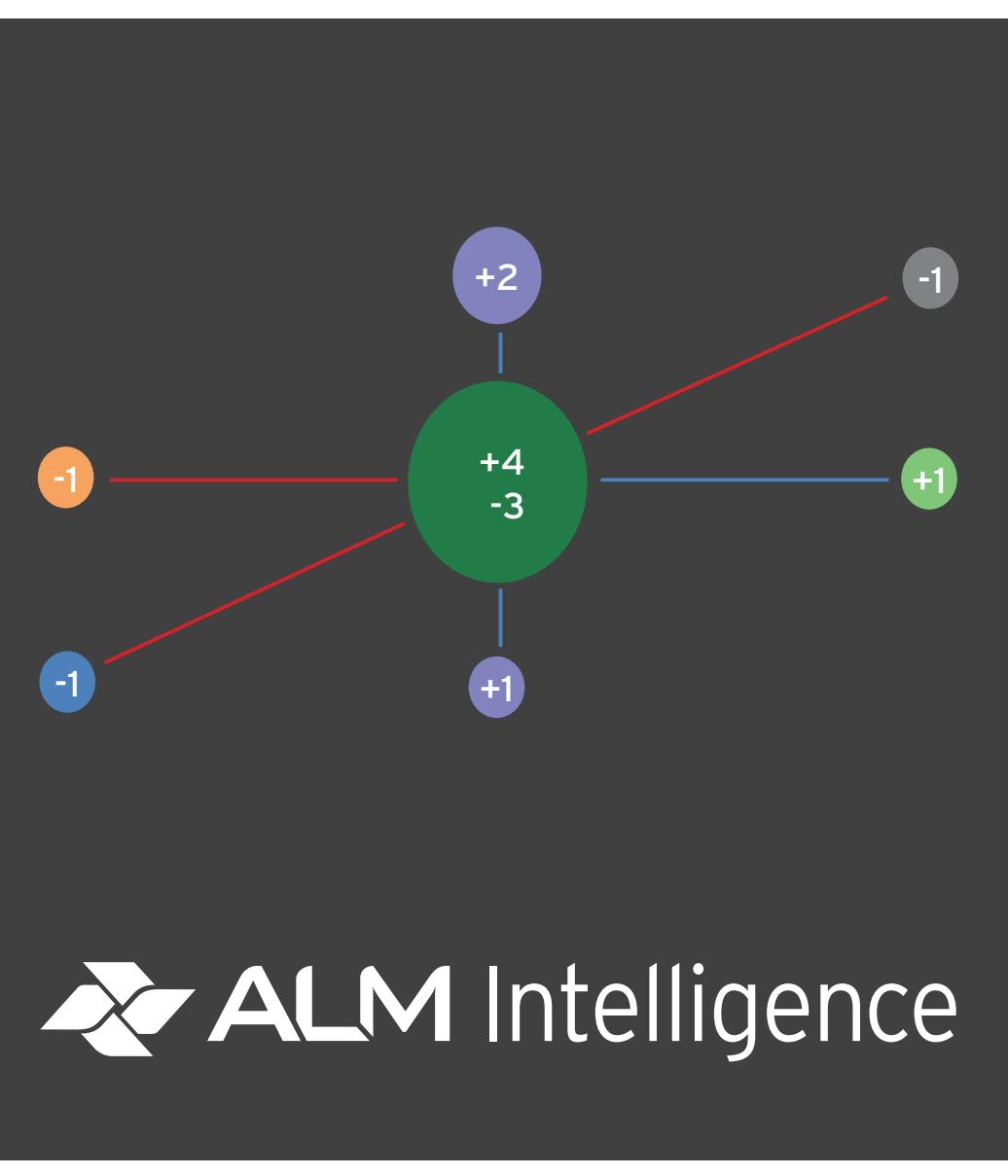
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«Continued from page 1

prior work for clients that undercut the administration's priorities.

Jenner & Block has filed six lawsuits against the Trump administration, including three suits that came after the firm was targeted with its own executive order. Munger, Tolles & Olson has sued the administration five times, with three suits coming after the executive orders began.

Other firms with well-known litigation practices have also stepped up for plaintiffs adverse to the administration since then, including Crowell & Moring, Saul Ewing, Venable, and Williams & Connolly.

While some Am Law 50 firms have remained involved in litigation against the administration since law firms began being targeted, more of the suits filed by large firms have come from outside the Am Law 50. At least six Second Hundred firms have sued the administration since the Covington memo, and litigation boutiques such as Kaplan Martin, Keker, Van Nest & Peters and Selendy & Gay have also filed suits either before or after the memo.

Big Law firms with large M&A practices have sued prior presidential administrations. For instance, Sidley Austin, Willkie Farr & Gallagher, Latham & Watkins, and Paul, Weiss, Rifkind, Wharton & Garrison each sued the first Trump administration over immigration issues.

Firms with a more transactional practice mix might be recalcitrant in suing the Trump administration because their transactions and deals, especially those of higher value, are still subject to U.S. regulatory approval.

The reticence to litigate against the administration represents a departure from several decades of pro bono work done by white-shoe firms and other transactional powerhouses, said University of California, Los Angeles School of Law professor Scott Cummings. "This is something the M&A firms have routinely done and done with a lot of support and resources behind it. It's something they promoted as part of their commitment to the public good and part of their responsibility to

engage in public service."

The ultimate result of the shift is fewer options for pro bono plaintiffs, Cummings added. "This is a lever for the administration to stop them from doing these litigation cases and other cases that are really essential," he said.

A law firm leader familiar with the issue noted that some firms have former federal prosecutors, which could influence the dynamic between the firm and the government. "Some [firms] may have people who are dealing with certain security clearance issues," the source added.

"This is a clear case of where you stand depends on where you sit," said NYU School of Law professor Stephen Gillers. "If you're a regulatory lawyer, if your work is before government agencies, you're going to be much more amenable to the administration's demands. Even firms that are more litigation firms have to worry about harming that part of their practice, but it seems that it's a less important part than the settling firms have."

While less transactional in focus, the list of Am Law 200 firms that have filed lawsuits since the Feb. 25 presidential memo against Covington is hardly limited to litigation boutiques. In fact, six Am Law 50 firms have sued the administration since the March 6 Perkins executive order.

On March 18, Covington sued the United States Agency for Global Media and its acting CEOs on behalf of Radio Free Europe/Radio Liberty after the agency withheld congressionally approved funds.

In April, Quinn Emanuel Urquhart & Sullivan, King & Spalding, and Ropes & Gray represented Harvard College in a lawsuit against the U.S. Department of Health and Human Services and other federal agencies responsible for freezing funding allocated to the university over the university's noncompliance with the administration's demands.

To be sure, some of the firms that have lately taken up litigation against the Trump administration have large private equity and corporate practices, including Ropes. Also, Akin, Gump, Strauss, Hauer & Feld, which grossed nearly \$1.5 billion last year and maintains sizable corporate practices, took on

an April lawsuit on behalf of two family-owned businesses that sued the Trump administration over the impact of tariffs.

Cooley stands out as a transactional-heavy firm that sued the administration after the law firm executive orders began. While Cooley didn't receive an executive order, the firm was included in an EEOC probe in mid-March that questioned whether firms' DEI policies were unlawful. By the end of the month, Cooley sued the administration on behalf of Jenner & Block, which sought a temporary restraining order against an executive order against the firm.

Other law firms suing the Trump administration are known for their litigation and regulatory prowess, including Arnold & Porter Kaye Scholer.

Arnold & Porter has taken up two cases against the administration since the executive orders began. In Maryland, the firm is representing seven transgender or nonbinary people who sued the administration over an executive order limiting passport sex designations to "male" and "female." The firm is also representing multiple Planned Parenthood locations in a Washington, D.C., lawsuit against the HHS regarding withheld funding.

Despite the pullback from transactional firms, the Am Law 200 has continued to litigate against the administration. While the pace of filings from top 200 firms slowed down in April and May, large firms have still filed more lawsuits against the administration since the executive orders began than they did before firms were targeted. Recent complaints from Big Law firms have included the same issues—DEI, gender identity and immigration among them—that Trump cited in executive orders as part of his justification for sanctioning law firms.

The pressure against Big Law ratcheted up this month when Deputy Attorney General Todd Blanche released a memo barring Justice Department employees from hiring law firms with litigation against the administration, citing the ABA model rules on conflicts of interest.

Dan Roe can be reached at droe@alm.com, Samson Amore at aamore@alm.com.

cated litigation work right now, which he described as having the potential to be profitable whether the economy is strong or softer.

Restructuring is a more countercyclical practice, while transactional work related to distressed assets could also fit the bill, he said. "I think within Big Law, most firms have a transactional component that powers the firm through strong cycles. But some overdid it in 2021," Zimmermann said, referring to the boom in deal work after the initial wave of Covid-19. "So their mix got thrown off, and as a result, they have been working to balance it out a bit more."

Dorsey & Whitney has prepared for a possible economic downturn by structuring the firm's practice mix to include countercyclical practices such as litigation and bankruptcy and restructuring, and by providing market analysis to clients, said partner Peter Nelson, who will become managing partner on July 1.

Having the countercyclical practices ensures we can maintain our own productivity, build our own strengths, and make sure clients have their trusted advisers," Nelson said.

Brian Meegan, an M&A partner and founder at Kupfer, a small firm based out of New York City, also said employment and compliance work can be steady during down times. He said in general, firms should be ready to lean into practices where the billing rates and profitability may be lower, but the work is more voluminous. He likened it to a wide receiver in football with "a steady pair of hands."

"In a former firm of mine, we did a lot of representation of special districts. Those are lower, they tend to be negotiated rates, which are not higher billable rates, but they're doing it day in and day out, and there's a lot of volume there that can be dependable revenue when you need it," Meegan said.

Adjusting Partner Draws

Meegan, who has founded multiple firms in his nearly 30-year legal career, also said partner

ships may not want to be as aggressive with quarterly draws and distributions, especially after business expectations changed from the end of 2024 into 2025.

"That's where the rubber meets the road on these sorts of changed expectations," he said, providing a hypothetical in which a firm assumed 10% growth for the year. "We thought we were going to grow by 10%, so draws and distributions were correlated with those expectations," he said. "Then you're like, 'Whoa, maybe we want to bring those down a bit.'"

Firms may want to keep retiring partners around a little longer too, he said, to make things less complicated for clients, with leaders essentially telling them, "We need you to stick around a little longer so we can see ourselves through this uncertain period," Meegan added.

Ed Estrada, managing partner at Gradient Legal Consulting, said that with uncertainty on the horizon, firms will want to control more cash. One way to do that is to tighten policies on billing and collections, or just hammer the importance of it in firmwide messaging. He said most firms usually have a few more percentage points of revenue they can squeeze out of being a little more disciplined.

"There are a number of firms that provide some level of penalty to their partners and attorneys that don't enter time. Some have the equivalent of a small fine, for some, it can impact their bonus. And some, it can even impact compensation," he said, noting that if such policies generate even a 1% improvement in revenue, that equates to \$10 million at a \$1 billion firm. "The boring things keep firms together, and keep the revenue cycle moving, and that's the process of entering time, billing time, collecting on your time and speaking to your people and your clients," Estrada added.

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Outside Counsel

Federal Action Halts New York Offshore Project

Credit: engel.ac/Adobe Stock On April 16, 2025, Secretary of the Interior Doug Burgo issued an order ("Order") to the Bureau of Ocean Energy Management (BOEM) directing BOEM to halt construction of the Empire Wind Project ("Project"), an offshore wind project near Long Island, New York. BOEM thereafter issued a "director's order" to the project's developer to halt construction. Below, we summarize the order, the director's order, and the asserted legal bases for the orders, as well as the orders' likely impacts on New York's energy supply going forward.



By Jeffrey Talbert And Stanley Kaminsky

Legal Bases for Secretary Burgo and BOEM's Orders

The Order cites as its sole authority the January 2025 Memorandum issued by President Trump shortly after taking office, *Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind*

The orders not only halt the Project, they also impede New York's ability to [reach] its ambitious goals under the State's Climate Leadership and Community Protection Act.

Similarly, although 30 C.F.R. §585.417 provides that BOEM may issue a suspension order, BOEM may do so only "(a) [w]hen necessary to comply with judicial decrees prohibiting some or all activities under [an entity's] lease; or (b) [w]hen the suspension is necessary for reasons of national security or defense." 30 C.F.R. §585.417. Neither BOEM's Director's Order nor Secretary Burgo's Order allude to a judicial decree affecting the Project or concerns about national security or defense.

dent grants of agency discretion. In particular, it cites the Outer Continental Shelf Lands Act, 43 U.S.C. §§1331 *et seq.*, and its implementing regulations at 30 C.F.R. Part 585 as giving BOEM the authority to halt the project and "ensure that all [Project] activities...are carried out in a manner that provides for protection of the environment, among other requirements."

The cited authority does not refer to BOEM's legal capacity to issue such directives. Instead, 30 C.F.R. Part 585 provides that the Bureau of Safety and Environmental Enforcement (not BOEM) can "issu[e] [] a cessation order" under 30 C.F.R. §285.401 when a regulated entity "fail[s] to comply" with 30 C.F.R. Part 585. See 30 C.F.R. §585.106. Notably, BOEM's Order does not allege that the Project was noncompliant.

Similarly, although 30 C.F.R. §585.417 provides that BOEM may issue a suspension order, BOEM may do so only "(a) [w]hen necessary to comply with judicial decrees prohibiting some or all activities under [an entity's] lease; or (b) [w]hen the suspension is necessary for reasons of national security or defense." 30 C.F.R. §585.417. Neither BOEM's Director's Order nor Secretary Burgo's Order allude to a judicial decree affecting the Project or concerns about national security or defense.

State Response To Interference

The orders not only halt the Project, they also impede New York's ability to reach its ambitious goals under the State's Climate Leadership and Community Protection Act, which—among other things—envisions 9,000 megawatts of energy from offshore wind by 2035. See 2019 N.Y. Sess. Laws Ch. 106 (McKinney).

To reach that goal, New York has aggressively pursued offshore wind projects, including the now-operational South Fork Wind project 35 miles east of New York's Montauk Point. South Fork Wind is already delivering energy to New York homes. » Page 9

IN BRIEF

«Continued from page 1

New York, not the country as a whole, for a New York court to maintain jurisdiction.

"[Forstech] does not plead that SPDC is registered to do business in New York, that it holds property or bank accounts in New York, or that there it has employees based in New York," Engelmayr said in a Monday order dismissing the case. "And it does not show that, of SPDC's oil exports to the United States, New York receives a majority—or any—of those shipments or profits."

"We're proud to have secured a clean dismissal for our client," said Rebecca Schwarz, who led Shell Nigeria's litigation team.

"The court's analysis reinforces important jurisdictional boundaries that prevent U.S. courts from becoming a forum for every international business dispute."

Forstech had been represented by DaTekena Barango-Tariah, a solo practitioner in New York City. Barango-Tariah didn't respond to Tuesday's requests for comment.

In the complaint, Forstech alleged that it held a contract with the Bayelsa State to process permit applications, including an application submitted by Shell Nigeria in 2009 to build an oil and gas processing facility in Bayelsa.

The contract mandated, Forstech alleged, that Shell Nigeria pay the processing fees directly to Forstech. But Forstech claimed that Shell Nigeria only paid \$1.2 million, and left unpaid the remaining \$58.2 million.

Forstech further alleged that Shell Nigeria had paid \$21 million directly to government officials, causing the state to breach its contract with Forstech. The company brought the case under the Alien Tort Claims Act, alleging that the \$21 million was a bribe connected to the oil and gas industry.

The case, captioned Forstech Technical Nigeria Limited v. The Shell Petroleum Development Company of Nigeria Ltd. and assigned the case number 1:24-cv-07629, was short on details. After an amendment in December, the complaint clocked in at 6 pages.

Shell Nigeria moved to dismiss the case on various grounds, arguing, among others, that Forstech hadn't alleged any

international law violation that could support a lawsuit under the Alien Tort Claims Act. The law allows U.S. district courts to hear suits from foreign citizens over torts committed in violation of international law.

But Engelmayr ruled that Shell Nigeria's arguments on jurisdiction were enough to dismiss the case.

—Alyssa Aquino

Delaware Supreme Court Allows Law Professors' Briefs Arguing Musk Compensation Decision Should Be Upheld

The Delaware Supreme Court has agreed to consider two amicus briefs from law professors who argue the court shouldn't overturn the Court of Chancery decision that rescinded Elon Musk's compensation package at Tesla.

The briefs, which the court on Monday entered orders granting leave to file, are two of eight amicus briefs that have been entered in the appeal, which was filed in January and has not yet been scheduled for argument.

The other six, approved last month, all support Tesla and Musk, who are asking the Supreme Court to reverse the decision to avoid infringing on shareholders' rights.

In one brief, six corporate law professors argue that reversing the Chancery decision would reopen a door the Supreme Court closed last year in its *In re Match Group* decision, which set a precedent on "cleansing" mechanisms required in conflicted controller transactions.

"Repeating many of the same arguments that this court already rejected in *Match*, Tesla and its amici say that this case falls in a double-secret exception to *Match* because this case involves executive compensation and the second stockholder vote took place after the Court of Chancery found a fiduciary breach," the brief stated. "These arguments find no support in Delaware law and ignore the central policy at the heart of *Match* and *(Kahn v. M&F Worldwide Corp.)*"

A separate brief from law professor Charles Elson said the appeal represents an attempt by Musk to sow uncertainty about the reliability of the Delaware corporate franchise and the state's judiciary.

"Threatening the franchise is not a new strategy," Elson's brief stated. "Disappointed litigants have long used this tactic in hopes of influencing Delaware courts. But what has made Delaware great is the predictability of its law and the expertise and courage of its courts. Accepting Musk's amici's arguments and discarding core precedents to save Musk's pay package would harm that reputation."

Days before the court approved the two most recently filed amicus briefs, the Tesla directors who are appellants in the case filed a reply brief addressing what makes a party a controller under Delaware law and arguing that the Supreme Court should find the business judgment rule applies in the compensation case, allowing the pay package to go forward.

"The control definition adopted by the General Assembly in Senate Bill ('SB') 21 codifies principles that were well-established in Delaware law but misapplied by the Court of Chancery in some cases, including this one," the directors' brief stated. "Under a proper application of Delaware law, Musk was not a controlling stockholder because he did not exercise control over Tesla's corporate affairs—or the specific transaction at issue, even though that would not suffice in any event."

The brief claims the court could instead reverse the case in any of several other ways: finding that the transaction was entirely fair, determining that rescission of Musk's compensation was a remedy that went beyond restoring the parties to where they stood when negotiating the pay package in 2018, or ruling that Tesla shareholders adequately ratified the compensation plan with a vote last summer.

—Ellen Bardash

Letters Welcome

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Real Estate Trends

REALTY LAW DIGEST



By
Scott E.
Mollen

Commercial Landlord-Tenant—Court Denied Restaurant's Motion for Preliminary Injunction Enjoining Defendants From Evicting and Replacing Plaintiffs—Bryant Park Grill, Café and Porch—Plaintiffs Argued That RFP Process Was Tainted By Bias and Designed To Displace Plaintiffs In Favor of Jean-Georges/Seaport Group—Right of First Lease Not Triggered When Multiple Parcels Are Offered Together Rather Than Individually—Plaintiffs Lack Standing To Enforce Agreements Since Plaintiffs Were “Neither a Signatory Nor an Intended Third-Party Beneficiary”—Bryant Park Corporation (BPC) Is Not a Public Authority Within the Meaning of Public Authorities Law §2897—Court Found Plaintiffs' Allegations Were Not Supported By the Record—The Process Was “Structured, Substantive, Fair and Compliant With the 1991 Procedures”—“Mere Dissatisfaction With a Competitive Outcome Does Not Constitute Bad Faith or Arbitrary Conduct Sufficient To Warrant Injunctive Relief”—Claims as to “Reputational Harm, Employee Layoffs and Disruption to Event Planning, While Unfortunate...Do Not Independently Justify Equitable Relief”

The court decided “an application for a preliminary injunction seeking to oust, eject Plaintiffs and/or transferring possession of the Bryant Park Grill, Café or Porch to any other party pending resolution of this action.” The plaintiffs argued that such relief “is necessary to preserve the status quo and prevent irreparable harm.”

The court acknowledged the “gravity” of its decision and the “impact it is likely to have upon the (plaintiffs) in that it has been occupying this property since at least 1991 and has certainly been a fixture in Bryant Park in New York City.” The court understood that this action could have significant adverse consequences for the plaintiffs and had granted “in part, [at a TRO hearing,] the relief that was being sought.”

The plaintiffs argued that the defendant Bryant Park Corporation (BPC) violated §23.01 of the “Grill lease (lease) by failing to honor [plaintiffs'] right of first lease with respect to the Café.” They contended that the BPC RFP process was “tainted by bias and designed to displace (plain-

FINANCING

Receiverships Are A Powerful Remedy for Lenders

BY JEFFREY B. STEINER,
SCOTT A. WEINBERG
AND JOEL C. HAIMS

If a mortgage loan goes into default, and lender determines to pursue a foreclosure (maybe after attempts to restructure the loan have failed), one of the first steps many lenders will take (especially if they have lost trust in their borrower) is to seek appointment of a receiver to preserve and protect the value of the mortgaged property during the litigation.

The receiver is an officer of the court and is a fiduciary that represents the interests of all parties claiming an interest in the mortgaged property, but is not chosen by, and does not report to, represent, or take direction from any of the litigants, including the lender, contrary to common belief.

A receiver's authority is set forth in the court's order of appointment, which generally includes managing and maintaining regular operations, making necessary repairs and expenditures, and collecting revenue from the property, all to the exclusion of the property owner/borrower.

New York State court receivership appointments are governed by Title 22, Part 36 of the New York Codes, Rules and Regulations (“NYCRR”). These rules are “intended to ensure that appointees are selected on the basis of merit...[and] the qualifications of the appointee or the requirements of the case.” 22 NYCRR 36.0. “Therefore, the appointment of trained and competent persons, and

JEFFREY B. STEINER, SCOTT A. WEINBERG and JOEL C. HAIMS are partners at McDermott Will & Emery. CHENJIA ZHU, an associate at the firm, assisted in the preparation of this article.

the avoidance of factors unrelated to the merit of the appointments or the value of the work performed, are fundamental objectives that should guide all appointments made, and orders issued, pursuant to this Part.”

Section 36.2 provides further guidance on the appointment process, requiring that “[a]ll appointments pursuant to this Part shall be made by the appointing judge from the appropriate list of applicants established by the Chief Administrator of the Courts pursuant to section 36.3 of this Part.”

Section 36.2(d) of the NYCRR limits eligibility to appointments based on compensation, disqualifying those who already received an appointment in the calendar year in which anticipated compensation is greater than \$15,000, or have received an aggregate of more than \$125,000 in compensation awarded from all appointments in the preceding calendar year.

Receivers are generally paid on the basis of a percentage of income collected from the property, with such compensation limited by statute (CPLR §8004(a)) to a maximum of five percent (5%) of such sums—but cases have made clear that “the statutory commission of 5% represents the maximum amount which may be paid to a receiver for his services...[.] A receiver is not entitled to the statutory maximum as of right; the court has discretion to award a lower percentage[.]” *Key Bank of New York v. Anton*, 241 AD2d 482, 483 (2d Dept. 1997).

In situations where the mortgaged property is operated as a specific business operation, such as a hotel, restaurant, or other business that requires specialized expertise, lenders frequently will request appointment of a particular receiver with such expertise.

While there have been cases where courts granted lenders' requests and appointed the proposed receiver (*See Wilmington Trust, National Association et al., v. Elmwood NYT Owner, LLC, et al.*, Index No. 850176/2020 (Sup. Ct., N.Y. Cnty) (NYSCEF Doc. No. 65)), there is no guarantee that the court will appoint the proffered candidate, and ultimately, the decision of who to appoint lies solely within the discretion of the court.

Most commercial mortgage loan documents contain a clause that provides for the appointment of a receiver in the event of default. A typical receivership clause provides as follows:

After the happening of any Event of Default and during its continuance, and upon the commencement of any subsequent proceedings to foreclose this Mortgage or to enforce the

ness secured hereby, forthwith either before or after declaring the unpaid principal of the Note to be due and payable, to the appointment of such a receiver or receivers.

If the loan documents contain such a provision, then, pursuant to N.Y. Real Prop. Law §254(10), “the holder of this mortgage, in any action to foreclose it, shall be entitled to the appointment of a receiver... without notice and without regard to adequacy of any security of the debt[.]” Likewise, New York Real Property Actions and Proceedings Law §1325 specifically provides that “[w]here the action is for the foreclosure of a mortgage providing that a receiver may be appointed without notice, notice of a motion for such appointment shall not be required.” *See HSBC Bank USA, N.A. v. Rubin*, 210 AD3d 73, 81 (2d Dept. 2022).

Further, the mortgagor need not

Appointment of a receiver is a powerful, but potentially expensive, remedy for a mortgage lender, which removes the borrower from control of the property, but does not transfer control to the lender.

specific performance hereof, or in aid thereof, or upon the commencement of any other subsequent judicial proceeding to enforce any right of this Mortgage, Mortgagor will if required by Mortgagor, consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, Rents, issues, profits and income thereof. [...] Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebted-

allege nor prove the necessity for the appointment of a receiver. *See GECMC 2007-CI Ditzmars Lodging LLC v. Mohola, LLC*, 84 AD3d 1311, 1312 (2d Dept. 2011) (holding that “the plaintiff was entitled to the appointment of a temporary receiver [...] regardless of proving the necessity for the appointment.”).

If a foreclosure action is brought in New York State court but there is no contractual provision for the appointment of a receiver, a lender may still request the court appoint a receiver pursuant to CPLR §6401. However, unlike N.Y. Real Prop. Law §254, CPLR §6401 requires the movant seeking such appoint-

» Page 10

SCOTT E. MOLLEN is a partner at Herrick, Feinstein.

Wall Street Bets Big On Rental Homes as Mortgage Costs Soar

BY KRISTEN SMITHBERG

As rising home prices continue to make homeownership unaffordable for many, demand is increasing for rental homes, creating investment opportunities in the single-family rental build-to-rent (SFR) sector.

The BTR segment produced \$2.2 billion in transactions last year, despite a decrease in acquisitions of BTR communities with 50 or more units over the past two years, according to a Yardi Matrix report. The sector continues to gain traction within multifamily and has drawn interest from institutional players and private equity firms. AvalonBay Communities acquired 126 BTR homes in Bee Cave, Texas, for \$49 million, and plans to invest \$1 billion in the sector going forward, the report said. Blackstone, Invitation Homes and Pretium Partners are among several big Wall Street firms expanding their BTR portfolios. In addition, JP Morgan partnered with Georgia Capital and Paran Homes to launch a vertically integrated BTR development firm focused on new construction in the Southeast.

There are 20 million single-family rentals across the United States, about 4% of

» Page 9

Tariffs Weigh on New Home Construction

BY KRISTEN SMITHBERG

TARIFFS appear to have impacted new residential home construction as permits fell by 4.7% month-over-month and 3.2% year-over-year during April. Starts were up 1.6% from March but were 1.7% below April 2024 levels, according to a new home construction report from Realtor.com.

Completions took the biggest hit in April, dropping 5.9% month-over-month and 12.3% year-over-year. However, Realtor.com attributed this less to tariffs, which typically would affect forward-looking metrics, and more to a longer-term trend of completions trailing permits and starts that has left fewer homes in the final stages of construction than usual.

Like many retailers, home builders have been stockpiling materials in advance of tariffs being implemented, which may explain why housing starts were less affected than permits, said Realtor.com.

The report suggested that current trade policies could worsen a four-million-home supply gap that has emerged over decades of underbuilding. In all, there were 1.4 million starts in April, including 420,000 multifamily starts and 927,000 single-family starts.

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Could Another Silicon Valley Bank Collapse Happen Today?

BY ERIK SHERMAN

A RECENT article from The New York Times highlighted the ongoing debate over a possible collapse of Silicon Valley Bank (SVB) in 2023 and its subsequent takeover by the Federal Deposit Insurance Corporation. Many observers argue that the failure was due to insufficient regulation, raising valid questions about why authorities did not intervene sooner with SVB, as well as with Signature Bank and First Republic Bank. Concerns were also voiced about those financial institutions' heavy concentration in specific investments and

» Page 8



The portfolio includes a portfolio of 121 properties.

Blackstone JV Sells \$395M in NY Commercial Real Estate Loans

BY ANTHONY RUSSO

BAYVIEW Asset Management has agreed to take about \$395 million worth of commercial real estate loans off the hands of a joint venture led by Blackstone.

The portfolio of 121 properties was purchased at a discount and is affiliated with the New York area, according to a report from Bloomberg, citing sources familiar with the matter. The loans apply to a mix of CRE assets, including retail, industrial, multifamily and office.

Along with Blackstone, the JV included Canada Pension Plan Investment Board and Rialto Capital, with Newmark marketing the deal. The debt was from was inherited from Signature Bank (now in receivership), when the trio bought a 20 percent stake in the financial institution's \$17 billion CRE loan portfolio in 2023, according to Bloomberg. The news outlet said that

» Page 10

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Custody

Continued from page 3

against PA theory. Her research suggests courts frequently misuse PA claims to discount legitimate abuse allegations. Prof. Meier argues in regard to parental alienation syndrome: PAS theory recasts abuse claims as false tools for alienation, thereby inherently dissuading evaluators and courts from serious consideration of whether abuse has actually occurred.

Relationship Dynamics

Some experts advocate for a more nuanced approach. Clinical psychologist Dr. Lyn Greenberg emphasizes early intervention focused on children's developmental needs rather than alienation labels. Dr. Greenberg explains:

Children at the center of conflict exhibit dysfunctional patterns early, failing to master essential developmental skills or demonstrating regressive or inappropriate behavior...

With early intervention, many children can have a respite from dysfunctional family dynamics, develop or maintain healthy social and relationship-building skills, learn healthy coping abilities, and benefit from safer venues for resolving conflict.

Similarly, psychologist Dr. Benjamin D. Garber warns against oversimplifying complex family dynamics into alienation versus abuse. He opines as to parent child contact problems (PCCP): At issue is not the existence of alienation as some have suggested, although the phenomenon must be understood as a relationship dynamic that can arise between people rather than as a syndrome or illness that can be diagnosed within a child.

At issue instead is our ability and willingness to look beyond simple and appealing either/or, black/white arguments to wrestle with the full complexity of human relationships.

All of these arguments are compelling and as Garber suggests, attorneys and mental health pro-

fessionals need to take a deeper dive into the "why" behind the "what" of these types of behaviors. Those answers are complicated and we hope to explore those in future articles.

In her 2025 book *Someone Said Parental Alienation*, Dr. Jean Mercer notes that:

Defining parental alienation is the first step in this discussion, but it would be a mistake to think that it's the last step. ... Alienationists use the term *parental alienating behaviors* to describe the actions they believe preferred parents use to persuade children to avoid or reject the other parents...

(Until these actions have been demonstrated to cause child avoidance, it might be preferable simply to call them parenting behaviors). Anti-alienationists sometimes use the phrase *protective parent* to describe a child's preferred parent, whom alienationists consider to be an alienator.

Emphasis is in the original text. Drs. Jonathan Gould and David Martindale note in *The Art and Science of Child Custody Evaluations*, "[m]any, if not most, children in nonabusive families have equal relationships with their parents – relationships that are not identical but relatively equal."

Dr. Gould and Dr. Martindale draw distinctions between affinity (being closer to one parent to the other) in nonabusive families, alignment in nonabusive families, and protective parenting in abusive families as a springboard to discussing and identifying signs of pathological relationships.

The Impact on Family Courts

This theoretical battle has profound practical implications. Simply put, parent child contact problems can escalate, exacerbate by divorce and/or other custody battles, to the point that if a child is aligned with one parent, and for a variety of reasons, rejects contact with the other parent, lawyers, mental health professionals, and judges find themselves in the midst of battling parents, charged with sorting things out.

Parents may view the actions of those professionals as seeking to capitalize on the dysfunction within the family, while those professionals likely perceive themselves as well-intentioned, seeking to protect the best interests of children made the subject of litigation. Estrangement can fester and reach the point of a difficult and lengthy return to a healthy relationship, often involving counseling. Courts must evaluate competing expert testimony, weigh abuse allegations, and make high-stakes custody decisions while navigating contradictory claims and inconsistent research.

Many jurisdictions now require specialized training for custody evaluators and careful screening of alienation claims. Attorney Ashish Joshi counsels attorneys to thoroughly understand the scientific literature and properly frame alienation evidence:

For any type of abuse, there is always a risk of abusers pretending to be victims. This risk creates the need for clear standards and reliable screening and assessment tools to prevent misuse.

Conclusion

The parental alienation debate reflects deeper questions about how we protect children caught in family conflict. Moving forward requires more than simply taking sides in an ideological battle.

Instead of fixating on labels, legal and mental health professionals should focus on observable behaviors, relationship dynamics, and evidence-based interventions tailored to each family's unique circumstances.

By prioritizing children's developmental needs and establishing rigorous, balanced assessment protocols, courts can make more informed decisions that truly serve the best interests of children while ensuring abuse allegations receive proper investigation.

The path to better outcomes lies not in winning the terminology war, but in developing more sophisticated, nuanced approaches to helping families navigate these extraordinarily complex situations.

involved with the capitalization of a show, the marketing of a show, the sale of tickets and all those kinds of aspects to help make it successful.

Q: What type of support have you received from the firm?

A: By coincidence, this first show of mine is about a band that was formed in Cuba and ultimately an album that was created in Cuba, and our CEO Miguel Zaldivar is of Cuban descent, and his family is from Cuba, and he has deep roots there, as do a number of our other partners in the Miami office and in the D.C. office. The firm has been so supportive and enthusiastic about not only my participation in "Buena Vista," but about the show itself.

We recently did an event where we invited a number of clients and friends of the firm based primarily in New York and working with our New York office to dinner at a Cuban restaurant within walking distance of the theater. And then we all went and saw the show. Afterwards, I arranged a private audience talk-back with some of the performers, so we stayed behind after the show and had a Q&A session that I moderated with a number of the performers. Our group totaled about 80 people, so it was a very large group and I think it was a successful event that, more than anything, everybody just really enjoyed a lot.

Abigail Adcox can be reached at adcox@alm.com.

Perspective



Protestors demonstrate outside the U.S. Supreme Court prior to oral arguments in a case about President Trump's executive order restricting birthright citizenship on May 15.

But What About the Birthright Babies?

BY BENNETT L. GERSHMAN

Despite the hype, last week's argument in the United States Supreme Court in *Trump v. CASA, Inc.*, was not about whether President Donald Trump has the power to eliminate from the U.S. Constitution the Fourteenth Amendment's grant of citizenship to persons born in the United States. Rather, for over two hours, the court heard arguments about the power of federal judges to halt Trump's executive order and apply their rulings throughout the country, so-called nationwide injunctions.

The justices asked intelligent questions, and the lawyers effectively defended their positions. But notwithstanding the familiar tension, the proceeding had a dispassionate, antiseptic, almost surreal quality. Observers could wonder why the court was considering the seemingly peripheral procedural question while the merits of Trump's profoundly unconstitutional order were not front and center.

I suspect there was an acute awareness by some of those sitting in black robes on the bench that while the abstract legal question over the authority of federal judges to issue nationwide injunctions was the question presented for review, the justices knew full well that at that moment a mother, perhaps an undocumented immigrant, somewhere in the country, possibly in a hospital but more likely in an undisclosed location, was giving birth to a baby boy or girl while immigration police were lurking nearby poised to arrest the mother and deport her and her baby, assuming the mother and baby did not die from complications, or lack of prenatal care, or other unsafe conditions.

To be sure, the constitutionality of Trump's cruel and inhumane order hovered over the chamber, yet the court's inability, or refusal, to address the question was frustrating and perplexing. One might reasonably ask why the rules of the Supreme Court are so restrictive, artificial, or discretionary that the overarching question of whether a president has the power to unilaterally alter the constitution is not answered.

Interestingly, the government brushed aside the lawfulness of Trump's order, which every federal district judge hearing the matter found unlawful. Why did the government not support the lawfulness of Trump's order? Why did the government not ask the Supreme Court to review the merits of Trump's order? Most likely the government believed it would lose on the merits. And if the court

decided that lower federal courts lack the power to issue national injunctions, the government could keep forcing immigrants and their lawyers to litigate in every jurisdiction in America, with Immigration and Customs Enforcement agents standing nearby ready to pounce.

Thus, to the government, the overriding concern was not the welfare of immigrant mothers and their babies but whether the federal district courts, in the words of Solicitor General D. John Sauer, were acting as a roving commission to correct every legal wrong that they can consider and to exercise general legal oversight over the executive branch.

When the solicitor general was asked several times by Justice Amy Coney Barrett whether the Trump administration would accept judicial directives he responded, "it is not a categorical practice," and that Trump reserved the right not to follow precedents with which he disagreed. Barrett responded incredulously, "Really?"

One wondered why one of the justices didn't ask Sauer: "Wasn't Federal District Judge Matthew Kacsmaryk, who presides in a small one-judge federal district in Amarillo, Texas, behaving like a 'roving commission' when he enjoined the sale of the abortion drug mifepristone, and made his injunction apply nationwide?" What would the solicitor general have responded to the suggestion that Kacsmaryk is the "go-to" judge for conservative lawyers who shop in his courtroom for legal bargains?

But as the give and take progressed, there were some clues that perhaps birthright babies were not forgotten. Although a few of the justices, likely Clarence Thomas and Samuel Alito, bought the argument that some federal judges—except Kacsmaryk, of course—wield too much power, it appeared that most of the justices rejected the insinuation. Most of the Justices appear to have little patience with the Trump administration's gamesmanship and defiance of the Constitution, whether by flouting directives from federal judges to respect an immigrant's right to due process before being thrown out of the country; defying a federal judge's order to have an immigrant returned to the U.S. from a prison in El Salvador where he was mistakenly sent; and the blatant intimidation of federal judges by Trump and his ilk with catcalls for impeachment of judges and even threats to their lives.

In fact, the day after last Thursday's argument, the Supreme Court issued a 5-4 decision in *Trump v. Hawaii* that upheld the nationwide injunction. The court held that the executive order violated the Constitution's due process clause by failing to provide a rational basis for its restrictions on immigrants from Muslim-majority countries. The decision was a victory for the state of Hawaii and several other states that challenged the order.

The South seems to be the region experiencing the most significant pullback on permits directly related to tariffs. Permitting there fell by 9.6% month-over-month and 9.8% year-over-year.

Realtor.com said the percentage difference in price between newly built and existing homes is lower in the South, which suggests builders are responding to increased costs by deprioritizing lower-margin projects.

Duplexes and townhomes housing between two and four families were a bright spot for permitting. The category was up 1.7% month-over-month and 5.4% year-over-year. "We know that builders are trying to build smaller and more affordable inventory to supply some missing price ranges of inventory, and though they're starting to eschew some lower-priced single-family homes, they are at least able to continue prioritizing

Court, despite Trump's inflammatory rhetoric, kept in place its block on Trump's attempted deportation of Venezuelan migrants under a 1798 law historically used only in wartime, faulting his administration for seeking to remove them without adequate legal process. The court intervened after the migrant's lawyers reported that the Trump administration was set to immediately remove the migrants without the required notice or opportunity to contest their removals. "Under these circumstances," the court ruled, "notice roughly 24 hours before removal, devoid of information about how to exercise due process rights to contest that removal, surely does not pass muster."

And despite the day's focus on judicial procedure rather than constitutional rights, some of the justices were clearly sensitive to the rights of the newborn and that sometimes nationwide injunctions are necessary. These justices, liberals and conservatives, know that without a broad multi-district injunction, thousands of babies and potential babies would have to get lawyers and litigate their claims to citizenship in every jurisdiction in America where they are born. "Catch me if you can" was how Justice Ketanji Brown Jackson described the government's perverse, legally unsound, and morally repugnant position.

Also, as even some of the conservative justices noted, without a nationwide injunction, administrative chaos would ensue if a baby travels from one state that doesn't recognize

Perspective

Fully Removing State Constitution's Metric For Assigning Judges Would Undercut Separation of Powers

BY FRANK CARUSO

It is a given that the current shortage of state Supreme Court justices across New York has resulted in unacceptable delays for litigants resolving cases, whether they be matrimonial, commercial, malpractice, personal injuries or any of the myriad of other issues needing judicial resolution.

How to fix that problem, however, is a matter of current dispute before the legislature. We think a proposed constitutional amendment to remove any population-based metric for assigning additional Supreme Court judicial seats threatens to undercut the separation of powers by subsuming that process in the usual horse-trading and give and take that is business as usual in Albany.

Unlike other judicial seats in the state, Supreme Court justices are constitutional officers under the New York State Constitution, which allocates seats for each 50,000 residents of each of the state's 13 judicial districts.

The legislature passed an amendment last session, sponsored by State Sen. Brad Hoylman-Sigal and Assembly Member Alex Bores, both of Manhattan, to simply remove that population metric from the constitution. It is up for a second reading in the current session, and if passed, would go to the voters for their approval.

The Association of Justices for the Supreme Court of the State of New York



COURTESY PHOTO

The Association of Justices for the Supreme Court of the State of New York and other judges' groups are calling on lawmakers to reconsider a proposal that would lower the State Constitution's population metric for assigning judges to 30,000 per judicial district for an additional seat.

Dinowitz of the Bronx and State Sen. Leroy Comrie of Queens that instead would lower that population metric to 30,000 per district for an additional seat.

That would authorize an additional 266 Supreme Court Justice positions across the state, and they would be assigned

of New York, which I head, along with the Supreme Court Justices Association of the City of New York, the Latino Judges Association and the Judicial Friends Association have joined together to urge legislators to take a second look at an alternative proposal by Assembly Member Jeffrey

based on the population and need of each district, not as part of that horse-trading and give and take.

By the nature of our position, we are properly constrained from entering the political debate. But this is not an overtly political issue, but one that goes to the

core of the separation of powers and the judiciary's status as the so-called "third branch" of government.

Nor is it a partisan issue, but a geographic one, affecting counties across the state whether they are dominated by Democrats or Republicans.

The "easy fix" of simply removing any population metric is not always the best solution if it creates politicization by putting the assignment of seats into the overtly political legislative and executive branches of our government.

Lowering the Constitutional mandate to 30,000 would create hundreds of new judicial seats while avoiding the politicization of the selection process. That is the best way to ensure an adequate number of justices, and an assurance that litigants will not be left waiting endlessly to resolve their cases.

Hon. FRANK CARUSO is a Supreme Court Justice from Niagara Falls and President of the Association of Justices of the Supreme Court of the State of New York.

Judicial Ethics

Opinions From the Advisory Committee on Judicial Ethics

The Advisory Committee on Judicial Ethics responds to written inquiries from New York state's approximately 3,600 judges and justices, as well as hundreds of judicial hearing officers, support magistrates, court attorney-referees, and judicial candidates (both judges and non-judges seeking election to judicial office). The committee interprets the Rules Governing Judicial Conduct (22 NYCRR Part 100) and, to the extent applicable, the Code of Judicial Conduct. The committee consists of 28 current and retired judges, and is co-chaired by the Honorable Debra L. Givens, an acting justice of the supreme court in Erie County, and the Honorable Lillian Wan, an associate justice of the appellate division, second department.

Opinion: 25-04(C)

Facts/Issue: A judge asks if he/she may preside in matters involving an attorney whose wedding the judge attended before assuming the bench.

Discussion: We have said a judge may attend the wedding of an attorney who regularly appears in the judge's court, provided the attorney is not on trial before the judge at time of the wedding. Assuming the nature of the judge's relationship with an attorney does not itself require disqualification,¹ the judge must nonetheless disclose his/her attendance as a wedding guest when the attorney appears in the judge's court for two years after the wedding. In our view, the two-year period runs from the date of the wedding, even where the judge attended the attorney's wedding before assuming the bench.

Conclusion: For two years after attending the wedding of an attorney as a social guest, a judge must make appropriate disclosure when the attorney appears before him/her.

Authorities: Opinions 22-138; 11-125.

¹ Opinion 11-125 lays out guidelines for evaluating social relationships and determining the judge's ethical obligations.

Opinion: 25-06(A)

Digest: A judge may send a letter to a law school admissions office to provide additional support for an applicant who has been waitlisted, if the letter reflects the judge's personal knowledge and observations of the applicant. Although such contact should be made in writing rather than by telephone, the judge may nonetheless invite the admissions office to call the judge for further discussion.

Rules: 22 NYCRR 100.2; 100.2(A), (C); 100.3(A); 100.4(A) (1)-(3); Opinions 24-109; 10-78-10.

Opinion: A full-time judge asks if he/she may make a telephone call to a law school admissions office on behalf of an applicant who has been waitlisted, to lend support to the application. The judge notes that the law school is the judge's alma mater, and he/she was previously a member of the law school's alumni committee.

A judge must always avoid even the appearance of impropriety and act to promote public confidence in the judiciary's integrity and impartiality (see 22 NYCRR 100.2; 100.2(A)). A judge's judicial duties "take precedence over all the judge's other activities" (22 NYCRR 100.3(A)) and thus his/her extra-judicial activities are subject to limitations (see generally 22 NYCRR 100.4(A)(1)-(3)). In addition, a judge must not lend the prestige of judicial office to advance private interests (see 22 NYCRR 100.2(C)).

In general, a judge with relevant personal knowledge of a job applicant or of an individual seeking admission to an educational institution may write a reference letter to the prospective employer or the institution at the applicant's request (see e.g. Opinions 24-109; 88-10). Such letters ordinarily focus on the judge's personal knowledge of the applicant's professional performance; observations of the applicant's qualities and abilities that are relevant to the position; or the judge's opinion of a per-

son's character based on the judge's observations" (Opinion 10-07). They may also address "the applicant's work history if the judge has worked with the person or otherwise has reliable personal knowledge of the person's expertise" (id.). If the judge uses judicial stationery, he/she must clearly mark it "Personal and Unofficial" (see Opinion 24-109).

Thus, the inquiring judge may write a letter in support of a law school applicant, provided the judge knows the applicant and the letter speaks to that personal knowledge and the judge's observations of the qualities and abilities of the prospective student. The letter need not be solicited by the law school, but may be sent by the judge either sua sponte or at the request of the applicant, even after the applicant has been waitlisted.

The present inquiry raises one novel issue, as the inquiring judge specifically asks about placing a telephone call to the law school admissions office to lend support to a waitlisted applicant. To avoid even the possible appearance of undue pressure, we advise that any recommendation be in writing pursuant to the guidance above. The judge's letter may, however, invite the admissions office to call the judge for further discussion, thus leaving it to the admission office's discretion as to whether it wishes to speak directly with the judge concerning the applicant.

DECISIONS WANTED!

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Perspective



ALFREDO GARCIA/SAZ/ADOBESTOCK

New York courts have usually been unreceptive to arguments that a heter iska—a legal device Orthodox Jewish rabbis developed to facilitate lending and commerce—should be treated as an enforceable contract to render ambiguous, or potentially displace, concurrent civil law agreements

Lenders: Beware of the Heter Iska When Loaning Money

BY ALLEN SCHWARTZ AND JOHN M. LEVENTHAL

One area where Jewish religious law and New York civil law have intersected is the lending business. In loans involving Orthodox Jewish lenders and borrowers, the parties often execute a document designed to address the Biblical prohibition on the lending of money with interest by one Jewish person to another. Beginning in the Middle Ages, to facilitate lending and commerce, Orthodox rabbis developed a legal device to overcome this Biblical prohibition, the device variously known as a "heter iska" or "shtar iska."

In its current form, the parties typically execute an agreement which structures the transaction as a joint venture or partnership agreement instead of a loan, while ensuring a fixed rate of interest by imposing onerous accounting requirements. Specifically, to ensure that the investor receives the fixed interest that it would expect from a loan, the heter iska typically states that the joint venture will be automatically deemed profitable unless the nominal managing partner complies with onerous verification and religious oath requirements. If the investment is automatically deemed profitable, the heter iska requires a fixed profit share repayment that equates to fixed interest. Since the verification requirement is unlikely to ever be fulfilled, the nominal investor is *ex ante* assured that the joint venture will automatically be deemed profitable—and the repayment requirement triggered—no matter how the investment performs.

Nowadays, religious borrowers and lenders typically execute conventional loan documents, such as notes and mortgages, along with a heter iska. The heter iska often contains an arbitration provision requiring that any disputes regarding the heter iska be adjudicated in a Bais Din, a religious tribunal applying Jewish law. Courts must be wary of delving into deeply into heter iskas because "[t]he First Amendment prohibits a civil court from conducting an inquiry into religious law . . ." *Matter of Congregation Yetev Lev D'Satmar, Inc. v. Kahana*, 31 A.D.3d 541, 542 (2d Dep't 2006). The enforcement of a heter iska could "necessarily involve impermissible inquiries into religious doctrine." *Id.* at 543.

New York courts have usually been unreceptive to arguments that a heter iska should be treated as an enforceable contract to render ambiguous, or potentially displace, concurrent civil law agreements. Sixty-five years ago, the Appellate Division, First Department considered the defendants' attempt to use a heter iska to defeat a summary judgment motion seeking to enforce a factoring agreement and associated guarantees. The First Department rejected defendants' argument, *Barclay Commerce Corp. v. Finkelstein*, 11 A.D.2d 327 (1st Dep't 1960). In that case, the plaintiff alleged that the account receivables they had received under the factoring agreement were fraudulent and below the amount that was owed. In opposing summary judgment, the defendants argued that a heter iska they had entered with plaintiff created a disputed issue of material fact as to whether they had entered a joint venture agreement, not a factoring agreement.

Just this month, in *Arnav Industries, Inc. Profit Sharing Trust v. 3449-3461 Hamilton Ft, LLC*, a foreclosure action, the Appellate Division, Second Department affirmed the trial court's denial of a CPLR 3211(a) motion to dismiss where the defendant argued that "the iska agreement converted the loan into an investment." 2025 N.Y. Slip Op. 02052, *3 (2d Dep't Apr. 9, 2025).

The First Department ruled that the trial court should have granted summary judgment to the plaintiff because "[t]he plaintiff explained the purpose of the 'Heter Iska' as being merely a compliance in form with Hebraic law" which "did not create a partnership or intend to create one." *Id.* at 328. This purpose was "not contradicted by the defendants . . ." *Id.* The First Department described a heter iska as "[a]n Hebraic document which, on its face, seems to create a partnership arrangement." *Id.* at n. *

Over 30 years later, the First

While courts have been skeptical of arguments that the heter iska displaces civil agreements, courts have affirmatively enforced heter iskas as promissory notes under CPLR 3213.

Department again addressed the heter iska in *Arnav Indus., Inc. v. Westside Realty Assoc.*, 180 A.D.2d 463 (1st Dep't 1992), a foreclosure action. In that case, there was no executed heter iska, but the phrase "Al pi heter iska" or "in accordance with heter iska," had been inserted above the signature line on the mortgage note. *Id.* at 463. The issue on appeal was "whether the insertion of [] this phrase...created an ambiguity in the instrument so as to warrant denial of summary judgment for foreclosure and sale." *Id.* The First Department rejected the argument that there was any ambiguity, highlighting both that the note contained a provision stating that "nothing herein is intended to create a joint venture" or "partnership," and that there was no executed separate heter iska agreement. *Id.* at 463-464.

More recently, the First Department rejected a borrower's use of a heter iska to oppose a CPLR 3213 motion for judgment in lieu of complaint. The court held that the borrowers' "payment obligations under the promissory note are not affected by the Heter Iska," without providing a specific factual or legal rationale. *8430985 Can. Inc. v. United Realty Advisors LP*, 148 A.D.3d 428, 428 (1st Dep't 2017). Some recent trial court cases have cited to this latter decision to hold that where "the notes clearly evidence loans," the "obligations pursuant to the notes are not affected by a Heter Iska." See, e.g., *Citilink Motors, LLC v. Joel K. Holding Co., LLC*, 2024 NY Slip Op 32560[U], *7 (Sup. Ct. Kings Co. 2024), the trial court ruled that where *only the borrower* signed the Heter Iska, the document "cannot—absent Plaintiff's counterparty signature thereto as the lender—alter, modify, or change the [c]lear and unambiguous terms of the Loan Agreement and Promissory Note." *Id.* at *2-3 (emphasis in original).

The trial court left open and did not reach whether the existence of the heter iska might otherwise be sufficient to defeat summary judgment had the lender signed the document.

Heter iskas often contain arbitration provisions which may be separately enforceable. See *LZG Realty, LLC v. H.D.W. 2005 Forest, LLC*, 71 A.D.3d 642, 643 (2d Dep't 2010) (affirming denial of a motion to compel arbitration of foreclosure action because the defendant waived the arbitration provision in the Heter Iska by extensively participating in litigation). Indeed, "courts treat an arbitration clause as severable from the contract in which it appears and enforce it according to its terms unless the party resisting arbitration specifically challenges the enforceability of the arbitration clause itself." *Matter of Monarch Consulting, Inc. v. Nat'l. Union Fire Ins. Co. of Pittsburgh, PA*, 26 N.Y.3d 659, 675 (2016). However, where the heter iska is unsigned by the plaintiff, the Second Department this month declined to enforce a defendant's motion to compel arbitration. See *Hamilton*, 2025 N.Y. Slip Op 02052, *3 (affirming denial of motion to compel arbitration because the heter iska was unsigned by the plaintiff and, in any event, the defendant waived any right to arbitrate by failing to make a timely motion to compel). And even with a mutually executed heter iska, where the loan documents contain an "entire agreement" provision and a New York choice of law and venue provision, at least one court has denied a motion to compel arbitration based on the arbitration provision. *Page 10*

ALLEN SCHWARTZ is the principal of Schwartz Law PLLC. JOHN M. LEVENTHAL is a partner at Aida, Bertuna & Kamins, P.C. and a former Justice of the Appellate Division, Second Department.

Off the Front

'All-Collar'

«Continued from page 1
minute, we could do some great things together.”

There's no one thing that sparked the change, they said, but there had been a conversation occurring with varying levels of seriousness for years.

“Given all of the uncertainty and chaos out there, I'm very happy to be starting my own firm and have a degree of autonomy about how I, and we, respond to those events,” said Sarafa, citing the ability to sign onto briefs in support of other law firms. “Being able to engage in the public discourse on our terms is something that I'm happy to be able to do.”

The women met more than 25 years ago when they began working for Ben Brafman at what is now Brafman & Associates. They joined the firm, then known as Brafman & Ross, in 1999.

Sarafa departed in 2004 to become a partner at Zuckerman Spaeder while Zellan remained at Brafman & Associates until last month.

Sarafa Zellan will be an “all collar” criminal defense firm doing both state and federal matters, the duo said, as well as related civil litigation or post-conviction work. Both have extensive experience in the white collar space in and out of the courtroom—Sarafa spent the last ten years working in-house at a multi-billion dollar hedge fund.

Both women began their careers in non-legal spaces. An East Asian Studies major fluent in Mandarin, Sarafa worked at a community-based agency in Boston's Chinatown. She said she was drawn to law school after she realized she could fight back on behalf of clients more effectively if she had a law degree.

Zellan was a case worker at a foster care agency and began appearing in family court, where she could see the impact of a legal education in real time.

After law school, clerkships and internships, both entered public defense. Sarafa was an Assistant Public Defender in Houston, while Zellan worked at The Legal Aid Society in Brooklyn.

And then to Brafman & Associates, where they met.

“It was a really exciting place to be at that time,” Sarafa said of the firm. “We got tremendous experience working with one of the truly legendary lawyers in this city, in this profession, really.”

Brafman, they said, gave associates opportunities he didn't have to give.

For example, throwing a brand-new associate on hip-hop mogul Sean “Diddy” Combs’ 1999 arrest following a nightclub shooting.

It was a Saturday and Zellan was on pager duty while Brafman observed the Sabbath. She was in the middle of a fitting for a bridesmaid’s dress when Johnnie Cochran called for Brafman.

Zellan doesn’t remember getting out of the long, taupe dress, but knows she spoke with Brafman after sundown.

Combs was charged with criminal possession of a weapon, a count Zellan was intimately familiar with due to her time at Legal Aid. So Brafman put her on the case alongside himself and Cochran. Combs was acquitted.

“There I was, you know, arguably, some nobody,” she said. “I look back on that, and I think that’s pretty great that he trusted me and allowed me to take on that. That’s an opportunity that some lawyers of his stature and talent would have either held for themselves or found somebody else equally famous and important to do that work.”

There were a fair share of high-profile matters they each worked on while at the firm, including Sarafa’s representation alongside Brafman of World Sports Exchange Founder Jay Cohen at his federal offshore gambling trial.

Both described numerous meaningful cases they’ve worked on. Zellan cited multiple cases that ended in acquittals and dismissed charges. Sarafa mentioned an espionage case in the country of Georgia that ended in her client’s exoneration.

As for their vision for their own firm, the women say they want to maintain a nimble practice that collaborates with other firms or attorneys when a case calls for it.

Zellan highlighted Brafman & Associates’ handling of Martin Shkreli’s securities fraud trial as a case in point.

“I think it’s an excellent example of a small firm being able to staff a pretty massive case in an effective way,” she said of Shkreli, who was acquitted of five counts.

They said they envisioned their new firm as a place where young attorneys can come and develop their skills.

“One of the things we hope to be able to do is to build a firm where young lawyers can come and really learn and enjoy the practice of law,” Sarafa said. “Where young lawyers have an opportunity to get out there in court, stand up, examine witnesses, make arguments in addition to the usual, doing your research and writing briefs. We want our firm to be a place where young

attorneys can come and grow professionally.”

Zellan noted that sometimes younger attorneys can end up being “pigeon-holed” into doing specific tasks, but that there’s a lot of gratification in representing and supporting your client through a whole case.

“The work that we do can be extremely stressful,” Zellan said of lawyering. “So to have someone like Melinda, who is steady, who you trust, is invaluable. To know that your colleague is going to understand either your extreme distress or your elation, or somewhere in between, that makes a workplace.”

While Sarafa departed Brafman & Associates more than two decades ago, Zellan’s final day was April 11.

Zellan is the fifth associate to depart Brafman’s firm over the last year. Marc Agnifilo, Zach Intrater and Teny Geragos opened their own firm, Agnifilo Intrater, in March 2024. Jacob Kaplan later followed, joining Agnifilo Intrater as a partner.

Both Sarafa and Zellan thanked Brafman for many lessons learned. A legendary cross-examiner, they say he showed them to find their own styles and remain committed to telling the client’s stories.

Zellan said he taught her to slow down and take stock.

“I think that that quality of slowing down for a minute when something’s happening in a case and not letting a judge or a prosecutor’s sense of urgency push you, is something he’s very good at,” Zellan said. “Sometimes you hear something, or a ruling comes down, and you think, ‘That’s really good,’ or ‘That’s really bad,’ but it’s never just one or the other.”

“One thing that became very clear to me working with Ben is that your reputation and your relationships really matter in this business,” Sarafa said. “Sometimes your ability to get results really depends on that.”

Brafman wished the women the best of luck.

“They’re wonderful lawyers and they’re probably the two smartest and most capable people who’ve ever worked for me,” he said.

Brafman noted that, while he’ll miss Zellan, he has two newly-hired associates: his grandson, Ezra Lent, and a former federal defender from Alaska, Andrew Stebbins.

“I wish them the best of luck,” Brafman added of Zellan and Sarafa. “I think Andrea and Melinda will do very well.”

Emily Saul can be reached at esaul@alm.com. X: @emily_saul_

the gatekeepers of justice.”

She encouraged the graduates to “be fearless. Be fair, but always be honorable.” But she also worked in some of her classic humor.

Referring to 60 years, Sheindlin said, “Some of you and some of your parents are at this moment, looking at each other, sort of nudging each other and saying, ‘Oh, my God, 60 years she looks terrific.’”

“Some may be asking, ‘Did she have work done?’” and “Some may be inquiring, ‘Does she still work?’”

“The answer to all three questions,” Sheindlin said whimsically, “is yes.”

In September 2021, Sheindlin wrapped a 25-year run of the Emmy Award-winning “Judge Judy,” one of the most successful programs in the history of television. Currently, she is the presiding judge on “Judy Justice,” which is available on Prime Video. Sarah Rose serves as her law clerk on the series.

Christine Charnosky can be reached at ccharnosky@alm.com.

Judy, a fellow New York Law School alumna.”

Inspired by her, I started to research judges, their role in society and how I might achieve that honor,” said Scott, who became an American citizen while attending law school after immigrating from Mandeville, Jamaica, and is the first in her family to attend college.

Following graduation, she will work in the real estate group at Simpson Thacher & Bartlett.

Sheindlin referred to Scott as an “exquisite woman and a warrior,” adding that “very few things bring tears to these old eyes, but her address to you today did just that. She is a spectacular woman, and she will do spectacular things. I know that in my heart.”

“The law is a powerful profession. It can change the course of lives. It can destroy or make reputation, create havoc or restore order,” Sheindlin said. “It can right wrongs or dash dreams. So being a lawyer is a heavy responsibility for you are

in 2023. The report attributed this to significant increases in longer-term interest rates, such as the 30-year mortgage and 10-year Treasury rates, which drove down the value of securities held by banks.

It is important, however, to keep the events of 2023 in perspective.

FDIC data shows that the total assets involved in bank failures that year amounted to \$548.7 billion—much higher than during any single year of the Global Financial Crisis. Yet, the number of failed banks was relatively small at just five, a figure not unusual in any given year. According to Rehan Hasan, partner and chair of the corporate practice at Omnis Law, Silicon Valley Bank’s downfall was due to its reckless approach, acting more like a venture fund than a traditional bank. “They took on excessive risk backing ventures, and their portfolio lacked the balance and discipline you’d expect from a traditional commercial bank,” Hasan told GlobeSt.com, adding that the failure was ultimately a matter of poor judgment rather than regulatory oversight.

Javier Palomarez, chief executive of the United States Hispanic

Business Council, notes that even with regulations designed to curb risky strategies, banks often find alternative ways to generate revenue. He points out that regulations such as the Dodd-Frank Act have sometimes been rolled back when deemed unnecessary. Palomarez argues that another SVB-style collapse would likely result from malpractice and irresponsible strategy, rather than from inadequate regulation.

Daniel Ahn, chief executive of Delfi Labs, believes that the real safeguard for banks like SVB, especially given the rise in unrealized losses, is a sound hedging strategy.

He asked: “Why didn’t regulators tell them to hedge against it?” Ahn further noted that recent research suggests many banks simply opt not to do this for various reasons. Delfi Labs’ analysis of the SVB situation found that a proper hedging strategy could have turned a multi-billion-dollar loss into a multi-billion-dollar profit. Ahn emphasizes the importance of considering the current context, with markets pricing in historically high volatility in interest rates. “I think everyone should be really thinking about interest rate risk right now,” he said.

time where I think I’ve seen that happen is when a firm makes a pretty significant move by lowering rates in exchange for consolidating work. Give us more, and we’ll make it worth your while.”

GCs said they have good reason for exercising caution.

“You have to balance the need of your client, which is the company, so you’re not messing up some sensitive work that’s already

happening,” one tech GC said.

Chaplin said litigation can be particularly tricky to move.

“A company has a philosophy

about litigation—either we fight to the end or settle quickly—and having litigators that understand that drives both cost and outcome. If you bring in a new firm that doesn’t know your style, that can be very expensive,” he said.

In contrast, transactional work—such as filing patents or managing IP portfolios—is generally easier to reassess, he said.

Some GCs doubt that law firms

that settled have much to fear,

either from the loss of pending work or by missing out on new work.

Calendar

WEDNESDAY, MAY 21

NY State Bar (CLE)
Strategic Growth and Succession for Small Law Firms
<https://nysba.org/events/strategic-growth-succession-for-small-law-firms/>
1 MCLE Credit
Virtual

NYC Bar (CLE)
Marketing and Advertising Law
2025
9 a.m. - 1 p.m.
CLE credits: 4
Webinar Registration Link:
https://services.nycbar.org/EventDisplay.aspx?4&EventKey=_WEB052125&mcode=NYLJ
Location: Zoom
Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

NYC Bar (Non CLE)
Withholding of Federal Funding Under the Trump Administration
6 p.m. - 7:30 pm
Webinar Registration Link:
<https://services.nycbar.org/EventDetail?EventKey=WFF052225&mcode=NYLJ>
Location: Zoom
Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

NYC Bar (Non CLE)
Small Firm Chats – Stay Connected With Your Peers and Us!
12 p.m. - 12:45 pm
Webinar Registration Link:
<https://services.nycbar.org/EventDetail?EventKey=SLFC052125&mcode=NYLJ>
Location: Zoom
Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

Bar@theBar
6 p.m. - 8 p.m.
In-Person Registration Link:
<https://services.nycbar.org/EventDetail?EventKey=BAR052125&mcode=NYLJ>
Location: 42 West 44th Street, New York
Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

NY State Bar (CLE)
Resurgence of Rhetoric? Criminal Antitrust Enforcement During the Biden Era and Beyond
<https://nysba.org/events/resurgence-or-rhetoric-criminal-antitrust-enforcement-during-the-biden-era-and-beyond/>
1 CLE credits, virtual

Handling Prevailing Wage Matters in New York
<https://nysba.org/events/handling-prevailing-wage-matters-in-new-york-nyll-art-8/>
1.5 CLE credits
Virtual

Evolving Discrimination Laws for Owners and Managing Agents
<https://nysba.org/events/evolving-discrimination-laws-for-owners-and-managing-agents/>
1.5 CLE credits
Virtual

Starting a Solo Practice in NY 2025

<https://nysba.org/events/starting-a-solo-practice-in-new-york-2025-part-i/>
4.5 CLE credits
Virtual

NYC Bar (CLE)

Litigating Land Use Article 78 Proceedings in NYC

12 p.m. - 2 p.m.

CLE credits: 2

Webinar Registration Link:

https://services.nycbar.org/EventDetail?EventKey=_WEB042425&mcode=NYLJ

Location: Zoom

Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

NYC Bar (Non CLE)

Withholding of Federal Funding

Under the Trump Administration

6 p.m. - 7:30 pm

Webinar Registration Link:

<https://services.nycbar.org/EventDetail?EventKey=WFF052225&mcode=NYLJ>

Location: Zoom

Contact: Customer Relations Department, 212-382-6663 or customerrelations@nycbar.org

<https://nysba.org/events/starting-a-solo-practice-in-new-york-2025-part-i/>
1 MCLE credit
New York City

NYC Bar (Non CLE)

The Afterlives of Books: A Discussion of Rare Books, Collection Histories, and International Cultural Heritage Law

6 p.m. - 7:30 pm

In-Person Registration Link:

<https://services.nycbar.org/EventDetail?EventKey=HIST052825&mcode=NYLJ>

Location: 42 West 44th Street, New York

Real Estate Trends / Outside Counsel

Realty Law

Continued from page 5
tiffs) in favor of Jean-Georges/Seaport Group (Jean-Georges).

The plaintiffs asserted that BPC "violated applicable procurement protocols, including Public Authorities Law (PAL) Section 2897, the 2018 license, Terrace Agreement and other concession-related procedures."

The defendants denied that "any right of first lease was triggered contending that the Café was not offered independently but is part of a combined RFP including the Grill and the Porch." They also asserted that the plaintiffs lack standing to enforce the 2018 license or Terrace Agreement and that the PAL is inapplicable to the BPC, which is a private nonprofit corporation.

They further claimed that the RFP process was "extensive, fair and compliant with long-standing procedures dated from 1991 and that no imminent harm will result from the denial of injunctive relief."

The court denied the plaintiffs' motion for a preliminary injunction. The court found that the plaintiffs had not "established a likelihood of success on the merits."

The defendants "proffered credible evidence...that the RFP process was conducted in accordance with BPC's long-standing 1991 written procedures, which the City accepted."

The parties had been "engaged in this RFP process for nearly two years and raised no contemporaneous objections which undercuts the claim of procedural unfairness." The court also found that the "right of first lease, Section 23.01 of the Grill lease applies only if BPC seeks to lease the Café premises separately."

BPC had "solicited proposals... (for the) combined Grill, Café and Porch premises as a package." The court cited appellate authority which held that "a right of first refusal is not triggered when multiple parcels are all offered together rather than individually."

Additionally, since no final lease had been executed with Jean-Georges and required city approvals are still pending, the court held that there is no breach of the right of first lease.

Defendant witnesses testified that it had always been their "intention to lease all three parcels of property as a whole." Moreover, the plaintiffs had been on notice since 2023 and had "participated fully and transparently in the RFP process for two years." During such time, they had "raised no objections" and they had "only exercised their reported right under Article 23.01 after the fact, after they lost the bidding process as recently as March of 2025." Plaintiffs' witness testified that he was under the "impression that they could exercise that right at any time."

The court stated that "with respect to the terms that are meant to be provided under the landlord notice, there are no terms to provide, no lease has been executed as of today's date and as of - and during the term of the actual lease."

The court also held that the plaintiffs lacked standing to enforce either the 2018 license or the Terrace Agreement, since they are not a "signatory nor an intended third-party beneficiary."

The court explained that "incidental benefits under public agreements do not give rise to enforceable rights absent express language indicating an intent to permit third-party enforcement. Language that is not present here." The court further noted that those agreements "delegate compliance and enforcement responsibility solely to the City of New York."

Additionally, the court stated

that BPC was not a public authority within the meaning of PAL §2897. The court explained that the PAL §2897 "applies only to public corporations created by special legislative act. BPC, a private nonprofit was not formed by statute, does not fall within this scope."

The court also noted that the "Franchise Concession Review Committee rules and the CEQR... regulations apply only to agencies receiving City funds or acting under the City authority—criteria BPC does not meet."

The plaintiffs had also argued that the RFP process was "biased or retaliatory." The court found that such allegations were not supported by the record. The court stated that based on affirmations and materials submitted by the defendants, "BPC's selection process was structured, substantive, fair and compliant with the 1991 procedures."

The court stated that all finalists, including the plaintiffs, "were subject to the same procedural standards and were afforded opportunities to present and refine their proposals."

The court further noted that "mere dissatisfaction with a competitive outcome does not constitute bad faith or arbitrary conduct sufficient to warrant injunctive relief."

BPC's president had "credibly testified" that the RFP process had been conducted in accordance with BPC's 1991 procedures, and was "transparent, competitive and fair." BPC had considered "not only economic terms, but also factors such as brand quality, reputation and succession planning." He also emphasized that the plaintiffs were "afforded a full opportunity to compete and that any concerns of favoritism are unfounded."

The plaintiffs argued that certain terms have been offered to Jean-Georges, such as free rent in the first year and a \$2 million investment, had not been similarly extended to the plaintiffs. BPC responded that the plaintiffs were "not one of those two finalists and thus discussions did not proceed to that stage of negotiations." Testimony indicated that "it was not until negotiations with Jean-George that these additional terms were being negotiated."

BPC's president explained that the plaintiffs had not been one of the two finalists and that the \$2 million landlord contribution had been part of an "advanced-stage negotiation," a stage that the plaintiffs never reached. Therefore, the allegations of "disparate treatment are without merit."

BPC's president had also testified that BPC must act in the "best interest of the corporation" and "the highest financial offer is not always the most suitable choice."

The court found that plaintiffs were not "unfairly excluded" and "plaintiffs' claims of bias or bad faith in the selection process" were unfounded. Thus, the court held that the plaintiffs failed to demonstrate a likelihood of success on the merits.

The court also stated that the plaintiffs failed to demonstrate irreparable harm "sufficient to warrant preliminary injunctive relief." The court acknowledged the "impact of its decision on plaintiff...given its long-standing lease and occupation of the Bryant Park Grill." However, the court explained that "danger of impending judicial proceedings is not an injury justifying an injunction."

The court acknowledged the "long-standing and distinctive nature of Bryant Park Grill and Café." However, the court noted that the relief sought is "prospective and no eviction proceeding has been initiated." The "underlying Café and Grill leases remain in effect until April 30th, of 2025 and the Porch lease has already expired." The court stated that the "absence of any pending legal

action to dispossess plaintiffs render the alleged harm premature and speculative at best."

The court further explained that "New York courts have consistently held that financial losses arising from the nonrenewal or expiration of commercial tenancies do not constitute irreparable injury."

The court also stated that "[c]laims involving reputational harm, employee layoffs and disruption to event planning, while unfortunate, fall squarely within this rule and do not independently justify equitable relief."

Thus, the court held that the record, testimony and evidence proffered during the preliminary injunction hearing, disproved plaintiffs' allegations that they have been "deprived... of a fair opportunity to compete for the premises."

With respect to the balancing of the equities, the plaintiffs cited their "long-standing operation of the Grill and Café, their investment in the property and the reliance interest of patrons and event cli-

The court acknowledged the "gravity" of its decision and the "impact it is likely to have upon the (plaintiffs) in that it has been occupying this property since at least 1991 and has certainly been a fixture in Bryant Park in New York City."

ents." They argued that "preserving the status quo will protect public continuity and avoid upheaval."

The defendants countered that the plaintiffs were seeking to "rewrite the clear terms of time-limited leases through litigation" and granting an injunction "would undermine a competitive bidding process lawfully administered and jeopardize a forthcoming agreement with Jean-George that promises long-term public benefits." They also argued that "forcing continued tenancy could cause irreparable disruption to its park planning and contractual obligations."

The court further held that the balance of equities did not favor injunctive relief. It emphasized that removing the plaintiffs from the location they occupied since 1991 is "significant," but the outcome "arises from the expiration of a fixed-term commercial agreement and pursuant to a lawful RFP process." They noted that the leases expire April 30th of 2025, and the Porch lease already expired, and the plaintiffs knew of these "deadlines and again participated in the RFP process from its inception."

The court also reasoned that "[f]urther disrupting the outcome of the RFP process at this late stage, after BPC has selected Jean-Georges and entered those final negotiations would cause financial disruption to the property, BPC and Jean-Georges at a minimum."

The court opined that under these circumstances "judicially extending" the plaintiffs' tenancy would undermine "the integrity of a competitive and lawfully conducted RFP process."

Additionally, the court explained that the plaintiffs' "disappointment with the outcome is not a sufficient basis to enjoin result of a lawful competitive process." It also reasoned that "from a public policy perspective,...it would set a dangerous precedent whereby participants in an RFP process who are unhappy with the outcome are allowed to enjoin otherwise lawful agreements and negotiations."

Accordingly, the court denied the plaintiffs' motion for a preliminary injunction.

Comment: Gil Feder of Loeb & Loeb, counsel for Bryant Park Corporation, stated that "after a 2-day preliminary injunction hearing the court appropriately concluded that Bryant Park Grill had not shown that the bidding process in which it participated

been pursuing legal action against the federal government to challenge the government's interference with offshore wind projects. Governor Kathy Hochul said in an April 16, 2025 Statement that the government's interference with the Project constitutes "federal overreach" and promised to "fight this every step of the way to protect union jobs, affordable energy and New York's economic future." See Statement from Governor Kathy Hochul.

Staying true to that promise, New York State—along with several other states—sued the federal government in the United States District Court for the District of Massachusetts on May 5, 2025, alleging that the government's "halt on wind-energy approvals [is] unlawful and jeopardize[s] the continued development of a power source critical to the States' economic vitality, energy mix, public health, and climate goals." *State of New York v. Trump*, No. 1:25-cv-11221 (D. Mass. May 5, 2025) (Compl. ¶ 12).

In the meantime, New York has

action to dispossess plaintiffs render the alleged harm premature and speculative at best."

The court further explained that "New York courts have consistently held that financial losses arising from the nonrenewal or expiration of commercial tenancies do not constitute irreparable injury."

Anthony Genovesi of Abrams & Fensterman stated: "Under the lease, the landlord BPC's 'desire' to lease the Café triggered Ark Restaurant's right of first lease. The court construed the right of first lease to require BPC to first enter a lease with a third party before the right is triggered. It does not. In fact, the lease prohibits the landlord from entering a new lease for the Café space without offering the tenant an option of matching 90% of a proposed (not final) lease offered to a third party."

Ark Restaurants Corp. v. Bryant Park Corporation, Supreme Court, New York County, Case No. 652009/2025. Decided April 24, 2025. Patel, J.

Real Estate Taxation—Assessment Overturned—SCAR Hearing Officers "Have An Obligation To Provide The Basis For Their Determinations" So Their Decisions Can Be Reviewed To

was unfair nor did it show that it had exercised a right of first refusal."

Anthony Genovesi of Abrams & Fensterman stated: "Under the lease, the landlord BPC's 'desire' to lease the Café triggered Ark Restaurant's right of first lease. The court construed the right of first lease to require BPC to first enter a lease with a third party before the right is triggered. It does not. In fact, the lease prohibits the landlord from entering a new lease for the Café space without offering the tenant an option of matching 90% of a proposed (not final) lease offered to a third party."

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Real Estate Taxation—Assessment Overturned—SCAR Hearing Officers "Have An Obligation To Provide The Basis For Their Determinations" So Their Decisions Can Be Reviewed To

tax case, this presumption 'disappears from the case' as soon as the petitioner comes forward with evidence. . .; (2) having mistakenly relied upon an interpretation of federal doctrine, the hearing officer did not view it necessary to, and so did not, provide findings of fact on the unequal assessment claims, or a specification of the evidence upon which any findings would have been based; and (3) the hearing officer rejected controlling precedent from this court and misinterpreted holding by the Appellate Division in determining that the petitioners lack standing to challenge the RAR established by ORPTS."

The petitioners argued that the hearing officer had issued "identical determinations on each of the subject matters" and that "the unequal assessment claims were denied based upon the hearing officer's legal interpretation of a federal doctrine entitled 'presumption of regularity.'" They argued that the hearing officer had stated that under that doctrine, "the government—whether in civil or criminal venues—always wins, and a private citizen/taxpayer always loses." They asserted that by "failing to consider any New York State authority on the 'presumption of regularity' and instead utilizing only two federal cases, one from 1926, the hearing officer acted contrary to governing New York Law."

The petitioners cited an appellate decision which held that "this presumption of validity does not take the place of evidence but serves solely to shift the burden of going forward; it disappears from the case as soon as credible evidence to the contrary is received."

The petitioners contended that the "ratio study presented was performed in a statistically sound manner, in accordance with ORPTS' own methodologies for such studies, conducted using SPSS statistical software, which is the same software used by ORPTS when it performs ratio studies based upon actual sales."

They argued that "their ratio study was more than sufficient to satisfy their minimal burden of proof to overcome any presumption that the level of assessment allegedly utilized by the Village... was accurate or reflected the true level of assessment of residential property within the Village...."

The petitioners also argued that the hearing officer decisions lack any "finding of fact with respect to any of the unequal assessment issues raised by petitioners, and were arbitrary and capricious and/or an abuse of discretion."

The petitioners, through authorized representatives, had appeared at Small Claims Assessment Review (SCAR) Hearings relating to their respective properties located in the Village of Freeport (Village).

Each petitioner appeared before the subject hearing officer and presented arguments and evidence "for a reduction in their 2023/24 final assessed value." They claimed that their assessments were "excessive" and overvalued their property and the assessments also were unequal assessments, citing RPTL §730(1). The subject petition only addressed the petitioners' "claims of unequal assessment."

The petitioners submitted to the hearing officer, *inter alia*, "a ratio study demonstrating that the actual level of assessment was less than that indicated by the [NYS] Office of Real Property Tax Services (ORPTS) Residential Assessment Ratio (RAR)."

They argued that the hearing officer had "(1) performed no independent evaluation of the unequal assessment evidence presented, but instead relied upon a misunderstanding of a federal doctrine of 'presumption of regularity' afforded to government actions, despite the fact that the Second Department has held that under New York Law, in the

decisions are vacated, and the petitioners are granted hearings de novo before new hearing officers.

Additionally, the hearing officer had stated that the petitioners lack standing to "challenge an RAR in a SCAR proceeding pursuant to RPTL §1218."

The petitioners contended that pursuant to RPTL §1218, "a recalculation of the RAR by the ORPTS can only be compelled via an Article 78 proceeding: (a) brought directly in the Appellate Division; (b) under the Appellate Division's original jurisdiction; and (c) by one of the assessing entities which use RAR."

The petitioners asserted that the hearing officer "misinterpreted RPTL §1218," since the petitioners had not been seeking to "compel a recalculation of the RAR by ORPTS, and Article 7 of the RPTL provides homeowners with the opportunity to challenge their own individual assessments in SCAR proceedings...."

The respondents countered that the hearing officer's deci-

sions were "neither arbitrary nor capricious and were all supported by findings of law and fact." They argued that the hearing officer "properly ruled that standing to challenge the RAR is limited by RPTL §1218 and that applying a different RAR to petitioners' properties is prohibited as it would create unequal assessments within the Village...."

They also asserted that the court lacked subject matter jurisdiction since RPTL §1218 "is the exclusive avenue for judicial review of the state board's determination of the ratio at issue and requires challenges to ORPTS determinations to be reviewed solely by the Appellate Division."

The respondents further argued that the hearing officer had properly determined that the petitioners failed to establish "that each individual petitioner was assessed unequally."

They asserted that "caselaw suggests that taxpayers don't have to be treated the same as everyone else, but similarly treated taxpayers must be treated uniformly..." The respondents also contended that even if the petitioners had standing to challenge the RAR, they failed to show that "they have been denied an opportunity to show inequality of their tax assessments."

The petitioners argued that the respondents' position was "contrary to established law in five categories of constitutional, statutory and caselaw, without providing proper support to any of these requested deviations, and therefore respondents' opposition lacks merit."

They also asserted that pursuant to CPLR §7804, the respondents had to submit either a "Verified Answer to the Verified Petition, or make a pre-answer motion to dismiss, neither of which has been done," that the petitioners argued that the respondents "simply submitted an affirmation and memorandum of law in opposition to the Petition and are technically in default for non-compliance with CPLR §7804."

The court explained that "SCAR hearing officers have an obligation to provide the basis of their determinations so that there is opportunity for their decision to be reviewed to determine if the decision was arbitrary, capricious, or otherwise unsupported by substantial evidence (see RPTL §733(4))." It also noted that it is "well settled that in the area of real property taxation, rough equality, not complete uniformity, is all that is required."

The court observed that the hearing officer decisions were "nearly identical, though each individual taxpayer's application should have been treated individually, and not with complete uniformity." The hearing officer failed to "provide the basis for their determinations regarding Petitioners' unequal assessment claims; in fact, said claims are not addressed at all."

Accordingly, the court held that the "matters must be reconsidered on an individual basis" before a different hearing officer.

Finally, the court stated that "[u]pon completion of the new hearings, should any party be aggrieved by any future decision, that party must commence their own individual proceeding, with each individual proceeding having a separate index number."

Heredia v. The Assessor of The Incorporated Village of Freeport, Supreme Court, Nassau County, Case No. 611055/2024. Decided April 22, 2025. McGrath, J.

The "Real Estate Law Digest" is a Law Journal feature designed for practitioners in real-property law. Written by Scott E. Mollen and published each Wednesday, it digests significant decisions in the field.

Wall Street

Continued from page 5

which are owned by institutions and 340,000 of which are in BTR communities. The sector is benefiting from remote work trends, causing increased space requirements in homes to accommodate remote work, as well as accelerated demand in suburbs and exurbs, said the report.

At the same time, homeownership costs, including monthly mortgage costs, insurance, taxes and maintenance, all continue to rise and outpace the cost of renting nationwide. The report said the average mortgage payment is nearly \$2,600 compared with the average monthly rent of nearly \$1,800. Renting is cheaper than purchasing a home in nearly half of Matrix's top metros.

In addition, the segment suits the rising population of Millennials who are creating households and moving out of apartments, and standardized appliances and fixtures.

Midwest markets are experiencing strong SFR BTR rent growth, led by Detroit, Kansas City and Minneapolis/St. Paul. Harrisburg, Pennsylvania, is a top performer in the category with 4.1% rent growth year-over-year in April. Cleveland and Columbus, Ohio, both posted 3.7% rent growth and Kansas City experienced a rise of 3.5%.

SFR BTR occupancy is higher than multifamily in most of the markets Yardi Matrix tracks, including Raleigh, the Inland Empire, Las Vegas and Indianapolis. The firm noted SFR BTR supply peaked last year at 41,400 units delivered and has started to cool this year. About 35,000 units are expected to be delivered this year, 29,200 in 2026 and 19,500 in 2027. Units with three or more bedrooms are now more popular than those with two bedrooms or less, according to the report.

Questions? Tips? Contact our news desk: [editorialnylj@alm.com</a](mailto:editorialnylj@alm.com)

Expert Analysis / Off Page 2 / Real Estate Trends / Perspective

Housing

«Continued from page 3

- Units required to be affordable for inclusionary housing programs
- Units subject to affordability due to bond financing

These income-restricted units must remain affordable in perpetuity, and in two cases, units must be increased. First, for inclusionary housing projects, the affordable unit count must be increased to 30% of the total residential units in the project, and for moderate-income bond deals, the affordable unit count must be increased to at least 20% of the total residential units in the project.

Of importance to note is that once an eligible project converts to condominium, if an income-restricted rental unit becomes vacant, it must be rented to another income-restricted rental tenant with an income at or below 60% of the area median income.

Role of the Qualified Owner

A key innovation of AHRA is the requirement that all income-restricted rental units be owned, operated, and maintained by a "qualified owner." This must be either a housing development fund company or a nonprofit community land trust or charitable corporation with a primary purpose of providing affordable housing.

The qualified owner takes title to the income-restricted rental units and is subject to ongoing oversight by the relevant housing finance agency, ensuring that permanent affordability and tenant protections are maintained. This seeks to remove the speculative intent of property ownership for the income-restricted rental units and creates a landlord who is a dedicated steward of permanently affordable rental housing.

The qualified owner also can work with the tenants of the income-restricted rental units if they wish to explore a tenant opportunity to purchase (discussed in more detail below).

Limits on Who Can Be Used To Declare a Preservation Plan Effective

To declare a preservation plan effective (i.e., to allow the conversion to proceed), the law requires that at least 15% of the market-rate units be under contract to bona fide purchasers. These purchasers must be either tenants in occupancy or bona fide non-tenant purchasers who intend to occupy the unit. The law strictly limits who can be counted toward this threshold, excluding the sponsor, their agents, and related parties, to prevent manipulation of the process.

Protections for Seniors, Disabled Tenants, and Other Non-Purchasing Tenants

Other key aspects of AHRA are the strong protections for non-purchasing tenants (which includes tenants of the income-restricted rental units), especially seniors (62+) and disabled persons. These tenants can elect to remain as renters with continued protection, including:

- No eviction for failure to purchase or expiration of tenancy (eviction only for cause, such as nonpayment or illegal use).
- Rent increases for seniors and disabled tenants are capped and cannot exceed the limits set by the "good cause eviction" law.
- All non-purchasing tenants in regulated units continue to be protected by rent stabilization or other applicable regulations.
- Non-purchasing tenants in unregulated units are protected from unconscionable rent increases and if initial rents are within the threshold of the "good cause eviction" law, then increases would mirror those permitted under the law, despite the coop and condo exemption under the "good cause eviction" law.
- Finally, AHRA makes clear that non-purchasing tenants are those tenants in occupancy on the date the preservation plan was declared effective or who move in thereafter.

Ongoing Obligation to Update the Preservation Plan and Market Units

Another key aspect of a preservation plan is the obligation to market and sell all market-rate units that are offered for sale thereunder, which balances out the requirement of only needing to sell 15% of the market-rate units to declare the preservation plan effective.

Offerors (also referred to as sponsors) must exercise "com-

Reserve Fund and Dedicated Capital Fund Requirements

Another key aspect of a preservation plan is the required reserves an offeror must establish. Based on Local Law 70, AHRA amends the Real Property Law to require the establishment of two separate funds upon conversion:

- **Reserve Fund:** Managed by the condominium board, this fund is used exclusively for building-wide capital

First, for inclusionary housing projects, the affordable unit count must be increased to 30% of the total residential units in the project, and for moderate-income bond deals, the affordable unit count must be increased to at least 20% of the total residential units in the project.

mercially reasonable good faith efforts" to market and sell all market-rate units as they become vacant. Offerors are required to file annual update amendments with the Attorney General, disclosing the status of unsold units, occupancy, marketing efforts, and sales.

The law also requires that at least 51% of the offered units (excluding income-restricted rentals) be sold within five years, unless the Attorney General grants a waiver based on demonstrated good faith efforts. Again, this ensures that offerors create fully viable condominiums where all units are sold over time, resulting in an owner-controlled condominium.

Ongoing Amendments and Reporting Requirements

After the first sale, an offeror must file a post-closing amendment, and then annual update amendments every year until all units are sold. These updates must include detailed information about sales, occupancy, marketing, and compliance with reserve fund requirements under the new section of the Real Property Law (discussed below). The Attorney General may refuse to accept amendments that do not meet the law's disclosure requirements.

repairs, replacements, and improvements necessary for the health and safety of all residents, including those in income-restricted rental units. The required contribution is generally 3% of the total price of all units (excluding income-restricted units), with supplemental contributions as additional units are sold. This law mirrors Local Law 70 and functions almost identically to the local law for conversions pursuant to GBL Section 352-eee.

- **Dedicated Capital Fund:** Managed by the qualified owner and subject to oversight by the housing finance agency, this fund is used solely for repairs and improvements to the income-restricted rental units. The required contribution by offeror is 0.5% of the total price. The dedicated capital fund will assist with the maintenance and upkeep of the income-restricted rental units, ensuring the qualified owner has ready capital for in-unit upgrades and repairs.

Both funds are protected by law, and any attempt to waive these requirements is void as against public policy. Civil penalties apply for noncompliance.

TOPA for Income-Restricted Units: Pathway to Limited Equity Co-ops

Mirrored on the Partial Sales Program, a key aspect of AHRA is the preservation of existing affordable rental housing. However, AHRA also includes a new option to permit homeownership for the income-restricted rental units as well.

Given the momentum to increase affordable homeownership in New York City, coupled with efforts to pass statewide legislation such as the Tenant Opportunity to Purchase Act (NY S401/2025-26), AHRA includes its own "Tenant Opportunity to Purchase Act" (TOPA)-like provision for income-restricted rental units.

The qualified owner, in cooperation with tenants, may convert income-restricted rental units to a limited equity housing cooperative, provided:

- The offering prices are affordable to existing tenants and qualified low-income purchasers.
- Tenants who do not purchase retain rent stabilization protections.
- The cooperative remains permanently affordable and subject to regulatory oversight.
- The housing finance agency retains authority to enforce compliance, including appointing a new board if necessary.

This mechanism allows tenants in income-restricted rental units to become homeowners while preserving long-term affordability, which explains why AHRA received widespread support from affordable housing advocates.

Rulemaking by the Attorney General and Consequences of Delay

AHRA becomes effective within 180 days from its passage and authorizes rulemaking to carry out the statute. The Attorney General has 365 days from the effective date to promulgate rules and regulations. However, the law explicitly states that the absence of such rules cannot be

used as a reason to reject a preservation plan, provided an offeror otherwise complies with the statute.

This ensures that the law can be implemented without regulatory delay, which makes sense considering the detail AHRA includes directly within the statute.

Filing Fees Due to the Attorney General

In addition to the upfront work an offeror must complete preparing a preservation plan, filing fees are required as well. AHRA establishes a new fee structure for the submission of preservation plans and amendments:

- \$750 for every offering not exceeding \$250,000.
- For offerings over \$250,000, a fee of 0.4% of the total offering amount, capped at \$60,000 (with half due at submission and half upon acceptance).
- \$750 for each price change amendment or other amendment.
- \$750 for each application to solicit public interest prior to filing a preservation plan.

These fees are dedicated to supporting the Real Estate Finance Bureau's oversight and administration of its regulatory functions, as already required by Section 80 of the State Finance Law.

Summary

AHRA creates a new, carefully regulated pathway for the conversion of a small subset of mixed-income buildings to condominiums, but only if such condominium conversion benefits affordable housing. As a standalone section of the GBL, AHRA leaves fully intact the robust tenant protections for the vast majority of other rental to condominium conversions in New York City, making sure other types of buildings that go condominium do so under GBL Section 352-eee.

Like any condominium conversion, the process is highly technical and requires careful planning to carry out in a meaningful manner.

Injunctions

«Continued from page 2

two ways: Either she is showing herself to be deeply "skeptical" of Sauer's position or "you could read it as someone who is trying to figure out the bounds of a position that she otherwise agrees with."

Kavanaugh Says Presidential Overreach May Be To Blame For Nationwide Injunctions

In one telling line of questioning, Kavanaugh tried to figure out why nationwide injunctions have exploded in recent years. A former staff secretary to President George W. Bush who had a front-row seat to the Oval Office, Kavanaugh offered his own theory to Sauer, one that was more political science than constitutional law.

"It seems 'why' might be it's harder to get legislation through Congress, particularly with the filibuster rule," Kavanaugh said.

"Presidents want to get things done with good intentions," he added. "The executive branches that work for those presidents push hard, when they can't get new authority, to stretch or use

existing authority, and they've been pushing, understandably, all with good intentions. All the presidents, both parties, right, with good intentions, pushing ... I think that might be the why, but I'm curious what you think."

Sauer seemed to reject the premise, instead suggesting that district judges had become essentially intoxicated by the "extraordinary power" of issuing nationwide injunctions.

Kavanaugh wasn't buying it.

"Let me just pause you right there," he said.

"These district judges are not just doing universal injunctions; they're finding these actions illegal because they're exceeding existing authority, and oftentimes we are too when it gets to us, finding the actions of presidents of both parties unlawful because they exceeded existing authority," Kavanaugh said.

Kavanaugh was careful, however, to point out he wasn't singling out Trump. When an attorney for the challengers, Kelsi Brown Corkran, noted that Trump had issued a record number of executive actions, Kavanaugh pushed back and called it a "bipartisan phenomenon ... presi-

dents want to get things done."

In laying the blame at congressional dysfunction and presidential ambition, Kavanaugh seemed more receptive to the idea that injunctions are a result of presidential overreach, rather than "rogue" district court judges.

Barrett Suggests History Cuts Against Nationwide Injunctions

Sauer was not the only advocate to face tough questioning from Barrett on Thursday.

New Jersey Solicitor General Jeremy Feigenbaum also met skepticism in trying to convince Barrett that nationwide injunctions have a long history tracing back to the founding of the country. Feigenbaum was arguing on behalf of 22 Democratic states and the District of Columbia that have challenged Trump's executive order as unlawful.

The challengers have identified the English "bill of peace" from the 17th and 18th centuries as a historical example of a court order that applies to more than just the named parties to a case. Often used by the English Court of Chancery, the "bill of peace" would prevent

multiple lawsuits over the same issue.

"Let's say that I think the bill of peace is more like a representative suit that is a forerunner to the class action," said Barrett. She then asked for Feigenbaum's "best example" that "would support something that looks like universal relief."

Feigenbaum said that the English "bill of peace" was, in fact, the "best example" of that.

Barrett ultimately seemed unpersuaded by the analogy.

"I think the problem is when we have such a party-centric history, if it has to be reasoning that fits within the confines, then I think we have a little bit of trouble," she said.

In the next breath, though, Barrett suggested that perhaps the states "do need something broader in order to have complete relief even if the universal injunction is too broad."

Feigenbaum argued, however, that, if the Supreme Court wants to narrow the injunction to the states that brought the challenges, it should send the case back to the district court to decide whether that is "practically or legally workable."

Kavanaugh Suggests Federal Rules Might Require Class Actions

Though he did not explicitly discuss the merits of whether Trump's executive order on birthright citizenship is lawful, there is reason to believe that he harbors doubts.

As discussed, Kavanaugh all but identified presidential overreach as the source of nationwide injunctions—not judicial activism.

And during another intense exchange, the Trump-appointed justice grilled Sauer about what would happen on the ground if the court were to rule in the government's favor on the nationwide injunction question.

Should the Trump administration win at the Supreme Court, Sauer agreed that the government would observe a 30-day delay to "ramp up" the implementation of the new policy.

That led to another Kavanaugh question.

"On the day after it goes into effect ... what do hospitals do with a newborn? What do states do with a newborn?"

Sauer said it will be up to federal officials to figure out how to best implement the policy, leaving the

door open for new documentation requirements for all babies born in the United States.

If Kavanaugh expressed concerns about letting the policy take effect, later in the argument he suggested that perhaps Sauer is right about class actions being the proper mechanism for obtaining a winning court order.

"If that [class action] mechanism is available, whether one way or another, doesn't that solve a large part of the problem in a way that complies with the rules, the problem with universal injunctions that have been identified by administrations of both parties?" Kavanaugh asked an attorney for the challengers.

"We care about technicalities," Kavanaugh added. "And this may all be a technicality, but it seems to me the technicality of Rule 23 and the history of that ... provides a mechanism to do what's needed here in terms of getting relief to people."

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Heter Iska

«Continued from page 7

contained in a heter iska. See 453 East 83rd Funding L.P. v. 453 East 83rd Street LLC, et. al., Index No. 850183/2023 (Sup. Ct. N.Y. Co. 2023). In this latter case, the Appellate Division, First Department denied the defendants' motion for a stay pending appeal, but did not address the merits of whether an arbitration should have been compelled as the appeal was not perfected.

While courts have been skeptical of arguments that the heter iska displaces civil agreements, courts have affirmatively enforced heter iskas as promissory notes under

CPLR 3213. See e.g., *Khaimov v. Fuzailov*, No. 71086/19, 2020 N.Y. Misc. LEXIS 7121, at *2 (Sup. Ct. Queens Co. 2020). But in *Heimbinder v. Berkovitz*, 175 Misc. 2d 808 (Sup. Ct. Kings Co. 1998), the court there explained that this is appropriate only where the heter iska is the sole written agreement, while noting that it is inappropriate where there are concurrent civil loan documents and the heter iska was clearly intended only to be a means of compliance with religious law. *Id.* at 817-818.

The case law therefore makes clear that New York courts are generally skeptical of arguments in which borrowers assert that a heter iska is a binding contract

Receiverships

«Continued from page 5

ment to demonstrate a danger that

the property will be removed, lost,

materially injured, or destroyed.

See *HSBC Bank USA, N.A.*, 210 AD3d at 82; see also *Natoli v. Milazzo*, 65

AD3d 1309, 1310 (2d Dept. 2009) (movants must submit "clear and convincing evidence of irreparable loss or waste to the subject property and that a temporary receiver is needed to protect their interests.")

Appointment of a receiver is a powerful, but potentially expensive, remedy for a mortgage lender,

which removes the borrower from control of the property, but does not transfer control to the lender. Lenders should ensure their ability to access this remedy by including appropriate provisions in their loan documents, but if the situation arises, they should give careful consideration to its use.

Blackstone

«Continued from page 5

since then, the JV has continued to sell other pieces of the debt, with Morgan Stanley making a separate deal to acquire \$700 million worth of the loans affili-

ated with the ones originated by Signature from the three investors.

The first quarter was mixed on the investment sale front for Manhattan, as highlighted in a report from Avison Young. For example, there were just 84 transactions, a 12 percent gain quarter-over-

quarter. However, when you look at it from the \$2.7 billion in dollar volume perspective, sales were down 17 percent over the same period. Avison Young forecasts that transactions in the city will surge by 26 percent in, while dollar volume will drop by five percent in all of 2025.

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Court Calendars

First Department

APPELLATE DIVISION

CALENDAR FOR THE JUNE TERM

WEDNESDAY, MAY 21

2 P.M.

23/3142 People v. Anthony Stokes
24/1121 Tucker v. All Metro Home Care
24/625 B., Kevin v. Tanisha H.
25/666 HSBC Bank v. Amponsah
24/3461 Yang v. Knights Genesis
19/5317 People v. Pierre Maycock
24/3971 Borrones v. 130 E. 18 Owners
24/659 People v. Jonathan Hernandez
25/830 Ceratosaurus Investors v. B2C Alternative Equity
24/643 Perez v. Norman's Cay Group
22/2018 People v. Jonathan Cedeno
23/1003 People v. Mariannella Diaz
24/4777N Roberts v. City of NY
23/4739N PanWest NCNA2 v. Rockland NCA

THURSDAY, MAY 22

2 P.M.

24/449 People v. Devin Webbert
23/164 Shreyesant v. NYS
Division Housing
24/655 M., Barnim v. Bedouin Ubracha 101
19/343 People v. Hector Hernandez
24/837 Board of Managers v. Miller
24/5100 Daniello v. J.T. Magen & Company
23/4282 People v. Sergio Celleri
19/2012 People v. Damien Bell
24/6572(2) One River Run v. Milde
25/744 Olympic Galleria Co. v. Sitt
24/1069 People v. Adam Rivera
25/6820 Rosario v. Hallen Construction
24/6500 Prospect Capital v. Morgan Lewis

TUESDAY, MAY 27

2 P.M.

23/1713 People v. Kamal Dockery
24/382 Szymczyk v. Hudson 36
22/541 M., Children
24/7247N avaro v. Joy Construction
21/633 People v. Sophia Fearing
24/463 Rubin v. Sabharwal
24/3348(2) Spin Capital v. Golden Foothill Insurance
23/2079 People v. Sean Bryan
20/2147 People v. Pedro Vega
24/350 Pelton v. St. Joseph Hospital
24/1618 Providence Construction v. Silverite Construction
23/629 People v. Dominic Tarzona
24/2043(3)N Slabakis v. Poyiadjis
24/3721N Associated Industries v. Farahnik

WEDNESDAY, MAY 28

2 P.M.

23/5635 People v. Joyquin McCall
24/3476 Toomer v. NYC Housing Authority
24/5095 L., Jeselle v. Alexis J.
22/411 People v. Dante Thomas
24/3092 Chatham Capital v. Platinum Asset
24/510 People v. Shanasier Frasier
24/099 Wollman v. Seven Seas Union
19/2833 People v. Josue Maldonado
24/1955 People v. Jawaun Sims
24/524N ational Community v. Midtown Coalition
24/2979 Palmer v. City of NY
24/4520(2)N Arena Limited v. Chalets LLC
24/5964 Nyse v. Amtrust North America
24/3801N Idahoah v. MFM Contracting
24/780(3)N AT&T Mobility v. Grupo Salinas

TUESDAY, JUNE 3

2 P.M.

22/5759 People v. Lisandro Cabrera
23/6379 Abrams v. Abrams
24/6705 M., J'Quan v. Zhonvel B.
24/2301 Hasan v. Macerich Company
23/5980 People v. Rockeem M.
24/6749 Cooper v. Arbor Realty Trust
23/6001 Goon v. Grand Central Partnership
19/2033 People v. Akram Joudah
23/435 McCoy v. Lvovsky
24/5780 American Infertility of NY v. Kushner
23/3936 People v. Karen Lowndes
24/5061N Spay, Inc. v. ASMF Holdings
24/780(3)N AT&T Mobility v. Grupo Salinas

TUESDAY, JUNE 3

2 P.M.

23/3918 People v. Daniel Citalan
24/4937(2) 600 Associates v. Illinois Union Insurance
24/589 P., Juan v. Wendy R.
24/2304(1) Engley v. 639 Jefferson Place
24/6083(1) Engley v. City of NY
24/1734 People v. Jaideen Dechabert
24/7027(6) Ametek, Inc. v. Goldfarb
25/1066 Board of Managers v. 45 East 22nd St.
24/7033 L.S., Children
22/375 People v. Charles Kenyatta
22/2774 People v. Anthony Messina
24/1567 Tavarz v. 920 E 173rd St.
24/5424N Passantino v. City of NY

WEDNESDAY, JUNE 4

2 P.M.

22/2808 People v. Kayion Yizar
24/5395 Badesch v. Fort 710
Associates
24/4865 S., Jodeci v. Sheila M.
24/3927(1) Zhang v. Chu
24/2373(1) Zhang v. Chu
24/514 People v. Sterling Stewart
24/1018 Pereira v. 509 W 34th
24/7534 Kohler v. West End 84 Units
24/2207 Cedenio v. Bollyky
24/741(1) People v. Jefter Dominguez
23/6133(1) People v. Jefter Dominguez
24/196 Robles-Lopez v. E.S.H. Family Corp.
25/1321N Stafford v. A&E Real Estate
24/3472N Board of Managers v. World-Wide Holdings

THURSDAY, JUNE 5

2 P.M.

20/149 People v. Nicholas Wallace
27/821 Brade Bank v. DelValle
23/2411 U., Cheryl v. Ehlige U.
18/3956 People v. Eric Keaton
20/569 People v. Jevon Eddy
24/515 State Division Human Rights v. C & A Central
25/737(1) J Carey Smith v. 11 West 12 Realty
24/7901 Board of Managers v. Park Park Associates
23/3348 People v. Rigoberto Deleon

COURT NOTES

NEW YORK STATE COURT OF APPEALS

Deadline for Amicus Curiae Motions in 'Onondaga County v. State of New York'

The Court has calendared appeals in 'Onondaga County v. State of New York' (APL 2025-00088) for argument on September 8, 2025. Appellants' briefs are due by June 12, 2025. Respondents' briefs are due by July 10, 2025. Appellants' reply briefs are due by July 24, 2025.

Motions for permission to file a brief amicus curiae must be served no later than August 5, 2025 and noticed for a return date no later than August 18, 2025.

Questions may be directed to the Clerk's Office at (518) 455-7705.

ADMINISTRATIVE ORDER OF THE CHIEF JUDGE OF THE STATE OF NEW YORK

Pursuant to article VI, § 28(c) of the New York State Constitution and section 211 of the Judiciary Law, upon consultation with the Administrative Board of the Courts, and with the approval of the Court of Appeals of the State of New York, I hereby amend, effective July 7, 2025, sections 24.6(g), (n) and 25.18 of the Rules of the Chief Judge, by adding the underlined material and removing the [bracketed] material, to read as follows:

PART 24. TIME AND LEAVE

Section 24.6. Other Leaves With Pay

(g) Conferences. Four days' leave per annum without charge to an employee's leave credits may be allowed to attend conferences of recognized professional organizations. Such conferences must be directly related to the employee's profession [of] or professional duties. This leave is subject to the prior approval of the administrative authority and to the staffing needs of the court or agency.

(n) The Chief Administrator of the Courts or [his] or [his] their designee may grant leaves with pay for reasons not itemized in this Part.

PART 25. CAREER SERVICE

Section 25.18. Establishment of a Continuing Eligible List

The Chief Administrator of the Courts may establish a continuing eligible list for any class of positions for which [inadequate numbers of qualified persons are found available for recruitment or appointment] such lists are appropriate. The Chief Administrator may only establish continuing eligible lists for any class of positions filled through open competitive examination. Names of eligibles shall be inserted in such list from time to time as applicants are tested and found qualified in examinations held at such intervals as may be prescribed by the Chief Administrator. Such successive examinations shall, so far as practicable, be constructed and rated so as to be equivalent tests of the merit and fitness of candidates. The name of any candidate who passes any such examination and who is otherwise qualified shall be placed on the continuing eligible list in the rank corresponding to his or her final rating on such examination. The period of eligibility of successful candidates for certification and appointment from such continuing eligible list, as a result of any such examination, shall be fixed by the Chief Administrator but, except as list may reach an announced terminal date, such period shall not be less than one year; nor shall such period of eligibility exceed four years, except as provided in section 25.17 of this Part. Subject to such conditions and limitations as the Chief Administrator may prescribe, a candidate may take more than one such examination; provided, however, that no such candidate shall be certified simultaneously with more than one rank on the continuing eligible list. With respect to any candidate who applies for and is granted additional credit in any such examination as a disabled or nondisabled veteran, and for the limited purpose of granting such additional credit, the eligible list shall be deemed to be established on the date on which his or her name is added thereto.

Chief Judge of the State of New York

Dated: May 14, 2025

U.S. DISTRICT COURT Southern District

Court Seeks Candidates for Criminal Justice Act Panel

The United States District Court for the Southern District of New York is seeking applicants for the SDNY Criminal Justice Act (CJA) Panel. Applications

IAS PARTS

1 Silvers: 300 (60 Centre)

2 Sattler, J.: 212 (60 Centre)

3 Cohen, J.: 208 (60 Centre)

4 Kim: 308 (80 Centre)

5 King: 320 (80 Centre)

6 King: 351 (60 Centre)

7 Lebowitz: 345 (60 Centre)

8 Kotler: 278 (80 Centre)

9 Waterman-Marshall: 355 (60 Centre)

10 Kaplan: 422 (60 Centre)

11 Tsai: 280 (60 Centre)

12 Clynes: 136 (80 Centre)

13 Schumacher: 304 (71 Thomas)

14 Bluth: 432 (60 Centre)

15 Johnson: 116 (60 Centre)

16 Hager: 335 (60 Centre)

17 Tisch: 104 (71 Thomas)

18 Sokoloff: 540 (60 Centre)

19 Frank: 412 (60 Centre)

20 Stroth: 328 (80 Centre)

21 Silvers: 300 (60 Centre)

22 Sweeting: 279 (80 Centre)

23 MFPKahn: 1127B (111 Centre)

24 MMSP-1: 1127B (111 Centre)

25 IDV Dawson: 1604 (100 Centre)

PART 40TR

JUDICIAL MEDIATION

On Rotating Schedule

Adams 300 (60 Centre)

EARLY SETTLEMENT

ESC 1 Vigilante 106(80 Centre)

ESC 2 Wilkenfeld 106 (80 Centre)

SPECIAL REFEREES

60 Centre Street

73R Santiago: Room 354

75R Burzio: Room 240

80R Edelman: Room 562

82R Wohlb: Room 501B

83R Sambucci: Room 528

84R Feinberg: Room 641

88R Lewis-Reisen: Room 324

45 Patel: 428 (60 Centre)

46 Latin: 210 (71 Thomas)

47 Goetz: 1021 (111 Centre)

48 Masley: 242 (60 Centre)

49 Char: 252 (60 Centre)

50 Sweeting: 279 (80 Centre)

51 Chesser: 543 (60 Centre)

52 Johnson: 307 (80 Centre)

53 Borrell: 658 (60 Centre)

54 Schechter: 228 (60 Centre)

55 D'Auguste: 103 (71 Thomas)

56 Kelly: 204 (71 Thomas)

57 Kraus: 218 (60 Centre)

58 Cohen, D.: 305 (71 Thomas)

59 Lewis: 248 (60 Centre)

60 Crane: 240 (80 Centre)

61 Hon. C. Ramos

Part 93 Hon. Marín

JHO/SPECIAL REFEREES

80 Centre Street

81R Hewitt: Room 321

87R Burke: Room 238

89R Hoahng: Room 236

90R Lewis: Room 234

91R Hon. C. Ramos

Part 93 Hon. Marín

SPECIAL REFEREE

365328/20 Summers v. Castelli**Motion**365252/20 De Jongh v. Dweck
321654/21 Fabre-Mathieu v.

Mathieu

305290/16 Lewis v. Lewis

305323/19 Montaj v. Haque

THURSDAY, MAY 22

300373/25 Avendano v. Lincoln

365811/23 Dalessandro v.

Dalessandro

365568/23 Davis-Farage v. Farage

303336/17 Garfinkle v. Garfinkle

365465/24 Kabulova v. Kaufman

322254/24 Uhlund v. Backo

Motion

365811/23 Dalessandro v.

Dalessandro

365568/23 Davis-Farage v. Farage

303336/17 Garfinkle v. Garfinkle

365465/24 Kabulova v. Kaufman

322254/24 Uhlund v. Backo

FRIDAY, MAY 23

321654/21 Fabre-Mathieu v.

Mathieu

154910/25 Haart v. Heinemann

303260/17 Hartmann-Ting v. Ting

156887/24 In the Matter of The

Application of William Harvin v.

The NY Dept.

365024/20 Livingston v. Livingston

322164/24 Reed v. Reed

365088/22 Scaglia v. Haart

Motion

154910/25 Haart v. Heinemann

365024/20 Livingston v. Livingston

365088/22 Scaglia v. Haart

Part 45**Commercial Div.**

Justice Anar Rathod Patel

60 Centre Street

Phone 646-386-3632

Room 428

WEDNESDAY, MAY 21

659011/24 Cavalli Enterprises Inc.

v. Maass

652334/24 Hilldon Corp. v. Styleline

Studios

659103/24 Landsman Meat Co. LLC

v. Farmhood Fields

654297/24M. Hidary & Co., Inc.

v. Waterfront Promotional

Merchandising LLC Et Al

616343/25 Mora v. Superblue Hldgs.

655500/16 Stamford v. A&E Real

Estate Hldgs.

THURSDAY, MAY 22

651370/25F Global Capital, Inc. v.

Color Star Tech. Co., Ltd.

FRIDAY, MAY 23

650567/25 City Nat. Bank v.

Rightway Cleaning LLC Et Al

65320/24 Fox And Main v.

Pyramidal Bmc Hldgs.

655335/23 Lash v. Modulare Hldg.

S.A.R.L. Et Al

Part 48**Commercial Div.**

Justice Andrea Masley

60 Centre Street

Phone 646-386-3265

Room 242

WEDNESDAY, MAY 21

156759/172138747 Ontario Inc. v.

Lehman Brothers Hldgs., Inc.

651356/23 Abrahams v. Meir

652051/20 Bangladeshi Bank v. Rizal

Commercial Banking

650740/24 In the Matter of The

Application of On The Move

Hldgs. v. Singh

655753/23 Jrsk. Inc. v. Simon

653096/24 Philipson v. Fensterman

115336/10 Total Asset Recovery v.

Metlife, Inc.

656187/23 US Medical Glove Co.

LLC v. Resurgent

Motion

156759/172138747 Ontario Inc. v.

Lehman Brothers Hldgs., Inc.

650740/24 In the Matter of The

Application of On The Move

Hldgs. v. Singh

THURSDAY, MAY 22

651356/24 Clearway Energy Group

LLC v. Power Electronics USA

Inc.

651007/25D'Angelo v. Devito

655528/20 General Electric Co. v. X

651460/24Noh v. Yezep

650845/22 Taylor v. Zampella

Motion

655528/20 General Electric Co. v. X

FRIDAY, MAY 23

652051/20 Bangladesh Bank v. Rizal

Commercial Banking

654824/23 Blieriot Us Bido Inc. Et

Al v. Signature Aviation Ltd. F/k/a

Signature Aviation Plc F/k/a Bha

Aviation

656212/23 Drug Royalty L.P. 3 v.

Shire-Nps Pharmaceuticals, Inc.

Et Al

655445/24 Haxiom, Inc. v. Clearcell

Power, Inc. Et Al

Motion

655445/24 Haxiom, Inc. v. Clearcell

Power, Inc. Et Al

Part 49**Commercial Div.**

Justice Margaret A. Chan

60 Centre Street

Phone 646-386-4033

Room 252

WEDNESDAY, MAY 21

850639/23 Areal Capital Corp. Et Al

v. 46bdwy Land

653552/24 Apple Bank v. Natf

America LLC

659851/24 Freepoint Commodities

LLC v. Monroe Energy

650013/24 Gpp Merrimack LLC v.

Javelin Global Commodities (uk) Ltd.

654172/23 Saviano v. Rtx Hldgs.

Inc. Et Al

152316/20 Truppin v. Cambridge

Dev.

Part 53**Commercial Div.**

Justice Andrew S. Borrok

60 Centre Street

Phone 646-386-3304

Room 238

WEDNESDAY, MAY 21

654488/22 Cyberbit, Inc. v. Cloud

Range Cyber

THURSDAY, MAY 22

601332/03 Abramova v. Napoli

655073/23 Houlihan Lokey Capital,

Inc. v. Charan Solutions, Inc. Et

Al

659787/24 Trachten v. Wolowitz

FRIDAY, MAY 23

652518/18 Mei v. Wang

Part 54**Commercial Div.**

Justice Jennifer G. Schecter

60 Centre Street

Phone 646-386-3362

Room 228

WEDNESDAY, MAY 21

653222/23 Big Reed Estate Capital I

v. Abs Mgt. & Dev. Corp. Et Al

651689/24 Higround Co. Ltd. Et Al

v. Lee

652015/20 Myron J. Berman v.

Cohen

652864/23 Plymouth St. LLC v. Sitt

633654/23 Ratnush M.D. v. Jospire

Jr. M.D.

653012/19 Taxi Tours Inc. v. Go Ny

Tours, Inc.

THURSDAY, MAY 22

652875/23 Board of Mgrs. of 145

Americas Condominium v.

Sauer

652887/23 Claver Investor LLC Et Al

v. Per Weisz Et Al

652063/23 Clover Private Credit

Opportunities Origination

(levered) II v. Samberg

656225/23 Daher Aerospace Inc. v. Triumph Aerostuctures**654325/22 Institute Homecare Services, Inc. v. Ihcs (abc)****603295/07 John Galt Corp. v. Board of Mgrs. of 145 American Condominium Et Al****65615/22 Jpeg LLC v. Board of Mgrs. of 145 American Condominium Et Al****65507/16 Lembo v. Rosania****602297/09 Mariner Pacific v. Sterling Biotech Ltd.****50017/23 Meapacking Retail LLC v. 446 West 14th St. Associates****Motion****652887/23 Claver Investor LLC Et Al v. Per Weisz Et Al****Opportunities Origination (levered) II v. Samberg****Transit Authority Settlement Part****60 Centre Street**

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Contact: Carol Robertson

Phone: 212.457.7850

Email: crobertson@alm.com

CITATIONS NY

File No. 2025-113 — CITATION — The People of the State of New York by the Grace of God Free and Independent — To: RICHARD A. STEPHENS whose whereabouts are unknown and after due diligence cannot be ascertained, if he be living and if he be dead, to his heirs at law, distributees, executors, administrators, creditors, liens, his wife or wives or successors in interest and to the unknown heirs at law and next of kin of RICHARD A. STEPHENS, deceased, if they be living, and if they be dead, to his Executors, Administrators, Creditors, and Liens, their husbands or wives or successors in interest. A petition having been filed by DAVID S. FOSTER, who is domiciled at 100 DeKruif Place, No. 8B, Bronx, New York 10475. THIS RETURN DATE IS A VIRTUAL COURT DATE. IN-PERSON COURT APPEARANCES WILL NOT BE PERMITTED ON THE RETURN DATE UNLESS A PARTY NOTIFIES THE COURT THAT IT WISHES TO APPEAR IN PERSON AT LEAST THREE (3) BUSINESS DAYS BEFORE THE SCHEDULED COURT DATE. YOU ARE HEREBY CITED TO SHOW CAUSE by making a virtual appearance before the Surrogate's Court, Bronx County, New York, located at 851 Grand Concourse, Bronx, New York 10451, on June 10, 2025, at 9:30 a.m., why the Court should not grant the following relief: A decree in the estate of Linda M. Pollock lately domiciled at 3585 Wilson Avenue, Bronx, N.Y. 10469 admitting to probate a Will dated August 2nd 2022 as the Will of Linda M. Pollock and directing that Letters Testamentary be issued to David S. Foster. PLEASE CONTACT THE COURT AT (718) 618-2373-2374 OR VIRTUALBRONXSURROGATESCOURT@NYCOURTS.GOV FOR INFORMATION ON HOW TO APPEAR ON THE COURT'S VIRTUAL PLATFORM. Dated, Attested and Sealed April 18, 2025 Hon. Nelida Malave-Gonzalez, Surrogate Elix R. Madera-Fliegelman, Chief Clerk ATTORNEY Petitioner's Attorney: JEFFERYSON A. BARNES, SR. Address: 61 Marion Avenue, Mt. Vernon, N.Y. 10552 Telephone Number: 914-840-9008 E-mail: jeffbarnessr@outlook.com [NOTE]: This citation is served upon you as required by law. You are not required to appear. If you fail to appear it will be assumed you do not object to the relief requested. You have a right to have an attorney appear for you.] 8052 a30-W my21

FOUNDATIONS

THE ANNUAL RETURN OF CLIVE J. DAVIS FOUNDATION. For the calendar year ended December 31, 2024 is available at its principal office located at C/O SSenergy Group, LLC, 3 Columbus Circle, 15 Fl., New York, NY 10019 for the inspection during regular business hours by any citizen who requests it within 180 days hereof. Principal Manager of the Foundation is Clive J. Davis. 9190 my21

LIQUOR LICENSES

DUNNE HOSPITALITY LLC D/B/A 5S Notice is hereby given that liquor license number application-NA-0340-25-11029, for beer, Wine & liquor has been applied for by the undersigned to sell liquor at retail in a restaurant under the alcoholic beverage control law at address: 178 Avenue B, NY, NY 10009. New York County for on premises consumption. Name of company and trade name: DUNNE HOSPITALITY LLC D/B/A 5S 179 Avenue B, NY, NY 10009. 8755 my14-W my21

NOTICE OF FORMATION

NOTICE OF FORMATION OF THE Law Office of Iris Ramos PLLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/15/2025. Office location: BX County. SSNY designated as agent upon whom process may be served and shall mail copy of process against PLLC to 155 Alkier Street, Brentwood, NY 11717. Purpose: any lawful purpose. 7351 A16 W my21

NOTICE OF FORMATION OF THE WALLACE FOX FOUNDATION. For the calendar year ended 2024 is available at its principal office located at 19 Railroad Place, Suite 301, Saratoga Springs, NY 12866 for the inspection during regular business hours by any citizen who requests it within 180 days hereof. Principal Manager of the Foundation is GLORIA S. NEUWIRTH, TRUSTEE. 7351 A16 W my21

THE ANNUAL RETURN OF V & L Marx Foundation For the calendar year ended 12/31/2024 is available at its principal office located at 14 Brookline Road Scarsdale, NY 10583 for inspection during regular business hours by any citizen who requests it within 180 days hereof. Principal Manager of the Foundation is Jennifer Gruberberg. 9073 my21

NOTICE OF FORMATION

DUNNE HOSPITALITY LLC D/B/A 5S Notice is hereby given that liquor license number application-NA-0340-25-11029, for beer, Wine & liquor has been applied for by the undersigned to sell liquor at retail in a restaurant under the alcoholic beverage control law at address: 178 Avenue B, NY, NY 10009. New York County for on premises consumption. Name of company and trade name: DUNNE HOSPITALITY LLC D/B/A 5S 179 Avenue B, NY, NY 10009. 8755 my14-W my21

NOTICE OF FORMATION

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SALES

NOTICE OF SALE

SUPREME COURT COUNTY OF BRONX, WILMINGTON SAVINGS FUND, SOCIETY, FSB, AS OWNER TRUSTEE OF THE RESIDENTIAL CREDIT OPPORTUNITIES TRUST V. A. Plaintiff, vs. AIA T. FELIX, ET AL., Defendants. Pursuant to a Judgment of Foreclosure and Sale and Consolidation of Actions, duly entered on September 18, 2017 and an Order Extending Sale Deadline and Amending Judgment of Foreclosure and Sale duly entered on February 19, 2025, I, the undersigned Referee will sell at public auction at the Bronx County Supreme Court, Courtroom 711, 851 Grand Concourse, Bronx, NY 10451-2937 on June 2, 2025 at 2:15 p.m., premises known as 2012 Benedict Avenue, Bronx, NY 10462. All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough and County of Bronx, City and State of New York, Block 3932 and Lot 49. Approximate amount of judgment is \$511,114.79 plus interest and costs. Premises will be sold subject to provisions of filed Judgment. Index #381821/2008E. Orlando Cavallo, Esq., Referee Friedman Vasolo LLP, 85 Broad Street, Suite 501, New York, New York 10004, Attorneys for Plaintiff. Firm File No.: 212765-1 8047 a30-W my21

NOTICE OF SALE

SUPREME COURT COUNTY OF NEW YORK JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, Plaintiff AGAINST STEPHANIE GREENE, ET AL., Defendants. Pursuant to a Judgment of Foreclosure and Sale duly entered September 22, 2016, I, the undersigned Referee will sell at public auction at the New York County Courthouse in Room 130, located at 60 Centre Street, New York, NY on May 28, 2025 at 2:15PM, premises known as 159 West 136th Street, New York, NY 10030. All that certain plot, piece or parcel of land, with the buildings and improvements erected, situated, lying and being in the Borough of Manhattan, City, County and State of New York, Block: 1921 Lot: 9. Approximate amount of judgment is \$1,752,711.07 plus interest and costs. Premises will be sold subject to provisions of filed Judgment. Index #850189/2014. Michael J. Good, Esq., Referee Fein, Such & Crane, LLP 28 East Main Street Rochester, NY 14614 CHINC479 84387 7620 a30-W my21

SUPREME COURT COUNTY OF BRONX, CITIMORTGAGE, INC., Plaintiff against JAMES WILLIAM BRUCE, et al Defendants. Pursuant to a Judgment of Foreclosure and Sale entered herein and dated March 20, 2017, I, the undersigned Referee will sell at public auction at the Bronx County Supreme Court, Courtroom 711, located at 851 Grand Concourse, Bronx, NY 10451 on June 9, 2025 at 2:15 p.m. premises known as 120 Centre Street, New York, NY 10030. All that certain plot, piece or parcel of land, with the buildings and improvements erected, situated, lying and being in the Borough of Bronx, City and State of New York, bounded and described as follows: BEGINNING at a point on the westerly side of Findlay Avenue, distant 40 feet southerly from the corner formed by the intersection of the southerly side of East 168th Street with the westerly side of Findlay Avenue; being a plot 100.00 feet by 20.02 feet by 100.00 feet by 20.00 feet. Said premises known as 1211 FINDLAY AVENUE, BRONX, NY 10456 Approximate amount of lien \$470,364.89 plus interest & costs. Premises will be sold subject to provisions of filed Judgment. Index #381498/2010. DAVID LESCH, Esq., Referee David A. Gallo & Associates LLP, Attorney(s) for Plaintiff 47 Hillside Avenue, 2nd Floor, Manhattan, NY 10103 File# 4722.116 8176 my7-W my28

NOTICE OF SALE

SUPREME COURT COUNTY OF BRONX, SHOREHAVEN HOMEOWNERS ASSOCIATION, INC., Plaintiff, vs. DAVID FALLOON, ET AL., Defendants. Pursuant to an Order Confirming Referee Report and Judgment of Foreclosure and Sale duly entered on December 16, 2024, I, the undersigned Referee will sell at public auction at the Bronx County Supreme Court, Courtroom 711, 851 Grand Concourse, Bronx, NY 10451- 2937 on June 16, 2025 at 2:15 p.m., premises known as 119 Beacon Lane, Unit 200B a/k/a Unit 200, Bronx, NY 10473. All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Bronx, County of Bronx, City and State of New York, Block 3432 and Lot 1634 together with an undivided 1.08370 percent interest in the Common Elements. Approximate amount of judgment is \$39,117.95 plus interest and costs. Premises will be sold subject to provisions of filed Judgment. Index #815989/2023E. Alexander Shirvay, Esq., Referee The Law Offices of Ronald Francis, 30 Broad Street, 37th Floor, New York, NY 10004, Attorneys for Plaintiff 8045 my7-Th my28

NOTICE OF SALE

SUPREME COURT COUNTY OF BRONX, SHOREHAVEN HOMEOWNERS ASSOCIATION, INC., Plaintiff, vs. SHERESE CAMPBELL, ET AL., Defendants. Pursuant to an Order Confirming Referee Report and Judgment of Foreclosure and Sale duly entered on December 31, 2024, I, the undersigned Referee will sell at public auction at the Bronx County Supreme Court, Courtroom 711, 851 Grand Concourse, Bronx, NY 10451- 2937 on June 16, 2025 at 2:15 p.m., premises known as 53 Beacon Lane, Unit 141A, a/k/a Unit 141, Bronx, NY 10473. All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the Borough of Bronx, County of Bronx, City and State of New York, Block 3432 and Lot 1601 together with an undivided 0.92593 percent interest in the Common Elements. Approximate amount of judgment is \$40,484.59 plus interest and costs. Premises will be sold subject to provisions of filed Judgment. Index #815987/2023E. Frank J. Rio, Esq., Referee The Law Offices of Ronald Francis, 30 Broad Street, 37th Floor, New York, NY 10004, Attorneys for Plaintiff 8385 my14-W ju4

NOTICE OF SALE

SUPREME COURT COUNTY OF NEW YORK, NYCTL 1998-2 TRUST AND THE BANK OF NEW YORK MELLON AS COLLATERAL AGENT AND CUSTODIAN, Plaintiffs against BETHELITE COMMUNITY BAPTIST CHURCH, A/K/A BETHELITE COMMUNITY CHURCH INC., et al Defendants. Pursuant to an Amended Judgment of Foreclosure and Sale entered herein and dated February 19, 2020, I, the undersigned Referee will sell at public auction in Room 116 of the New York County Court House located at 60 Centre Street, New York on June 18, 2025 at 2:15 p.m. premises situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, known and designated as Block 1721 and Lot 3 in the New York County Tax Assessment Map. Said premises known as 36 WEST 123RD STREET A/R/A 36-38 WEST 123RD STREET, NEW YORK, NY. Approximate amount of lien \$2,199,623.68 plus interest & costs. Premises will be sold subject to provisions of filed Judgment and Terms of Sale. Index Number 112197/2020. ROBERTA E. ASHKIN, Esq., Referee Phillip Lytle PLLC, Attorney(s) for Plaintiffs 28 East Main Street, Suite 1400, Rochester, NY 14614 8387 my14-W ju4

NOTICE OF SALE

NOTICE OF FORMATION OF Cohen Codner Group LLC, Arts of Org filed with Secy. of State of NY (SSNY) on 4/17/2024. Office location: NY County. SSNY designated as agent upon whom process may be served and shall mail copy of process against LLC to 160 East Sunrise Highway #1076, Freeport, NY 11520. Purpose: any lawful act. 7773 A23 W My28

NOTICE OF FORMATION OF RAJAB COLLECTION LLC, Arts of Org filed with Secy. of State of NY (SSNY) on 1/13/2025. Office location: NY County. SSNY designated as agent upon whom process may be served and shall mail copy of process against LLC to 172 W 127th Street, 705, New York, NY 10027. Purpose: any lawful act. 7777 A23 W My28

NOTICE OF FORMATION OF The Sophia Liu LLC, Arts of Org filed with Secy. of State of NY (SSNY) on 3/19/2025. Office location: NY County. SSNY designated as agent upon whom process may be served and shall mail copy of process against LLC to 234 Boerum St, Apt 2, Brooklyn, NY 11206. Purpose: any lawful act. 7586 my7-W ju11

LIMITED LIABILITY ENTITIES

NOTICE OF FORMATION of 3 Dimensional Wealth Advisory LLC, amended to: JCD Forest Avenue Realty, LLC, Arts of Org filed with Secy. of State of NY (SSNY) on 01/05/2023. Office location: Nassau County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The Limited Liability Company, 168 Forest Ave, Unit 101, Locust Valley, NY 11560, also the address of Christopher Jon Natale, the registered agent upon whom process may be served. Purpose: any lawful activities. 7591 my7-W my28

LIMITED LIABILITY ENTITIES

NOTICE OF FORMATION of 2424 Ocean Ave DAF LP Certificate filed with NY Dept. of State: 4/1/2025. Office location: NY, NY, NY 10017. Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to: Cogeny Global Inc., 122 E. 42nd St., 18th Fl., NY, NY, 10168. Name/addr. of genl. ptr. available from Sec. of State. Term: until 4/1/2125. Purpose: any lawful activity. 7571 Apr23 w May28

LIMITED LIABILITY ENTITIES

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NOTICE OF SALE

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