



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

KRISTEN CLARKE
BUREAU CHIEF
DIVISION OF SOCIAL JUSTICE - CIVIL RIGHTS BUREAU

July 22, 2014

Via mail and personal service

Anthony Falconite
Falconite LLC
88 Hecker Street
Staten Island, NY 10307

CEASE AND DESIST

**RE: New York State Attorney General's Investigation into Tenant Harassment
and Unlawful Conduct by Anthony Falconite and Falconite LLC**

Dear Mr. Falconite:

Based on information and evidence that our office has received and reviewed, including statements from witnesses, numerous written complaints, and other materials collected by my office, it appears that you and the business entities that you operate, including but not limited to Falconite LLC (together, "you"), are in violation of several New York State and City laws and regulations which prohibit harassment of tenants, misleading and deceptive business practices directed at tenants, and performance of tenant relocation services without a license. Accordingly, the Office of the New York State Attorney General demands that you immediately cease and desist all illegal activities.

As you may be aware, some apartments in New York City are subject to rent regulation laws. 9 N.Y.C.R.R. § 2520.1 *et seq.* Under certain circumstances, when a tenant vacates her/his rent-regulated unit, the property owner can adjust the unit to market-rate. In New York City, property owners seeking to impose such recent increases on their units may offer buyouts to rent-regulated tenants or otherwise offer to relocate them to other properties. Some of these landlords outsource their buyout and tenant-relocation activity to tenant relocators and third parties, like you. New York State Attorney General Eric Schneiderman is committed to ensuring that no tenant faces unlawful harassment as a result of aggressive and deceptive tenant relocation efforts and to protecting the rights of tenants targeted by unlawful and unlicensed tenant relocators.

Our office has received and carefully reviewed numerous complaints about your work on

behalf of landlords—including Steven Croman—who own and operate rent-regulated housing in Manhattan. A summary of these allegations reviewed by our office is set forth below:

First, it is our understanding that you are now and have in the past engaged in tenant-relocation services on behalf of landlords by offering buyouts to rent-regulated tenants without the proper license in violation of NY Real Property Law § 440 *et seq.* Such violations may carry significant penalties and must be discontinued immediately. *Id.* § 442-e.

Second, in furtherance of these unlicensed relocation services on behalf of landlords, you have also engaged in a pattern of unlawful intimidation, deception, and harassing conduct including but not limited to:

- Engaging in verbal abuse and intimidation of rent-regulated tenants during and in advance of buyout offers;
- Harassing potential buyout tenants by following them to and from work, confronting them at work, following them out-of-state, and contacting their families at their homes;
- Making false accusations about the legality of tenancies, including false accusations about whether tenants have succession rights to an apartment and whether they occupy the apartment as their primary residence;
- Demanding identification from tenants and requiring disclosure of private information (e.g., social security numbers);
- Gaining entry to tenants' homes improperly, including by false pretenses and by attempting to convince minor children to allow entry or otherwise deceiving tenants by indicating that you have a right to enter their apartments without their notice or consent;
- Gaining entry to tenants' homes through force or intimidation, including forcing-in the door without consent to enter; and
- Examining and photographing tenants' mail and other personal possessions without their consent.

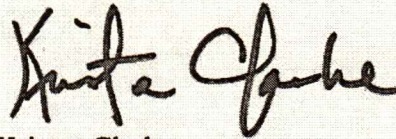
Third, in furtherance of these unlicensed and improper relocation services, you have coordinated with landlords to offer buyouts under circumstances meant to coerce tenants into vacating the property or otherwise face derelict conditions or uncertain legal consequences in the following situations:

- When the tenant's apartment has been damaged by landlord-initiated construction;
- When the tenant has sought but not received needed repairs to the to the property; and
- When the landlord has threatened or initiated holdover or other legal proceedings, whether or not such actions have legal merit.

The above conduct, together or separately, violates one or more of the following provisions of law: (i) NY Real Property Law § 440 *et seq.*, which regulates rent-relocation activities; (ii) 9 N.Y.C.R.R. §§ 2505.1(b) and 2525.5, and N.Y.C. Admin. Code § 27-2005, which protect against the harassment of rent-regulated tenants; and (iii) New York General Business Law § 349, Executive Law 63(12), and New York City Consumer Protection Law § 20-700, which prohibit misleading and deceptive business practices.

By this letter, you are instructed to cease and desist all violations of the laws enumerated above. **No later than July 29, 2014, you are instructed to inform the Office of the Attorney General, by mail or at the number listed below, that you agree to the terms of this letter.** Failure to immediately cease and desist all unlawful activity may lead to civil prosecution and may result in penalties being assessed against you. Should you have any questions regarding this cease and desist order, please contact me or Special Counsel Jessica Attie at 212-416-8250.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristen Clarke". The signature is fluid and cursive, with the first name "Kristen" and last name "Clarke" clearly distinguishable.

Kristen Clarke
Bureau Chief
Civil Rights Bureau
(212) 416-8250