

# A Message from MFY's Chair



Next year marks MFY Legal Services' 50th anniversary. The organization has come a long way since 1963 when it opened its first storefront office on the Lower East Side with four young lawyers determined to make a difference in the lives of low-income people.

MFY's founder and first director, Edward V. Spater, saw "the law as a means to empower the poor, a tool capable of forcing structural changes in a system that punished the poor for their poverty." From the beginning, MFY combined routine services delivered by lawyers located in the community with strategic litigation, often brought in collaboration with other legal organizations and private firms providing pro bono assistance.

MFY's test cases on welfare rights led to the Supreme Court's 1970 decision in *Goldberg v. Kelly*, guaranteeing the right to a fair hearing and ushering in the "due process revolution." Decisions in cases on social security, housing, child support, employment and disability rights have had a far-reaching impact on the lives of tens of thousands of New Yorkers.

All of this has been made possible with the support of countless individuals, law firms, foundations and corporations who have given generously to support MFY's mission. Today, MFY serves clients throughout New York City, handling more than 8,000 cases each year. This report provides a snapshot of the issues MFY addresses and the clients we serve.

Your generous support has helped MFY grow into one of the most dynamic and effective legal programs in the country. We thank you for your past support and urge you to continue your support in the coming year.

**Mark E. Segall, Board Chair**

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# MFY Celebrates 50 Years of Mobilizing for Justice

In 1968, Robert Mitgang, writing an article in the November 10 issue of The New York Times Magazine entitled "The Storefront Lawyer Helps the Poor" described MFY Legal Services this way:

*Jobs, housing, education—these are recognized as the major problems of the sixth of the nation that lives in poverty. But a fourth—equality before the law—is seldom mentioned because it is little recognized and, anyway, seems like a luxury. Yet a new generation of dedicated young attorneys . . . is proving that access to legal rights can help the poor to attain the other basic rights.*

That description is just as appropriate today as it was in 1968, five years after MFY was founded. MFY's early mobilizing on behalf of welfare recipients led to the "due process revolution," providing low-income people with the right to a fair hearing before government benefits could be terminated. That same spirit led MFY to immediately spring into action after Hurricane Sandy decimated many areas where our clients live. Although the power outage prevented our attorneys from getting into the office, they met with clients in the court houses that were open, located and offered assistance to adult home residents who had been evacuated to shelters, and began setting up clinics at neighborhood venues to help low-income New Yorkers with FEMA claims, food stamp re-placement, Disaster Unemployment Assistance and other critical matters.

As we look forward to the next 50 years, we know we can count on the support of thousands of individuals like you, along with government, foundations and corporations. With your help, our next 50 years will be even more productive than the first.



**LEGAL SERVICES, INC.**

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[www.mfy.org](http://www.mfy.org)

Cover: Imogene Cole, a Queens resident, signs an affordable loan modification agreement negotiated by MFY's Foreclosure Prevention Project as her daughter Tonya looked on.

# MFY Legal Services

# 2012 Annual Report

# Mobilizing for Justice: 2012 Highlights

## Saving Housing for a Chinatown Family

Mrs. Z's family was at risk of losing their rent-stabilized apartment when the landlord tried to evict them, claiming that the tenant of record terminated permission to use the apartment. Through discovery, MFY found that the landlord had fraudulently created a straw tenant so he could control rent increases. MFY showed that the illusory tenant was a family member of the landlord and that the landlord had actual knowledge of Mrs. Z and her family. The case was settled after the landlord recognized Mrs. Z as the lawful tenant and offered her a rent-stabilized lease to the apartment. MFY's **housing projects** prevent hundreds of illegal evictions each year.



residence. In the end, the bank offered to forgive \$135,000 in principal due on the loan and dropped the monthly payment from \$2,600 to \$1,000 a month. MFY's **Foreclosure Prevention Project** is saving homes throughout Staten Island, Queens, and Brooklyn, where foreclosures are devastating entire neighborhoods.

## Home Care Workers Win \$1 Million in Class Action Settlement

As many as one thousand women who care for New York City's elderly and infirm will share a \$1,090,000 settlement in a groundbreaking class action lawsuit against McMillan's Home Care Agency. Originally filed in April 2010 by MFY, Abbey Spanier Rodd & Abrams, LLP, and the



National Employment Law Project, the suit charged that the for-profit company consistently underpaid its workers and never paid overtime, despite frequently working more than 60 hours per week. The lawsuit is the first against a New York home care agency to successfully reach classwide settlement over violations of state wage-and-hour laws. The settlement will give each worker a pro-rata share based on overtime hours worked and not paid, prohibits McMillan's from retaliating against employees who complain about wages and hours, and requires the company to appoint an administrator to handle complaints about payment of wages or reimbursement of expenses. MFY's **Workplace Justice Project** helps hundreds of individual workers combat wage theft, secure benefits, challenge discrimination, and re-enter the workforce.

## After Long Battle, Credit Restored

Mr. W, age 63 and legally blind, was sued by a debt buyer for a debt he had previously paid in full to the original creditor. He was later also billed for other



fees to which he had never agreed. Over three years, MFY represented Mr. W in court, filing an answer, serving discovery demands and moving for summary judgment. MFY won the case on summary judgment and then assisted Mr. W with removing negative entries from his credit report. MFY's **Consumer Rights Project** helps thousands of New Yorkers challenge improper debt collection practices and has successfully led a citywide campaign to end "sewer service" in debt collection cases.



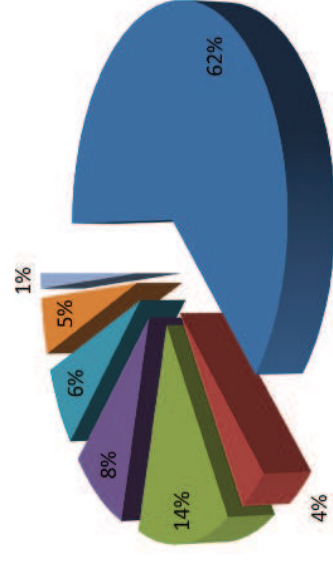
## A Stable Home with Her Aunt

When T's aunt sought help with a guardianship petition, MFY found that the aunt had a pending eviction case against her. Although employed, the added expense of caring for her niece had caused her to fall behind on her rent, and an application for public assistance for her niece was erroneously denied. After extended advocacy by MFY, the aunt's application for benefits was re-processed correctly and she received the maximum grant for the child and retroactive benefits, allowing her to stay in her apartment and provide a secure home for the child. MFY recruits, trains and mentors over 120 attorneys each year who handle custody, guardianship and adoption cases as part of MFY's **Pro Bono Kinship Caregiver Law Project**.

# 2012 Audited Financial Overview

## Revenue Sources

July 1, 2011 - June 30, 2012

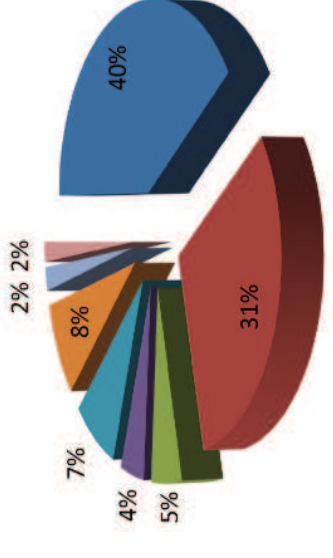


### Total Revenue: \$6,158,923

- Government: \$3,811,463
- Individuals: \$233,310
- Foundations & Corporations: \$844,000
- Special Events: \$514,816
- Donated Services: \$400,000
- Cy Pres Awards: \$278,948
- Other: \$76,386

## Program Expenses

July 1, 2011 - June 30, 2012

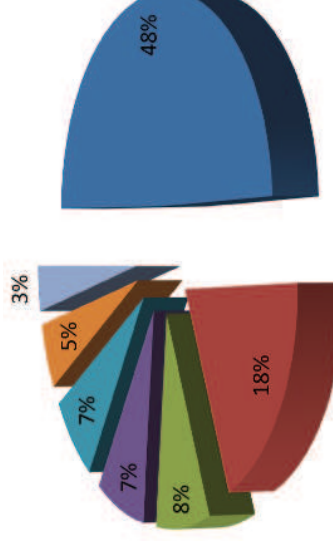


### Total Program Expenses: \$5,743,877

- Legal programs for tenants and homeowners (40%)
- Legal programs for people with mental illness (31%)
- Legal programs for low-wage workers (8%)
- Legal programs for low-income consumers (7%)
- Legal programs for kinship caregivers (7%)
- General/administrative expenses (8%)
- Fundraising expenses (2%)
- Special Event expenses (2%)

## Client Income Sources

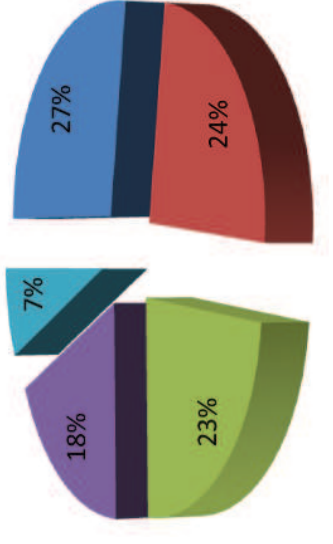
July 1, 2011 - June 30, 2012



- Public Assistance & Disability Benefits (48%)
- Employment (18%)
- Social Security only (8%)
- Pension / Social Security (7%)
- Other Benefits (7%)
- Unemployment Ins. & Workers' Comp. (5%)
- No Income (3%)

## Client Ethnicity

July 1, 2011 - June 30, 2012

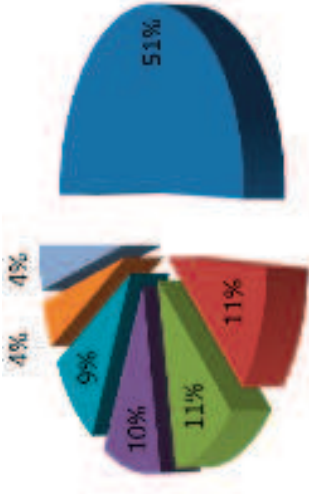


- White (27%)
- African-American (24%)
- Hispanic (23%)
- Mixed Race / Other (18%)
- Asian (7%)

# 2012 Cases

## Benefits to Clients in FY 2012

- MFY handled 8,274 cases benefiting over 15,000 people
- More than 3,000 New Yorkers attended one of MFY's "Know Your Rights" workshops
- Mortgage modifications negotiated by MFY saved distressed homeowners \$5.6 million in principal and interest
- MFY secured \$440,890 in Social Security benefits for people with disabilities
- MFY won \$445,000 in affirmative landlord-tenant judgments
- Pro bono attorneys and other volunteers contributed 22,330 hours of service, completing 475 cases. Pro bono assistance was valued at \$3.45 million.



- Housing, Foreclosure (51%)
- Public Benefits (11%)
- Consumer (11%)
- Family (10%)
- Employment (9%)
- Individual Rights (4%)
- All Other (4%)