

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

-----X  
Vincent DiGiorgio, David Schaller, Frederick  
Anderson, Humberto Ortega, Kerry Lewis and Ross  
Belk, individually and on behalf of all other  
persons similarly situated,

Index No. 8235/2011

Plaintiffs,

-against-

**AMENDED CLASS ACTION  
COMPLAINT FOR  
DECLARATORY AND  
INJUNCTIVE RELIEF**

1109-1113 Manhattan Avenue Partners, LLC, CIS  
Counseling Center, Inc., Harmony Outreach, LLC,  
and Donna DeCicco,

Defendants.  
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Plaintiffs, by their attorneys MFY Legal Services, Inc. and Weil, Gotshal & Manges LLP,  
as and for their Complaint against the defendants, allege, based on their own knowledge and  
upon information and belief, as follows:

PRELIMINARY STATEMENT

1. Rent regulated single room occupancy hotels (SROs) provide housing of last resort for tens of thousands of poor, disabled, and otherwise marginalized New York City residents. Consisting of one small room and a shared public bathroom, SROs are the most basic form of housing available in the City. In the face of the ongoing economic crisis, and record levels of homelessness, there is a critical need for stable, affordable, and regulated SRO housing.

2. Defendants herein are profiteering in violation of the laws of this City and State by unlawfully removing SRO units from the rent regulated system. Defendants have unilaterally and illicitly converted approximately 100 regulated SRO rooms into an unregulated “three-quarter house.” Three-quarter houses are part of a burgeoning industry that improperly rides on the coattails of a long-established, regulated system of supportive housing and halfway houses designed to assist people struggling to stay sober. Three-quarter houses are unlicensed

and unregulated profiteering operations that cynically pose as supportive housing while depriving tenants of the rights and protections they are entitled to under the law.

3. The named plaintiffs and other class members (hereinafter collectively “Plaintiffs”) are recently homeless and otherwise at-risk individuals who reside at Defendants’ so-called “Clay Street House.”

4. Defendants hold out Clay Street House as a “sober home”—part of a substance abuse treatment program.

5. The reality is starkly different. Defendants illegally require Plaintiffs to waive their rights as tenants to obtain a room at Clay Street House. Plaintiffs are forced to live in rooms without locking doors, creating a constant sense of fear and insecurity. Defendants illegally instruct Plaintiffs that their tenancies will be limited to a six-to-nine-month period during which they will be obligated to attend an outpatient program operated by Defendants—for which attendance Defendants collect fees from Medicaid. Defendants illegally subject Plaintiffs to constant harassment and threats of eviction to compel them to attend the rehabilitation program and comply with oppressive house rules. Plaintiffs that do not comply are illegally evicted. Once defendants have churned Plaintiffs through their program, Defendants illegally throw Plaintiffs back onto the street to begin a new cycle of homelessness.

6. Defendants have created an unlawful illusory tenancy at Clay Street House. The defendant-owner leases rent regulated SRO units to a corporate entity that, in turn, subleases the rooms back to Plaintiffs as “program” housing. Defendants use this subleasing scheme to circumvent the rent regulation laws and illicitly profiteer. Defendants collect rents from the operation of Clay Street House that greatly exceed that permitted under the rent regulation laws.

7. Defendants further profit from the operation of outpatient program they

illegally force tenants to attend.

8. This class action lawsuit seeks to end Defendants' illegal and abusive scheme. Plaintiffs seek a judgment declaring Defendants' actions illegal, declaring the rights of Plaintiffs, and enjoining Defendants from violating the law.

9. Plaintiffs seek a declaration pursuant to section 3001 of the New York Civil Practice Laws and Rules (hereinafter "CPLR") that the hotel rooms Defendants operate as a three-quarter house are subject to the Rent Stabilization Law of 1969 and the Rent Stabilization Code (hereinafter "RSL" and "RSC" respectively and "rent regulation laws" or "rent regulation" collectively); that Defendants have denied, and continue to deny, Plaintiffs their rights under the rent regulation laws; that Defendants created, and continue to perpetuate, an illusory tenancy scheme for the purpose of profiteering in violation of, and/or depriving Plaintiffs their rights under, the rent regulation laws; that Defendants have engaged, and continue to engage, in a course of conduct that constitutes harassment in violation of section 27-2005(d) *et seq.* of the Administrative Code of the City of New York (hereinafter "Admin. Code § 27-2005(d)" or "Tenant Protection Act"); that Defendants have engaged and continue to engage in a course of conduct that constitutes unlawful evictions in violation of section 26-521 *et seq.* of the Administrative Code of the City of New York (hereinafter "Admin. Code § 26-521" or "Illegal Eviction Law"), section 711 of Real Property Actions and Proceedings Law (hereinafter "RPAPL"), and RSC § 2524.1 *et seq.* (collectively "illegal eviction laws"); that Defendants have subjected, and continue to subject, Plaintiffs to coercion and undue influence by unlawfully mandating attendance at Defendant CIS's chemical dependence outpatient program in violation of the New York State Mental Hygiene Law (hereinafter "Mental Hygiene Law" or "MHL") and title 14 of the New York Codes, Rules, and Regulations (hereinafter "14 NYCRR" or "patients' rights regulations"); that the agreements to which Defendants have required, and continue to

require Plaintiffs, to consent in order to live at Clay Street House are void as unconscionable contracts of adhesion, waivers of rights under the rent regulation laws, and contrary to the public policy of this State; and that Defendants have violated, and continue to violate, section 27-2043 of the Administrative Code of the City of New York (hereinafter “Admin. Code § 27-2043” or “Housing Maintenance Code”) by refusing to provide Plaintiffs keys to their respective rooms.

10. Plaintiffs request a temporary restraining order and preliminary injunction enjoining and directing Defendants to offer Plaintiffs rent stabilized leases as required by the Rent Stabilization Code; enjoining and directing Defendants to provide Plaintiffs with the Notice of Rights required by the Rent Stabilization Code; enjoining and directing Defendants to charge Plaintiffs the legal regulated rents for their rooms; enjoining and directing Defendants to cease creating illusory tenancies; enjoining and directing Defendants to cease unlawfully harassing tenants; enjoining and directing Defendants to cease unlawfully evicting tenants without legal process; enjoining and directing Defendants to notify plaintiffs of their right to choice in treatment and to cease requiring Plaintiffs to attend treatment at Defendant CIS’s chemical dependence outpatient program; enjoining and directing Defendants to cease disseminating and enforcing unconscionable contracts of adhesion; enjoining and directing defendants to cease disseminating and enforcing agreements purporting to waive tenant’s rights under the Rent Stabilization Law and Code; enjoining and directing Defendants to install locks in the doors of all dwelling units at Clay Street House; and enjoining and directing Defendants to provide each occupant of dwelling unit the key to the lock to his or her respective dwelling unit.

#### JURISDICTION & VENUE

11. This Court has subject matter jurisdiction pursuant to New York State Constitution Article 6, section 7.

12. Plaintiffs seek declaratory and injunctive relief that cannot be granted by

any lower court that might otherwise have jurisdiction over the parties.

13. Venue lies in this county pursuant to CPLR § 503(a) because one or more of the parties resides in this county.

### PARTIES

14. Plaintiff Vincent DiGiorgio is 44 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

15. Plaintiff David Schaller is 34 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

16. Plaintiff Humberto Ortega is 41 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

17. Plaintiff Frederick Anderson is 46 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/ka/ 66 Clay Street, Brooklyn, NY 11222.

18. Plaintiff Ross Belk is 37 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

19. Plaintiff Kerry Lewis is 38 years old and resides at Clay Street House, 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

20. Defendant 1109-1113 Manhattan Avenue Partners, LLC (hereinafter “Manhattan Avenue Partners”) is a domestic limited liability company registered under the laws of the State of New York.

21. Defendant Manhattan Avenue Partners is the fee owner of 1109 Manhattan Avenue, Brooklyn, NY 11222, on which is located a 193-unit, Class B hotel (hereinafter “Hotel”). The Hotel was constructed prior to July 1, 1969 and is subject to rent regulation.

22. Defendant CIS Counseling Center, Inc. (hereinafter “CIS”) is a domestic

not-for-profit corporation registered under the laws of the State of New York. Defendant CIS's principal office is located at 116 John Street, New York, NY 10004.

23. Defendant Manhattan Avenue Partners has leased a section of the Hotel to Defendant CIS. This section is being illegally operated as a three-quarter house called "Harmony House," "Clay Street House," and/or "CIS Sober House 5" (hereinafter "Clay Street House").

24. Defendant CIS rents rooms in Clay Street House to Plaintiffs.

25. Defendant Harmony Outreach, LLC (hereinafter "Harmony Outreach") is a domestic limited liability company registered under the laws of the State of New York and doing business at 1109 Manhattan Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222.

26. Defendant Donna DeCicco is an owner, manager, principal, agent, and/or employee of Defendant Harmony Outreach. Defendant DeCicco does business on behalf of Defendant Harmony Outreach under the fictitious name Harmony House, LLC (hereinafter "Harmony House")

27. Defendant DeCicco also holds herself out as the "Housing Director" for Defendant CIS.

28. Defendant Harmony Outreach and Defendant DeCicco may be referred to collectively in this Complaint as the "Harmony Defendants."

29. The Harmony Defendants own and operate, and/or owned and operated, multiple three-quarter houses in New York City.

30. The Harmony Defendants operate and control Clay Street House under an agreement with Defendant CIS and/or Defendant Manhattan Avenue Partners.

#### CLASS ACTION ALLEGATIONS

31. Plaintiffs bring this proceeding as a class action pursuant to Article 9 of the CPLR on behalf of themselves and all other persons similarly situated.

32. The plaintiff class consists of all individuals who reside, have resided, or will reside at Clay Street House and who are, were, or will be subjected to the conduct alleged in this Complaint.

33. The class is sufficiently numerous that joinder of all members is impracticable. Clay Street House contains approximately 89 sleeping rooms. Defendants place at least two tenants in each room and there has been, and continues to be, frequent tenant turnover largely as a result of illegal evictions.

34. Questions of law and fact common to the class predominate over questions affecting only individual members. The common questions include whether Clay Street House was, and continues to be, subject to rent regulation; whether Defendants have denied, and continue to deny, Plaintiffs their rights under the rent regulation laws; whether Defendants created, and continue to perpetuate, an illusory tenancy for the purpose of profiteering and/or depriving Plaintiffs of their rights under the rent regulation laws; whether Defendants have engaged, and continue to engage, in a course of conduct that constitutes harassment in violation of the Tenant Protection Act; whether Defendants have engaged, and continue to engage, in a course of conduct that constitutes illegal evictions in violation of the Illegal Eviction Law and RPAPL; whether Defendants have subjected Plaintiffs to coercion and undue influence by mandating attendance at a CIS chemical dependence outpatient program in violation of the MHL and patients' rights regulations; whether the agreements to which Defendants have required, and continue to require, Plaintiffs to consent in order to enter Clay Street House are void as contracts of adhesion, waivers of rights under the rent regulation laws, and contrary to the public policy of this State; and whether Defendants have violated, and continue to violate, the Housing

Maintenance Code by refusing to install locks or give Plaintiffs keys to their respective rooms.

35. The claims of the class representatives are typical of the claims of the entire class because they arise from Defendants' past and ongoing pervasive conduct and practices, namely: renting the Hotel rooms as a three-quarter house outside of the rent regulatory system in violation of rent regulation laws; denying Plaintiffs their rights under rent regulation laws; creating an illusory tenancy at the Hotel for the purpose of profiteering and/or depriving Plaintiffs their rights under the rent regulation law; engaging in a course of conduct constituting harassment of Plaintiffs; engaging in a course of conduct constituting illegal evictions; violating Plaintiffs' rights to services responsive to their individual needs; subjecting Plaintiffs to coercion and undue influence by mandating attendance at a CIS chemical dependence outpatient program; compelling Plaintiffs to enter into agreements that constitute contracts of adhesion, waive rights under the rent regulation laws, and are void as contrary to the public policy of this State; and violating the Housing Maintenance Code by refusing to give Plaintiffs keys to their respective rooms.

36. The class representatives will fairly and adequately protect the interests of the absent class members. In asserting their own rights under the rent regulation laws, the Tenant Protection Act, the illegal eviction laws, the MHL and patients rights regulations, the Housing Maintenance Code, and the common law, the class representatives will simultaneously prosecute the rights of all putative class members. Plaintiffs know of no conflicts among class members.

37. The attorneys for the class representatives have the legal resources and experience to protect the interests of all members of the class in this action and have litigated class action suits in this and other courts.



38. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Among other things, members of the plaintiff class have no interest in individually controlling the prosecution of separate actions because all class members are indigent and individually lack sufficient resources for the prosecution of separate actions; the prosecution of separate actions would be inefficient and wasteful of legal resources; the issues raised can be more fairly and efficiently resolved in a single class action than in separate actions; and the resolution of the litigation in a single forum will avoid the danger and resultant confusion of possibly inconsistent determinations.

#### FACTUAL ALLEGATIONS

A. Current Operation of Clay Street House:

39. Defendant Manhattan Avenue Partners owns and operates the single room occupancy hotel located at 1109 Manhattan Avenue, Brooklyn, NY 11222. The Hotel is situated at the corner of Manhattan Avenue and Clay Street and is also known by the range of addresses 1109-1113 Manhattan Avenue and 66-76 Clay Street.

40. The Hotel is a class B multiple dwelling that contains approximately 193 sleeping rooms, also known as single room occupancy (SRO) rooms.

41. The Hotel is subject to rent regulation.

42. Defendant Manhattan Avenue Partners has entered into an agreement with Defendant CIS in which it leased a section of the Hotel, containing approximately 89 rent stabilized rooms, to Defendant CIS. Defendants refer to the leased section of the Hotel as “66 Clay Street.”

43. In or about July 2010, Defendants established a three-quarter house, known as Clay Street House, in the leased section of the Hotel. Defendants hold out Clay Street House as “a program” and purport to provide “housing and counseling” to persons with

substance abuse problems in a “sober home” environment.

44. Upon information and belief, the Harmony Defendants operate Clay Street House on behalf of Defendant Manhattan Avenue Partners and/or Defendant CIS. Defendants identify Clay Street House as a “Harmony House” and/or “Harmony Outreach” facility.

45. Defendant CIS is licensed by the New York State Office of Alcoholism and Substance Abuse Services (hereinafter “OASAS”) to operate a chemical dependence outpatient program (hereinafter “outpatient program” or “program”) at 116 John Street, New York, New York.

46. Defendant CIS is not licensed by OASAS, and does not have any authorization, certification, or contract from any government agency, to operate Clay Street House as a chemical dependence facility.

47. Defendant Manhattan Avenue Partners is not licensed by OASAS, and does not have any authorization, certification, or contract from any government agency, to operate Clay Street House as a chemical dependence facility.

48. The Harmony Defendants are not licensed by OASAS, and do not have any authorization, certification, or contract from any government agency, to operate Clay Street House as a chemical dependence facility.

49. Defendant CIS unlawfully utilizes Clay Street House to steer a steady stream of clients to its outpatient program for profiteering purposes.

50. Defendants seek out and/or recruit tenants to Clay Street House from homeless shelters and inpatient and outpatient substance abuse programs.

51. Defendants require tenants to sign and/or consent to a series of waivers, agreements, and rules (hereinafter collectively “transitional residency agreement”) as a condition of residing at Clay Street House. Plaintiffs are compelled to sign documents that include, but are

not limited to, statements that Clay Street House is a “temporary residence”; that each “client” is limited to a stay of “6 to 9 months”; that clients are required to attend Defendant CIS’s outpatient program while living at Clay Street House; and that clients will be “discharged immediately” if they fail to attend Defendant CIS’s program or violate other “house rules.”

52. Defendants have known since at least November 16, 2009 that mandated treatment agreements of the type they require Plaintiffs to agree to as a condition of tenancy at Clay Street House are unlawful. On that date, OASAS cited Defendant CIS for 28 regulatory violations. In the report OASAS issued to Defendant CIS, it stated: “[OASAS] staff determined that fifty percent of CIS patients reside in sober homes affiliated with CIS Counseling Services...CIS’s current practice of mandating outpatient treatment as a requirement for admission into a sober home residence is a violation of patient rights [] and should be immediately ceased.” Since the time of this report by OASAS over 18 months ago, Defendants have not ceased such “violation[s] of patient rights” and continue to mandate outpatient treatment as a requirement of tenancy at Clay Street House.

53. Defendants’ motivation for such wrongful conduct is profiteering. Defendant CIS bills Medicaid approximately \$77.00 for each visit to its outpatient program by each Plaintiff. Plaintiffs are required to attend the outpatient program as often as five times a week. Defendant CIS uses the funds it receives from Medicaid to finance rent payments to Manhattan Avenue Partners.

54. Defendants collect rents from the operation of Clay Street House that exceed those permitted under the rent regulation laws.

55. Upon information and belief, the legal regulated rent for rooms at Clay Street House is approximately \$215.00 per month. Defendants, however, place two tenants in each room at Clay Street House. Each tenant is required to pay Defendant CIS \$215.00 per

month in rent. Defendant CIS therefore receives a total of \$430.00 per room per month. Defendant CIS in turn pays Defendant Manhattan Avenue Partners approximately \$1,225.00 per room per month in rent. This amount is nearly six times the legal regulated rent; and almost \$800.00 more per month than tenants pay to Defendant CIS. This arrangement is only profitable to Defendant CIS because of the Medicaid fees it received by requiring Plaintiffs to attend its outpatient program.

B. Relationships Between Defendants:

56. Defendant Manhattan Avenue Partners purchased the Hotel on, or about, September 2, 2009.

57. Upon information and belief, Defendant Manhattan Avenue Partners purchased the Hotel with the intent of profiteering by leasing rent stabilized units outside the rent regulated system, at rents in excess of the legally regulated rents.

58. At the time Defendant Manhattan Avenue Partners purchased the Hotel, it had a preexisting relationship with the Harmony Defendants. The Harmony Defendants share and have shared office space with Defendant Manhattan Avenue Partners at 1500 Paerdegat Avenue North, Brooklyn, New York since at least August 7, 2009. The Harmony Defendants have also maintained offices at the Hotel since on or about April 15, 2010.

59. The Harmony Defendants operate multiple three-quarter houses in New York City.

60. The Harmony Defendants organized and/or facilitated the leasing arrangement between Defendant Manhattan Avenue Partners and Defendant CIS that lead to the creation of Clay Street House.

61. The Harmony Defendants had a pre-existing relationship with Defendant CIS arising from the operation of their other three-quarter houses. The Harmony Defendants

required tenants living at several of their three-quarter houses to attend Defendant CIS's chemical dependence outpatient program. As described above, Defendants have now instituted a similar mandated treatment scheme at Clay Street House.

C. Violations of Rent Regulation:

62. Clay Street House is located within a rent stabilized SRO hotel and is subject to rent stabilization.

63. Defendants have failed, and continue to fail, to distribute to Plaintiffs the Notice of Rights and Duties of Hotel Owners and Tenants (hereinafter "Notice of Rights") mandated by the New York State Division of Housing and Community Renewal (hereinafter "DHCR").

64. Defendants compel Plaintiffs to consent to transitional residency agreements that contain waivers of their rights under the rent regulation laws including, but not limited to, the right to permanent tenancy.

65. Defendants charge Plaintiffs rents that exceed those authorized under the rent regulation laws.

66. Defendants have refused, and continue to refuse, to offer rent stabilized leases to Plaintiffs who have requested such leases.

67. Defendants have evicted, and attempted to evict, Plaintiffs without alleging grounds authorized in the rent regulation laws; and without acquiring an order from a court of competent jurisdiction as required by the rent regulation laws.

68. All of the foregoing violates the rent regulation laws.

D. Creation of Illegal Illusory Tenancy:

69. Pursuant to its lease with Defendant Manhattan Avenue Partners, Defendant CIS is the prime tenant of the rent stabilized SRO rooms that constitute Clay Street

House.

70. Defendant CIS is a corporate entity that does not, and cannot, occupy the leased rooms for its own residential use.

71. Defendant CIS, acting in combination with the Harmony Defendants, sublets the rooms it has leased back to Plaintiffs as temporary “program” housing in violation of the rent regulation laws.

72. Defendants collect rents from the operation of Clay Street House that exceed those permitted under the rent regulation laws.

73. Defendant Manhattan Avenue Partners’ leasing and operational arrangements with Defendant CIS and/or the Harmony Defendants were created, and operate, to permit Defendants to profiteer in violation of, and otherwise circumvent and evade, the rent regulation laws.

74. Defendant Manhattan Avenue Partners’ leasing and operational arrangements with Defendant CIS and/or the Harmony Defendants were created, and operate, to permit Defendants to deprive Plaintiffs of their rights under the rent regulation laws.

75. Defendants have obfuscated the ownership structure of Clay Street House for the purposes of interfering with Plaintiffs’ ability to assert their rights under the law.

76. All of the foregoing constitutes the creation of an illegal illusory tenancy.

E. Violations of Tenant Protection Act:

77. Defendants operate Clay Street House by using unlawful harassment to intimidate tenants and discourage them from asserting their rights as tenants under the law.

78. Defendants have removed the locks in each door to each room at Clay Street House for the purpose of depriving Plaintiffs of privacy and security; and to facilitate illegal evictions.

79. Employees of Defendant CIS and/or the Harmony Defendants (hereinafter “building staff”) enter Plaintiffs’ rooms without permission for the purpose of intimidating and threatening Plaintiffs.

80. Defendant CIS and/or the Harmony Defendants evict, and threaten to evict, Plaintiffs without legal process if they fail to follow “house rules” or “cause trouble.”

81. Defendant CIS and/or the Harmony Defendants’ employees have discontinued, and continue to threaten to discontinue, essential and/or required services, including heat, hot water, and access to bathroom and kitchen facilities, to punish Plaintiffs for failing to comply with the transitional residency agreements and/or making complaints about Clay Street House.

82. All of the foregoing constitutes unlawful harassment in violation of the Tenant Protection Act.

F. Violations of Mental Hygiene Law and Patients’ Rights Regulations:

83. Defendants require Plaintiffs to attend Defendant CIS’s outpatient program as a condition of residing at Clay Street House.

84. Defendants prohibit Plaintiffs from attending any program other than Defendant CIS’s outpatient program for the duration of their tenancies at Clay Street House.

85. Defendant CIS and/or the Harmony Defendants threaten, harass, and otherwise intimidate Plaintiffs for the purpose of compelling them to attend Defendant CIS’s program.

86. Defendant CIS and/or the Harmony Defendants’ evict, and/or attempt, and/or threaten, to evict, Plaintiffs who refuse and/or fail to attend Defendant CIS’s outpatient program.

87. All of the foregoing violates the MHL and patients’ rights regulations.

G. Violations of Illegal Eviction Laws:

88. Plaintiffs become tenants at Clay Street House pursuant to month-to-month leases with Defendant CIS and/or the Harmony Defendants that set forth a monthly rent of \$215.00.

89. The named Plaintiffs, and certain other class members, have lived at Clay Street House in excess of thirty days.

90. The named Plaintiffs, and certain other class members, have requested lease agreements pursuant to the provisions of the rent regulation laws and are protected permanent tenants.

91. Plaintiffs Lewis and Belk have resided at Clay Street House in excess of six months and are protected permanent tenants.

92. Defendants evicted Plaintiff DiGiorgio through the unlawful use of force and/or coercion; and without authorization from a court of competent jurisdiction.

93. Defendants have evicted, and continue to evict, Plaintiffs who are in possession of their rooms pursuant to month-to-month leases through the unlawful use of force and/or coercion; and without authorization from a court of competent jurisdiction.

94. Defendants have evicted, and continue to evict, Plaintiffs who have been lived at Clay Street House for at least 30 days through the unlawful use of force and/or coercion; and without authorization from a court of competent jurisdiction.

95. Defendants have evicted, and continue to evict, Plaintiffs who have lived at Clay Street House for at least six months through the unlawful use of force and/or coercion; and without authorization from a court of competent jurisdiction.

96. Defendants have evicted, and continue to evict, Plaintiffs who requested rent stabilized leases through the unlawful use of force and/or coercion; and without



authorization from a court of competent jurisdiction.

97. All of the foregoing violates the illegal eviction laws.

H. Violation of Common Law Prohibition on Contracts that Contravene Public Policy:

98. Defendants' compel Plaintiffs to consent to transitional residency agreements that purport to waive Plaintiffs' right to permanent tenancy, and to other affiliated and derivative rights provided under the rent regulation laws.

99. Defendants compel Plaintiffs to consent to transitional residency agreements that purportedly obligate Plaintiffs to attend Defendant CIS's outpatient program in contravention of the choice in treatment provisions of the MHL and patients' rights regulations.

100. Defendants compel Plaintiffs to consent to transitional residency agreements that purportedly grant Defendants a right to self-help eviction that is contrary to the illegal eviction laws.

101. All of the foregoing violates public policy.

I. Violation of Common Law Prohibition on Contracts of Adhesion

102. Defendants require Plaintiffs to enter into unconscionable contracts of adhesion.

103. Plaintiffs are homeless, at-risk of becoming homeless, or otherwise in desperate circumstances when they seek shelter at Clay Street House.

104. Defendants falsely hold out Clay Street House to Plaintiffs as "a program, not housing."

105. Defendants require Plaintiffs to consent to standardized transitional residency agreements in order to obtain, and maintain, a tenancy at Clay Street House.

106. The transitional residency agreements are drafted by Defendants.

107. The transitional residency agreements contain terms that purport to waive

Plaintiffs' rights under the law, including, but not limited to, rights under the rent regulation laws, the illegal eviction laws, the Tenant Protection Act, the MHL, patients' rights regulations, and New York common law. Plaintiffs are compelled to agree, among other things, that they will not attempt to establish a permanent, rent stabilized tenancy; that they will attend Defendant CIS's outpatient substance abuse program; that they will not have visitors or guests at Clay Street House, "No Exceptions";; that they will not "visit from room to room"; that they will submit to searches of their person and property by building staff; that they will abide by a curfew and "lights out" rule; that they will submit to random drug testing administered at Clay Street House; that they will turn over control of all prescription medicines to buildings staff; and that they will submit to "immediate discharge"—eviction without legal process—if Defendants determine that they have "lost the privilege" of residing at Clay Street House.

108. Plaintiffs are presented with, and required to consent to the transitional residency agreements in a take-it-or-leave-it manner.

109. Defendants do not permit Plaintiffs to negotiate the terms set forth in the transitional residency agreements.

110. Defendants make no attempt to determine whether Defendant CIS's outpatient program is necessary or appropriate for individual Plaintiffs before mandating their participation in the program.

111. Defendants have used the "no visiting" rules to interfere with Plaintiffs' ability to meet with attorneys and otherwise acquire information concerning their rights under the law.

112. Plaintiffs are not provided any indication of who will conduct drug tests at Clay Street House; how the tests will be administered; or how the results will be stored and/or used.

113. Plaintiffs are given no information concerning Defendants' actual or alleged knowledge or qualifications concerning the use and/or dispensation of prescription medications.

114. The transitional residency agreements are unenforceable contracts of adhesion.

J. Violations of Housing Maintenance Code

115. In, or around, May of 2010, Defendant Manhattan Avenue Partners removed the locks from the entrance doors to each of the SRO units that constitute Clay Street House.

116. Defendants have refused and/or failed to reinstall the locks and provide Plaintiffs with keys to their rooms.

117. The foregoing violates the Housing Maintenance Code.

Individual Plaintiff Facts

A. Vincent DiGiorgio

118. Plaintiff Mr. Vincent DiGiorgio became a tenant at Clay Street House on December 10, 2010. Mr. DiGiorgio currently resides in room 202. When he first moved in to Clay Street House he lived in room 332.

119. Defendants have held out Clay Street House to Mr. DiGiorgio as part of a substance abuse program.

120. Mr. DiGiorgio is required to share his room with a roommate.

121. The door to Mr. DiGiorgio's room does not have a lock. Building staff regularly enter Mr. DiGiorgio's room without his permission.

122. Mr. DiGiorgio's rent of \$215.00 is paid directly to Defendant CIS by the New York City Human Resources Administration (hereinafter "HRA") as part of his public

assistance benefits.

123. Mr. DiGiorgio was homeless at the time he became a tenant at Clay Street House. He was referred to Clay Street House by a counselor at Faith Mission Crisis Center, Inc. which is a substance abuse treatment center in Queens, New York.

124. Defendants failed to provide Mr. DiGiorgio with a Notice of Rights at the time he moved into Clay Street House.

125. Mr. DiGiorgio was required to consent to a transitional residency agreement in order to become a tenant at Clay Street House. Mr. DiGiorgio was admitted to Clay Street House by Edwin Johnson who is the assistant house manager. Mr. Johnson informed Mr. DiGiorgio that he would be required to attend a “program” administered by Defendant CIS. Mr. Johnson did not provide any information concerning the “program” nor did he inquire as to Mr. DiGiorgio’s substance abuse history.

126. Between the date he moved in to Clay Street House and January 7, 2011, Mr. DiGiorgio witnessed building staff evict approximately 15 tenants from Clay Street House without legal process. Mr. DiGiorgio heard building staff stating that the tenants were being evicted for “not going to program” and for “not following the rules.” Mr. DiGiorgio witnessed building staff stop tenants at the front door, hand them their property, which had been packed into bags or boxes and removed from their rooms, and escort them out of the building.

127. Mr. DiGiorgio attended an “assessment” appointment at Defendant CIS’s offices on John Street on January 7, 2011. At the appointment, Tracy Morgan, who held himself as a “director”, informed Mr. DiGiorgio that he did not “meet the criteria” and could not participate in the program. Mr. DiGiorgio expressed to Mr. Tracy that he was concerned that he would be evicted from Clay Street House.

128. Mr. Morgan advised Mr. DiGiorgio that he could be evicted from Clay

Street House.

129. On January 10, 2011, Mr. DiGiorgio submitted a written request for a six month, rent stabilized lease to the house manager, Spencer. Copies of the lease request were mailed on Mr. DiGiorgio's behalf to Defendant Manhattan Avenue Partners, Defendant CIS, and the Harmony Defendants.

130. Defendants did not offer, and have not offered, Mr. DiGiorgio a lease.

131. On January 11, 2011, Spencer threatened Mr. DiGiorgio. Spencer entered Mr. DiGiorgio's room without permission and demanded to know why he was not at Defendant CIS's program. When Mr. DiGiorgio explained he had been found ineligible, Spencer said, "Oh yeah...you're the one who wants to give us issues. In about a minute you're going to get an issue." Mr. DiGiorgio understood this as a threat that Spencer was going to physically harm him and/or evict him from Clay Street House.

132. On January 18, 2011, Spencer and Mr. Johnson confronted Mr. DiGiorgio and instructed him that he was being "discharged" and had to leave Clay Street House immediately. Mr. DiGiorgio refused to leave and called the New York City Police Department (hereinafter "NYPD"). When the NYPD arrived, Spencer, Mr. Johnson, and other building staff members, falsely informed the NYPD that Clay Street House was a "program, not housing" and that Mr. DiGiorgio had no right to continue occupying his room. The officers took Mr. DiGiorgio to his room to collect his property and then escorted him out of the building.

133. On January 25, 2011, Mr. DiGiorgio filed an illegal lockout proceeding in Kings County Housing Court against 1109-1113 Manhattan Avenue Partners, CIS Counseling Center, Inc., Clay Street House, and CIS Sober House 5, seeking an order restoring him to possession of his room. On February 1, 2011, the parties settled the case by stipulation, and Mr. DiGiorgio was restored to possession of his room at Clay Street House.

134. Subsequently, building staff have continued to threaten and harass Mr. DiGiorgio. In mid-March 2011, Defendant DeCicco confronted Mr. DiGiorgio at Clay Street House and told him that he would not be at Clay Street House “for long.”

B. David Schaller

135. Plaintiff David Schaller became a tenant at Clay Street House on November 29, 2010. Mr. Schaller resides in room 206.

136. Defendants have held out Clay Street House to Mr. DiGiorgio as part of a substance abuse program.

137. Defendants have identified Clay Street House to Mr. Schaller as a “Harmony House.”

138. Mr. Schaller has had approximately 3 different roommates during the time he has lived at Clay Street House.

139. The door to Mr. Schaller’s room does not have a lock. Building staff regularly enter Mr. Schaller’s room without his permission.

140. Mr. Schaller’s rent of \$215.00 per month is paid directly to Defendant CIS by HRA as part of his public assistance benefits.

141. Prior to becoming a tenant at Clay Street House, Mr. Schaller had been a patient at Cornerstone Treatment Facility in Rhinebeck, New York. Mr. Schaller was homeless after he was discharged from Cornerstone. He was referred to Clay Street House by his counselor at Cornerstone.

142. Mr. Schaller spoke to a building staff member during the discharge process at Cornerstone. The building staff member informed Mr. Schaller that Clay Street House provided on-site substance abuse treatment and counseling.

143. Defendants failed to provide Mr. Schaller with a Notice of Rights at the time he moved in to Clay Street House.

144. Defendants required Mr. Schaller to consent to a transitional residency agreement as a condition of becoming a tenant at Clay Street House. Mr. Johnson, the assistant house manager, presented Mr. Schaller with the agreement when he arrived at Clay Street House. When Mr. Schaller objected to the terms of the agreement, and attempted to negotiate, Mr. Johnson instructed him to “sign it or live someplace else.” Mr. Schaller consented to the agreement because he was homeless and had no place else to live.

145. Mr. Johnson informed Mr. Schaller that Clay Street House did not provide on-site counseling. Mr. Johnson instructed Mr. Schaller that he was required to go to Defendant CIS’s outpatient program while he lived at Clay Street House.

146. As with all other tenants, Mr. Schaller is required to turn over his medications to building staff. Mr. Schaller has never been provided with any evidence that building staff are qualified to administer prescription medications. Building staff have repeatedly mishandled, and/or lost, Mr. Schaller’s medications.

147. On December 9, 2010, Defendants threatened to evict Mr. Schaller because he was seeking treatment at a program other than Defendant CIS’s outpatient program. Building staff members entered Mr. Schaller’s room without his permission while he was away from Clay Street House. The staff members packed Mr. Schaller’s property into bags and boxes and placed them in the lobby. When Mr. Schaller returned to Clay Street House, Mr. Johnson confronted him and instructed him that he would be “discharged” unless he agreed to go to Defendant CIS’s outpatient program the next morning. Mr. Schaller informed Mr. Johnson that he did not want to go to “CIS”; that he preferred to receive treatment going at a program operated by Greenwich House in Manhattan. Mr. Johnson told Mr. Schaller that if he wanted to

live at Clay Street House he had to attend Defendant CIS's program; and that if Mr. Schaller attempted to attend a different program he would be evicted. Mr. Schaller then felt he had no choice but to begin attending Defendant CIS's program because he had no place else to live.

148. Mr. Schaller began attending Defendant CIS's outpatient program on December 10, 2010. Each day, Defendant CIS provides Mr. Schaller with a written confirmation of attendance. Mr. Schaller is required to provide the confirmations to Clay Street House. Building staff have instructed Mr. Schaller that he will be evicted from Clay Street House without legal process if he does not provide the confirmations of attendance at Defendant CIS's outpatient program.

149. Mr. Schaller does not believe that Defendant CIS's outpatient program is helping him. Mr. Schaller would prefer to receive treatment at another facility, but continues to attend Defendant CIS's outpatient program because he has no place else to live other than Clay Street House.

150. Mr. Schaller repeatedly has witnessed Defendants evict tenants from Clay Street House without legal process. Mr. Schaller estimates that Defendants have evicted at least one tenant on four days out of each week he has lived at Clay Street House. The majority of the tenants Mr. Schaller witnessed being evicted had lived at Clay Street House for more than 30 days.

151. In late December 2010 or early January 2011, Mr. Schaller witnessed building staff evict an elderly tenant named Herbert Miller. Mr. Miller had been living at Clay Street House for significantly longer than Mr. Schaller. Mr. Schaller was sitting in the TV room near the front entrance when Mr. Miller got into an argument with a staff member. Mr. Miller was told to "pack your stuff." Building staff followed him to his room to collect his property and then escorted him out of the building into the freezing cold and snow. Approximately five days



later, Mr. Johnson, or another building staff member, posted a notice in the management office window stating that Mr. Miller had died. Mr. Johnson stated that Mr. Miller had frozen to death after he was evicted from Clay Street House.

152. Mr. Schaller routinely witnesses Defendants' employees threatening tenants that they will be evicted without legal process if they do not go to Defendant CIS's outpatient program; if they violate "house rules"; or if they "cause trouble."

153. Mr. Schaller has been present for several "house meetings." The meetings are held in the TV room. During the meetings, Mr. Johnson and other building staff members yell at tenants for making complaints about Clay Street House; tell tenants that they will be "back on the street" if they continue to cause problems; and threaten to withhold the provision of heat and access to bathrooms facilities to punish tenants for alleged misconduct.

154. On, or about, March 4, 2011, Defendants turned off Mr. Schaller's heat, and threatened to evict him, for calling the NYPD to report building staff's misconduct.

155. On March 10, 2011, Mr. Schaller submitted a written request for a six month, rent stabilized lease to each of the Defendants.

156. Defendants did not offer, and have not offered, Mr. Schaller a lease.

### C. Humberto Ortega

157. Plaintiff Mr. Humberto Ortega became a tenant at Clay Street House on January 13, 2011. Mr. Ortega resides in room 321.

158. Defendants have held out Clay Street House to Mr. Ortega as part of a substance abuse program.

159. Defendants have identified Clay Street House to Mr. Ortega as a "Harmony House."

160. Mr. Ortega is required to share his room with a roommate. He has had approximately two different roommates during the time he has lived at Clay Street House.

161. The door to Mr. Ortega's room does not have a lock. Building staff regularly enter Mr. Ortega's room without his permission.

162. Mr. Ortega suffers from a mental health disability.

163. Mr. Ortega's rent of \$215.00 per month is paid directly to Defendant CIS by HRA as part of his public assistance benefits.

164. Prior to becoming a tenant at Clay Street House, Mr. Ortega had been a patient at the Cornerstone Treatment Facility at the Medical Arts Center in Queens, New York. Mr. Ortega was homeless after he was discharged from Cornerstone. He was referred to Clay Street House by his counselor at Cornerstone.

165. Defendants failed to provide Mr. Ortega with a Notice of Rights at the time he moved in to Clay Street House.

166. Defendants required Mr. Ortega to consent to a transitional residency agreement in order to become a tenant at Clay Street House. When Mr. Ortega attempted to negotiate the terms of the transitional residency agreement, he was instructed that "these are the rules. They are not optional. If you don't want to sign them go live someplace else." Mr. Ortega consented to the agreement because he had no place else to live and did not want to be put out on the street.

167. Mr. Ortega began attending Defendant CIS's program on January 13, 2011. Each day, Defendant CIS provides Mr. Ortega with a written confirmation of attendance. Mr. Ortega is required to provide the confirmation to Clay Street House. Mr. Johnson and other building staff members have instructed Mr. Ortega that he will be evicted without legal process if he does not provide the confirmations to Clay Street House.

168. On, or about, March 17, 2011, Mr. Johnson threatened to evict Mr. Ortega without legal process if he “missed program” to attend a mandatory HRA appointment. Mr. Johnson also instructed Mr. Ortega that he would be “discharged” if he did not make up sessions with Defendant CIS that he had missed because of doctor appointments. Mr. Johnson then required Mr. Ortega to call Mr. Morgan at Defendant CIS’s offices on John Street. Mr. Ortega explained to Mr. Morgan that he had missed sessions to receive medical treatment. Mr. Morgan instructed Mr. Ortega that he had “better get in here or he is going to be discharged”; that Mr. Ortega’s doctor appointments were “not his problem.”

169. Mr. Ortega’s doctors have advised him that he should seek treatment through a program at Cumberland Diagnostic and Treatment Center in Brooklyn. When Mr. Ortega informed Mr. Johnson of this, Mr. Johnson instructed him that he would be “discharged” if he attempted to switch programs.

170. Mr. Ortega has witnessed Defendants evict approximately four tenants without legal process each week since he moved into Clay Street House. Mr. Ortega has additionally witnessed building staff threaten tenants that “trouble makers” get “thrown out.”

171. Mr. Ortega has been present during several “house meetings” during which Mr. Johnson, and other building staff members, have threatened to evict tenants without legal process for violating “house rules”; and have instructed tenants that Clay Street House would stop providing “luxuries” in retaliation for tenants making complaints about building staff.

172. On March 23, 2011, Mr. Ortega submitted a written request for a six month, rent stabilized lease to each of the Defendants.

173. Defendants did not offer, and have not offered, Mr. Ortega a lease.

D. Frederick Anderson

174. Plaintiff Frederick Anderson became a tenant at Clay Street House on November 4, 2010.

175. Mr. Anderson initially moved in to room 210. He later moved from room 210 to room 304 because he wanted a different roommate. Mr. Anderson has been required to each of his rooms with a roommate.

176. Mr. Anderson is currently on parole. His parole supervision is scheduled to end on June 24, 2011.

177. Defendants have held out Clay Street House to Mr. Anderson as part of a substance abuse program.

178. Mr. Anderson's rent of \$215.00 per month is currently paid directly to Defendant CIS by HRA as part of his public assistance benefits.

179. Prior to moving to Clay Street House, Mr. Anderson lived in another building operated by Defendants Harmony Outreach and CIS, located at 283 Malcolm X Boulevard in Brooklyn. When he moved in to the Malcolm X Boulevard house it was called "Harmony House." The name later changed to "CIS Sober House 4."

180. Mr. Anderson learned about Harmony House from a presentation by a Harmony Outreach representative at Queensboro Correctional Facility. At the time, Mr. Anderson was preparing for his release from prison, and had no place to live. During the presentation, the woman from Harmony Outreach gave him a brochure that referred to its housing as "transitional living" and stated that residents could live there "for up to one year." The brochure referenced "[o]ur treatment facilities." The contact person on the brochure is Defendant Donna DeCicco. The address listed is "1109 Manhattan Avenue, Brooklyn, NY 11222."

181. Based on the presentation and brochure, Mr. Anderson believed that supportive services would be provided at the residence.

182. Mr. Anderson was told to sign paperwork when he moved in to 283 Malcolm X Boulevard, including a document stating that he was required to attend CIS Counseling Center outpatient rehabilitation program. When he first moved in, Mr. Anderson brought a letter from Harmony Outreach to HRA to request rent payments on his behalf.

183. On September 14, 2010, Mr. Anderson was given a new letter for HRA requesting that rent payments be changed from “Harmony House” to “C.I.S. Counseling Center LLC.” He brought the letter to HRA and the rent payments were made to Defendant CIS thereafter.

184. Mr. Anderson and other tenants discovered that the living conditions at 283 Malcolm X Boulevard were dangerously overcrowded, with many bunk beds crammed into each sleeping room. Mr. Anderson and the other tenants contacted the New York City Fire Department (hereinafter “NYFD”). A fire chief instructed the building management to remove some of the bunk beds in the building.

185. After the Fire Chief left the building, Donna DeCicco verbally abused Mr. Anderson and other tenants in retaliation for their report to the NYFD, telling them they should be grateful to live there.

186. In November 2010, staff at 283 Malcolm X Boulevard informed the residents that they were required to move out to another building operated by the Harmony Defendants and Defendant CIS. Mr. Anderson moved to Clay Street House on November 4, 2010.

187. Mr. Anderson was required to consent to a transitional residency agreement as a condition of becoming a tenant at Clay Street House. Mr. Anderson was

presented with the agreement by Mr. Johnson, the assistant house manager. Mr. Anderson felt he had no choice but to consent to the agreement because he had nowhere else to live.

188. Defendants failed to provide Mr. Anderson with a Notice of Rights.

189. Building staff at Clay Street House have repeatedly instructed Mr. Anderson that if he does not attend CIS outpatient program he will be “discharged.”

190. Mr. Anderson has witnessed building staff evict two to three tenants from Clay Street House without legal process each week. Many of these evictions took place at night.

191. Mr. Anderson successfully completed Defendant CIS’s outpatient program on January 31, 2011. He gave his certificate of completion to Spencer, the house manager. Spencer told him he would have to move out of Clay Street House within six weeks. During the first week of March 2011, Spencer told Mr. Anderson that he could have an extension of two weeks.

192. On April 1, 2011, Spencer told Mr. Anderson that his last day at Clay Street House would be April 4, 2011.

193. On April 4, 2011, Mr. Anderson requested a six month, rent stabilized lease from a building staff member at Clay Street House. He submitted a written request for a six month, rent stabilized lease to each of the Defendants the same day.

194. Defendants did not, and have not, offered Mr. Anderson a lease.

195. Mr. Anderson is required by the New York State Department of Parole to remain indoors at his approved residence between 9 p.m. and 7 p.m.

196. Mr. Anderson fears that if he is unlawfully evicted at night, he will be at risk of imprisonment for violating the terms of his parole.

E. Kerry Lewis

197. Plaintiff Kerry Lewis became a tenant at Clay Street House on September 23, 2010.

198. Mr. Lewis initially moved in to room 109. He has moved twice: from room 109 to room 323; and from room 323 to room 314. Mr. Lewis has been required to share each of his rooms with a roommate.

199. Defendants have held out Clay Street House to Mr. Lewis as part of a substance abuse program.

200. Mr. Lewis suffers from a mental health disability.

201. Mr. Lewis' rent of \$215.00 per month is currently paid directly to Defendant CIS by HRA as part of his public assistance benefits.

202. Prior to becoming a tenant at Clay Street House, Mr. Lewis had been a patient at South Beach Psychiatric Center (hereinafter "South Beach") in Staten Island. Mr. Lewis was homeless after he was discharged from South Beach.

203. Defendants failed to provide Mr. Lewis with a Notice of Rights at the time he moved into Clay Street House.

204. Defendants required Mr. Lewis to consent to a transitional residency agreement in order to become a tenant at Clay Street House. Mr. Lewis was presented with the agreement by "Andy," who identified himself as the brother-in-law of "the owner" and a house manager. Andy did not discuss the agreement with Mr. Lewis. Andy simply instructed Mr. Lewis that he had to sign the papers to move-in. Andy stood over Mr. Lewis and handed him document after document in quick succession, pushing him along saying, "Sign this. Sign this." Mr. Lewis signed the documents because he needed housing; and because he believed that signing forms was a normal part of entering "a program."

205. After Mr. Lewis finished signing the papers, Andy instructed him that he had to go to Defendant CIS's outpatient program before the end of the day.

206. Mr. Lewis went to Defendant CIS's offices on John Street. He met with an employee who took his information and then told him he did not qualify for the outpatient program because of an issue with his Medicaid. Mr. Lewis took this information back to Andy. Andy advised him that if he did not get the problem with his Medicaid fixed immediately he would be evicted from Clay Street House. Mr. Lewis was able to resolve the issue. He currently attends Defendant CIS's program three days a week.

207. Each day that Mr. Lewis attends Defendant CIS's outpatient program he is given a confirmation sheet. Mr. Lewis is required to provide the sheet to Clay Street House. Mr. Lewis has been repeatedly advised by building staff that if he does not return the confirmation sheets he will be evicted.

208. During the week of January 14, 2011, Spencer, the house manager, walked into Mr. Lewis's room without permission and without knocking while Mr. Lewis was asleep. Spencer stood over Mr. Lewis and ordered him to get out of bed and go to Defendant CIS's program. When Mr. Lewis protested and attempted to explain why he was not at the program, Spencer interrupted and yelled that if Mr. Lewis did not like the way "the House" was run he could "pack [his] bags and get the fuck out."

209. Building staff have threatened to evict Mr. Lewis without legal process for violating curfew. One night when Mr. Lewis came back after curfew, a building staff member told him that he was going to "move [his] bed across the street and you can live outside."

210. Mr. Lewis has observed that the building staff maintain a book in which they keep a list of the names of tenants who are at risk of being evicted.



211. Mr. Lewis spends very little time at Clay Street House. Currently, he does little more than sleep there. Nonetheless, Mr. Lewis has witnessed building staff evict multiple tenants without legal process. He witnessed most of the evictions in 2010 when he was spending more time at the building. Mr. Lewis witnessed building staff entering tenant's rooms without permission to pack up the tenant's property; bring the property downstairs to the lobby; confront the tenant and tell him that he had to leave immediately. If tenants do not leave voluntarily, building staff call the police.

212. As with all other tenants, Mr. Lewis is required to turn over his medications to building staff. Mr. Lewis has never been provided with any evidence that building staff are qualified to administer prescription medications. During the time he has lived at Clay Street House, Mr. Lewis has repeatedly missed doses because building refused to provide him with his medication.

213. Mr. Lewis submitted a written request for a six month, rent stabilized lease to Defendant Manhattan Avenue Partners, Defendant CIS, and the Harmony Defendants on January 18, 2011.

214. Defendants did not offer, and have not offered, Mr. Lewis a lease.

Ross Belk

215. Plaintiff Mr. Ross Belk became a tenant at Clay Street House on August 10, 2010.

216. Mr. Belk initially moved in to room 202. He now resides in room 209. Mr. Belk has been required to share each of his rooms with a roommate. Mr. Belk has had five different roommates during the time he has lived at Clay Street House.

217. Defendants have held out Clay Street House to Mr. Belk as part of a substance abuse program.

218. Defendants have identified Clay Street House to Mr. Belk as a “Harmony House.”

219. The door to Mr. Belk’s room does not have a lock. Building staff regularly enter Mr. Belk’s room without his permission.

220. Mr. Belk’s rent of \$215.00 per month is paid directly to Clay Street House by HRA as part of his public assistance benefits.

221. Prior to becoming a tenant at Clay Street House, Mr. Belk lived in a three-quarter house, called Trinity House, in Brooklyn, New York. Mr. Belk was attending Defendant CIS’s outpatient program while living at Trinity House. He was referred to Clay Street House by one of Defendant CIS’s counselors.

222. Defendants failed to provide Mr. Belk with a Notice of Rights at the time he moved into Clay Street House.

223. Mr. Belk was required to consent to a transitional residency agreement in order to become a tenant at Clay Street House.

224. On November 18, 2010, Mr. Belk submitted a written request for a six month, rent stabilized lease to Defendant Manhattan Avenue Partners, Defendant CIS, and the Harmony Defendants.

225. Defendants did not offer, and have not offered, Mr. Belk a lease.

226. Mr. Belk graduated from Defendant CIS’s outpatient program at the end of February 2011. The day after Mr. Belk graduated, he provided his graduation certificate to Mr. Johnson, the assistant house manager. Mr. Johnson instructed Mr. Belk that he had to move out of Clay Street House or he would be evicted within six weeks.

227. Mr. Belk has witnessed building staff evict Clay Street House tenants without legal process on a weekly basis. Mr. Belk has heard building staff explain that the

tenants were being evicted for “not going to program” or “causing problems.” Mr. Belk estimates that between 30 and 40 tenants were evicted just during the first two or three months he lived at Clay Street House.

AS AND FOR A FIRST REQUEST FOR DECLARATION:

RENT REGULATORY STATUS

228. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

229. Defendants purport to rent rooms at Clay Street House to Plaintiffs outside of the rent regulatory system; and otherwise refuse to extend rent stabilized status to Plaintiffs.

230. Defendants, through their actions, have placed the rent regulatory status of Plaintiffs’ tenancies in dispute.

231. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that the rooms that constitute Clay Street House are subject to rent regulation under RSL §§ 26-506 and/or 26-504; that Plaintiffs who have resided at Clay Street House for more than six months, or who have requested a six-month rent stabilized lease, are permanent tenants as that term is defined at RSC § 2520.6(j); and that all other resident Plaintiffs are hotel occupants as that term is defined at RSC § 2520.6(m).

AS AND FOR A SECOND REQUEST FOR DECLARATION:

ILLUSORY TENANCY

232. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

233. Pursuant to an agreement dated July 19, 2010 between Defendant Manhattan Avenue Partners and Defendant CIS, Defendant CIS is the prime tenant of the approximately 89 rent stabilized SRO rooms that constitute Clay Street House.

234. Defendants, through their actions, have placed the legal status of Plaintiffs' leaseholds in controversy.

235. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that the agreement between Defendant Manhattan Avenue Partners and Defendant CIS created an illegal illusory tenancy; and that Plaintiffs are the prime tenants of their respective rooms.

AS AND FOR A THIRD REQUEST FOR DECLARATION:

HARASSMENT IN VIOLATION OF  
THE TENANT PROTECTION ACT

236. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as set forth in full herein.

237. As more fully set forth above, Defendants have unlawfully harassed Plaintiffs by engaging in a course of conduct that has substantially interfered with and disturbed Plaintiffs' comfort, repose, peace, and quiet. Defendants' conduct is, and has been, intended to cause, and has caused, Plaintiffs to surrender or waive rights in relation to their tenancies and, in some cases, to vacate their dwelling units.

238. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that Defendants have unlawfully harassed Plaintiffs in violation of section 27-2005(d) of the New York City Administrative Code.

AS AND FOR A FOURTH REQUEST FOR DECLARATION:

VIOLATIONS OF THE MENTAL HYGIENE LAW AND PATIENTS' RIGHTS  
REGULATIONS

239. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

240. Defendant CIS, acting in combination with the Harmony Defendants, mandates that Plaintiffs attend Defendant CIS's outpatient program as a condition of obtaining,

and maintaining, a tenancy at Clay Street House; and has otherwise engaged in activities designed to compel Plaintiffs to attend Defendant CIS's program.

241. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that Defendant CIS's conduct violates MHL § 22.07(B) and 14 NYCRR §§ 815.4(g) and 815.5(a)(15), which provide that participation in chemical dependence treatment is voluntary; and which prohibit programs from forcing or otherwise coercing any person to participate in such program or treatment, or exercising undue influence over patients in such programs.

AS AND FOR A FIFTH REQUEST FOR DECLARATION:

VIOLATION OF THE ILLEGAL EVICTION LAWS

242. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

243. Defendants have evicted numerous Plaintiffs from Clay Street House through the unlawful use of force and/or coercion; without due process of law; and without authorization from a court of competent jurisdiction.

244. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that Defendants have evicted tenants without legal process in violation Admin. Code § 26-521, RPAPL § 711 *et seq.*, and RSC § 2524.1 *et seq.*

AS AND FOR A SIXTH REQUEST FOR DECLARATION:

VIOLATION OF PROHIBITION AGAINST WAIVER OF RIGHTS GRANTED BY RENT REGULATION LAWS

245. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

246. Defendants have compelled and coerced Plaintiffs to consent to transitional residency agreements the terms of which that purport, among other things, to limit Plaintiffs' tenancies to a temporary period of six to nine months, and to subject Plaintiffs to

eviction without legal process.

247. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that the terms of the transitional residency agreements are void under RSC § 2520.13 as waivers of rights provided by the rent regulation laws including, but not limited to, the right to permanent tenancy, and other affiliated and derivative rights, provided through RSC §§ 2520.6(j) and 2525.1 *et seq.*.

AS AND FOR AN SEVENTH REQUEST FOR DECLARATION:

VIOLATIONS OF THE COMMON LAW PROHIBITION OF CONTRACTS THAT CONTRAVENE OF PUBLIC POLICY

248. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

249. Defendants have compelled and coerced Plaintiffs to consent to transitional residency agreements the terms of which purport, among other things, to obligate Plaintiffs to attend Defendant CIS's outpatient program, to limit Plaintiffs' tenancies to a temporary period of six to nine months, and to subject Plaintiffs to eviction without legal process.

250. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that the terms of the transitional residency agreements are void as contrary to the public policy of the State as expressed in the MHL, patients' rights regulations, the rent regulation laws, and the illegal eviction laws.

AS AND FOR A EIGHTH REQUEST FOR DECLARATION:

VIOLATIONS OF THE COMMON LAW PROHIBITION AGAINST CONTRACTS OF ADHESION

251. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

252. Defendants have compelled and coerced Plaintiffs to consent to

standardized transitional residency agreements as a condition of obtaining, and maintaining, a tenancy at Clay Street House. The terms of the agreements are unfair and non-negotiable and arise from a disparity in bargaining power.

253. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that the transitional residency agreements are void and unenforceable, in their entirety, as unconscionable contracts of adhesion.

AS AND FOR AN EIGHTH REQUEST FOR DECLARATION:

VIOLATIONS OF THE HOUSING MAINTENANCE CODE

254. Plaintiffs repeat and reallege the paragraphs above with the same force and effect as if set forth in full herein.

255. Pursuant to CPLR § 3001, Plaintiffs seek a declaration that Defendants have violated Admin. Code § 27-2043 by failing and or refusing to install locks in the entrance doors to each dwelling unit at Clay Street House and/or by failing and/or refusing to provide keys to the locks which must be installed.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs respectfully request the following relief jointly and severally as against all Defendants:

- (a) An order certifying this case as a class action pursuant to CPLR § 902;
- (b) A judgment declaring that the rooms that constitute Clay Street House are subject to rent regulation pursuant to RSL §§ 26-506 and/or 26-504; that Plaintiffs who have resided at Clay Street House for more than six months, or who have requested a six month rent stabilized lease, are permanent tenants as that term is defined at RSC § 2520.6(j); and that all other resident Plaintiffs are hotel occupants as that term is defined at RSC § 2520.6(m).
- (c) A judgment declaring that Defendant CIS's leasehold at 1109 Manhattan

Avenue, a/k/a 66 Clay Street, Brooklyn, NY 11222 constitutes an illusory tenancy; and that Plaintiffs are the prime tenants of their respective rooms;

(d) A judgment declaring that Defendants have engaged in harassment of Plaintiffs in violation of New York City Administrative Code 27-2005(d);

(e) A judgment declaring that Defendant CIS has violated MHL § 22.07(B) and 14 NYCRR §§ 815.4(g) and 815.5(a)(15);

(f) A judgment declaring that the terms of any and all agreements entered into by Plaintiffs that purport to waive rights under the rent regulation laws are void and unenforceable pursuant to RSC § 2520.13;

(g) A judgment declaring that the terms of any and all agreements entered into by Plaintiffs that grant rights, or impose obligations, that are contrary to the public policy of this state are void and unenforceable;

(h) A judgment declaring that Defendants have violated the Housing Maintenance Code by failing to provide locks and keys to the doors to Plaintiffs' rooms;

(i) An order, pursuant to CPLR § 3001, enjoining and directing Defendants, and/or their principals, agents, representatives, and/or employees (hereinafter "Defendants"), to comply with the law, including without limitation:

- i. Enjoining and directing Defendants to provide Plaintiffs with the Notice of Rights as required by RSC § 2522.5(c)(2);
- ii. Enjoining and directing Defendants to refrain from taking any action to prevent Plaintiffs from becoming permanent tenants as provided by RSC § 2522.5(a)(3);
- iii. Enjoining and directing Defendants to offer Plaintiffs rent stabilized leases as required by RSC §§ 2520.6(j) and 2522.5(a)(2);



- iv. Enjoining and directing Defendants to charge Plaintiffs no more than the legal regulated rent for their rooms as provided by RSC § 2525.1;
- v. Enjoining and directing Defendants to cease creating and/or maintaining an illusory tenancy at Clay Street House;
- vi. Enjoining and directing Defendants to cease unlawfully harassing tenants by threatening and/or effectuating evictions without legal process, removing Plaintiffs' belongings from their rooms without their permission, entering Plaintiffs' rooms without their permission, or by engaging in any other conduct that substantially interferes with and disturbs Plaintiffs' comfort, repose, peace, and quiet;
- vii. Enjoining and directing Defendants to notify Plaintiffs of their right to choice in treatment and to refrain from taking any action to induce, compel, and/or require Plaintiffs to attend Defendant CIS's outpatient program;
- viii. Enjoining and directing Defendants to cease disseminating, and/or taking any action to enforce, the transitional residency agreements;
- ix. Enjoining and directing Defendants to install locks in the doors of all dwelling units at Clay Street House;
- x. Enjoining and directing Defendants to from refusing and/or failing to install functioning locks in the door of each dwelling unit and/or refusing and/or failing to provide each occupant of each dwelling unit with a key to the lock to his or her respective dwelling unit; and
- xi. Enjoining Defendants from attempting remove and/or evict Plaintiffs from their rooms without a court order and/or through the use of any

means, and/or for any reason, other than as authorized by the rent regulation and illegal eviction laws;

xii. Enjoining Defendants to, upon application, restore Plaintiffs who have been illegally evicted from Clay Street House to possession of their room at Clay Street House;

(j) A judgment for attorney's fees and costs pursuant to CPLR Rule 909.

(k) A temporary restraining order enjoining Defendants from:

i. removing and/or evicting, and/or attempting to remove and/or evict, any Plaintiff from his current room without a court order; and/or

ii. harassing or retaliating in any way against any Plaintiff including, but not limited to, threatening Plaintiffs with eviction, physical harm, or other unlawful action, entering Plaintiffs' rooms without permission, or threatening to and/or discontinuing and/or interrupting the provision of essential services such as heat, hot water, gas, access to bathrooms, and electricity; and/or

iii. removing any Plaintiff's property from his dwelling unit unless such Plaintiff has been duly evicted pursuant to a court order and has been given reasonable time to remove his property; and/or

iv. taking any action intended to induce and/or compel Plaintiffs to attend Defendant CIS's outpatient substance abuse program, or any other medical or treatment facility, against any Plaintiff's will; and/or

v. taking any action to prevent Plaintiffs from meeting with counsel including, but not limited to, preventing counsel from entering Clay Street House for the purpose of communicating with Plaintiffs; and/or

vi. communicating in any way with Plaintiffs concerning this action or any allegation raised herein outside of the presence of counsel; and, it is further

(l) A preliminary injunction enjoining Defendants from engaging in any of the conduct addressed in the requested temporary restraining order, and in addition:

- i. commencing any eviction proceeding against any Plaintiff who has become a permanent tenant, by requesting a lease or living at Clay Street House for six months, except to the extent that any such eviction proceeding asserts as a ground for eviction the nonpayment of rent or other cause under the rent regulation laws;
- ii. taking any action to enforce the terms of the transitional residency agreements and/or house rules including, but not limited to, commencing any eviction proceeding based solely upon a violation of the transitional residency agreements and/or house rules; and
- iii. refusing and/or failing to install locks in the entrance doors to the sleeping rooms at Clay Street House, and refusing and/or failing to provide Plaintiffs' with keys to such locks;

(m) Such other and further relief as the Court may deem just, proper, and equitable.

Dated: April 12, 2011  
New York, New York

[signature on following page]

Respectfully submitted,

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