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'Vague' Invoices Doom Stipulation on Rent Increase

A tenant can overcome the usual four-year statute of limitations for asserting a rent overcharge because the renovation records submitted by his landlord are "vague," Manhattan Housing Court Judge Jack Stoller has ruled. He found that a stipulation in which a tenant agreed to pay \$4,100 in rent monthly to resolve a dispute with his landlord should be vacated because the landlord did not establish how the apartment had gone from a regulated rent of \$1,018 in 1997 to its present market-rate rent.

The tenant, Ej Zgodny, initially represented himself against a non-payment action by his landlord, Clermont York Associates, and agreed to the \$4,100 rent. Later, after consulting counsel, he learned that his building was part of the J-51 tax abatement program and its units should be rent-stabilized. He moved to vacate the stipulation.

Under the four-year rule, Stoller noted, Zgodny wouldn't have a case since the 2008 rent was \$4,150. However, he noted that the Appellate Division, First Department, ruled last month in *72A Realty v. Lucas*, 570514/10, that when a J-51 unit is illegally deregulated, its whole rental history must be

considered to determine a fair-market rent (NYLJ, Dec. 5, 2012).

In light of that holding, Stoller said on Jan. 29 in *Clermont York Associates v. Zgodny*, 73941/12, Clermont had not shown that \$4,100 was a legal rent. Though it submitted documents claiming it had undertaken almost \$30,000 in renovations on the unit, Stoller said the documents were "vague" and unsupported by contractor invoices. He therefore ruled the stipulation should be vacated, and scheduled further proceedings for March 1.

—Brendan Pierson