

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

KATHRYN THOME, *et al.*, on behalf of
themselves and all others similarly situated,

Plaintiffs,

- against -

THE JACK PARKER CORPORATION, *et al.*,

Defendants.

Index No.: 152510/2018

***THIS IS A COURT-APPROVED
NOTICE AND NOT AN ATTORNEY
SOLICITATION***

***PLEASE READ THIS NOTICE
CAREFULLY***

TO: ALL INDIVIDUALS AND ENTITIES WHO RENTED DEREGULATED APARTMENTS IN THE BUILDINGS 104-20 QUEENS BOULEVARD, 104-40 QUEENS BOULEVARD, AND 104-60 QUEENS BOULEVARD (THE “BUILDINGS”) AT ANY TIME **PRIOR TO JUNE 30, 2011**, AND WHO RESIDED IN THE BUILDINGS **AFTER MARCH 21, 2014**.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

This Notice relates to a proposed settlement of litigation related to alleged violations of the Rent Stabilization Law (“RSL”) and Rent Stabilization Code (“RSC”).

On March 21, 2018, Plaintiffs Kathryn Thome, Michael Wilson, Rochelle Berliner, Irwin Reiser, Michel Perez, Inna Los, Dario Solman, Jill Mackenzie, Cassandra Segarra Colon, and Tahmena Haque (“Plaintiffs”) filed a class action complaint (“Complaint”) challenging the rent stabilization status of the apartments at the Buildings. According to the allegations in the Complaint, certain tenants did not receive rent-stabilized leases and were charged rents in excess of the legal rent in violation of the RSL and RSC. The Complaint alleges that the Buildings received tax abatements and/or exemptions pursuant to the New York City J-51 tax abatement program (the “J-51 Program”).

In 1993, the New York State Legislature enacted the Rent Regulation Reform Act, which permitted rent-stabilized apartments for which the legal rent was \$2,000 per month or more and were either vacant or occupied by tenants with a combined annual income of greater than \$250,000 per year to be removed from rent stabilization (the so-called “Luxury Deregulation Rule”). Certain Units in the Buildings were treated as deregulated pursuant to the Luxury Deregulation Rule. The Complaint alleges that this deregulation was improper because apartments in buildings receiving J-51 benefits were barred from luxury deregulation. The Complaint further alleges that tenants in buildings receiving J-51 benefits are entitled to a rider (the “J-51 Rider”) disclosing that the building is receiving J-51 benefits, and the date those benefits expire, and that, according to the J-

51 Program’s rules, failure to provide the J-51 Rider entitled tenants to rent-stabilized leases for as long as they (or their successors) occupy their units. As remedies, the Plaintiffs sought: (a) monetary damages for the alleged overcharge of tenants in the Units; and (b) a declaration that future rents were to be set at levels determined by the RSL and RSC.

The Defendants in this action are The Jack Parker Corporation, Parker Management New York, LLC, Parker Forest Hills L.P., Parker Yellowstone L.P., Parker Queens L.P., BPP Parker Towers Property Owner LLC, Blackstone Property Partners L.P., and Beam Living Company (the “Defendants”)

Defendants dispute Plaintiffs’ allegations and deny any wrongdoing.

To avoid further disputes and the inconvenience, expense, uncertainty, and delays of litigation, the Defendants have agreed to settle this Litigation. The Court has not decided who is right and who is wrong in this lawsuit. Your legal rights may be affected, and you have a choice to make now. These rights and options are summarized below and are fairly explained in this notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

PARTICIPATE: As described more fully below, if you wish to participate in this settlement, you must submit a properly completed Claim Form and W-9 Form enclosed with this Notice no later than September 4, 2024. If the settlement is finally approved, you should receive your settlement check within 120 days. **The information provided on the Claim Form and the W-9 Form is strictly confidential and will only be used to prepare your settlement check.**

EXCLUDE YOURSELF: If you wish to exclude yourself (“opt-out”) from the lawsuit, you must follow the directions outlined in response to Question 5 below.

OBJECT: If you wish to object to the settlement, you **must** file a claim form and also write to us, at the address listed in response to Question 2 below, about why you object to the settlement, and must do so no later than September 4, 2024. You must also file your objection with the Clerk of the Supreme Court of the State of New York, County of New York. If the Court rejects your objection, you will still be bound by the terms of the settlement for claims under New York law unless you submit a valid and timely letter clearly stating your intention to opt-out of this lawsuit and proceed on your own.

1. Why did I receive this notice?

You received this notice because records indicate you lived at the Buildings, in a deregulated unit, prior to June 30, 2011 (the date the J-51 benefits at the Buildings expired) and after March 21, 2014 (the statute of limitations cutoff).

2. Why is there a settlement?

Plaintiffs and their counsel, Newman Ferrara LLP (“Class Counsel”) have analyzed and evaluated the merits of the Class Claims made against Defendants. The parties to this settlement have engaged in numerous settlement discussions, emails, and telephonic calls. This proposed settlement was entered into based upon Class Counsel’s analysis of Defendants’ rent data, relevant law, and the substantial risk of continued litigation, including the possibility that the litigation, if not settled now, might result in no recovery, a recovery that is less favorable, and/or would not occur for several years.

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3. How is the Settlement Amount calculated, and what is the Settlement Fund?

If you elect to participate in this Settlement, you will be deemed an “Eligible Class Member.” Each Eligible Class Member who makes a claim will receive cash from the Cash Settlement Account (defined below) in the amount of such Eligible Class Member’s Past Overcharge Amount(s) (the “Settlement Amounts”). Defendants will contribute \$14,750,000.00 (minus any rent arrears,) into the Cash Settlement Account. If the total Past Overcharge Amount for all Eligible Class Members exceeds the available funds in the Cash Settlement Account (the “Net Cash Settlement Amount”), then the Past Overcharge Amount will be paid or credited based on the pro rata share that each Eligible Class Member’s Past Overcharge Amount bears to the total Net Cash Settlement Amount.

The calculation of each Eligible Class Member’s Past Overcharge Amount shall be calculated as follows:

First, a “Calculated Amount” is established, which is the lowest rent registered pursuant to RSC § 2528.3 for a comparable unit in the Building in which the Unit at issue is located in effect on the date that the Class Member for occupied such Unit,

Second, if an Eligible Class Member between March 21, 2014 and the Preliminary Approval Date paid rent in excess of the Calculated Amount, the Eligible Class Member shall be entitled to a refund of the difference between the amount of rent actually paid, and the Calculated Amount, plus simple interest at the rate of nine (9) per centum per year, calculated from the first date of each month occurred (the “Past Overcharge Amount”).

Third, the Past Overcharge Amount shall be reduced by any amount due and owing to Landlord (“Non-Payment Claims”) by the Eligible Class Member.

Past Overcharge Amounts and claims for Past Overcharge Amounts shall not be assignable or otherwise transferable by Eligible Class Members to any person or entity, other than Eligible Class Member's executor, administrator or trustee (for a trust that is in existence as of the Preliminary Approval Date or is a special needs trust) who may file or accept payment of that Class Member's claim.

If the Eligible Class Member for a particular lease term consists of two or more co-tenants, the Past Overcharge Amount will be divided equally among them. Settlement Distributions shall be made to only those co-tenants who timely submit a Claim Form. Any Non-Payment Claims are deemed to be made against each co-tenant, jointly and severally, who submit a Claim Form, even if other co-tenants exist but fail to submit a Claim Form (unless any other co-tenant opts out, in which case all the co-tenants shall be deemed to have opted out, including those co-tenants who timely submit a Claim Form). Any disputes among co-tenants concerning the allocation of any Settlement Distributions under this Settlement must be addressed and resolved amongst the co-tenants outside of this Settlement. The existence of any such actual or potential disputes shall not be a basis for objecting to the Settlement and Defendants have no liability with respect to such disputes.

For Class Members who are current tenants of the Buildings, there shall be no further rent reductions other than those which have already occurred.

Any deduction from any Past Overcharge Amount based on a Non-Payment Claim shall be remitted to Landlord at the time Settlement Distributions are made. Any such payments to Landlord will reduce any amount owed by an Eligible Class Member, but such Eligible Class Member shall remain liable to Landlord for any balance remaining due after such payments. Any rent payment plan entered into by a Class Member with Landlord prior to the Order and Final Judgment Date shall be treated as a Non-Payment Claim. If the amount owed under such payment plan exceeds the Past Overcharge Amount, then no Settlement Distribution shall be made and the remaining rental arrears shall be due and payable pursuant to the payment plan. Any Eligible Class Member may submit an objection to Landlord's Non-Payment Claim and any supporting documentation or other materials (the "NPC Objections").

Plaintiffs and Defendants will confer on the resolution of all NPC Objections. All NPC Objections that cannot be resolved will be submitted to the Court for determination.

TO RECEIVE ANY DAMAGES TO WHICH YOU MAY BE ENTITLED, YOU MUST FILE A CLAIM FOR SETTLEMENT DISTRIBUTIONS BY COMPLETING THE ATTACHED CLAIM FORM AND MAILING IT POSTMARKED ON OR BEFORE SEPTEMBER 4, 2024 TO LEAD COUNSEL AT THE ADDRESS LISTED ON THE FORM, OR EMAILING IT TO PARKERTOWERSSETTLEMENT@NFLLP.COM

4. Procedures

If you wish to receive your settlement allocation you must complete, sign and submit the enclosed Claim Form in the enclosed self-addressed stamped envelope along with the W-9 Form to Class Counsel. You may also email the Claim Form and W-9 Form to Class Counsel at parkertowerssettlement@nflfp.com. To participate you must provide a valid Social Security Number (“SSN”) or Tax Identification Number (“TIN”) in order to receive a check. Your settlement payment will be delayed, and may ultimately be rejected, if you submit a W-9 Form with missing or incorrect information. **The information provided on the Claim Form, and W-9 Form is strictly confidential and will only be used to prepare your settlement check.** You will be required to deposit or cash your settlement check within 120 days from the date when payment was sent to you, otherwise the funds will be refunded to Defendants. Counsel does not make any representations concerning the tax consequences of this settlement, and you are advised to seek your own personal tax advice prior to acting in response to this Notice.

5. How do I exclude myself from the Settlement?

You may withdraw from this settlement (“opt-out”) if you do not want to receive a settlement payment, but you want to maintain your right to sue Defendants on your own. To withdraw from this case, you **must** submit a writing signed statement to Class Counsel, clearly indicating your wish to opt-out, and providing that you “request exclusion from the Class in *Thome, et al. v. The Jack Parker Corporation, et al.* (Index No. 152510/2018).” Each request for exclusion must set forth the name and address of the Class Member requesting exclusion. To be effective, your opt-out **must** be emailed, or mailed in the enclosed self-addressed stamped envelope, to the address below, and delivered or postmarked by September 4, 2024.

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6. What happens if I do not opt-out by September 4, 2024

If you fail to opt-out by September 4, 2024, then you will automatically be part of this settlement. You will be entitled to receive your allocated share of the settlement only if you file the enclosed Claim Form. **If you do nothing, you will still be part of the settlement, however, you will not receive anything.** Your claim in this case related to the alleged violations of the RSL and RSC will be dismissed with prejudice by the Court pursuant to the terms of the Settlement Agreement.

This means that you and all other Class Members who do not submit Claim Forms release all claims which were asserted in this Complain in this Litigation.

7. If I exclude myself (“opt-out”) can I get money from this Settlement?

No. If you exclude yourself, you will not receive any money from this lawsuit.

8. How will the lawyers be paid?

Newman Ferrara LLP, 1250 Broadway, 27th Floor, New York, New York 10001 represents you in this case. Class Counsel will ask the Court to approve a fee of no more than 33.33% of the Settlement Fund (plus previously tendered rent refunds), along with case expenses. The Court-approved fee will pay Class Counsel for investigating the facts, litigating the lawsuit, and negotiating and overseeing the settlement. The Court will ultimately decide the amount that will be paid to Class Counsel. If you opt out of the Class and want to be represented by your own lawyer, you may hire one at your own expense.

9. How do I tell the Court that I don’t like the Settlement?

You can object to the settlement if you don’t like any part of it. If you wish to object you **must** file a Claim Form and also give reasons why you think the Court should not approve it. The Court will consider your views. If the Court rejects your objection, you will still be bound by the terms of the settlement of your claims, unless you have submitted a valid and timely request for exclusion (“opt-out”). To object, you **must** submit the enclosed Claim Form and **must** send a letter saying you object to this proposed settlement. Your statement **must** include all reasons for the objection and any supporting documentation. Your statement must also include, your name, address, and phone number. If you wish to present your objection at the Settlement Hearing described below, you **must** state your intention to do so in your written objection. Submit the objection via email or first-class mail in the enclosed self-addressed stamped envelope to the address below. You must also file such objection with the Clerk of the Supreme Court of the State of New York, County of New York.

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10. What's the difference between objecting and opting-out?

Objecting is simply telling the Court that you do not like something about the settlement. You can only object if you file a Claim Form. Excluding yourself (“opting-out”) means informing the Court that you do not want to be part of the Class and this proposed settlement. You may not object to the settlement and also opt-out of this case. If you exclude yourself, you have no basis to object because you will no longer remain a party to this action. If you do not opt-out of the settlement you will be deemed to have released all claims asserted in this Litigation.

11. When and where will the Court decide to approve the settlement?

The Court will hold a Settlement Hearing on September 25, 2024 at 2:15 p.m.. The Settlement Hearing will be held at the Supreme Court of the State of New York, New York County, in Part 23, located at 71 Thomas Street, Room 304, New York, New York 10013-3821. You must advise Class Counsel no later than September 4, 2024 if you wish to appear before the Court to make a statement. At this hearing the Court will consider any objections and whether the terms of the settlement, including Class Counsel’s fee. We do not know how long these decisions will take. If there are no objections, the Court may cancel the fairness hearing and may enter an order approving the settlement.

YOU ARE NOT REQUIRED TO ATTEND ANY FAIRNESS HEARING IF YOU DO NOT OBJECT OT THE SETTLEMENT

12. Are there more details about the Settlement?

This notice summarizes the proposed settlement. More details are contained in the Settlement Agreement. You can review the Settlement Agreement by asking for a copy by contacting Class Counsel at the contact information, above.

DO NOT CONTACT THE COURT WITH QUESTIONS

**TO PARTICIPATE YOU MUST SUBMIT A CLAIM FORM AND W-9 FORM BY
SEPTEMBER 4, 2024**

**COMMUNICATIONS WITH NEWMAN FERRARA LLP ARE STRICTLY
CONFIDENTIAL**

PLEASE CONTACT NEWMAN FERRARA LLP IF YOU HAVE ANY QUESTIONS