



NEW YORK STATE SENATOR

Thomas K. Duane

NYS Senator Duane and NYS Assemblymember Kavanagh Comment as Court Rules for Stuyvesant Town & Peter Cooper Village Tenants Against Met Life AGAIN

THOMAS K. DUANE August 6, 2010

On Thursday, August 5, 2010, Justice Robert Lowe of the New York State Supreme Court denied a motion by Met Life to dismiss the claims of Stuyvesant Town and Peter Cooper Village tenants for damages resulting from Met Life's illegal deregulation of apartments and rent overcharges. The ruling came in the ongoing litigation of the *Roberts* case, in which the State's highest court had previously found that Met Life and Tishman Speyer, which purchased the complex from Met Life in 2006, had given up their right to deregulate apartments by accepting generous tax benefits under the City's J-51 program.

In its motion, Met Life argued that the high court ruling, in October 2009, should not be applied retroactively to landlords like Met Life because the court had effectively made new law in its decision and because Met Life and others could not have foreseen the court's action. In his ruling, Justice Lowe rejected these arguments and held that the court's interpretation of the law in *Roberts* should have full retroactive effect. Tenants are seeking a total of \$215 million in rent overcharges and other damages and costs.

In response to the court's decision, State Assemblymember [Brian Kavanagh](#), who represents Stuyvesant Town and Peter Cooper in the Assembly, made the following statement:

“Today’s decision is not only an enormous victory for our community. It is also a victory for tenants all over the City who had already been overcharged for years by the time the Court of Appeals ruled in the *Roberts* case.

“In rejecting Met Life’s arguments, the court today emphasized that landlords who deregulated apartments and overcharged tenants, had good reasons to know from the beginning that what they were doing was illegal. The court notes that when the legislature passed the statute that Met Life claimed gave them the right to deregulate apartments, the legislative sponsors specifically stated that landlords taking advantage of J-51 tax benefits would not be permitted to deregulate apartments and raise the rents. The court also notes that the plain text and most natural reading of the statute made it clear that Met Life was not permitted to deregulate apartments. Finally, the court points out that other interested parties, including the Department of Housing Preservation and Development under Mayor Rudy Giuliani, had pointed out as early as 2000 that the statute in question was not intended to permit deregulation of apartments by landlords benefiting from J-51.

“In short, the court found today that landlords like Met Life cavalierly disregarded the law, that they did so at their peril, and that now they should pay the consequences.”

State Senator **Tom Duane**, who represents the complex in the State Senate, said:

“The decision by Judge Lowe is gratifying and I congratulate both the tenants and their legal counsel. The decision affirms that developers who accept tax incentives must share part of the benefits with tenants residing in their positively impacted buildings. This victory puts tenants of Stuyvesant Town and Peter Cooper Village (ST/PCV) and of J-51 buildings citywide one step closer to gaining the retroactive damages they deserve. Furthermore, it will make ST/PCV less attractive to prospective private buyers, which is

yet another reason that the special servicer must give full and careful consideration to the Tenants Association bid.”

Justice Lowe’s decision can be viewed [here](#).