

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

PRESENT: Hon. Sherry Klein Heitler
Administrative Order

THE PEOPLE OF THE STATE OF NEW YORK,
by ERIC T. SCHNEIDERMAN, Attorney General
of the State of New York,

Petitioner,

- v -

INDEX NO. 450049/15

FT. GEORGE APT. CORP., FORT GEORGE
PROPERTY, LLC, FORT GEORGE REALTY, LLC
and NY TRYON REALTY LLC,

Respondents.

Administrative Order:

By letter dated January 16, 2015, respondents' counsel timely applies for a transfer of this special proceeding from I.A.S. Part 13 (Mendez, J.) to the Commercial Division. By letter dated January 20, 2015, the Attorney General opposes the request.

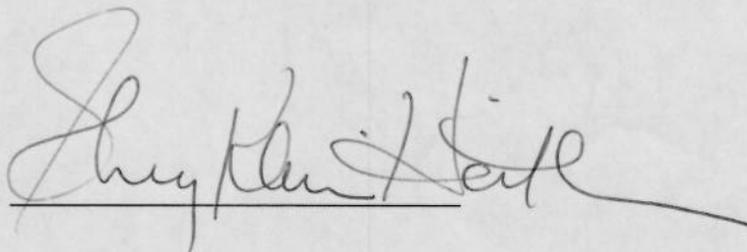
This is a summary proceeding commenced by the Attorney General seeking, inter alia, the judicial dissolution of a residential housing cooperative corporation known as Ft. George Apt. Corp. (Ft. George) pursuant to Business Corporation Law §§ 1101 and 109. The Attorney General alleges that Ft. George owns a residential rental building located at 121-131 Ft. George Avenue in Washington Heights (the Building) that is owned and operated in contravention of the cooperative corporation's stated purpose of providing home ownership to resident-shareholders. The Attorney General further alleges that, although the Building was converted to cooperative status in 1987, shares allocated to apartments have not been sold since 1991; the Building has been operated exclusively as a rental building without a single tenant-shareholder since 2004; and, thus, the residents get neither the protection of the rent stabilization laws nor the benefits of home ownership.

Respondents contend that this proceeding meets the standards for assignment to the Commercial Division: (1) pursuant to Uniform Rule 202.70 (b) (11), because the petition seeks the judicial dissolution of a corporation; and (2) pursuant to Uniform Rule 202.70 (b) (1), because respondents' alleged statutory

violation arises out of the sale of securities. However, Uniform Rule 202.70 (c) (3) specifically provides that cases involving residential real estate disputes are non-commercial, including landlord-tenant matters. This special proceeding concerns the ownership and management of a residential building, recent rent increases, the application of the rent stabilization laws and the statutory rights of its tenants. Therefore, the proceeding does not qualify for assignment to the Commercial Division.

For the foregoing reasons, respondents' request to transfer this proceeding to the Commercial Division is denied.

Dated: January 20, 2015

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