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Dear Lenox Terrace Tenant:

We are attorneys for the Lenox Terrace Association of Concerned Tenants and also for the J51 Class Action at Lenox Terrace. We have been advised that there is some confusion as to rents and renewal leases at Lenox Terrace. Find below some answers to questions about basic tenant rights relating to preferential rents and renewal leases.

**What is a Preferential Rent?**

A "preferential rent" is a rent lower than the rent stabilized legal rent.

**Can a Preferential Rent Be Taken Away or Raised More than the Rent Guideline Board Increases?**

A preferential rent cannot be taken away or raised more than the Rent Guidelines Board Increases (currently 0% for a one year lease and 2% for a two year lease) unless

- 1) The Landlord listed both the preferential rent and the legal rent in your first lease or in the first lease in which a preferential rent was charged;

and

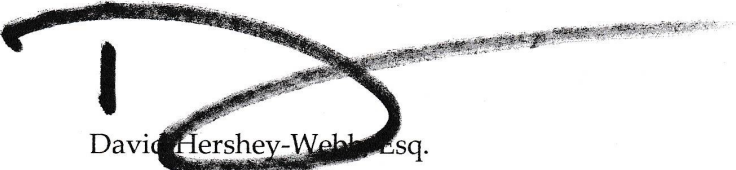
- 2) There is no language in your first lease (or first lease in which a preferential rent was charged) stating that you are entitled to the preferential rent as long as you are in occupancy;

Some cases hold also that the legal rent and preferential rent have to be registered with the DHCR every year as well if the landlord wants the right to take it away or increase it more than the RGBs.

**EXAMPLE:** Your first lease lists only one rent and does not say if it is a preferential rent or a legal rent. Landlord cannot increase that rent by more than RGBs in subsequent leases.

**What do I do if my first Lease listed only one rent and now I get a Renewal Lease with a higher "legal rent" and a preferential rent?**

- 1) If the preferential rent was increased by the proper RGB amounts, sign and return the lease. (When the class action is settled or determined corrected leases may be issued.)
- 2) If the preferential rent was increased by more than the proper RGB, do not sign and return. Send a copy of the first page of the lease to me at the address above, along with your contact information and await revised renewal lease.



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