

LOWER MANHATTAN LOFT TENANTS  
TESTIMONY REGARDING  
PROPOSED RULE  
SECTION 2-10  
SALE OF RIGHTS

My name is Bill Hall.

I am a Loft Tenant residing on the Third Floor of 59 Warren Street.

Overall, we believe the proposed rule change contains provisions that make the process more equitable.

However, regarding the filing requirement in (2) (b), a fine of only \$1000 seems insignificant considering the potential problems caused by an owner's failure to file a record of sale with the Loft Board.

It is well known that many cases have come to the Loft Board where the owner has purchased the rights under 286(12), then rented the loft to a new tenant at a much higher rent, with the implication that the unit is covered under the Loft Law. However, when lease renewal time arrives and the tenant is given a large rent increase, the tenant will often come to the Board to apply for coverage, only to have the owner produce the sales documents that had never been filed.

The result is that the tenant often spends a great deal in legal fees, only to be evicted.

For the sake of due diligence and transparency, the Board should create a much more onerous burden for owners who play this game.

The penalty for such a willful abuse of the process ought to be the maximum \$17,500.

Only by raising the limit would the Loft Board retain the option of imposing a suitable fine in such extreme cases.