

<b>14 Maiden LLC v Stempel</b>
2021 NY Slip Op 32316(U)
November 15, 2021
Supreme Court, New York County
Docket Number: Index No. 159587/18
Judge: Lynn R. Kotler
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At an IAS Part of the Supreme Court of the State of New York, held in and for the County of New York, at the Supreme Court Building, 80 Centre Street, New York, New York, on the 15th day of November, 2021

PRESENT: HONORABLE LYNN R. KOTLER, Justice

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

Index No. 159587/18

14 MAIDEN LLC et al.,

Plaintiffs

-against-

LEE STEMPEL,

Defendant

ORDER GRANTING RECEIVER'S APPLICATION FOR ORDER APPROVING CONTRACT FOR SALE OF PREMISES; DIRECTING PARTIES TO TAKE OR REFRAIN FROM TAKING CERTAIN ACTIONS AND PROVIDE DOCUMENTS AND INFORMATION; DIRECTING RECEIVER ON TAX REPORTING; AND FOR OTHER RELIEF

Receiver Michele Kahn, Esq., having been appointed Receiver by Order of this Court dated and entered March 9, 2021, and the Receiver having moved this Court by Order to Show Cause for an Order: (a) approving the Contract to sell the Property; (b) directing the parties to take or refrain from taking certain actions and to provide documents and information; (c) directing the receiver with respect to tax reporting; and (d) for other relief; and the parties having appeared before this Court on Nov. 12, 2021, at which time the Receiver's application was on the record heard; [[and upon the appearance of Sean Flanagan, Esq, attorney for plaintiffs, Lee Stempel, defendant pro se, and the Receiver]]; [[and upon the petitioners having consented to the denial of Lee Stempel's request for an adjournment to submit relief sought herein]] and [[upon the opposition of xxxxxxxxxxxxxx]]; and upon all prior proceedings and submissions in this matter; and due deliberations having been had thereon,

**NOW ON MOTION** of Michele Kahn, Esq., Receiver appointed herein, it is

**ORDERED**, that the Contract in substantially the form as attached to the Receiver's affidavit as Exhibit C is approved, and the Receiver is authorized to perform all actions and deliver such documents to fulfill the obligations of seller under the Contract as in her judgment are appropriate for a Seller of a building of this type in New York City to take and deliver; and it is further

**ORDERED**, that, at or prior to the Closing, as set forth herein or as otherwise requested by the Receiver, the owners, managing agent and/or the individuals comprising the owners and/or managing agent, in each case as appropriate, are directed to do the following :

- (i) maintain the premises through Closing in substantially the same manner as it is maintained immediately before the Contract was signed;
- (ii) maintain the elevator and boiler in working order through Closing;
- (iii) turn over, to the extent in their possession, all records relating to leases, historical leases, rent collections, repairs and otherwise in connection with the property and to deliver to Seller an affidavit certifying that the records turned over are all or substantially all of the record owners/managing agent has for the Property;
- (iv) provide at or prior to closing, to extent same are in their possession or control, originals and counterparts of all leases (or photocopies in the absence of originals) and all original tenant files and records, and operational documents;
- (v) turn over to Buyer at Closing all security deposits and records relating to same, and a listing with the dates of when each deposit was made;
- (vi) at least one business day prior to Closing, provide the Receiver with all keys, security codes, and other items necessary to access the building and all systems so I can turn over to Buyer at Closing;
- (vii) cooperate to afford Buyer access prior to Closing for the purposes of planning and taking measurements;
- (viii) deliver at or prior to closing an assignment and assumption of leases, a notice to tenants directing them to pay rent to the new owners, and an updated rent roll;
- (ix) deliver service contracts to the extent in their possession;

- (x) provide to the Receiver the EIN/SSN for each of the owners within 10 days of the date hereof;
- (xi) provide title affidavits and such other documentation that are required to clear any title issues;
- (xii) provide the Receiver at least one full business day prior to Closing an accounting of what tenants have or have not paid rent in the month of the closing and in what amount; and proof of payment of the real estate taxes for the Closing period;
- (xiii) immediately request a final water meter reading, and provide same to Receiver immediately upon receipt of same;
- (xiv) arrange for fuel measurement a few days prior to closing, and provide to the Receiver upon receipt of same;
- (xv) provide proof of death and marital status of Pauline Stempel (death certificate should suffice)
- (xvi) provide proof of payment of NY State Estate taxes on the Estate of Pauline Stempel
- (xvii) for Maiden Tiwanee LLC: provide Articles of Organization, Operating Agreement; proof of filing of Articles of Organization and proof of publication
- (xviii) for Maideninvest, LLC: provide Articles of Organization, Operating Agreement; proof of filing of Articles of Organization and proof of publication
- (xix) for 14 Maiden LLC: provide Articles of Organization, proof of filing of Articles of Organization and proof of publication
- (xx) for 14 Maiden II, LLC: provide Operating Agreement; and proof of publication
- (xxi) fully and promptly cooperate with all of the Receiver's requests reasonably necessary in connection with the sale of the Property;

and it is further

**ORDERED** that the receiver is authorized to obtain the death certificate for Pauline Stempel from whatever governmental entity such application needs to be made to; and it is further

**ORDERED** that the neither the seller 14 Maiden II, LLC nor its members shall not contact the buyer or the attorney for the buyer;

and it is further

**ORDERED**, that the owners, managing agent and/or individuals comprising the owners and/or managing agent, in each case as appropriate, are enjoined and prohibited from doing any of the following:

- (i) renting out any vacant units
- (ii) selling air rights
- (iii) without Buyer's consent: extending or modifying any lease except as required by law; entering into any new leases or occupancy agreement except as required by law; consenting to any sublease or assignment; extending or modifying any service contract past the Closing date; or entering into any new service contracts unless same will not be binding on Buyer after Closing

and it is further

**ORDERED**, that the Receiver is authorized to:

- (i) take such actions as in her discretion are appropriate to close under the Contract;
- (ii) sign and deliver such documents as attorney-in-fact or otherwise as the Receiver in her discretion determines to deliver; and the Receiver shall have no liability for any document she signs and delivers as attorney in fact or otherwise in the stead of an owner or individual who failed to provide said document;
- (iii) pay State and City transfer taxes, title and recording charges, make adjustments for rents, water, fuel, and other up to \$25,000; and pay other usual and customary closing expenses of a seller of a building of this type in New York City;
- (iv) Seller's attorney can hold \$80,000 escrow for FISP and the \$30,000 escrow for boiler and elevator in escrow pursuant to terms of the Contract;
- (v) pay Cushman Wakefield a commission of \$285,000 at Closing;
- (vi) pay legal fees to Mr. Brodie up to fifteen thousand (\$15,000) dollars upon her review of his invoices; and if Mr. Brodie seeks fees over \$15,000, he shall apply for same;
- (vii) immediately after Closing, advise Court of the payments made to Cushman and Wakefield;

and it is further

**ORDERED**, that, the Receiver shall open an account for this Receivership at Signature Bank, 565 Fifth Avenue, New York, NY; and it is further

**ORDERED**, that Receiver shall hold the amount of the sales price remaining after payment of State and City transfer taxes, recording fees, violations; adjustments for rent, real estate taxes and other adjustments; payment of accountant’s fees if any; payment of any other usual and customary expenses paid by Seller; payment of Cushman Wakefield’s commission and Mr. Brodie’s fees; and, possibly one or both of the two post-closing escrows, in such Receiver’s account; and it is further

**ORDERED**, that as soon as practicable after the Closing, the Receiver shall submit an accounting and apply for payment of receiver’s commissions, compensation and reimbursement, and any additional fees to Mr. Brody, if any; and it is further


**ORDERED**, that for tax reporting purposes, the Receiver shall apportion the purchase price between the owners in their respective pro rata share of ownership; and it is further

**ORDERED**, that if the Receiver desires to obtain guidance from an accountant with regard to tax reporting, she may apply for appointment of an OCA-approved accountant by letter to the Court on notice to the parties and attorneys; and it is further

**ORDERED**, that all parties and their affiliates and agents shall cooperate with the Receiver and her retained professionals, and shall reply to inquiries and deliver such documents or information upon the request of Receiver or her retained professionals promptly upon such inquiry or request in connection with the sale of the building; and it is further

**ORDERED**, that the Receiver may at any time apply to the Court for further instructions.

**ENTER :**

  
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**HON. LYNN R. KOTLER**  
J.S.C.  
J.S.C.