

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

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JEREMIAH HARDY, ERIC SCHLABS, and JAMES:
NUGENT, on behalf of themselves and all others:
similarly situated,

Index No. 151732/2022

Plaintiffs,

**VERIFIED ANSWER
WITH COUNTERCLAIM**

-v-

595 BALTIC ASSET LLC,

Defendant.

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Defendant 595 BALTIC ASSET LLC (“Defendant”), by its attorneys, Rosenberg & Estis, P.C., as and for its answer to Plaintiffs’ Class Action Complaint, dated February 27, 2022 (the “Complaint”), of plaintiffs JEREMIAH HARDY, ERIC SCHLABS, and JAMES NUGENT, on behalf of themselves and all others similarly situated (collectively, “Plaintiffs”), allege as follows:

1. Defendant admits the allegation set forth in paragraph 1 of the Complaint.
2. Defendant neither admits nor denies the allegations set forth in paragraph 2 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
3. Defendant denies the allegation set forth in paragraph 3 of the Complaint.
4. Defendant neither admits nor denies the allegations set forth in paragraph 4 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
5. Defendant denies the allegations set forth in paragraph 5 of the Complaint.
6. Defendant denies the allegations set forth in paragraph 6 of the Complaint.
7. Defendant denies the allegations set forth in paragraph 7 of the Complaint and respectfully refers the Court to the relevant documents, which speak for themselves.

8. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 8 of the Complaint.

9. Defendant neither admits nor denies the allegations set forth in paragraph 9 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

10. Defendant denies the allegations set forth in paragraph 10 of the Complaint.

11. Defendant denies the allegations set forth in paragraph 11 of the Complaint.

12. Defendant denies the allegations set forth in paragraph 12 of the Complaint.

13. Defendant denies the allegations set forth in paragraph 13 of the Complaint.

14. Defendant denies the allegations set forth in paragraph 14 of the Complaint.

15. Defendant denies the allegations set forth in paragraph 15 of the Complaint.

16. Defendant neither admits nor denies the allegations set forth in paragraph 16 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

17. Defendant denies the allegations set forth in paragraph 17 of the Complaint.

18. Defendant neither admits nor denies the allegations set forth in paragraph 18 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

19. Defendant neither admits nor denies the allegations set forth in paragraph 19 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

20. Defendant denies the allegations set forth in paragraph 20 of the Complaint, and respectfully refers the court to the relevant documents.

21. Defendant denies the allegations set forth in paragraph 21 of the Complaint.

22. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 22 of the Complaint.

23. Defendant denies the allegations set forth in paragraph 23 of the Complaint and respectfully refers the Court to the relevant documents, which speak for themselves.

24. Defendant denies the allegations set forth in paragraph 24 of the Complaint and respectfully refers the Court to the relevant documents, which speak for themselves.

25. Defendant denies the allegations set forth in paragraph 25 of the Complaint.

26. Defendant denies the allegations set forth in paragraph 26 of the Complaint.

27. Defendant denies the allegations set forth in paragraph 27 of the Complaint.

28. Defendant neither admits nor denies the allegations set forth in paragraph 28 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

29. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 29 of the Complaint.

30. Defendant denies the allegations set forth in paragraph 30 of the Complaint and respectfully refers the Court to the relevant documents, which speak for themselves.

31. Defendant denies the allegations set forth in paragraph 31 of the Complaint and respectfully refers the Court to the relevant documents, which speak for themselves.

32. Defendant denies the allegations set forth in paragraph 32 of the Complaint.

33. Defendant denies the allegations set forth in paragraph 33 of the Complaint.

34. Defendant denies the allegations set forth in paragraph 34 of the Complaint.

35. Defendant neither admits nor denies the allegations set forth in paragraph 35 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

36. Defendant denies the allegations set forth in paragraph 36 of the Complaint, but admits that Defendant's principal place of business is in New York City.

37. Defendant admits the allegations set forth in paragraph 37 of the Complaint.

38. Defendant admits the allegations set forth in paragraph 38 of the Complaint.
39. Defendant admits the allegations set forth in paragraph 39 of the Complaint.
40. Defendant neither admits nor denies the allegations set forth in paragraph 40 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
41. Defendant neither admits nor denies the allegations set forth in paragraph 41 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
42. Defendant neither admits nor denies the allegations set forth in paragraph 42 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
43. Defendant neither admits nor denies the allegations set forth in paragraph 43 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
44. Defendant neither admits nor denies the allegations set forth in paragraph 44 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
45. Defendant neither admits nor denies the allegations set forth in paragraphs 45(a), (b), (c) and (d) of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
46. Defendant neither admits nor denies the allegations set forth in paragraph 46 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
47. Defendant neither admits nor denies the allegations set forth in paragraph 47 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
48. Defendant neither admits nor denies the allegations set forth in paragraph 48 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
49. Defendant neither admits nor denies the allegations set forth in paragraph 49 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

50. Defendant neither admits nor denies the allegations set forth in paragraph 50 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

51. Defendant neither admits nor denies the allegations set forth in paragraph 51 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

52. Defendant neither admits nor denies the allegations set forth in paragraph 52 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

53. Defendant neither admits nor denies the allegations set forth in paragraph 53 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

54. Defendant neither admits nor denies the allegations set forth in paragraph 54 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

55. Defendant denies the allegations set forth in paragraph 55 of the Complaint.

56. Defendant denies the allegations set forth in paragraph 56 of the Complaint.

57. Defendant denies the allegations set forth in paragraph 57 of the Complaint.

58. Defendant denies the allegations set forth in paragraph 58 of the Complaint.

59. Defendant denies the allegations set forth in paragraph 59 of the Complaint.

60. Defendant denies the allegations set forth in paragraph 60 of the Complaint.

61. Defendant denies the allegations set forth in paragraph 61 of the Complaint.

62. Defendant neither admits nor denies the allegations set forth in paragraph 62 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

63. Defendant neither admits nor denies the allegations set forth in paragraph 63 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

64. Defendant admits the allegations set forth in paragraph 64 of the Complaint.

65. Defendant neither admits nor denies the allegations set forth in paragraph 65 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

66. Defendant denies the allegations set forth in paragraph 66 of the Complaint.

67. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 67 of the Complaint.

68. Defendant denies the allegations set forth in paragraph 68 of the Complaint.

69. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 69 of the Complaint.

70. Defendant denies the allegations set forth in paragraph 70 of the Complaint.

71. Defendant denies the allegations set forth in paragraph 71 of the Complaint.

72. Defendant denies the allegations set forth in paragraph 72 of the Complaint.

73. Defendant denies the allegations set forth in paragraph 73 of the Complaint.

74. Defendant neither admits nor denies the allegations set forth in paragraph 74 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

75. Defendant denies the allegations set forth in paragraph 75 of the Complaint.

76. Defendant denies the allegations set forth in paragraph 76 of the Complaint.

77. Defendant denies the allegations set forth in paragraph 77 of the Complaint.

78. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 78 of the Complaint.

79. Defendant denies the allegations set forth in paragraph 79 of the Complaint.

80. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 80 of the Complaint.

81. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 81 of the Complaint.

82. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 82 of the Complaint.

83. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 83 of the Complaint.

84. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph 84 of the Complaint.

85. Defendant neither admits nor denies the allegations set forth in paragraphs 85(a), (b), (c), (d) and (e) of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

86. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraphs 86(a), (b), (c), (d), (e), (f) and (g) of the Complaint.

87. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 86 of this Answer, as if more fully set forth herein.

88. Defendant neither admits nor denies the allegations set forth in paragraph 88 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

89. Defendant denies the allegations set forth in paragraph 89 of the Complaint.

90. Defendant denies the allegations set forth in paragraph 90 of the Complaint.

91. Defendant denies the allegations set forth in paragraph 91 of the Complaint.

92. Defendant denies the allegations set forth in paragraph 92 of the Complaint.

93. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 92 of this Answer, as if more fully set forth herein.

94. Defendant denies the allegations set forth in paragraph 94 of the Complaint.
95. Defendant denies the allegations set forth in paragraph 95 of the Complaint.
96. Defendant denies the allegations set forth in paragraph 96 of the Complaint.
97. Defendant neither admits nor denies the allegations set forth in paragraph 97 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
98. Defendant denies the allegations set forth in paragraph 98 of the Complaint.
99. Defendant denies the allegations set forth in paragraphs 99(a), (b), (c), and (d) of the Complaint.
100. Defendant denies the allegations set forth in paragraph 100 of the Complaint.
101. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 100 of this Answer, as if more fully set forth herein.
102. Defendant denies the allegations set forth in paragraph 102 of the Complaint.
103. Defendant denies the allegations set forth in paragraph 103 of the Complaint.
104. Defendant denies the allegations set forth in paragraph 104 of the Complaint.
105. Defendant denies the allegations set forth in paragraph 105 of the Complaint.
106. Defendant denies the allegations set forth in paragraphs 106(a), (b), (c), (d) and (e) of the Complaint.
107. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 106 of this Answer, as if more fully set forth herein.
108. Defendant neither admits nor denies the allegations set forth in paragraph 108 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.
109. Defendant denies the allegations set forth in paragraph 109 of the Complaint.

110. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 109 of this Answer, as if more fully set forth herein.

111. Defendant neither admits nor denies the allegations set forth in paragraph 111 of the Complaint, on the grounds that such allegations improperly call for legal conclusions.

112. Defendant denies the allegations set forth in paragraph 112 of the Complaint.

113. Defendant repeats and re-alleges each of the allegations set forth in paragraphs 1 through 112 of this Answer, as if more fully set forth herein.

114. Defendant denies the allegations set forth in paragraph 114 of the Complaint.

115. Defendant denies that Plaintiffs are entitled to any of the relief sought in the paragraph titled “Prayer For Relief” in the Complaint.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

116. The Complaint fails to state a cause of action up which relief may be granted.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

117. All rents that Plaintiffs have been charged since the commencement of their respective tenancies have been lawful, *i.e.*, Plaintiffs have not been overcharged.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

118. Plaintiffs’ claims are barred, in whole or in part, by documentary evidence.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

119. Defendant admits that Plaintiffs’ respective apartments are subject to rent stabilization and Plaintiffs were given rent stabilized leases for their respective apartments.

120. By reason of the foregoing, Plaintiffs’ claims are barred, in whole or in part, because there is no justiciable controversy between the parties.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE

121. Plaintiffs' claims are barred, in whole or in part, by the doctrines of estoppel, waiver and laches.

AS AND FOR A SIXTH AFFIRMATIVE DEFENSE

122. Defendant properly relied upon duly promulgated provisions, rules, guidelines, and/or opinions of the Rent Stabilization Code, the New York State Division of Housing and Community Renewal and/or the New York City Department of Housing Preservation and Development in setting the rent for Plaintiffs' respective apartments.

123. To the extent that Plaintiffs are found to have been deprived of any benefits of the Rent Stabilization Law and/or Code, and to the extent that Plaintiffs are found to have been overcharged in excess of the applicable legal rent, such overcharge was not willful.

AS AND FOR A SEVENTH AFFIRMATIVE DEFENSE

124. Plaintiffs' claims are barred, in whole or in part, by the applicable statute of limitations.

AS AND FOR AN EIGHTH AFFIRMATIVE DEFENSE

125. Any amounts allegedly due to Plaintiffs is offset in whole or in part by rents or other payments due to Defendant from Plaintiffs, which Plaintiffs have failed to pay.

AS AND FOR A NINTH AFFIRMATIVE DEFENSE

126. Plaintiffs are not entitled to bring this action as a class action pursuant to Article 9 and applicable law.

AS AND FOR A TENTH AFFIRMATIVE DEFENSE

127. Plaintiffs' claims are barred, in whole or in part, by payment.

AS AND FOR AN ELEVENTH AFFIRMATIVE DEFENSE

128. Plaintiffs' claims are barred, in whole or in part, by accord and satisfaction.

AS AND FOR A FIRST COUNTERCLAIM

129. In the event that any applicable lease agreement provides that the prevailing party herein shall be entitled to attorneys' fees and expenses, Plaintiffs shall be liable for Defendant's attorneys' fees and expenses incurred in connection with this action upon Defendant prevailing herein.

WHEREFORE, Defendant requests judgment against Plaintiffs as follows:

- (i) Dismissing the Complaint in its entirety;
- (ii) On the First Counterclaim, awarding Defendant its attorneys' fees, expenses, costs and disbursements incurred in connection with this action; and
- (iii) Granting Defendant such other and further relief as this Court may deem just and proper.

Dated: New York, New York
April 15, 2022

ROSENBERG & ESTIS, P.C.
Attorneys for Defendant

By: /s/ Elizabeth M. Brown
Luise A. Barrack
Elizabeth M. Brown
733 Third Avenue
New York, New York 10017
(212) 867-6000

LIMITED LIABILITY COMPANY VERIFICATION

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

OMRI SACHS, being duly sworn, deposes and says:

1. I am an authorized signatory of defendant 595 BALTIC ASSET LLC (“Defendant”), a New York Limited Liability Company.

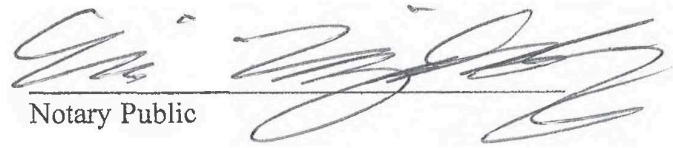
2. I have read the Verified Answer with Counterclaim and know the content thereof; and the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true. The source of my information and belief is the books and records of Defendant.

3. This Verification is made by deponent because Defendant is a limited liability company and I am an authorized signatory thereof.



OMRI SACHS

Sworn to before me this
15th day of April, 2022



Notary Public

LIPENHOLTZ ERIC MATTHEW
Notary Public - State of New York
No. 02LI6395307
Qualified in Suffolk County
My Commission Expires 07/22/2023