

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

Plaintiffs,

-v-

595 BALTIC ASSET LLC,

Defendant.

Index No.: 151732/2022

**NOTICE OF PROPOSED
SETTLEMENT OF CLASS
ACTION, SETTLEMENT
HEARING AND RIGHT TO
APPEAR, AND APPLICATION
OF PLAINTIFFS' COUNSEL FOR
AN AWARD OF FEES AND
EXPENSES**

TO: ALL INDIVIDUALS AND ENTITIES WHO RENTED APARTMENTS AT 595 BALTIC STREET IN
BROOKLYN, NEW YORK AT ANY TIME FROM FEBRUARY 27, 2016, TO SEPTEMBER 17, 2025.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF LITIGATION AND CONTAINS IMPORTANT
INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS WILL BE AFFECTED BY LEGAL
PROCEEDINGS IN THIS LITIGATION. IF YOU TAKE NO ACTION AND THE COURT APPROVES THE
PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS,
REASONABLENESS, OR ADEQUACY OF THE PROPOSED SETTLEMENT, OR FROM PURSUING ANY OF
THE SETTLED CLAIMS.

**AFTER REVIEWING THIS NOTICE, YOU MAY FILE A CLAIM TO RECOVER ANY DAMAGES FOR PAST
RENT OVERCHARGES THAT YOU MAY BE ENTITLED TO RECEIVE UNDER THE SETTLEMENT,
BUT YOU MUST FOLLOW THE INSTRUCTIONS IN SECTION III BELOW AND IN THE ATTACHED CLAIM
FORM. FAILURE TO FOLLOW THOSE INSTRUCTIONS WITHIN THE TIME FRAME REQUIRED
COULD RESULT IN A WAIVER AND FORFEITURE OF YOUR DAMAGES AWARD.**

I. PURPOSE OF THIS NOTICE

THIS NOTICE IS GIVEN pursuant to an Order (the “Preliminary Approval Order”) of the New York State
Supreme Court, New York County (the “Court”) entered in the above-captioned class action (the “Action”) brought
on behalf of persons and entities who rented certain apartments (the “Units”) at 595 Baltic Street in Brooklyn, New
York (“595 Baltic” or the “Building”) between February 27, 2016, and September 17, 2025 (the “Class Period”). The
purpose of this Notice is to inform you of the proposed settlement of the Action (the “Settlement”), and of a hearing
(the “Settlement Hearing”) to be held before the Honorable Lori Sattler in Supreme Court of the State of New York,
County of New York, Part 2, Room 212, 60 Centre Street, New York, NY 10007 at 11 a.m. on February 25, 2026. The
purpose of the Settlement Hearing is (i) to determine whether the proposed Settlement, as set forth in a Stipulation
and Agreement of Settlement entered into by the parties to the Action and dated as of September 17, 2025 (the
“Stipulation”), is fair, reasonable, adequate, in the best interests of the Settlement Class (defined below), is consistent
with the New York Rent Stabilization Law (“RSL”) and Rent Stabilization Code (“RSC”), and should be approved by
the Court; (ii) to determine whether a judgment should be entered in the Action pursuant to the proposed Settlement
that will, among other things, dismiss the Complaint (defined below) with prejudice and release the Released Claims
(defined below); (iii) to consider the application of Plaintiffs’ counsel for an award of attorneys’ fees and expenses;
and (iv) to consider such other matters as the Court may deem appropriate.

The named Plaintiffs have been certified as the “Class Representatives,” and their counsel Newman Ferrara LLP as
lead counsel for the Class (“Lead Counsel”). This Notice describes the rights you may have under the Settlement and
what steps you may take in relation to the Settlement.

If the Court approves the Settlement, the parties to the Action will ask the Court to enter an Order and Final Judgment
(defined below) dismissing the Complaint with prejudice on the merits. You may review copies of the Stipulation,
Preliminary Approval Order, and other pertinent documents by visiting 595BalticSettlementClassAction.com.

II. DESCRIPTION OF THE LITIGATION

On February 27, 2022, Plaintiffs Jeremiah Hardy, Eric Schlabs, and James Nugent filed a putative class action complaint (“Complaint”) challenging the rents for certain units at 595 Baltic. According to the allegations in the Complaint, the landlord utilized rent concessions to register rents that were in excess of the proper legal rent in violation of the Rent Stabilization Code and Rent Stabilization Laws. As remedies, the Plaintiffs sought (a) monetary damages for the alleged overcharge of tenants in the Units (“Past Rent Claims”) and (b) a declaration that rents were to be set at levels determined by the RSL and RSC. Defendant has not admitted, and has expressly denied, any wrongdoing or violation of any law.

To avoid the costs, distractions, and uncertainties of litigation, Plaintiffs and Defendant have agreed to the resolution of the Action pursuant to the terms and conditions set forth in the Stipulation, and summarized below, which shall be presented to the Court for final approval pursuant to CPLR 908 after this notice is delivered to members of the Class.

On the basis of information available to them, including publicly available information and documentation made available by Defendant in connection with Settlement discussions, Lead Counsel and the proposed Class Representatives have determined that the Settlement described herein is fair, reasonable, adequate, consistent with the RSL and RSC, and in the best interests of the Plaintiffs and the Class.

EXCEPT WHERE EXPRESSLY STATED OTHERWISE, THE FOREGOING DESCRIPTION OF THE LITIGATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

III. SUMMARY OF THE SETTLEMENT TERMS

PAST RENT CLAIMS

All those who signed leases to rent Units during the period from February 27, 2016, through September 17, 2025, regardless of whether he, she, or it has a Past Overcharge Amount (defined below) that is positive, zero, or negative, who has timely and properly filed a Claim Form (and do not opt out as described in Section V below) is an “Eligible Class Member.”

Each Eligible Class Member who has a Past Overcharge Amount will receive a disbursement of cash from the Cash Settlement Account (defined below) in the amount of such Eligible Class Member’s Past Overcharge Amount(s) (the “Settlement Distributions”).

If an Eligible Class Member’s Past Overcharge Amount is equal to or less than two hundred fifty dollars (\$250.00, such eligible Class Member’s Past Overcharge Amount shall be deemed to be \$250.00. Defendant will contribute at least \$740,000.00 into the Cash Settlement Account, in two payments: (a) \$100,000.00 within ten (10) days of the date of final approval of this Settlement; and (b) \$640,000.00, plus accrued interest, within ten (10) days of the Building’s transfer of ownership, or thirty (30) months from the Effective Date, whichever is sooner.

If the total Past Overcharge Amount for all Eligible Class Members exceeds the available funds in the Cash Settlement Account (the “Net Cash Settlement Amount”), then the Past Overcharge Amount will be paid based on the pro rata share that each Eligible Class Member’s Past Overcharge Amount bears to the total Net Cash Settlement Amount.

The amounts of the “Past Overcharge Amounts” for the Class Members shall be calculated by subtracting each unit’s initial Net Effective Rent (i.e. the average rent, taking into account any concessions) from the rent paid by the Class Member on a monthly basis, beginning on February 27, 2016, and adding interest to that amount, at the statutory interest amount of 9% per annum, calculated on a month-by-month basis, until the date of execution of this Stipulation. The Past Overcharge Amount shall be reduced by any amount due and owing to the landlord (“Non-Payment Deductions”) by the Eligible Class Member.

The Settled Rent (i.e., the rent going forward) is the Legal Regulated Rent for each unit, registered with DHCR, and subject to the preferential rent limitations of the RSC and RSL.

If an Eligible Class Member leased more than one Unit during the Class Period, all Past Overcharge Amounts for each lease term will be combined into one Past Overcharge Amount. Regardless of the number of Units an Eligible Class Member leased, if such Eligible Class Member had co-tenants who were not signatories to each of the leases for such Eligible Class Member, lease terms with different co-tenants on the applicable lease will not be aggregated for purposes of calculating the Past Overcharge Amount, and the Eligible Class Member will have separate Past Overcharge Amounts for each lease term for which there were different co-tenants.

Past Overcharge Amounts and claims for Past Overcharge Amounts shall not be assignable or otherwise transferable by Eligible Class Members to any person or entity, other than Eligible Class Member's executor, administrator, or trustee (for a trust that is in existence as of the Preliminary Approval Date or is a special needs trust) who may file or accept payment of that Class Member's claim.

If the Eligible Class Member for a particular lease term consists of two or more co-tenants, the Past Overcharge Amount will be divided equally amongst them. Settlement Distributions shall be made to only those co-tenants who timely submit a Claim Form. Any Non-Payment Deductions also shall be made equally and proportionally from each such co-tenant's Settlement Distribution, even if other co-tenants exist but fail to submit a Claim Form (unless any other co-tenant opts out, in which case all the co-tenants shall be deemed to have opted out, including those co-tenants who timely submit a Claim Form). Any disputes among co-tenants concerning the allocation of any Settlement Distributions under this Settlement must be addressed and resolved amongst the co-tenants outside the scope of this Settlement, and the existence of any such actual or potential disputes shall not be a basis for objecting to the Settlement.

Any Non-Payment Deductions that will be deducted from any Past Overcharge Amount as discussed above shall be remitted to Landlord at the time Settlement Distributions are made. Any such payments to Landlord will reduce any amount owed by an Eligible Class Member, but such Eligible Class Member shall remain liable to Landlord for any balance remaining due after such payments. Any rent forgiven as part of any public health emergency legislation shall not be deducted as part of any Non-Payment Deductions. Any rent payment plan entered into by a tenant with Landlord prior to the Order and Final Judgment Date shall be accelerated and treated as a Non-Payment Deduction. If the amount owed under such payment plan exceeds the Past Overcharge Amount, then no Settlement Distribution shall be made, and the remaining rental arrears shall be due and payable pursuant to the payment plan. If the Landlord claims a Non-Payment Deduction should be made to an Eligible Class Member's claim, such Eligible Class Member shall have forty-five (45) days from the receipt of notice to submit an objection to the claimed Non-Payment Deduction and any supporting documentation or other materials (the "NPD Objections"). Plaintiffs and Defendant will confer on the resolution of all NPD Objections. All NPD Objections that cannot be resolved will be submitted to the Court for determination.

TO RECEIVE ANY DAMAGES TO WHICH YOU MAY BE ENTITLED, YOU MUST FILE A CLAIM FOR SETTLEMENT DISTRIBUTIONS BY COMPLETING THE ATTACHED CLAIM FORM AND MAILING IT POSTMARKED ON OR BEFORE FEBRUARY 13, 2026, TO NEWMAN FERRARA LLP AT THE ADDRESS LISTED ON THE CLAIM FORM.

If a single Unit had multiple co-tenants at any given time, any subsequent dispute as to the entitlement to any Settlement Distributions under this Stipulation shall be solely between and among such co-tenants without recourse to Landlord and without any liability to any of the parties to this Stipulation. For identity verification purposes, all Claim Forms shall require Class Members to provide the month and year when their lease(s) commenced and terminated and the addresses of such Class Member's leased Unit(s). Class Members who do not timely file a Claim Form pursuant to these procedures shall be deemed to have waived and released their Past Rent Claims and Past Overcharge Amounts but shall nonetheless remain subject to the applicable releases discussed below unless he, she or it decides to opt out. Determinations as to whether a Claim Form has been timely and properly filed shall be made by the Claims Administrator.

Any claims for treble damages, any other punitive damages, fines, and/or interest (other than 9% simple interest referenced above) are waived under the Settlement.

If you wish to opt out (defined below) of this damages portion of the settlement, you may do so by the procedures outlined below at Section V, "Your Right to Opt Out." If you do so, you will not be entitled to any monetary payment under this Settlement, but you may retain the right to seek past damages in an independent action or proceeding. Please read Section V carefully before opting out, as it sets forth additional risks those who opt out ("Opt-Outs") may potentially face.

IV. RELEASES

The Stipulation provides that if the Settlement is approved by the Court, a judgment will be entered dismissing the Complaint with prejudice, and containing a broad release applicable to you, both individually and on behalf of all other members of the Class. All Class Members (other than Opt-Outs), whether or not they submit a Claim Form, will release the Defendant and certain related parties from all claims that were or could have been made in the Action, including without limitation, damages, penalties, punitive damages, treble damages, liabilities or other remedies relating to (a) residential rents at the Building, (b) the rent-regulated status of any Unit at the Building, and/or

(c) any other claims arising under the RSL or RSC based on any act, event, or alleged failure to act prior to the Order and Final Judgment Date, including but not limited to any claim that a tenant was entitled to any particular form of lease, notice, or that the Building had to be registered with any governmental agency (the “Released Claims”).

The full language of the releases is set forth in the Stipulation.

V. YOUR RIGHT TO OPT OUT

You may choose to be excluded from the provisions of the Settlement relating to the Past Rent Claims. If you choose to be excluded in this way (“opt out”), you will not receive any cash payment as a result of this Settlement, and you may seek damages by bringing an independent action or proceeding on your own behalf.

Each Class Member will be bound by all provisions of the Stipulation and the Settlement, whether favorable or unfavorable, unless such person mails, by First Class Mail, a written request for exclusion from the Class, postmarked no later than FEBRUARY 13, 2026 (the “Bar Date”), addressed to the Claims Administrator, which shall provide daily reports of such requests to each of the parties’ attorneys. **No Class Member may exclude himself, herself, or itself from the Class after the Bar Date.**

In order to be valid, each request for exclusion must (a) set forth the name and address of the Class Member requesting exclusion (the “Opt-Out”); (b) provide that such Class Member “requests exclusion from the Class in *Hardy v. 595 Baltic Asset LLC*, Index No. 151732/2022”; (c) be signed by such Class Member; and (d) include the addresses of all of such Class Member’s leased Unit(s). **Requests for exclusion will not be accepted if they do not include the required information or if they are not made within the time stated above unless they are otherwise accepted by the Court.** If one co-tenant of a Unit is an Opt-Out, all co-tenants of that Unit shall likewise be deemed to be Opt-Outs as to each lease term for which they were co-tenants.

The maximum rent for all Opt-Outs who are current tenants of the Building at the time they opt out shall be the Settled Rent and may be increased thereafter in accordance with applicable law.

Opt-Outs will not receive any Settlement Distributions. In any subsequent proceeding, Opt-Outs may make any claim or argument as to Past Rent Claims belonging to such Opt-Outs and Defendant may raise any defenses available to them whether at law, equity, or pursuant to the Order and Final Judgment. Unless expressly provided in this Stipulation, Class Members may not choose to be excluded from any provisions of this Stipulation including, but not limited to, all provisions regarding Future Rent Claims and the declaratory relief discussed above.

VI. REASONS FOR THE SETTLEMENT

Defendant claims that it has meritorious defenses to the claims made in the Action and expressly denies all allegations raised in the Action and any wrongdoing or violation of law. Nevertheless, Defendant is entering into the Settlement solely because the proposed Settlement will eliminate the uncertainties, burden, and expense of further litigation.

Plaintiffs and Lead Counsel believe that the Settlement is fair, reasonable, adequate, and in the best interests of the Plaintiffs and the Class. Plaintiffs and Lead Counsel also took into consideration the strengths and weaknesses of the Class’s claims and defenses and determined that the terms of the proposed Settlement are fair, reasonable, adequate, and in the best interest of the Class.

VII. CONDITIONS OF SETTLEMENT

This Settlement is conditioned upon the fulfillment of a series of conditions that relate to, among other things, final court approval, dismissal of the Complaint with prejudice, and the occurrence of the Effective Date without any material change to the terms of the Stipulation (unless agreed to in writing by the parties). If any of the conditions do not come to pass, the Settlement shall be null and void, and no party shall be prejudiced by having signed the Stipulation.

VIII. FINAL ORDER AND JUDGMENT

If the Settlement (including any modification thereto made with the consent of the parties) shall be approved by the Court following the Settlement Hearing as fair, reasonable, adequate, and in the best interests of the Class, an Order and Final Judgment shall be entered in substantially the same form attached as Exhibit C to the Stipulation.

The approval of the Settlement by the Court shall be considered final for purposes of the Stipulation upon the first day following the last of the following occurrences (the “Effective Date”): (a) the last date to file an Appeal or seek permission to Appeal has expired with no Appeal having been taken or sought; or (b) if any Appeal is taken or sought, the date a remittitur or order is entered by a court: (i) affirming the Order and Final Judgment or denying or dismissing any Appeal from the Order and Final Judgment, and any Appeal is finally dismissed or the Order and Final Judgment is finally affirmed with no possibility of subsequent Appeal therefrom; (ii) reversing or modifying the Order and Final Judgment in any non-material respect and (1) the time for any further Appeal has expired without such Appeal having been taken or sought or (2) any further Appeal is finally denied or dismissed or the Order and Final Judgment is finally affirmed with no possibility of subsequent Appeal therefrom; and (iii) reversing or modifying the Order and Final Judgment in a material respect provided Plaintiffs and Defendant agree in writing to remain bound to the Settlement as reversed or modified and (1) the time for any further Appeal has expired without such Appeal having been taken or sought or (2) any further Appeal is finally dismissed or the Order and Final Judgment is finally affirmed with no possibility of subsequent Appeal therefrom. For purposes of this definition, a reversal or modification shall be deemed “material” if it materially affects any term of this Stipulation.

IX. PLAINTIFFS’ ATTORNEYS’ FEES AND EXPENSES AND OTHER PAYMENTS

Lead Counsel may apply to the Court, unopposed by Defendant, for a fee award of up to 33.33% of the Settlement Amount, plus out-of-pocket expenses (the “Attorney’s Fees and Expenses Award”), to be paid from the Settlement Amount.

Plaintiffs may apply, unopposed by Defendant, to the Court for approval of an incentive award (the “Class Representative Incentive Award”) in the amount of \$12,500 each. The Class Representative Incentive Award shall be deducted from the Settlement Amount.

All the expenses incurred by Newman Ferrara LLP in connection with providing Notice, including, but not limited to, the expenses associated with printing and mailing the Notice to Class Members (the “Notice Costs”) will be deducted from the Settlement Amount.

X. STAY OF PROCEEDINGS

Pending final determination of whether the Settlement should be approved, you are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any claims asserted in this Action, either directly, representatively, derivatively, or in any other capacity, against Defendant or any of the parties released.

XI. SUCCESSORS AND ASSIGNS

The Stipulation and all its terms will be binding on you and any agent, heir, affiliate, successor, executor, affiliate, and assign of yours, as well as any agent, executor, heir, affiliate, successor, and assign of Defendant.

XII. CHOICE OF LAW

The parties have agreed that the Stipulation and the Settlement contemplated by it shall be governed by and construed in accordance with the laws of the State of New York, without regard to New York’s conflict of law rules, as said laws exist on the execution of the Stipulation.

XIII. SETTLEMENT HEARING AND RIGHT TO APPEAR

You have the right to appear in person or through an attorney in Court at the Settlement Hearing and object to the proposed Settlement, or to otherwise be heard at the Settlement Hearing. You may present any evidence or argument that may be proper and relevant. However, to do so, you must, by no later than FEBRUARY 13, 2026, file with the Clerk of Court and serve notice of your intent to appear by hand or by first class mail, postage prepaid, upon counsel for the parties, as specified below:

Roger Sachar Jr., Esq.
NEWMAN FERRARA LLP
1140 Sixth Avenue, 9th Floor
New York, NY 10036
rsachar@nflp.com

Attorneys for Plaintiffs

Luise A. Barrack, Esq.
ROSENBERG & ESTIS, P.C.
733 Third Avenue
New York, NY 10017
lbarrack@rosenbergestis.com

Attorneys for Defendant

Such notice shall contain (a) a written notice of intention to appear containing a notarized statement attesting to the fact that such person is a member of the Class, and setting forth the Unit(s) in the Building in which the Class Member resides or resided and the dates of said residence; (b) a detailed statement of such person's specific position with respect to the matters to be considered at the Settlement Hearing and the grounds therefore; and (c) copies of any papers such person intends the Court to consider.

Any member of the Class who fails to object in the above-prescribed manner shall be deemed to have waived his, her, or its objection and shall be barred from raising such objection in this or any other action or proceeding.

Any Class Member who files and serves such a notice will be subject to discovery procedures by the parties' counsel to enable counsel to explore the objector's standing to object and the basis for the objection, as well as other relevant matters. Such discovery procedures may include, without limitation, taking your testimony under oath, demanding your answers to interrogatories or other written questions, and compelling production of documents and other relevant materials by you. All such discoveries will be conducted and completed before the Settlement Hearing. By filing and serving such a notice, you will be deemed to have consented to conducting all such discoveries on an expedited basis on three (3) days' written notice served upon you or your counsel, should you hire counsel.

Members of the Settlement Class who have no objection to the proposed Settlement do not need to appear at the Settlement Hearing or take any other action. If the Settlement is not approved, the case will continue, and the Stipulation and the proposed Settlement shall become null and void and of no further force or effect.

XIV. DISMISSAL OF THE ACTION

If the Court approves the proposed Settlement, the Court will enter a judgment

- approving the proposed Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and directing consummation of the proposed Settlement, in accordance with the terms and conditions of the Stipulation;
- dismissing the Action with prejudice on the merits, without costs except as provided in the Stipulation;
- permanently barring and enjoining any and all Class Members from instituting, commencing, prosecuting, participating in, or continuing any action or other proceeding in any court or tribunal of this or any other jurisdiction, either directly, representatively, derivatively, or in any other capacity, asserting any claims that arise out of, or in any way relate to, the Released Claims;
- awarding Lead Counsel such fees and expenses as the Court deems appropriate; and
- reserving jurisdiction over all matters related to the consummation of the proposed Settlement.

The Court has the right to approve the proposed Settlement with modifications and without further notice to members of the Class. The Court may also adjourn the Settlement Hearing or any previous adjournment thereof without further notice other than to counsel for the parties.

XV. SCOPE OF THIS NOTICE

The foregoing description of the Action, the Settlement Hearing, the terms of the proposed Settlement, and other matters described herein does not purport to be comprehensive. The references in this Notice to the pleadings in the Action, the Stipulation, and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims that have been asserted by the parties, and the terms and conditions of the Settlement, including a complete copy of the Stipulation and related orders and proposed forms of orders, members of the Class are referred to the Court files for the Action. You or your attorney may examine the public Court files during regular business hours of each business day at the offices of the Clerk, Supreme Court of the State of New York, County of New York, 60 Centre Street, New York, NY 10007. The index number for the Action is 151732/2022.

FURTHER INFORMATION

Any questions you have about the matters in this Notice should NOT be directed to the Court, but should instead be directed by telephone or in writing to:

Newman Ferrara LLP
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(212)619-5400