

The Park West Tenant

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The Newsletter of the Park West Village Tenants' Association

January 1987

CONVERSION STILL ON HOLD: THE LATEST CHAPTER

Synopsis: On October 4, 1985, the proposed conversion plans for 372 and 382 CPW were accepted for filing by the Attorney General's (A.G.'s) office. The Helmsley organization as sponsor of the plans had 15 months -- to January 5, 1987 -- in which to sell 15% of the apartments to bona fide purchasers. After 15 months, if 15% bona fide purchasers had not signed up, the plans were to be declared "dead," and no new plans could be issued for another year.

Previous newsletters have summarized the legal issues. The latest moves by the sponsor to effect conversion plans, and by PWVTA to stop the conversion, and if it cannot be stopped, to improve the plans, are outlined below.

September 15 and 22, 1986. Conversion plans are "declared" effective by Helmsley in Seventh Amendments -- subject to review and approval by the A.G.'s office. Lists of prospective purchasers in 372 and 382 amounting to roughly 16% of apartments are submitted to the A.G.

October, 1986 PWVTA begins normal review process, contacting by phone or in person as many would-be purchasers as possible. A number are living elsewhere, though all have signed purchase agreements stating:

"I represent... that I am purchasing the apartment for my personal occupancy or for the occupancy of a member of my immediate family."

A few subscribers work for the sponsor or are purchasing the apartments for company use. PWVTA raises questions with the A.G. on what constitutes "bona fides."

November 6, 1986: A.G.'s office sends a 5-page confidential questionnaire to all subscribers requesting its completion and notarization by November 20. A follow-up letter is sent to slow respondents.

Early December, 1986 A.G. reviews the information submitted by PWVTA and by subscribers on the A.G.'s questionnaire. The numbers questioned by PWVTA alone would bring the sponsor's list below the 15% needed for conversion.

Also Early December, 1986 TOMAC, an organization in 372 and 382 interested in negotiating a better deal for tenant purchasers, reports that about 150 tenants in the two buildings have deposited \$1,000 each and signed a proposition offering to buy their apartments if Helmsley cuts the price to 50% of the listed outsider price and agrees to negotiate substantial management changes.

December 29, 1986 With a week to go before the plan expires, the Helmsley organization apparently decides that the risks of fraud

December 30, 1986 Two revisions later, in an extraordinary 24-hour turnaround time, the A.G.'s office approves the revised Seventh Amendment. Carol Mann, head of the PW Management Office and a V. P. of the sponsor's Supervisory Management Co., signs and dates nearly 150 purchase agreements December 30, and presumably before midnight the sponsor mails to all 372 and 382 tenants the Revised Seventh Amendment and a letter of notice that the plans are (again) declared effective.

The rush to get everything dated December 30 was because of the requirement that notice be given 5 days before the expiration of the plan. The Eighth Amendment, with the new list of subscribers, was therefore expected to be submitted within the 5-day regulatory period and before the plan's expiration on January 5.

January 5, 1987 PWVTA reps go to the A.G.'s office to ascertain if the Eighth Amendment has been received. By 5 PM, it has not.

January 7, 1987 The Eighth Amendment is submitted to the A.G.'s office and sent to 372 and 382 CPW residents. The list of purchasers and purchase agreements are attached in the material to the A.G.'s office. The next day, PWVTA representatives make an appointment to review the documents.

January 13, 1987 PWVTA reps review the lists and pertinent documents at the A.G.'s office. Some of the names questioned by PWVTA have been withdrawn from the "15%", some have not. PWVTA begins a further review.

January 20, 1987 The A.G.'s office sends questionnaires to new subscribers on the list, and indicates it will continue reviewing both "old" names and new.

January 23, 1987 PWVTA reps, with counsel

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December 29, 1986 With a week to go before the plan expires, the Helmsley organization apparently decides that the risks of fraud or challenges to the bona fides of the first list are too great. In order to be able to include TOMAC subscribers in a second "15%" list needed to declare the plan effective, the sponsor accepts TOMAC's proposals and submits a revised Seventh Amendment to the A.G. withdrawing the first list.

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January 23, 1987 PWVTA reps, with counsel Eugene Eisner, accompanied by Senator David Paterson, Assemblymen Ed Sullivan and Jerrold Nadler, and senior aides from the offices of Congressman Rangel, Councilperson Ruth Messinger, and Borough President David Dinkins, meet with Assistant Attorney General Frederick Mehlman and his staff for a discussion of outstanding issues. The A.G.'s representatives state that if significant evidence of fraud by the sponsor is found, approval of the plan could be withheld.

* **Nominations for PWVTA Offices** are open. Notices of Nomination Procedure will be posted in all buildings.
* **PWVTA Membership** voted overwhelmingly on Jan. 20 to increase dues to \$50 per apartment; invitations to come.