

Finkelstein Newman LLP

Newsletter

May 2005
Issue 8

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FINKELSTEIN NEWMAN CLOSSES \$54.5 MILLION DEAL!

In April, Jonathan H. Newman and Robert C. Epstein, assisted a client in selling a large, mixed-use building located in SoHo for 54.5 million dollars. The building, with 110 residential tenants and six commercial storefronts, is likely slated for conversion to high-end condominiums.

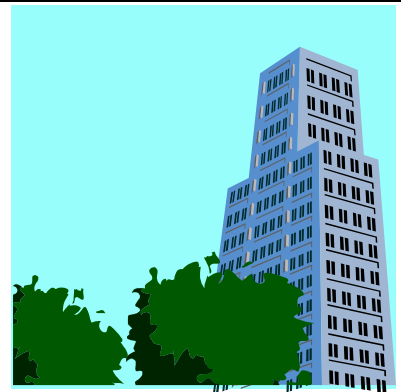
Finkelstein Newman LLP represented the former owner and worked intensively with lenders from Lehman Brothers, Fannie Mae, and Deutsche Bank, and Land America Title Co., in order to close the deal in a under a month.

“This deal came together rather quickly,” said Mr. Epstein. “Typically, even when you have a ‘ready, willing, and able’ buyer and seller, when you are talking about a deal this large, there are going to be issues and questions that arise that will delay the closing for at least a short time.”

Mr. Newman interjected, “One of the reasons this deal closed without a hitch is because we ensured that our client was prepared for every eventuality. We had everything in place so that we were ready to address any issue that arose.”

This deal represents one of a number of transactions that Newman and Epstein have completed since Epstein joined the firm in April of 2004. Other recent transactions have included the sale of an 80 unit apartment building in Brooklyn for over \$8.5 million, and the sale of air rights by a condominium development (at over \$65 per square foot). “In addition to our extensive litigation practice, these substantial transactions reinforce that we are positioned to help our clients with buying or selling single-family homes to multi-unit residential structures, hundreds of thousands of square feet of commercial space, and everything in between,” said Mr. Newman.

If you have a real-estate transaction or otherwise require assistance, you are invited to contact Jonathan H. Newman, Esq. at 212-619-5400 ext. 205, or, email him at JNewman@FinkelsteinNewman.com.



IN THE NEWS: FIRST QUARTER RECAP

Over the past several months, Finkelstein Newman LLP attorneys have been featured by various media outlets and quoted in a number of publications on an array of topics. Managing partner Jonathan H. Newman was profiled in the February 2005 issue of the *Mann Report*, the March 22, 2005, issue of *New York Real Estate Journal*, and co-authored with partner Robert Finkelstein, a subleasing article that appeared in that same publication.

Finkelstein Newman LLP
225 Broadway, 8th Fl.
New York, NY 10007
212-619-5400
www.finkelsteinnewman.com

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UPCOMING SEMINARS

JUNE 8, 2005

COMMERCIAL LEASING: BASICS FROM THE PROS!

On Wednesday, June 8, 2005, partner Lucas A. Ferrara and Robert C. Epstein, of counsel to Finkelstein Newman LLP, will be featured speakers at a full-day continuing legal education (“CLE”) seminar entitled “Basics of Commercial Leases.” The course will provide a detailed analysis of key commercial lease provisions and will examine the elements and practical considerations that pertain to negotiating commercial leases, from both the landlord’s and tenant’s perspectives. Discussion will also focus on reducing risks and costs for owners and lessors.



CRITICAL ISSUES ON THE AGENDA

- ◆ **Overview of Commercial Leasing**
- ◆ **Essential Commercial Lease Terms**
- ◆ **Brokerage Issues**
- ◆ **Leasing Markets and Trends**
- ◆ **Bankruptcy Implications**

CONTINUING EDUCATION CREDITS:

- | | |
|--------------|-------------------|
| ◆ NY CLE 8.0 | ◆ NY RE (pending) |
| ◆ PMI 6.50 | ◆ CPE 8.0 |

For pricing information, including group discounts, or to register for this course, please contact Lorman Education Services at (888) 678-5565 or at www.Lorman.com.

IN THE NEWS: FIRST QUARTER RECAP

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On March 1, 2005, *The New York Post* quoted Robert Finkelstein and mentioned the firm by name in a news story regarding the firm’s victory after trial on behalf of a major commercial tenant. On March 23, 2005, Robert was featured in a *Real Estate Weekly* profile that examined the rich legacy he inherits from his father, senior partner Daniel Finkelstein, who is celebrating his 50th year as a lawyer.

Partner Lucas A. Ferrara was profiled in the April 2005 *Mann Report*, as well as the March 22, 2005, issue of *New York Real Estate Journal*. Lucas also addressed two separate “Q&A” inquiries that were published in the *New York Times*. The first, appeared on February 27, 2005, and dealt with rent-stabilized tenants and issues pertaining to “luxury” decontrol. The second addressed the collectability of broker’s fees on lease renewals, and appeared on April 3, 2005.

Robert C. Epstein, of counsel, was quoted extensively in two articles, each dealing with issues surrounding terrorism-insurance costs. The first appeared in the February 2005 issue of *Commercial Tenant’s Lease Insider*, and the second was published in the March 2005 *Commercial Lease Law Insider*, both published by Brownstone Publications.

Finally, even associate Daniel J. Curtin, Jr. was quoted in the *Times* on March 6, 2005, in an article discussing the delicate balance between safety and privacy concerns triggered by the monitoring and recording of buildings’ common areas.

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DOWN THE HALL: HALLENBORG-HEINE LLC



Mary Ann Hallenborg

Finkelstein Newman shares its full-floor office suite with two other law firms. This month we feature our newest neighbor, Hallenborg-Heine LLC, a New Jersey-based law firm offering construction related legal services. Hallenborg-Heine focuses on construction-project oversight, together with litigating, leasing, and property management disputes. Their impressive roster of clients includes a number of "A-list" celebrities such as Mathew Broderick, Sarah Jessica Parker, and Richard Gere. In addition, Hallenborg-Heine offers mediation services in dis-



I. Michael Heine

putes involving contract interpretation and enforcement, damage and insurance-coverage assessments, and construction related deficiencies and defects. These types of legal services are particularly valuable during the construction phase, when it is of critical importance to ensure that projects are completed on time and within budget.

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Hallenborg-Heine partner Mary Ann Hallenborg noted that, "We're extremely pleased to be neighbors with Finkelstein Newman and to expose our respective clients to our different concentrations and services."

"Offering access to a wider-array of services is just one way Finkelstein Newman assists its clients in achieving their goals," said partner Robert Finkelstein. "This is an additional resource for our New York-based clients, as well as for those in New Jersey requiring New York representation. Mary Ann Hallenborg and I. Michael Heine are acknowledged industry leaders and are highly regarded and qualified," added partner, Lucas A. Ferrara.

Senior partner Daniel Finkelstein summed it up best by noting, "The goal is to provide clients with as many tools as may be needed to get the job done. The construction expertise Hallenborg-Heine brings to the table is yet another factor by which we distinguish ourselves as a firm and allows us to better serve our clients."

For more information on Hallenborg-Heine LLC, contact Jonathan H. Newman at JNewman@FinkelsteinNewman.com or at (212) 619-5400, ext. 205.

COMING NEXT MONTH: NUISANCE!

Next month's newsletter will feature an overview of the law pertaining to "nuisance." Whether you live in a coop, condo or rental unit, "nuisance" complaints and conditions are being reported with increasing frequency. What are your rights? Next month's edition will examine the law and review the basics of bringing or defending these "annoying" kind of cases.

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AGENCY ALERT: NEW DHCR FACT SHEETS

New York State's Division of Housing and Community Renewal (DHCR) issues or updates "Fact Sheets" to assist property owners and tenants in understanding the complex process of maintaining housing units and safeguarding the panoply of rights associated with regulated units. The Fact Sheets outline DHCR policies and procedures and are an invaluable reference tool when one is trying to assess the remedies available for addressing problems or conditions that fall within the DHCR's purview. The four new fact sheets are:

Fact Sheet No. 32: Mediation

Outlines the protocols for mediation of owner/tenant disputes within the context of a DHCR administrative proceeding, and focuses on service complaints and the like.

Fact Sheet No. 36: High-Rent Vacancy Decontrol and High Rent High Income Decontrol This publication covers the procedures for deregulation of regulated units when either the regulatory "high rent" threshold is met, coupled with either vacancy of the previous regulated tenant or the existing tenant's high income. Exceptions to the deregulation provisions are also outlined.

Fact Sheet No. 38: Substantial Rehabilitation

Addresses those instances when an owner's rehabilitation of an existing housing accommodation (or creation of a new accommodation) may entitle the owner to seek a first rent that is "free market" and not subject to rent regulation.

Fact Sheet No. 39: Comparative and Alternative Hardship

Details the process for an owner's seeking building-wide rent adjustments based on hardships triggered by rent guideline increases which are insufficient to allow for the building's maintenance and upkeep of services.

For more information contact Andrew J. Wagner at 212-619-5400 ext. 220 or AWagner@FinkelsteinNewman.com.



Finkelstein Newman LLP

225 Broadway, 8th Fl.
New York, NY 10007
212-619-5400

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Visit us at:

www.finkelsteinnewman.com