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Text

Lotus Developer Settles Lawsuit

Kohn hands over 10 apartments to condo board after AG investigation

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By David Jones

The developer of the Lotus condominium in Williamsburg has agreed to hand over 10 apartments to the condo board, settling a private lawsuit and investigation by the attorney general amid complaints about structural defects at the building and thousands of dollars in unpaid common charges.

Developer Steven Kohn signed a "confession of judgment" at Attorney General Eric Schneiderman's office June 3, giving the 10 unsold apartments to the condo board, according to documents obtained by *The Real Deal*. The board will be able to rent out the units to help cover the costs of fixing the building. The developer also signed a personal guarantee, backing up promises made in the settlement.



The Lotus Condominium

"Our clients are ecstatic," said **Adam Leitman Bailey**, who represented Lotus residents in the suit, along with attorney **Leni Morrison Cummins**. "We're getting more money than we actually need to fix the building."

The 29-unit Lotus condominium, located at 610 Union Avenue and designed by architect Abraham Hertzberg, began closing units in 2006. Most of the units sold at prices ranging from \$533,000 to \$708,000, according to Streeteasy.com

Shortly after moving into the building, residents began complaining about leaks in the building's exterior walls, toilets that didn't properly flush, and broken elevators. Unit owners said they complained to Kohn, but he failed to respond. They hired legal counsel and took their complaints to the attorney general's office.

Lotus unit owners filed a \$1 million suit against developer Steven Kohn in Brooklyn Supreme Court in October 2010, alleging that he committed multiple building code violations at the Lotus, resulting in defective electrical, plumbing, and ventilation systems at the building. He also allegedly failed to pay more than \$36,000 in common charges on 10 units he owned in the building.

Neither Hertzberg nor Kohn could be reached for comment. The AG's office declined comment.