

SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION,
FIRST DEPARTMENT

Maddicks v. 106-108 Convent BCR, LLC

2026 NY Slip Op 02206 (Supreme Court of the State of New York Appellate Division First Department 2026) ·
No. Index No. 656345/16; Appeal No. 6365; Case No. 2025-02962 · Decided April 14, 2026

SUMMARY

The Appellate Division, First Department affirmed the denial of plaintiffs' motion seeking a finding that defendants engaged in a methodical rent overcharge scheme and requesting appointment of a special referee. The court held that plaintiffs had not submitted sufficient underlying leases and other records to establish entitlement to summary judgment, while permitting them to renew their motion after discovery. The court also addressed the evidentiary requirements and statutory standard for proving that an owner knowingly engaged in a fraudulent scheme to deregulate rent-stabilized units.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Webber, J.P.; Gesmer, J.; Mendez, J.; Pitt-Burke, J.; Hagler, J.
JURISDICTION	New York Appellate Division, First Department
DECIDED	April 14, 2026
DOCKET	Index No. 656345/16; Appeal No. 6365; Case No. 2025-02962
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiffs appealed from an order of Supreme Court, New York County, denying their motion under CPLR 906(1) for a declaration that defendants engaged in a rent overcharge scheme and for appointment of a special referee. The Appellate Division affirmed, without prejudice to plaintiffs' ability to move for summary judgment under CPLR 3212.
STANDARD OF REVIEW	De novo review of the legal sufficiency of plaintiffs' summary-judgment showing and application of the summary-judgment standard under CPLR 3212.
PRECEDENTIAL VALUE	Published precedential opinion
PARTIES	Theresa Maddicks, et al. v. 106-108 Convent BCR, LLC, et al.

TOPICS

landlord tenant

summary judgment

statutory interpretation

appellate procedure

civil procedure

PRACTICE AREAS

landlord-tenant law

rent regulation

civil procedure

appellate procedure

QUESTIONS PRESENTED

1. Whether CPLR 906(1) provided a vehicle for determining, as a matter of law, that plaintiffs were victims of a rent overcharge scheme.
2. Whether plaintiffs established their prima facie entitlement to summary judgment by eliminating all possible bases for deregulation and establishing the impropriety of rent increases for individual apartments.
3. Whether affidavits from tenants or other persons with personal knowledge were necessarily required to establish a fraudulent rent-regulation scheme on summary judgment.
4. Whether the 2024 amendments require plaintiffs to establish that an owner knowingly engaged in a fraudulent scheme to deregulate a unit.

HOLDINGS

1. CPLR 906(1) is not a vehicle for determining the disputed rent-overcharge issue as a matter of law. The motion court properly treated plaintiffs' motion as one for summary judgment rather than deciding the issue under CPLR 906(1).
2. Plaintiffs failed to establish prima facie entitlement to summary judgment because they did not submit the leases and other underlying documents necessary to perform a complete documentary analysis of individual apartment improvements, determine the legal regulated rent on the base date, and evaluate the applicable rent increases.
3. An affidavit by a tenant is not necessarily required to establish a fraudulent scheme claim on summary judgment, particularly after the 2024 statutory amendment clarifying that the court must consider the totality of the circumstances and need not require proof of the elements of common-law fraud.
4. Plaintiffs must establish that defendants knowingly engaged in a fraudulent scheme to deregulate a unit.

KEY QUOTATIONS

“However, CPLR 906(1) is not a vehicle for issue determination.” ([*1])

“Since tenants do not have to prove reliance to establish a fraudulent scheme as courts previously required, an affidavit by a tenant is not necessarily required to establish summary judgment on a fraudulent scheme claim” ([*2])

“In further proceedings, plaintiffs' burden is to establish that defendants "knowingly engaged in a fraudulent scheme to deregulate a unit"” ([*3])

FACTUAL BACKGROUND

Plaintiffs alleged that defendants engaged in a methodical scheme to inflate rents and unlawfully deregulate rent-regulated apartments. Plaintiffs submitted certified rent rolls and charts summarizing discovery evidence, but did not submit the relevant leases and other documents needed to analyze individual apartment improvements, the legal regulated rent on the base date, and subsequent lawful increases. Defendants had not produced many relevant records, particularly records supporting pre-base-date deregulations.

PROCEDURAL HISTORY

The action had been pending for more than eight years. Supreme Court treated plaintiffs' CPLR 906(1) motion as a motion for summary judgment and denied it because plaintiffs had not submitted sufficient documentary proof and, according to the motion court, lacked affidavits from tenants or other persons with personal knowledge. The Appellate Division affirmed the denial but clarified the applicable proof requirements and noted that defendants had not yet produced many relevant records, particularly records concerning pre-base-date deregulations.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

No formal remand was ordered. The affirmance was without prejudice to plaintiffs' ability to file a motion for summary judgment under CPLR 3212 after discovery and production of relevant records.

CASES CITED

- Reichenbach v. Jacin Invs. Corp., 237 AD3d 446, 447 (1st Dept 2025), lv dismissed, 44 NY3d 1022 (2025)
- Casey v. Whitehouse Estates, Inc., 39 NY3d 1104, 1107 (2023)
- Zuckerman v. City of New York, 49 NY2d 557, 563 (1980)
- Thomas v. 560-566 Hudson LLC, 219 AD3d 1193 (1st Dept 2023)
- Tribbs v. 326-338 E 100th LLC, 215 AD3d 480 (1st Dept 2023)
- Burrows v. 75-25 153rd St., LLC, 44 NY3d 74, 83 (2025)
- Grey v. LIC Dev. Owner, L.P., __ AD3d __, 2026 NY Slip Op 01458, *3 (1st Dept 2026)
- Alekna v. 207-217 W. 110 Portfolio Owner LLC, 241 AD3d 414, 417 (1st Dept 2025)
- Matter of Regina Metro. Co., LLC v. New York State Div. of Hous. & Community Renewal, 35 NY3d 332, 356 n. 7 (2020)