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~~June 10, 2002~~

11/16/01

**VIA FACSIMILE 752-0097**  
**AND FIRST CLASS MAIL**

Bleecker Charles Company  
c/o Kenneth B. Newman  
488 Madison Avenue, 8<sup>th</sup> Floor  
New York, NY 10022

Re: 350 Bleecker Street Apartment Corp.  
Our File No.: 23500-000

Dear Ken:

We are in receipt of your fax dated November 16, 2001. At first, I was tempted to respond to your letter (which is full of inaccuracies and fantasy) point-by-point. Instead, I decided that I would not even dignify the letter with a point-by-point response.

I have been informed by the Board that no communications from the Board were sent to all shareholders other than ones which were sent to you and/or are on the corporation's website. This being said, I understand that there were personal communications to shareholders by many shareholders (including some directors, Steve Hanley, and even yourself). There is no requirement that all such communications must be sent to all shareholders. As an aside, I am not even aware of any legal requirement that requires all shareholders to receive all communications from a Board of Directors.

As to the real issue at hand, the Business Corporation Law ("BCL"), pursuant to which 350 Bleecker Street Apartment Corp. operates, discusses the issue of what books and records of account are to be kept by a corporation and what a shareholder may demand to see. Section 624 of the BCL states that

(b) Any person who shall have been a shareholder of record ... shall have the right to **examine in person** or by agent or attorney, during usual business hours, its **minutes of the**

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***proceedings of its shareholders*** and a record of shareholders and to make extracts therefrom... [emphasis added]

Frankly, your request for the minutes of the Board were over-reaching under the BCL, but the Board decided to allow you to review a redacted version of the Board minutes. Notwithstanding this fact, the law is very clear: a shareholder has a statutory right to only review minutes of shareholder meetings and the list of shareholders, and that is all.

(c) An inspection authorized by paragraph (b) may be denied to such shareholder or other person upon his refusal to furnish to the corporation...an affidavit that such inspection is not desired for a purpose which is in the interest of a business or object other than the business of the corporation...

The BCL also has a provision which considers what happens when a shareholder seeks to review additional materials. Paragraph (f) of Section 624 states that "Nothing herein contained shall impair the power of courts to compel the production for examination of the books and records of a corporation." This means that in the event a shareholder is not pleased with the action of the corporation, he/she can go to court to compel the corporation to produce corporate documents.

This provision was undoubtedly added to the BCL since the right to inspect corporate documents is based in the common law, and the rights granted thereunder is broader than the statutory rights (which only states that the shareholder can inspect the shareholder list and minutes of shareholder meetings, as noted above). Therefore, if a shareholder wishes to inspect various other documents, they must seek judicial intervention, where the court in its discretion will determine what documents a shareholder can review. However, the common law right is not absolute, and the court will decide whether the demand for inspection is made in good faith and for a proper purpose.

Frankly, I strongly believe that since you are currently in litigation with the corporation, and the matter of an appeal is now being considered by the Board, I would think that you might be hard pressed to convince a court that your demands are being

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made for the proper statutory reasons. Nevertheless, the Board has *not* taken this position at this time, and is willing to allow you to review the redacted minutes and the shareholder list.

As to your request that I inform you of the number of proxies held by Susan Kim, this too is fantasy. What I said is that I would inform you how many shareholders appeared by proxy. Seventy-four shareholders voted by proxy. It should be noted that a number of persons who gave proxies to another were in attendance, but none asked to void their proxy and vote in person.

Very truly yours,

Andrew P. Brucker

APB/dd  
cc: Board of Directors  
Management