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**THE NASSAU COUNTY ATTORNEY'S
STATEMENT OF FINDINGS AND UNDERSTANDINGS REGARDING THE
SETTLEMENT OF CERTAIN
TAX CERTIORARI JUDGMENTS**

1. The County Attorney's Office has embarked upon a new initiative, a process by which taxpayers will receive their overdue refunds.
2. While these refunds would normally be paid from the proceeds of the sale of bonds, current authority to issue bonds has not been forthcoming and control board permission to utilize existing authority has, presumptively, been denied. The County Executive has steadfastly refused to raise taxes to pay these refunds.
3. The County Attorney's Office entered discussions with a private firm that proposed to purchase the interest of taxpayers in their refunds and to enter into stipulations of settlement with the County for each taxpayer claim they acquired.
4. The scale of the undertaking is not insignificant. The number of taxpayer claims was approximately 18,000, which represents a sum of approximately \$21 million.
5. Each of the taxpayer claims is a judgment or is readily convertible into a judgment and, as such, could be enforced against County resources, much to the detriment of the County and its people.
6. Each of the taxpayer claims is being treated as a discrete and independent judgment. Each of these discrete and independent judgments is less than \$100,000. The Nassau County Attorney is duly authorized to compromise and settle each and every proceeding and/or lawsuit relating to the judgments by virtue of Resolution Number 218-2001 of the Nassau County Legislature.
7. The County Attorney was, and is, desirous of having some oversight over the process so as to best protect the interests of the taxpayers and the County.
8. The County Attorney therefore entered into discussions with the private firm that approached it in order to regularize the settlement of the judgments. The County Attorney was guided by a few basic premises: A) no taxpayer was to receive less than 100% of their refund; B) there would be a forbearance by the judgment holder from enforcing the judgment for a minimum number of years; C) as a consequence of forbearance, the County would accept a fair rate of interest to be paid by it; and D) that the process and the settlements would be subject to judicial supervision by the Supreme Court of the State of New York.

9. The result of the discussions was a Memorandum of Understanding and Forbearance (MOUF) between the private firm and the County Attorney. The MOUF was never considered to be a contract between the parties because it was deemed unenforceable. Its purpose was to serve as a road map to guide everyone's conduct. It was not intended to consolidate or otherwise impair the status of the individual judgments as discrete and independent judgments of the discrete and independent proceedings and lawsuits.

10. Contained within the MOUF was a model stipulation of settlement which was designed to bind the parties when "so-ordered" by the Court. The model stipulation provided for a seven year payment plan, with 5.95 % interest with no payment of principal during the first year. The MOUF provided for processing of an Index of Judgments specifying which particular judgments would be settled by the private firm. The MOUF also provided for simultaneous closing, i.e. the private firm's acquisition of the judgments, its entering into stipulations of settlement with the County Attorney and the "so-ordering" of those stipulations would occur within seventy-two hours.

11. Immediately after the MOUF was approved, the process was announced. A formal opinion of the County Attorney was issued regarding the County Attorney's authority to proceed with the process. An opinion of bond counsel was obtained holding that the County Attorney's entering into stipulations of settlement as part of the process did not constitute a borrowing. The County Comptroller, however, expressed certain reservations regarding the process. After consultations between the Comptroller and the County Attorney, certain improvements were made in the process and a joint statement was released.

12. Based upon the consultation with the Comptroller, a greater choice of how to proceed has been given to the taxpayer. Rather than simply assign their interest to the private firm, the individual taxpayers can enter into stipulations of settlement directly with the County Attorney. The taxpayers will be able to thereafter sell and assign those stipulations of settlement to the private firm or to any other potential lawful assignee. The taxpayers can, however, still assign their unsettled claim to any potential lawful assignee or do nothing whatsoever with their claim.

13. Based upon the improvements made in the program, the MOUF is being supplemented by this Statement, though the principals contained in the MOUF form the foundation for this Statement.

14. As before, the County Attorney will stipulate to settle any tax certiorari claims or judgments under \$100,000. The stipulation of settlement must provide for forbearance of the enforcement of the judgment for at least seven years and for the payment of interest of 5.95% or less, with no payment of principal within the first year. All stipulations shall be submitted to the Supreme Court to be so ordered or to be deemed so ordered.

15. Taxpayer stipulations will be entered into on an individual basis or on the basis of the taxpayers' representation by a single law firm or representative. The County will certify the amounts of each judgment, including interest thereon. The County Attorney will consult with law firms and representatives regarding the production of necessary indices of judgments.

16. The County Attorney will consult with any lawful assignee regarding the preparation of an index of judgments setting out the claims which will be settled between the County Attorney and the assignee, irrespective of how many or how few judgments may be involved. The County Attorney will set-up a closing date with any lawful assignee, during which and for forty-eight hours thereafter, for a total of seventy-two assignments may be made and stipulations executed and so-ordered.

17. The County Attorney will issue a time-line setting out a schedule for the expeditious completion of the program.

18. The County Attorney will enter into the following form stipulation of settlement for the settlement of any tax certiorari judgment, indicating whether the stipulation is with the taxpayer or with a holder of an assignment of judgment:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X
[Name(s) of Petitioner(s)],

[or [Holder By Assignment] as assignee of
Name(s) of Petitioner(s)],

Petitioner(s),

-against-

[The Assessor of the County of Nassau etc.],

Respondents.

Section: _____

Block: _____

Lot(s): _____

-----X

PREAMBLE & RECITALS

WHEREAS, [Name(s) of Petitioner(s)] or [Holder By Assignment] (“[Taxpayer] or [Holder By Assignment]”) is the owner, by assignment, of the judgment [resulting from a determination by the Assessment Review Commission] [resulting from a decision by a hearing officer on the Small Claims Assessment Review petition] [upon a trial in the Supreme Court of the State of New York] (the “Judgment”) in the above captioned tax certiorari proceeding and/or lawsuit against the County of Nassau (the “County”); and

[WHEREAS, [HOLDER BY ASSIGNMENT] may acquire the Judgment simultaneously with the execution of this stipulation of settlement (the “Stipulation”). “Simultaneous” and “simultaneously” are understood to mean and embrace events occurring within 72 hours of each other without regard to the order in which events may have actually occurred; and]

WHEREAS, as of the date of this Stipulation the amount of the Judgment (the “Judgment Amount”) is \$[BASE AMOUNT] which represents the principal refund amount due the owner of the Judgment together with accrued and unpaid statutory interest thereon to but excluding the Effective Date, which Judgment Amount remains unpaid; and

WHEREAS, [Taxpayer] [Holder By Assignment], as the owner and holder of the Judgment has the right to execute and levy or otherwise commence or continue legal proceedings to enforce the Judgment and collect thereon by taking appropriate steps that will require the County to make immediate payment in full of the Judgment Amount, together with interest thereon; and

WHEREAS, the County has requested [Taxpayer] [Holder By Assignment]'s forbearance in exercising its rights and remedies under the law so as to compromise and modify the Judgment and effect payment of it over time, and [Taxpayer] [Holder By Assignment], without prejudice to or waiver of any right to enforce the Judgment, is willing to forbear in the exercise of such rights and remedies, and, so long as the County complies with the terms of this Stipulation, to collect the Judgment Amount and all interest thereon, all as set forth herein.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the parties, by their attorneys, as follows:

1. Judgment in Tax Certiorari Action and/or Lawsuit. [Taxpayer] [Holder By Assignment] is the owner[, by assignment,] of the Judgment in the above-captioned tax certiorari proceeding or lawsuit [and] [which is one of the tax certiorari proceedings or lawsuits set forth in an Index of Judgments agreed to between [Holder By Assignment] and the County. Upon [Holder By Assignment]'s delivery to the County of a true and correct copy of a duly executed absolute assignment of the Judgment to [Holder By Assignment], [Holder By Assignment] shall have the right to amend the caption of this proceeding or lawsuit to reflect it as the petitioner['s assignee] and the right to execute and levy or otherwise commence or continue legal proceedings to enforce the Judgment and collect thereon by taking all appropriate steps that will require the County to make immediate payment in full of the Judgment Amount, together with all interest accrued on the Judgment Amount to the date of payment.] The County has requested [Taxpayer] [Holder By Assignment]'s forbearance in exercising [its] [their] rights and remedies under the law pursuant to the terms of this Stipulation, to compromise and modify the Judgment and effect payment of it over time, and [Taxpayer] [Holder By Assignment], without prejudice to or waiver of any right to enforce the Judgment, is willing to forbear the exercise of such rights and remedies, and so long as the County complies with the terms of this Stipulation, to collect the Judgment Amount, together with all interest accrued on the Judgment Amount as set forth herein.

2. The County's Admissions. The County admits that it owes the Judgment Amount in the amount of \$[BASE AMOUNT]. The County represents that the County Attorney is duly authorized to compromise and settle this proceeding or lawsuit by virtue of Resolution Number 218-2001 of the Nassau County Legislature. The County waives any right to appeal in this proceeding.

3. Payments and Interest. Commencing upon the execution of this Stipulation and throughout the term hereof, with respect to the Judgment, the County shall pay the Judgment Amount of \$[BASE AMOUNT] in annual installments (each a "Payment" and, collectively, the "Payments") on the dates and in the amounts as follows:

November 1, 2014 – one-sixth (1/6th) of the Judgment Amount

November 1, 2015 – one- sixth (1/6th) of the Judgment Amount

November 1, 2016 – one- sixth (1/6th) of the Judgment Amount

November 1, 2017 – one- sixth (1/6th) of the Judgment Amount

November 1, 2018 – one- sixth (1/6th) of the Judgment Amount

November 1, 2019 - one- sixth (1/6th) of the Judgment Amount, together with all other amounts owing to [Taxpayer] [Holder By Assignment]hereunder.

Commencing upon the Effective Date (as hereinafter defined) and throughout the term hereof, the County shall pay interest on the unpaid Judgment Amount at the rate of Five and Ninety Five Hundredths of One Percent (5.95%) per annum, payable semi-annually on each [May 1 and November 1] beginning [May 1], 2013 (“Interest”). In accordance with the above, Payments and Interest shall be paid as follows:

May 1, 2013 - \$[AA INTEREST AMOUNT]
November 1, 2013 - \$[BB INTEREST AMOUNT]
May 1, 2014 - \$[CC INTEREST AMOUNT]
November 1, 2014 - \$[DD PAYMENT AND INTEREST AMOUNT]
May 1, 2015 - \$[EE INTEREST AMOUNT]
November 1, 2015 - \$[FF PAYMENT AND INTEREST AMOUNT]
May 1, 2016 - \$[GG INTEREST AMOUNT]
November 1, 2016 - \$[HH PAYMENT AND INTEREST AMOUNT]
May 1, 2017 - \$[II INTEREST AMOUNT]
November 1, 2017 - \$[JJ PAYMENT AND INTEREST AMOUNT]
May 1, 2018 - \$[KK INTEREST AMOUNT]
November 1, 2018 - \$[LL PAYMENT AND INTEREST AMOUNT]
May 1, 2019 - \$[KK INTEREST AMOUNT]
November 1, 2019 - \$[LL PAYMENT AND INTEREST AMOUNT], together with all other amounts owing to [Taxpayer] [Holder By Assignment] hereunder.

No payment of all or any amount of the Judgment Amount may be paid by the County, except in accordance with the schedule set forth above and no pre-payment of any amount may be made by the County at any time. Payments and Interest represent consideration for [Taxpayer] [Holder By Assignment]’s forbearance granted herein. [Taxpayer] [Holder By Assignment]acknowledges and agrees that, as long as no Event of Default occurs, it shall accept said Payments and Interest as described in this Stipulation in lieu of all other payments that [Taxpayer] [Holder By Assignment] would otherwise be entitled to under law, equity or otherwise. Without limiting the generality of the foregoing, as long as no Event of Default occurs, (i) Interest as described herein is in lieu of the statutory interest or interest at any other awarded rate that [Taxpayer] [Holder By Assignment] would otherwise be entitled to on the Judgment and (ii) except as provided in Section 7 of this Stipulation, [Taxpayer] [Holder By Assignment]has no claim against the County for any costs and expenses associated with the Judgment.

4. Satisfaction of Judgment. At such time as the County pays [Taxpayer] [Holder By Assignment]in full, the Judgment Amount with respect to the Judgment, together with interest thereon as provided herein, and all other amounts due to [Taxpayer] [Holder By Assignment] hereunder, (i) the Judgment shall be deemed paid in full and the County shall be released and discharged from all obligations in connection therewith; (ii) [Taxpayer] [Holder By Assignment] shall promptly execute and deliver to the County (A) a satisfaction of judgment relating to such Judgment in recordable form substantially in the form annexed hereto as Exhibit A; (B) a general release related to the County’s obligations under such Judgment substantially in the form annexed hereto as Exhibit B; and (C) such other instruments and documents as may be reasonably

requested by the County to memorialize the full payment and satisfaction of Judgment in form suitable for filing; and (iii) this Stipulation shall terminate automatically with respect to the Judgment.

5. Event of Default. If the County fails to make any of the Payments or any Interest payment within ten (10) days of the due date thereof; and such failure continues for twenty (20) days after actual written notice thereof from [Taxpayer] [Holder By Assignment] to the Nassau County Attorney, which may be delivered by hand or by certified mail, return receipt requested, at 1 West Street, Mineola, NY 11501, same shall constitute an event of default ("Event of Default") hereunder.

6. [Taxpayer] [Holder By Assignment]'s Forbearance. Commencing on the Effective Date and terminating on November 1, 2019, unless sooner terminated in accordance with the provisions below, [Taxpayer] [Holder By Assignment] shall not exercise any and all of its rights and remedies to collect on the Judgment, presently existing or arising during the term of this Stipulation at law, in equity, or otherwise, provided that no Event of Default hereunder has occurred.

7. [Taxpayer] [Holder By Assignment]'s Rights and Remedies upon an Event of Default. Upon and after the occurrence of an Event of Default, the Judgment Amount then remaining unpaid and all interest thereon shall be immediately due and payable, the unpaid Judgment Amount shall from and after such Event of Default until paid in full bear interest at the rate of nine per centum (9%) per annum, and [Taxpayer] [Holder By Assignment] shall be free to exercise any or all available rights and remedies to collect the unpaid Judgment Amount, together with interest thereon at the rate specified above to their respective dates of payment and the costs and expenses incurred by [Taxpayer] [Holder By Assignment] in the exercise of its rights and remedies in the enforcement of the unpaid Judgment and the collection of the unpaid Judgment Amount. [Taxpayer] [Holder By Assignment] shall in no way be considered to have waived or have been estopped from exercising any or all of its rights and remedies, except as expressly provided herein. [Nothing herein shall preclude [Holder by Assignment] from seeking to have this Judgment consolidated for purpose of enforcement upon the occurrence of an Event of Default hereunder with any Other Judgments (as defined below) and the County hereby consents to such consolidation.]

8. Method of Making Payments and Paying Interest. All Payments and interest payable to [Taxpayer] or [Holder by Assignment] by the County hereunder shall be made by [check] [or] [wire transfer to the account(s) designated by [Holder By Assignment] in writing to the County. The County reserves the right to aggregate any payments under this Stipulation with any other payments due and owing to [Holder By Assignment] by virtue of any other stipulation in substantially the form of this Stipulation relating to one or more other tax certiorari proceedings listed in the Index of Judgments (collectively, the "Other Judgments"). All payments by the County will be applied pro rata to the Judgment and all Other Judgments. The occurrence of an Event of Default under this Stipulation shall be deemed an Event of Default as defined in and as referenced in or under each other stipulation entered into with respect to the Other Judgments.]

9. Assignments Prohibited. Except as expressly provided in this Paragraph, this Stipulation and any and all rights and remedies conferred by it cannot be transferred or assigned by either party hereto without the prior written consent of the other party hereto and any purported assignment of this Stipulation or the rights or obligations hereunder without such consent shall be void ab initio. [[Holder By Assignment], without the consent of the County, may at any time after the Effective Date assign the Judgment, this Stipulation, each other stipulation relating to the Other Judgments, and any or all of its rights and remedies hereunder and thereunder to any lender or lending

institution that has advanced purchase money to [Holder By Assignment] for the acquisition of the Judgment and/or the Other Judgments or to any trust or other entity established for the purpose of participating to investors interests in such entity or for the purpose of issuing notes, bonds or other evidences of indebtedness to be payable from and secured by the same, in order to obtain funds to pay or reimburse itself for the costs and expenses, including the price paid to property owners to acquire the Judgment and/or the Other Judgments.]

10. Successors and Assigns. The provisions of this Stipulation shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that neither the County nor [Taxpayer] [Holder By Assignment] may assign or otherwise transfer any of its rights or remedies under this Stipulation except as expressly provided in Paragraph 9 hereof.

11. Entire Agreement. This Stipulation sets forth all of the promises, covenants, agreements, conditions and understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Stipulation may not be amended, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto.

12. Jurisdiction and Venue. The Supreme Court, Nassau County shall retain jurisdiction of this tax certiorari proceeding until such time as a satisfaction of judgment is filed. Both parties consent to the jurisdiction of such court for the purposes of adjudicating any and all claims and disputes arising out of this Stipulation. All claims and disputes arising out of this stipulation shall be governed by the Laws of the State of New York.

13. Severability. If any provision contained in this Stipulation is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

14. Counterpart Signatures. This Stipulation may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together even though all signatures do not appear on the same document.

15. Effective Date. Upon the execution of this Stipulation, [and the delivery to the County of a true and correct copy of one or more duly executed absolute assignments of the Judgment to [Holder By Assignment],] the County shall move, upon submission, to have this Stipulation “so ordered” by the Justice of the Supreme Court of the State of New York, Nassau County, assigned to this proceeding or lawsuit with notice to [Taxpayer] [Holder By Assignment]. [Neither party shall object if the Justice of the Supreme Court, Nassau County, assigned to this proceeding or lawsuit should issue a blanket order deeming this Stipulation, and any and all other similar stipulations in tax certiorari proceedings and lawsuits to be “so ordered.”] This Stipulation shall take effect immediately as of the date (the “Effective Date”) it is so ordered.

COUNTY OF NASSAU

John Ciampoli

Nassau County Attorney

By: _____
Deputy County Attorney
Attorney for the Respondent(s)

[Taxpayer] [Holder By Assignment]

By: _____
Name: _____
Title: _____

DATE: _____

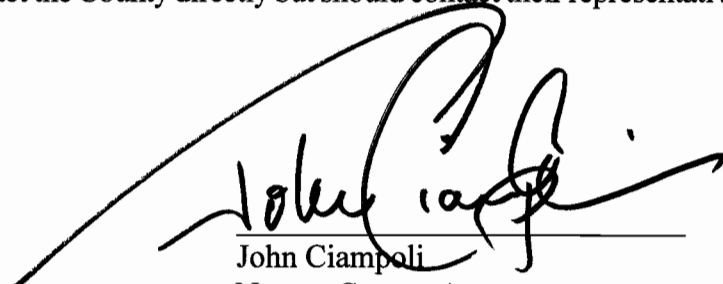
SO ORDERED: _____ J.S.C.

19. This stipulation is only a model. The County will enter into any stipulation of settlement, which provides for substantially the same terms, for good cause.

20. This statement, as well as the MOUF and any timeline produced, will be furnished pursuant to the New York Freedom of Information Law to anyone requesting a copy.

21. This statement will be placed in an appropriate place on the County's website. Inquiries regarding the program may be addressed by email to taxcertrefund@nassaucountyny.gov or by fax to (516)571-6604. Taxpayers who have a retained tax certiorari representative or tax certiorari attorney should not contact the County directly but should contact their representative or attorney.

DATED: November 14, 2012



John Ciampoli
Nassau County Attorney