

1. “The ‘simple definition’ of slumlord, according to the Merriam-Webster dictionary, is ‘a person who owns a building with apartments that are in bad condition and rents them to poor people.’” Ezra Rosser, *Exploiting the Poor: Housing, Markets, and Vulnerability A Book Review of Matthew Desmond, Evicted: Poverty and Profit in the American City*, 126 Yale L.J. Forum 458, 461 (2017).

2. Defendants own and manage Oceanside Tower, a 15-story apartment complex in Newport News, Virginia, previously known as Seaview Apartments (the “Seaview Building”). Their management practices and the building’s poor condition place them within the definition of “slumlord.” Since June 2022, the Newport News Circuit Court has issued multiple Show Cause and Injunction Orders against Defendants. These judicial orders required Defendants to perform long-deferred essential maintenance and repairs on the building, including to the two elevators on the property.

3. Despite these ongoing legal proceedings, Defendants only managed to comply by February 2023. While they allowed tenants to return in April 2023, the exact date when management formally authorized this return remains unclear. The ouster of the Seaview Tenants imposed severe harm on over a hundred tenant households, depriving them of shelter and access to their personal possessions. Consequently, numerous tenants experienced homelessness or paid for costly hotel stays. All the while, the tenants relied on Defendant’s recurrent false representations that a return to their homes would happen swiftly.

4. Seaview Apartments, LLC currently owes the City of Newport News \$150,000 for money expended as a direct result of the condemnation of Seaview Building. The city bore substantial costs in relocating residents into temporary hotel accommodations following the building’s condemnation in July 2022.

5. The city's efforts to reclaim the funds from Seaview Apartments have been unsuccessful. The financial delinquency extends beyond relocation expenses; both the city and Hampton Roads Sanitation District contend that the owner has outstanding unpaid bills and fines.

6. On June 29, 2022, the Seaview Building was condemned by the City of Newport News due to a malfunctioning elevator and a gas leak detected in the boiler room. The tenants were given a 48-hour notice to evacuate.

7. The cited violations leading to the building's condemnation are only a glimpse into the intentional and longstanding neglect, mismanagement, and dereliction of duty by Defendants toward Plaintiffs since Mr. Weinstein's acquisition of the building in February of 2020. Within months, Newport News Department of Codes Compliance received an influx of health and safety complaints, totaling 43 formal complaints between June 2020 and April 2021, though the actual number, considering grievances not reported to Codes Compliance, is even higher.

8. During their tenancies, the Seaview Tenants have been subjected to numerous health and safety hazards. Inspections substantiated complaints of pervasive mold, infestations of cockroaches and rodents, and damage from leaking ceilings and walls, which also resulted in paint bubbling, peeling, and further damage to the property. Other issues included faulty electrical wiring, water pipe leaks affecting walls, ceilings, and light fixtures, blocked trash chutes filled with decaying waste, and malfunctioning appliances. Additionally, the absence of functional heating and air conditioning systems during extreme seasonal temperatures made living conditions entirely unsuitable. Despite this long and well-documented history of neglect, Defendants performed insufficient and untimely repairs and remediation, and continued to pocket rent payments from the afflicted tenants.

9. Tragically, several months into the condemnation of the Seaview Building., Newport News Police officers discovered the lifeless body of a man within one of the apartment

units of Seaview Apartments. The man they found, like many other residents, was rendered homeless by Defendants' abhorrent conduct. He had either taken the drastic measure of secretly residing in the condemned property or was physically unable to descend down to the ground floor due to the inoperable elevator.

10. Residents of the area reported observations suggesting that individuals, including the deceased, may have been inhabiting the building after its condemnation. Residents of the area consistently noticed lights being activated within the apartments during nighttime hours. Despite these evident signs of desperation, the appropriate measures were not taken to ensure the safety and welfare of individuals during this trying time of need.

11. For the ten months that Seaview Apartments was condemned, the Seaview Tenants were deprived of housing and unable to access any personal belongings beyond what they carried with them following the condemnation. The repercussions of Defendants' misconduct were severe: tenants experienced homelessness, living on the streets or in their vehicles, other tenants, slightly more "fortunate," shouldered the expense of high-cost hotel stays, and a "lucky" few were able to reside with relatives.

12. On August 30, 2023, just four months after some of the residents had resettled in Seaview Apartments, the building was once again condemned after an electrical fire resulted in a complete power outage in the building. Consequently, Seaview Apartments reneged on its leases, leaving the Seaview Tenants, again, without access to their belongings and scrambling for alternative shelter options.

13. The Seaview Tenants endured ailments and illnesses due to mold and severe temperature fluctuations within the building. Faulty doors, windows, and walls exposed them to harsh external elements, particularly during storms. Moreover, residents with physical disabilities found themselves trapped, unable to exit their apartments when the elevators malfunctioned. The

building was patently unsuitable for habitation. These affected tenants were hampered in their ability to access or vacate their residences without elevator service, exacerbating their already difficult transitions from housed to unhoused.

14. Defendants' failure to provide adequate maintenance, management, renovation, and remodeling of units at Seaview Apartments led to prevalent issues with moisture intrusion and mold. Initially hidden, these problems have now become glaringly evident. But for the Defendants' consistent, intentionally unlawful actions, Seaview Apartments would have been fit for human habitation. Defendants could have promptly addressed the root causes of tenant complaints, uninhabitability, withdrawn uninhabitable units from active leasing, and refrained from leasing unfit units to families like those of the Plaintiffs, many of which include young children or elderly or disabled individuals.

15. Plaintiffs have had rental/lease agreements and have made payments for the housing they rented and are entitled to a refund due to Defendants' breach of contract and breach of the implied duty of good faith and fair dealing. Defendants must not be permitted to break lease agreements with impunity, shifting the harms of their misconduct to Plaintiffs.

16. In this Amended Complaint, Plaintiffs seek relief for their substantial damages under the Virginia Residential Landlord and Tenant Act, Va. Code § 55.1-1200 *et seq.* ("VRLTA"), the Virginia Consumer Protection Act, Va. Code § 59.1-196 *et seq.* ("VCPA"), breach of contract, and common law nuisance, negligence, and negligence *per se* private. The Seaview Tenants join together to seek appropriate damages and injunctive relief, enforce their rights pursuant to their leases, and to request the Court to declare Seaview Apartments dissolved and appoint a receiver to repair, maintain, and operate the Seaview Loft Apartment building in accordance with Va. Code § 13.1-910.

JURISDICTION AND VENUE

17. This Court has jurisdiction pursuant to Va. Code. § 17.1-513 because Plaintiffs seek damages in excess of \$100.

18. Venue is proper in this Court because the events giving rise to this lawsuit occurred in Newport News, Virginia, the location of the Seaview Apartments.

PARTIES

19. Plaintiffs are natural persons who rented and resided in units at the Seaview Apartments, located at 2 28th Street in Newport News.

20. Each of the Seaview Tenants had a rental agreement that was binding on Defendants and none of them have defaulted on their rental agreements.

21. Plaintiffs are “Authorized Occupant[s]” and “Tenant[s]” under the VRLTA as the term is defined under the Act.

22. Plaintiffs are persons pursuant to the VCPA. Va. Code § 59.1-198.

23. Plaintiffs’ lease agreements and tenancy at the Seaview Lofts Apartment building constituted “consumer transaction[s]” under the VCPA. *Id.*

24. Defendant Benjamin Weinstein is a natural person residing in the State of New Jersey who is member and manager of Seaview Apartments.

25. Seaview Apartments is an active Virginia limited liability company created by Weinstein as the shell entity to operate the Seaview Building. At all times relevant, Weinstein has personally controlled and operated Seaview Apartments.

26. BlueRise Group, LLC is an inactive Virginia limited liability company created by Weinstein. It was terminated by automatic cancellation in February of 2023. BlueRise Group, LLC acted as a management company for multiple properties functionally owned by Mr. Weinstein.

27. Neither Seaview Apartments nor BlueRise Group is a viable and independent legal entity. Mr. Weinstein has transferred income and assets from these entities for his own personal

use, rendering them insolvent. Mr. Weinstein has ignored corporate formalities in his operation of Seaview Apartments and BlueRise Group.

28. In fact, discovery will show that the Defendants do not operate separately at all. Decisions, communications, management, and money are handled as one. In fact, “Seaview Apartments, LLC” is merely the “alter ego, alias, stooge, or dummy” of its co-Defendants and was here used as a “device or sham used to disguise [the] wrongs [and] obscure fraud,” *Cheatle v. Rudd's Swimming Pool Supply Co.*, 234 Va. 207, 360 S.E.2d 828 (1987), and “to commit an injustice [and] gain an unfair advantage” against Plaintiffs and other tenants. *C.F. Tr., Inc. v. First Flight L.P.*, 266 Va. 3, 10, 580 S.E.2d 806, 809-10 (2003). Discovery will show that Defendants here collected substantial rents, but rather than use a lawfully appropriate and sufficient amount of such rents to cover basic and minimal maintenance and operations expenses, Defendants depleted, removed, and bled any assets for the personal benefit of Mr. Weinstein. Defendants’ failure to maintain corporate formalities resulted in the State Corporation Commission terminating the existence of Seaview Apartments. Few, if any employees, remain at Seaview Apartments.

29. Independent of any veil-piercing or corporate dissolution, Seaview Apartments, BlueRise Group, and Mr. Weinstein are directly liable as each engaged directly and personally in the legal violations alleged herein. Each intentionally removed money they knew was necessary and legally required to avoid the alleged violations. In fact, all three Defendants—including Mr. Weinstein – were personally and individually involved in each act alleged herein.

30. At all times relevant, Defendants were “landlord[s]” as defined and governed by the VRLTA. Va. Code § 55.1-1200. Seaview Apartments was the paper landlord, identified as such on the Seaview Tenant leases. Mr. Weinstein was the de facto landlord, as he made all decisions and had all authority as the actual decision-maker, as Seaview Apartments was not in fact a separate and formal legal entity, having served as Mr. Weinstein’s personality and alter ego

and then having been automatically terminated. Further, Mr. Weinstein was the managing agent in operation and reality. Mr. Weinstein was also the functional owner of the property as he possessed beneficial ownership and a right to present economic use of the property.

31. With respect to Plaintiffs and their leases and tenancies, Defendants were “supplier[s]” under the VCPA. Va. Code § 59.1-198. Specifically, Defendants acted as “lessor[s]...who advertise[d], solicit[ed], or engage[d] in consumer transactions.” *Id.* They were responsible for supplying residential rentals and associated services to tenants, placing them within the ambit of the VCPA’s definition of “supplier.” *Id.*

FACTS

32. Mr. Weinstein uses his various corporate shells to own and operate decrepit apartment buildings, so he can extract rental income from individuals of modest means. He started his slumlord operation with multiple apartment complexes in the Northeastern United States, and following this pattern, he also used his New Jersey-based “management” companies to do the same here in Newport News, Virginia.

33. Mr. Weinstein purchased Seaview Apartments in February 2020, at the onset of the COVID-19 pandemic. He then collected \$482,222.01 in government money intended to provide rent relief to his low-income tenants.

34. And yet, despite purchasing a 15-story building for \$9.3 million and receiving both private rents averaging over \$1,000 per month for more than 100 units nearly half a million dollars in pandemic relief funds, Defendants have invested almost nothing into the building. Since taking over, Defendants have repeatedly violated health, safety, and building codes. They have cycled through overtaxed and hardly paid on-site “property managers.” Defendants rejected basic maintenance and repair proposals, which would be unquestioned by any responsible landlord, as

too costly. Defendants failed to comply with a Show Cause Order and Emergency Injunction from this Court for ten months. Even now, the Seaview Building remains uninhabitable.

35. As of August 2022, Codes Compliance had received over 43 complaints regarding health and safety at the Seaview Building. Multiple inspectors have expended substantial time at the property, documenting deplorable conditions largely identical to those alleged by Seaview Tenants in this lawsuit.

36. As this Court well knows, Defendants violated city codes through their obstinate refusal to maintain and repair either elevator in the Seaview Building. And the sprinkler system failed long ago with city inspectors repeatedly noting fire safety code violations. At the request of the city, the Court ordered Seaview Apartments to bring the building elevators into compliance. After ten months, Defendants complied with the Court's Order, and the city lifted the condemnation. After only four months, the city again condemned the Seaview Building because of critical fire safety violations. The building remains condemned today. In the matter of Commonwealth v. Seaview Apartments LLC, Newport News-Criminal General District Court, there are several cases filed. Case No. GC22002364-00 is charged with Failure to Maintain Elevators. Case No. GC22002365-00 addresses the charge of Building Not in Conformity. In Case No. GC22002781-00, the charge is 606.1 Elevator Operation, a charge that is also central to Case Nos. GC22002780-00, GC22002779-00, GC22002778-00, GC22002777-00, GC22002776-00, GC22002775-00, GC22002774-00, and GC22002773-00. Case No. GC22002782-00 involves the charge of 603.6.2 Metal Chimneys. Case No. GC22002783-00 is concerned with 604.6 Unapproved Conditions. Finally, Case No. GC22002784-00 deals with the charge of 901.6 (Fire Protection System) (hereafter "Code Violation Litigation").

37. After July 2022, Codes Compliance continued to receive numerous complaints about the condition of the Seaview Building and issued new safety and health violations beyond those addressed in the Code Violation Litigation.

38. Additionally, the tenants of the Seaview Building have lodged numerous complaints with Defendants directly, only to see building conditions worsen, not improve.

39. On March 10, 2022, an unknown tenant notified the City of Newport News that one of the two elevators in Seaview Apartments has been inoperable for months. David Elswick, a Codes Compliance inspector, investigated and found that only one elevator was in operation. He notified Defendants of a code violation, giving Seaview Apartments 30 days to repair the broken elevator.

40. On April 11, 2022, Inspector Elswick and one of his colleagues, Alphonso Johnson, discovered that the second elevator was inoperable.

41. On June 28, 2022, the Codes Compliance condemned the Seaview Building for multiple violations because of hazardous electrical systems, improperly vented fuel-burning equipment, a defective fire detection system, improperly installed mechanical appliance, malfunctioning elevators, HVAC failures improperly installed and maintained, inadequate lighting, and multiple failed property maintenance inspections. The tenants then living in the building received only 48 hours to vacate.

42. Over more than two years, Seaview Apartments received repeated misdemeanor citations for critical fire prevention code violations by the city's Fire Inspection Bureau. Many of these violations stemmed from electrical issues in the building. Seaview Apartments received One citation on April 1, 2020; one citation on May 20, 2020; two citations on June 5, 2020; six citations on May 5, 2021; ten citations on August 7, 2021; three citations on September 14, 2021; two citations on March 18, 2022; two citations on April 12, 2022; four citations on May 16, 2022; eight

citations on June 28, 2022; 28 citations on November 17, 2022. Defendants neglected to maintain the Seaview Building and then stubbornly ignored repeated misdemeanor citations for fire prevent code violations over more than two years.

43. Regrettably, but unsurprisingly, on August 30, 2023, Investigator Joseph Carucci of the Fire Inspection Bureau responded to an electrical fire at Seaview Building. When the fire started, electricians hired by Defendants had been servicing the building's main electrical panel. The cause of the fire remains under investigation. Fire Marshals arrived on-site at the request of Investigator Carucci. During the investigation, the Seaview Building's transformer blew up, causing another small fire. The building was subsequently condemned, and tenants were allowed back only to retrieve essential items under supervision. Thankfully, there were no injuries reported. The building had no power and was turned over to the Fire Marshal's office for further investigation.

44. Before the occurrence of the fire at Seaview Apartments, the property had been cited numerous times for Class 1 misdemeanors by fire marshals. Specifically, citations were issued for a range of violations that included electrical issues. The citations were as follows: May 16, 2022: four violations, including electrical issues; June 28, 2022: eight violations, including electrical issues; April 12, 2022: two violations; March 18, 2022: two violations; November 17, 2022: 28 violations, including electrical issues; This history of repeated citations for violations, including electrical issues, indicates a pattern of neglect that was likely the reason for the fire on part of the Seaview Apartments' management.

45. After filing of this lawsuit, Defendants retaliated against the Seaview Tenants through harassment by building managers, threatening to discard personal possessions, and refusing to return security deposits. Numerous tenants have been informed that they are indebted to the building, offsetting any funds they might receive from government aid programs like

COVID Rent Relief and the Housing Choice Voucher Program. Defendant's retaliation only increased the hardship already borne by the Seaview Tenants.

46. This Amended Complaint details Plaintiffs' dreadful individual experiences below. These tenants collectively experienced appalling unit conditions such as extensive mold, rodent and insect infestation, recurrent leaks from pipes, ceilings, and walls, electrocution from defective electrical wiring, clogged trash chutes with decaying debris, and inoperable appliances. Defendants ignored these problems and the health and safety of the Seaview Tenants but continued to collect rent payments like clockwork.

47. The maintenance efforts at Seaview Apartments were wholly inadequate, characterized by inexperienced and insufficient staff who routinely provided superficial and temporary fixes to serious problems such as water leakage, mold, and pest infestations. Defendants delayed repairs and misrepresented that repairs had been completed, causing enormous inconvenience and distress to tenants. When residents submitted work orders, maintenance staff either failed to remediate the issues effectively, lied about fixing problems, or took no action at all. Defendants' willful ineptitude and outright deceit caused the Seaview Tenants to experience prolonged periods without essential services and exacerbated the poor living conditions long a hallmark of the Seaview Building.

48. Plaintiffs suffered extensively due to poor living conditions, facing physical illnesses like respiratory problems from mold and injuries from building failures, alongside emotional and psychological distress caused by chronic mistreatment, neglect, and housing insecurity. Financially, they were burdened with costs for alternative accommodations, loss of personal belongings, and expenses for repairs and replacements of personal items due to water leaks and pest infestations. These issues were compounded by the management's lack of effective