

## Until Next Time

BY TOM SOTER, EDITORIAL DIRECTOR

### Calling Columbo

➤ **CALL IT** “The Case of the Abandoned Apartment.” I heard about it when I ran into two board members who told me about a strange situation that had occurred at their mid-sized co-op. One day, some years ago, a shareholder had sublet his apartment to an elderly woman – and then disappeared. He left the co-op one day and never returned. The board continued to get rent directly from the subtenant, who stayed there until she died. With the unit-owner still MIA, the board subsequently took over the apartment and put it up for auction.

“Did you ever find out what happened to the owner?” I asked. “No,” said one of the board members. “After we foreclosed on him, I bought the apartment at auction and combined it with mine.”

Interesting, I thought. Owner disappears – board member takes over apartment. Hardly a case for Columbo, but certainly unusual. Or was it?

Not long after that, I mentioned the incident to attorney Tara Snow, a partner at Novitt, Sahr & Snow. She didn't bat an eye, saying, “Oh, that occurs from time to time.” She then rattled off three scenarios that had happened to her. One of them was remarkably similar to the first story I had heard. A man who had sublet his apartment disappeared. After a while, the elderly woman who was living there as a subletter died, and the board ended up foreclosing on the apartment and auctioning it off.

Here's where it gets complicated. The co-op was owed \$10,000 in unpaid common charges. But it sold the unit for \$100,000. “So we had an extra \$90,000 that belonged to the shareholder,” says Snow. “But we didn't know where he was. So I had to do some level of due diligence to locate him. We eventually discovered that the guy was in prison; so we had money waiting for him in escrow.”

The second scenario Snow mentioned concerned a man who owned a rent-stabilized unit in a co-op. One day, he, too, disappeared – and his monthly maintenance payments disappeared with



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him. Eventually, the co-op took over the apartment and auctioned it off. Once again, there was a surplus.

“I searched for the owner,” recalls Snow, “and found him by doing some detective work. I googled his name and found that one entry was from a church group that was praying for the recovery of one of its members. It was in a church bulletin, and the man seemed to fit the description of the missing owner. That gave me a possible neighborhood, and I found him. It turned out that he hadn't returned because he had suffered a stroke. He had recovered somewhat, and I gave him his money.”

Snow's final story was different. “We had a condo where the unit-owner died, and a woman took the position that she was the daughter of the deceased. Except she wasn't. She lived there with her husband for months, paying the common charges, which were much lower than rent would be in a comparable apartment. She went around saying she was the daughter, and if she hadn't missed a few payments of the common charges, we probably never would have found out.”

When the “daughter” didn't pay, Snow became curious and found that the deceased did not have a next-of-kin indicated in the public records. “It turns out that the ‘daughter’ had been a family friend and had just moved in after the owner died. No one suspected.”

Finding the missing person in situations like this is important, for reasons that might surprise you. “Ultimately,” says Snow, “if you can't find the shareholder, then you have to give that money to New York State Unclaimed Funds, where it sits until someone claims it.”

