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55 West 46th Street
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November 21, 2017

Via Federal Express and Email

William B. Peters
Real Estate Finance Bureau
Syndication Section
120 Broadway, 23rd Floor
New York, NY 10271

RE: Policy Statement 104 Application No. A 17-10388

Dear Mr. Peters:

In furtherance of your comments to the Policy Statement 104 Application we recently submitted on behalf of our client, NYC REIC, Inc. with regard to Application No. A 17-10388, enclosed please find an updated Application with the changes you requested.

Also enclosed please find a check in the amount of \$75.00 payable to "NYS Department of Law" for the balance of the filing fee pursuant to your email.

Should you have any questions or comments in this regard, please feel free to contact me at 212-940-3019 or rbandla@nixonpeabody.com.

Sincerely,

Rajesh Bandla
Associate

TODD CARL ARENA
1143 DEAN ST. FLOOR 3 HM. 646-730-6206
BROOKLYN, NY 11216

1-2
210 91

1154

DATE 11/21/17

PAY TO THE ORDER OF NYS Department of Law

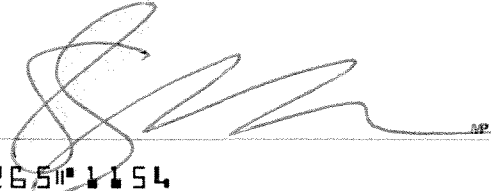
\$ 75.⁰⁰

Seventy-Five ⁰⁰/₁₀₀

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Policy Statement 104 Application

Issuer Name: NYC REIC, Inc.

Nature of Security: Membership Interests

Offering Amount: Maximum of \$10,000,000

Name and Address of Responsible Person:

Todd Arena
Director, NYC REIC, Inc.
1143 Dean Street
3rd Floor
Brooklyn, NY 11216

Name, Telephone Number, and Email Address of Person to Contact:

Nixon Peabody LLP
Tower 46
55 West 46th Street
New York, NY 10036
Attn: **Rajesh Bandla, Esq.**

Phone: 212-940-3019

Email: rbandla@nixonpeabody.com

Principals: Todd Arena, Adele Eisenstein, David Glick, Samuel Gray, Mara Dawn Kravitz, Oksana Mironova, Katherine A. Samuels.

Real Estate Finance Bureau, Syndication Section
120 Broadway
New York, NY 10271

Re: Policy Statement 104 Application

Dear Syndication Section:

Please be advised that Nixon Peabody LLP is counsel to the NYC REIC, Inc., the applicant for a no-filing letter (the “Applicant”) pursuant to Policy Statement 104. The Applicant wishes to offer and sell real estate interests in New York to New York residents without filing an offering plan or exemption application required pursuant to General Business Law §§ 352-e (the “Filing Requirement”). Moreover, Applicant does not intend to register as a broker-dealer pursuant to General Business Law § 359-e. Instead, the Applicant wishes to apply for and receive a no filing letter pursuant to New York Attorney General Policy Statement 104.

The Applicant is a New York Not-for-Profit Corporation and validly exists under the laws of the State of New York. Pursuant to its corporate purpose, the Applicant is organized to “develop solutions to preserve, restore, and enhance local spaces for cultural, commercial, and charitable uses by promoting community investments in real property.” Section III of NYC REIC, Inc. Certificate of Incorporation (Exhibit A hereto). All funds raised by the Applicant will be used fund costs associated with the development of property that will preserve, restore and enhance local spaces for cultural, commercial and charitable uses and also for any related offering expenses associated with the raising of funds.

Upon a review of the General Business Law (the “Martin Act”), 13 N.Y.C.R.R. Part 16, and Policy Statement 104, the Applicant believes that the offer and sale contemplated qualifies for no-filing treatment pursuant to General Business Law § 359-f(2)(e) and § 359-f(1)(c), which exempts from the Filing Requirement any security issued by a corporation organized exclusively for educational, benevolent, fraternal, or reformatory purposes, and not for pecuniary profit. Specifically, General Business Law § 359-f(2)(e) provides for an exemption from registering as a broker-dealer under the Martin Act for “[a]ny security issued by a corporation organized exclusively for educational, benevolent, fraternal, or reformatory purposes, and not for pecuniary profit.” In this case, NYC REIC, Inc. is not organized for pecuniary profit, but instead to provide much-needed commercial spaces in neighborhoods for cultural, commercial, and charitable purposes. Therefore, we believe the activities of NYC REIC, Inc. fit squarely within the explicit exemption provided for by the Martin Act for such charitable organizations.

The Applicant respectfully requests a no-filing letter stating that the Attorney General of the State of New York will take no action with respect to the Applicant’s acts of (i) not filing an offering statement pursuant to General Business Law § 352-e, (ii) not seeking an exemption from such filing requirements pursuant to General Business Law General Business Law § 352-g, (iii) not registering as a broker-dealer, (iv) not obtaining an exemption from registration pursuant to General Business Law § 352-e(7), or (v) any combination of the foregoing.

Listed below are the response items required for such a request under Policy Statement 104.

- 1. The name, address, and legal nature of the issuing entity; the business of the issuer; its date and place of organization; and whether it is a successor to another entity within the last two years.**

Name: NYC REIC, Inc.
Address: 540 President Street #2E
Brooklyn, NY 11215
Legal Nature: New York Not-For-Profit Corporation
Business of Issuer: The business of the Applicant is charitable and educational, with an emphasis on combating community deterioration and advancing long-term stability, diversity, vibrancy, and cohesion in New York City neighborhoods most affected by disinvestment and displacement. The Applicant was established to develop solutions to preserve, restore, and enhance local spaces for cultural, commercial, and charitable uses.

Date and Place of Organization: November 28, 2016 (New York)

Note: Applicant is not a successor to another entity.

- 2. The name, title, and affiliation of the individual affiant, his or her business or profession, and business address.**

Name: Todd Arena
Affiliation: Director of the Issuer
Profession: Attorney
Business Address: NYC REIC, Inc.
1143 Dean Street
3rd Floor
Brooklyn, NY 11216

Phone: 646-730-6206
Email: arena.todd@gmail.com

- 3. The names and business addresses of all officers, directors, general partners, trustees, selling shareholders, and other principals of the issuer, including principals of a general partner when it is itself a corporation or partnership, and a statement that there are no other principals or controlling persons.**

The Directors of the Issuer are the following persons:

Todd Arena
1143 Dean Street
3rd Floor
Brooklyn, NY 11216

Adele Eisenstein
33-51 84th Street
Apt. 4G
Jackson Heights, NY 11372

David Glick
152 Woodpoint Road
Brooklyn, NY 11211

Samuel Gray
12 Herbert Street #2
Brooklyn, NY 11222

Mara Dawn Kravitz
540 President Street #2E
Brooklyn, NY 11215

Oksana Mironova
608 Rugby Road
Apt. D8
Brooklyn, NY 11230

Katherine A. Samuels
104 East 126th Street
Suite 1B
New York, NY 10035

There are no other principals or controlling persons.

4. **Whether any principal (including every person named in paragraph 3) was ever adjudged to be bankrupt, made an assignment for benefit of creditors, or was an officer, director or principal of any entity which was reorganized in bankruptcy, adjudged a bankrupt, or which made an assignment for the benefit of creditors (If so, provide details).**

No principal of the Applicant (including every person named in paragraph 3) has ever been adjudged to be bankrupt, made an assignment for benefit of creditors, or was an officer, director or principal of any entity which was reorganized in bankruptcy, adjudged a bankrupt, or which made an assignment for the benefit of creditors in the preceding five years. See General Business Law § 359-e(3).

5. **Whether any principal (including every person named in paragraph 3) was ever convicted of a crime, or was the subject of an injunction, cease and desist order, or restraining order, revocation of a license to practice a trade, occupation or profession, or denial of an application to renew same, stipulation or consent to desist from any act or practice, Executive Law § 63(15) assurance of discontinuance, or any other disciplinary action by any court or administrative agency, or whether such action or proceeding is presently pending (If so, provide details).**

No principal (including every person named in paragraph 3) has ever been convicted of a business or securities-related crime, or was the subject of an injunction, cease and desist order, or restraining order involving a business or a securities matter, revocation of a license to practice a trade, occupation or profession, or denial of an application to renew same, stipulation or consent to desist from any act or practice, entered into an assurance of discontinuance pursuant to Executive Law § 63(15), or any other disciplinary action by any court or administrative agency, or whether such action or proceeding is presently pending.

6. **The purpose of the offering, the total dollar amount of the offering and the number of units and classes of securities to be offered, including optional units, shares underlying warrants and conversion privileges. Do not refer to the accompanying offering material; however, a separate table containing the requested information may be attached as an exhibit to the application.**

The Applicant will seek to carry out its charitable corporate purpose by offering investment opportunities to its members in commercial real property. Investment opportunities are available solely to members of the Applicant, and are limited to investments in instruments (*e.g.*, membership interests in an LLC represented by membership interest certificates) backed by interests (financial or otherwise) in certain commercial real property located exclusively within the State of New York, and in accordance with a Statement of Understanding setting forth the terms of each investment opportunity.

The Applicant is a New York Not-for-Profit Corporation with membership open to residents of New York State. In order to become a member, an individual must attend at least one quarterly NYC REIC, Inc. membership meeting a year in person, pay a member fee of \$10, sign the membership agreement, and endeavor to conduct membership in accordance with the principles of cooperation (the “Membership Criteria”) (Exhibit B hereto).

In addition to membership dues, the Applicant shall raise funds, as permissible under applicable laws, and such funds shall be used towards carrying out its corporate purpose.

The Applicant contemplates having two different types of members for purposes of investments: 1) Eligible Investment Members, which are those that meet all of the Membership Criteria. Eligible Investment Members are permitted to invest up to \$50,000 in the Applicant's projects over a 10-year period (the "Investment Cap") and are members that do not meet the definition of accredited investors as defined by SEC Regulation D, Rule 501, as amended, (hereinafter "Eligible Investment Members"); and 2) Unrestricted Investment Members, which are Eligible Investment Members that meet additional criteria subject to the approval of the Applicant, including but not limited to: a) meeting the definition of an accredited investor as defined by SEC Regulation D, Rule 501, as amended, b) natural persons whose net worth exceeds \$1,000,000, or c) individuals whose annual income is in excess of \$200,000 (\$300,000 if combined with their spouse or domestic partner). The above additional criteria for Unrestricted Investment Members shall be verified by supporting documentation (*e.g.*, bank statements, etc.) by the Applicant (hereinafter "Unrestricted Investment Members"). The Applicant reserves the sole and absolute discretion to determine whether an Eligible Investment Member is eligible to invest as an Unrestricted Investment Member. (Eligible Investment Members and Unrestricted Investment Members shall hereafter be referred to collectively as Investment Members).

Investment opportunities will be in two different forms: 1) investments in specific individual targeted properties and 2) a general fund for future investments, with no specific properties targeted ("General Fund"), both of which will be presented to Investment Members.

Notwithstanding the type of investment (*e.g.*, targeted or purchased through the General Fund), all interests in individual commercial real property will be acquired by the Applicant by an individually formed New York limited liability company ("LLC"). Each LLC will have the Investment Members as nonvoting members and the Applicant as its sole managing member. The return available to investors from these investment opportunities will be limited to a return of the amount invested by each member and accrued interest or LLC distributions.

The Applicant plans to cap its fundraising efforts at \$10,000,000 over a 10-year period.

An example of the type of commercial real estate property that the Applicant may invest in include a community facility space in a new construction condominium, which space will be leased to a cooperatively-owned small business or other commercial tenant. The terms of any such lease will be structured to provide long-term affordability for the tenant, to the benefit of the community at large.

- 7. Whether any offering literature will be used, and if so, state an undertaking to file a copy of such offering literature, including all amendments and exhibits, with the Department of Law.**

The Applicant will undertake to file with the Department of Law for informational purposes any offering materials to be provided, including all amendments and exhibits thereto.

For each offering, Investment Members will be provided an investment package containing the following information:

Information about members' investments, including but not limited to:

- The Applicant's membership interests are not guaranteed, and that the entire investment could be lost;
- That each Investment Member's interests in each LLC formed by the Applicant shall be nonvoting interests and the Applicant (or a wholly-owned subsidiary thereof) shall be the sole managing member of each LLC;
- The steps which Investment Members can take to request that their initial investment be returned to them in whole or in part;
- The Applicant's redemption policy for Investment Members that wish to convey their interest shall be limited to the sale-back of such interests plus nominal accrued interest to the LLC or the Applicant, and determined by the Applicant;
- That members may invest in a fund for a specific property or a General Fund;
- When and how often Investment Members will receive income based on a return on their investments; and
- The Applicant commits to provide Investment Members with annual reports about their investments, including a balance sheet and profit and loss statement that has been certified by an independent certified public accountant.

Information about each investment opportunity, including but not limited to:

- If a specific property is being targeted:
 - Address and/or Borough, Block and Lot number(s);
 - Who currently owns the property, and how they own it;
 - Financial information about the property, such as real estate taxes (if applicable), municipal charges, etc.;
 - Whether there are any leases in place at the property;
 - Price, location, current use, and intended use of the property;
 - Plan for tenating the property;

- How Applicant plans to take title to, or other interest in, the property (*i.e.*, fee simple; membership interests in an LLC, via ground lease, etc.);
 - Whether there are any mortgages on the property, and if so, the details of those mortgages; and
 - Who will manage the property.
- If investors are investing in the General Fund:
 - The Applicant's requirements for selecting commercial real property to invest in.

Information about each to-be formed LLC, including but not limited to:

- Names, addresses, and any business background of the Board of Directors of the managing member of the LLC;
- Whether any of the Board of Directors has a financial or fiduciary relationship in or with the property prior to the date of acquisition;
- The bylaws of the Applicant; and
- The operating agreement of the LLC.

Information about fundraising, including but not limited to:

- For Investment Eligible Members and Unrestricted Investment Members that invest in a specific project or property:
 - The offering materials will explain that the Applicant will hold the money in trust in accordance with New York General Business Law §§ 352-e(2-b) and (h), and that, after a defined period of time, if it cannot raise enough money to invest in that specific project or property, it will return investors' money, minus costs employed in connection with consummation of the transaction.
- For Unrestricted Investment Members that invest in the General Fund:
 - The offering materials will explain that the Applicant will hold the money in trust in accordance with New York General Business Law §§ 352-e(2-b) and (h), and if, after a defined period of time, the General Fund is not used to make an investment in properties that meet the Applicant's corporate purpose, then it will return members' money, minus those funds employed in connection with consummation of the transaction.

8. The basis for the exemption sought, with a reference to the applicable subdivision of § 359-f(2) and of § 359-f(1) if § 359-f(2)(c) is used.

The exemption is being sought pursuant to General Business Law § 359-f(2)(c) on the basis of the issuer's satisfying the provisions of General Business Law § 359-f(1)(e). General Business Law § 359-f(2)(c), which explicitly provides for an exemption from meeting the filing requirements of the Martin Act if the activities of the Applicant are exempt pursuant to General Business Law § 359-f(1)(e), which exempts from registration as a broker-dealer any security issued by a corporation organized exclusively for educational, benevolent, fraternal, or reformatory purposes, and not for pecuniary profit. As described in this application, the intended use of the proceeds from the offerings described herein is to fund the development of property that will preserve, restore, and enhance local spaces for cultural, commercial, and charitable uses. Therefore, the activities of the NYC REIC, Inc. fall squarely within the exemption afforded by the Martin Act.

[Signature on Next Page]

Exhibit A:
Certificate of Incorporation of NYC REIC, Inc.

NEW YORK STATE DEPARTMENT OF STATE
Division of Corporations, State Records and UCC
One Commerce Plaza, 99 Washington Avenue, Albany, NY 12231

TO: PAULA SEGAL, LINCOLN SQUARE LEGAL
SERVICES, INC. FORDHAM UNIVERSITY
150 WEST 62ND STREET, NINTH FLOOR
NEW YORK CITY NY 10023

161118000771

161118000 771

**Certificate of Incorporation
Of
NYC REIC, Inc.**

Under section 402 of the Not-for-Profit Corporation Law

Section I

The name of the corporation is NYC REIC, Inc.

Section II

The corporation is a corporation as defined in subparagraph (5) of paragraph (a) of section 102 of the Not-for-Profit Corporation Law.

Section III

The corporation is organized for the charitable and educational purposes of combating community deterioration and advancing long-term stability, diversity, vibrancy, and cohesion in New York City neighborhoods most affected by disinvestment and displacement. The corporation develops solutions to preserve, restore, and enhance local spaces for cultural, commercial, and charitable uses by promoting community investments in real property.

Section IV

The corporation is not formed to engage in any activity or for any purpose requiring consent or approval of any state official, department, board, agency or other body.

Section V

The corporation is a charitable corporation under section 201 of the Not-for-Profit Corporation Law.

Section VI

The office of the corporation is to be located in Kings County, State of New York.

Section VII

The name and address of the initial directors of the corporation are:

- Adele Eisenstein, 33-51 84th St. - Apt. 4G, Jackson Heights, NY 11372
- Todd Arena, 1143 Dean St. - 3rd fl., Brooklyn, NY 11216
- Samuel Gray, 12 Herbert St. - #2, Brooklyn, NY 11222
- David Glick, 152 Woodpoint Rd., Brooklyn, NY 11211
- Joe Rinchart - 385 E. 18th St. Apt. 3G Brooklyn, NY, 11226
- Oksana Mironova, 608 Rugby Rd. - Apt. D8, Brooklyn, NY 11230
- Mara Dawn Kravitz, 340 E 5th Street Apt C1 New York, NY 10003
- Katherine A. Samuels, MD, 104 East 126th Street Suite 1B New York, NY 10035

Section VIII

The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address to which the Secretary of State shall mail a copy of any process accepted on behalf of the corporation is: c/o 596 Acres, Inc. 540 President St #2E, Gowanus, Brooklyn NY 11215.

Section IX

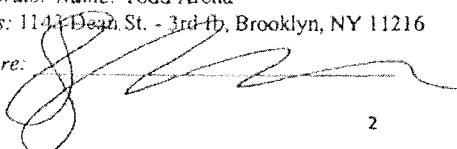
The following language relates to the corporation's tax exempt status and is not a statement of purposes and powers. Consequently, this language does not expand or alter the corporation's purposes or powers set forth in Section III.

Notwithstanding any other provisions of this certificate, the corporation is organized exclusively for charitable purposes, and intends at all times to qualify and remain qualified as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") (or the corresponding provision of any future federal tax code or U.S. Internal Revenue Service rule or regulation) and, in connection therewith:

- (a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.
- (b) Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Incorporator Name: Todd Arena
Address: 1147 Dean St. - 3rd fl, Brooklyn, NY 11216

Signature:



16111800 0 771

Certificate of Incorporation
Of
NYC REIC, Inc.
Under section 402 of the Not-for-Profit Corporation Law

FILED BY: Name: Paula Segal
Mailing Address: Lincoln Square Legal Services, Inc.
Fordham University School of Law
150 West 62nd Street, Ninth Floor
City: New York City
State: New York
Zip Code: 10023

FILED

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2016 NOV 18 AM 9:14

1cc
STATE OF NEW YORK
DEPARTMENT OF STATE

FILED NOV 18 2016

TAX \$ _____

BY: McC

King

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on November 21, 2016.

A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan W. Fitzgerald
Executive Deputy Secretary of State

Exhibit B:
Membership Criteria

NYC REIC Member Acknowledgement

There are 4 requirements for active membership in the New York City Real Estate Investment Cooperative (NYC REIC):

1. reading and signing this agreement,
2. contributing a member fee of \$10,
3. attending a quarterly General NYC REIC Membership meeting,
4. and endeavoring to conduct membership in accordance with the principles of cooperation.

I am paying a \$10 member fee to secure my membership in the NYC REIC. Member fees and future investments, if any, will be pooled to create a collective fund to preserve affordable space for small businesses, community, and culture in NYC. My \$10 will be returned on April 28, 2017 if no such fund has been established by that date. I understand that this money will be held by the interim facilitation team for the NYC Real Estate Investment Cooperative, an unincorporated association, and that my money will be placed into the organization's account.

I acknowledge that not all of the NYC REIC's decisions will be made with all-member participation, especially in the early stages of the NYC REIC's formation. I expect the leadership team of the NYC REIC (including, e.g., the interim facilitation committee and, later, the NYC REIC Board which will replace it) to conduct the affairs of, and make decisions regarding, the NYC REIC in accordance with the cooperative principles. Further, I can expect the NYC REIC, as it moves from an exploratory phase to a formal entity, to build in more opportunities for member participation in the cooperative's decision-making.

I understand that in this early stage of the NYC REIC, working groups of active members will define the structure and goals of the NYC REIC and its operations. Participation in working groups is a key element of member control over the activities of the NYC REIC.

I understand that once I have fulfilled the four requirements listed above, I will be an

active member of the NYC Real Estate Investment Cooperative. I will have the right to participate in decision-making by joining a working group and, for any all-member vote, I will have the ability to participate with a vote equal to all other members.

I understand that until I have fulfilled the four requirements listed above, my membership will not be active. As long as my membership is not active, I will not be able to: participate in working groups, run for NYC REIC positions, or vote in Board elections. Only active members may participate in working groups, run for NYC REIC positions, or vote in Board elections. I understand that to activate my membership, I must fill out this membership form *and also* attend a General Meeting (dates below), pay my member fee either in person or by mail, and read the [principles of cooperation](#).

To request that my contribution be returned and my membership terminated at any time, contact info@nycreic.com. I understand that this and other terms of my membership may be changed by bylaws and policies adopted by the NYC REIC and member agreements signed by the NYC REIC and me.

Name *

First Name Last Name

E-mail *

ex: myname@example.com

Confirm Email

Phone Number *

Area Code Phone Number

Address

Street Address

Street Address Line 2

City

State / Province

Postal / Zip Code

Country

Please Select

