

The New York Times

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NEW YORK, WEDNESDAY, MAY 14, 1997

\$1 beyond the greater New York metropolitan area

A Co-op Must Pay \$640,000 For Denying Sublet to Black

By BENJAMIN WEISER

When Gregory and Shannon Broome, two young lawyers, found the apartment of their dreams a few years ago in the elegant Beekman Place neighborhood on Manhattan's East Side, they were ready to move in.

But when Mr. Broome went to the red brick neo-Georgian cooperative building at 425 East 51st Street to meet with the president of the co-op, everything changed. He and his wife were eventually told they could not sublet the apartment.

Mr. Broome, who is black, and his wife, who is white, believed that they were victims of racial discrimination. And court testimony later showed that a co-op board member had scribbled "black man" on a note pad in discussions about the couple's application.

Last week, a Federal jury in Manhattan agreed that they had been the victims of discrimination, awarding them \$640,000 in damages — including \$410,000 in punitive damages against the Beekman Hill House and its board members.

The verdict, which legal experts said may be the largest ever in a racial discrimination case against a Manhattan cooperative and its board, was noteworthy because it was one of the few such cases to

succeed against a co-op, and it laid bare what some critics of co-op boards say is a common practice.

In the eight-day trial, Lawrence Wiener, the board member who had scribbled "black man" on a pad, also testified that it made him "feel better" when he learned that Shannon Broome was white.

Another board member, Michael Silverman, testified that after hearing that the co-op president, Nicholas Biondi, had reservations about the Broomes, he warned Mr. Biondi, "If you feel uneasy because Mr. Broome is black, we will be sued because you cannot do that sort of thing."

Mr. Biondi, Mr. Wiener and other board members denied that race was a factor in their decision to reject the Broomes. Testimony showed that Mr. Biondi indicated that he opposed welcoming Mr. Broome to the building because he found him "aggressive" and "arrogant" and possibly litigious. But Judge Robert L. Carter observed at one point, without the

East Side Co-op Must Pay \$640,000 for Keeping a Black Out

jury present, that the board's characterization of Mr. Broome as "arrogant" at least suggested that the Broomes had made a case that they had been victims of discrimination, since "arrogant," he said, was itself a "code name for racial discrimination."

"In earlier times, when the term was a little cruder, it was called 'uppity,'" the judge added. "But now it is a little more civilized, and it's 'arrogant.' That's the word that's used."

Critics of co-op boards have long maintained that decisions to accept or reject tenants are often arbitrary and at times based on factors like race. Although race-based rejection is illegal, it has been difficult to prove that such decisions occur since co-op boards have great powers under the law to reject tenants and do not have to explain why they turn someone down.

Michael H. Schill, director of the Center for Real Estate and Urban Policy at the New York University School of Law, said that the size of the verdict showed that "obviously the jury must have felt that what the co-op board did was egregious and wanted to send a message and punish the offenders."

Mr. Biondi declined to comment on the outcome. Patricia Murphy, a lawyer for Mr. Biondi and the other board members, also refused to comment but said that the verdict probably would be appealed.

Testimony showed that the Beekman Hill House has never had a black tenant who went through the board's approval process. But evi-

dence at the trial indicated that a black Haitian family owns an apartment and rents it out. That family did go through the approval process to become an owner. In the 11 years since the building went co-op, there have been about 55 applications for sublets, according to trial testimony; none came from blacks.

The Broomes' search for a new apartment began in early 1995. They scanned the classifieds, visited some 60 apartments and finally, over the Memorial Day weekend, found the two-bedroom apartment on the seventh floor of Beekman Hill House. They liked its built-in bookcases, pass-through kitchen, closet space — and the location. It was just a few blocks from the law firm Skadden, Arps, Slate, Meagher & Flom, where Mr. Broome worked as a tax lawyer, and was convenient for Mrs. Broome, who drove daily to Fairfield, Conn., where she worked for the General Electric Company.

"We walked into 7A and fell in love with it," Mr. Broome testified.

He and the apartment owner, Simone Demou, quickly agreed on a two-year sublet, beginning with a rent of \$2,400 a month. Mr. Broome also had a phone conversation with Mr. Biondi, the co-op president. According to Mr. Broome's testimony, Mr. Biondi was friendly, said the process would not be a "a big deal" and that making plans to move in "shouldn't be a problem."

On June 5, Mr. Broome testified, he met Mr. Biondi face to face for the first time, adding that Mr. Biondi's attitude toward him immediately turned cold. Over the next week, the Broomes contended, Mr. Biondi worked to mobilize the other board members against their application.

In a phone conversation with one member, Lawrence Wiener, Mr. Biondi described Mr. Broome as a "black man" who was "angry, aggressive, difficult, pushy," according to Mr. Wiener's testimony.

Mr. Biondi denied at trial that he had been motivated in any way by race; when Mr. Silverman, the board member, warned him that un-

A rare success in a discrimination case against a co-op.

ness about Mr. Broome's race could result in a lawsuit, "I said, 'This has nothing to do with that,'" Mr. Biondi testified.

Mr. Wiener testified that he himself said it made him "feel better" to learn that Shannon Broome was white "because intermarriage is a good thing, and I am all for that."

When Mrs. Demou, the owner of the apartment, learned that the board had not yet approved the Broomes, she was upset and began to call board members, criticizing Mr. Biondi, questioning his motives and suggesting he was a "bigot," according to testimony from some members. She disputed those assertions, saying she had called members to seek support for the Broomes.

On June 13, the Broomes attended a meeting with five board members, and the atmosphere was testy. Mr. Biondi was angry, and criticized Mrs. Demou. Mr. Broome testified: "He said, 'I don't know if you guys

are aware of what's happened this week, but Ms. Demou has been making calls all over the place slandering me, calling me a bigot and a racist.' This went on for five or six minutes."

The following day, the Broomes learned that their application was denied. Shannon Broome testified that it was "humiliating" to be turned down. Gregory Broome echoed that feeling, saying it was "demoralizing" to him that he hadn't stuck up for himself better at the board meeting.

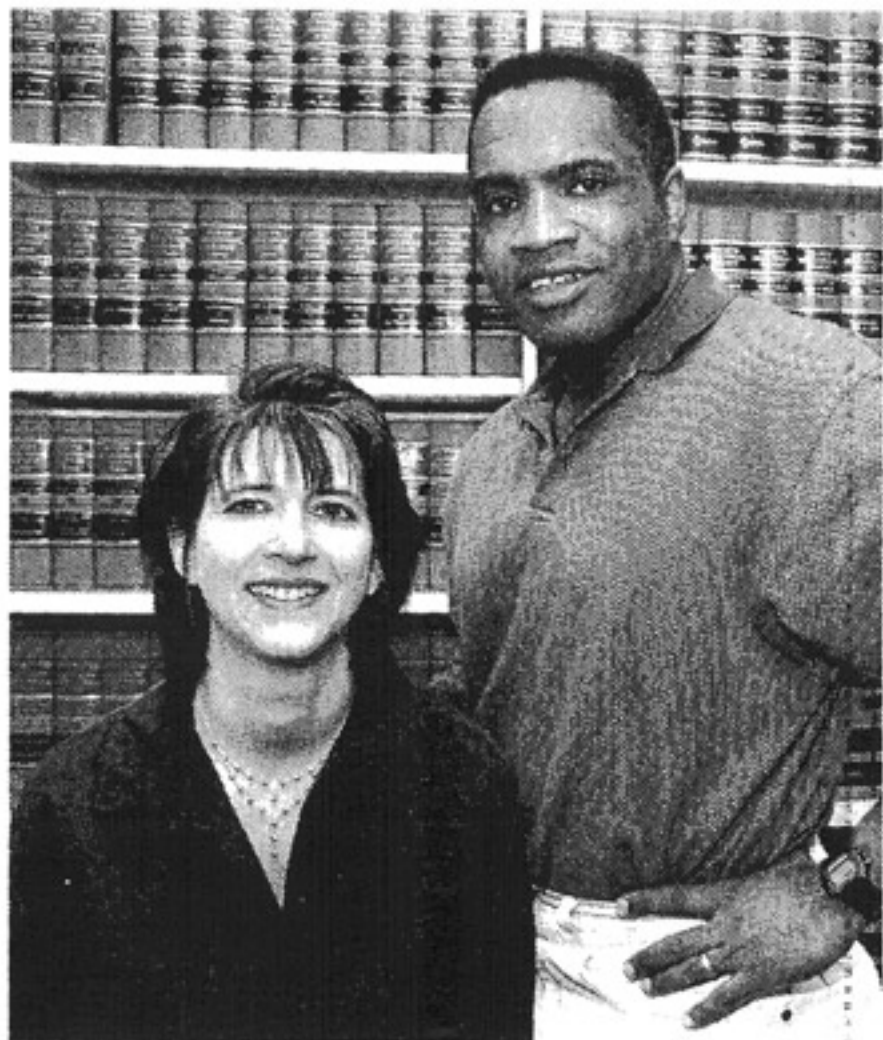
"I also wondered what was the point in, you know, working to 10 o'clock every other night of the week if I couldn't live four blocks away in an apartment I could comfortably afford," he testified.

Later, Mr. Broome discussed his experience with colleagues at work, and the Skadden, Arps firm agreed to represent him on a pro-bono basis.

In returning its verdict on May 6, the jury found against the co-op as well as against the five directors who had voted to deny the sublet application.

In granting punitive damages to the Broomes, the jury awarded \$150,000 against the co-op, \$125,000 against Mr. Biondi, \$60,000 against Richard Appleby, another board member, and \$25,000 each against Mr. Silverman, Mr. Weiner, and the fifth director, Katherine Cundey.

The jury also awarded Mrs. Demou, the apartment owner, \$107,000 in compensatory damages and \$57,000 in punitive damages on her claim that the board had retaliated against her when she tried to stand up to it when it sought to deny the Broomes' application. She testified that the board had taken steps to deprive her of her apartment. The



Frances Roberts for The New York Times

Shannon and Gregory Broome were awarded \$640,000 by a jury that found that a co-op had discriminated against them by blocking a sublet.

co-op and its directors denied Mrs. Demou's claim. It was unclear whether damages in the case would be covered by insurance.

Separately, the co-op and the board members filed suits against the Broomes for defamation, and Mrs. Demou, claiming that her acts were injurious to the board, but those

claims were dismissed by Judge Carter.

The Broomes found another apartment, a one-bedroom about a block away from the co-op. Mr. Broome said that for several months he avoided walking past the Beekman Hill House. As for Mrs. Demou, she sold 7A.