

December 16, 2015

By email: hcohen@stiecohen.com

Herbert L. Cohen, Esq.
Stiefel Cohen & Foote, P.C.
770 Lexington Avenue
New York, New York 10065

**Re: 425 East 86 Apartments Corp.
Armand Musey**

Dear Mr. Cohen:

This letter is in response to your letter of December 11, 2015 addressed to our client Armand Musey. As you are aware, there is pending litigation between Mr. Musey and the Cooperative Corporation. Charles Krieg and his firm Paykin Krieg & Adams, together with my firm, Hinman Howard & Kattell LLP, are both counsel to Mr. Musey in the pending litigation, however, neither of us were copied on your letter to him. You can argue that your letter did not concern the current litigation involving our client and the Cooperative Corporation, however you did refer to the litigation in your letter. Going forward, please do not communicate with Mr. Musey directly. All correspondence to our client should be directed either to me or to Mr. Krieg.

Regarding your assertion that the By-Laws of the Cooperative Corporation and New York Business Law both conflict with and override the rights accorded a shareholder in the Proprietary Lease, you are mistaken. As you know, Section 5 of the Proprietary Lease is very clear in permitting a shareholder of the Cooperative Corporation to review the books and records of the Cooperative Corporation. The By-Laws merely requires release of audited financial statements within ninety days of the Cooperative Corporation's fiscal year end and in no way limits what financial information the shareholder can review. Furthermore, neither New York Business Corporation Law nor New York common law conflicts with the language in the Proprietary Lease. Even if arguably there was a conflict, parties can privately contract and provide certain rights to shareholders over and above what New York Law may grant. Indeed, that the board would permit such a statement to be sent to a shareholder is symptomatic of a culture lacking both transparency and regard for basic principles of corporate governance.


Our client is a shareholder of the Cooperative Corporation and as such, has an absolute right to this information outside of any litigation. Furthermore, in the case of clarification of an important issue of disclosure in the financial statements, it is to the benefit of the Cooperative

Corporation to have the issue promptly clarified and possibly resolved through a conversation between the accountants and Mr. Musey.

We renew Mr. Musey's request for the information sought and ask that access be provided no later than December 23, 2015.

Very truly yours,

HINMAN, HOWARD & KATTELL, LLP

By: 
Stuart Sugarman

SS/

cc: Armand Musey
Charles Krieg, Esq.
Debra Guzov, Esq.
Stephanie Prince, Esq.
Tracy Peterson, Esq.