Potential boost for renters on LI

Federal order stops evictions until 2021, but challenge seen

BY SARINA TRANGLE
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A federal order limiting evictions may bolster Long Island renters, although how much protection government measures provide will likely play out in court, according to a nonprofit that offers free legal representation for those in need.

U.S. Centers for Disease Control and Prevention acting chief of staff Nina Witkofsky issued an order Tuesday that shields struggling tenants from eviction until the end of 2020.

The federal measure provides a more concrete protection period than the New York Tenant Safe Harbor Act, according to Vivian Storm, a spokeswoman for the nonprofit Nassau Suffolk Law Services. Under the state law, judges may determine tenants suffered economically because of COVID-19, and therefore, cannot be evicted for missing rent during the emergency. Tenants are ultimately responsible for accrued rent, under both measures.

TNS / AFP/ ANGELA WEISS

Protesters demonstrate in Manhattan on Tuesday for housing reform during the pandemic.

The state court system previously announced no warrants of eviction will be issued until Oct. 1. Storm said lawyers are waiting to see how judges handle cases related to COVID-19. She noted that many Long Islanders' leases would expire sometime between when protections started in March and when they are slated to expire in 2021. If these households do not relocate, they could be subject to a holdover case accusing them of not vacating the home when their lease ended.

"The fight will become whether holdover proceedings that seem to be prompted by nonpayment of rent should be, really, treated as nonpayment proceedings," Storm said. "That's going to be an issue that the courts will ultimately have to resolve."

Witkofsky said the order became necessary as federal, state and local eviction moratoriums sunset, given that more people moving into homeless shelters or crowded settings could hasten the spread of COVID-19.

"Eviction moratoria facilitate self-isolation by people who become ill or who are at risk for severe illness from COVID-19 due to an underlying medical condition," Witkofsky's order said.

The order applies to individuals earning up to $99,000, or up to $198,000 for joint filers — in 2020. To be eligible, tenants must have struggled to pay rent due to a significant loss of income or extraordinary medical expenses; have attempted to obtain all available government assistance; and have paid as much of their rent as possible. These tenants should fill out a declaration form and give it to their landlord, the order said.

But the CDC moratorium leaves landlords in a difficult position, said Kyle Strober, executive director of the Association for a Better Long Island, a business group that includes major residential landlords.

"This is the definition of kicking the can down the road," Strober said. "The only real solution is a robust renters' subsidy program and property owner tax relief."

TSR acquires Port Washington staffing firm for $2.5M

BY KEN SCHACHTER
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TSR Inc., a Hauppauge IT staffing company, has acquired Port Washington-based Geneva Consulting Group Inc. for about $2.5 million.

The deal, completed Tuesday, gives TSR access to Geneva's client roster in the banking, entertainment, insurance and health services sectors.

Shares of publicly traded TSR jumped 29.4% to close Wednesday at $6.07 as investors reacted to the news announced after the market close on Tuesday.

TSR bought closely held Geneva from its three shareholders for $1.45 million in cash, the value of Geneva's Paycheck Protection Program loan up to $750,000 and up to $300,000 in payments based on meeting certain benchmarks, according to a government filing.

The shareholders also may receive bonus payments in $10,000 increments, according to the agreement.

STEVE PFOST

Hauppauge-based TSR Inc. has purchased Port Washington-based Geneva Consulting Group.

"Geneva has been a very formidable competitor since 1997 and it will be a pleasure to now have their very talented employees as part of the TSR family," TSR chief executive Thomas C. Salerno said in an email. "Their impressive client relationships will complement TSR's well-established roster of world class companies."

TSR provides staffers with technical skills to corporate clients for periods typically lasting from three months to a year.

In the fiscal year ended May 31, TSR's biggest clients were Consolidated Edison and Citigroup, each accounting for more than 20% of revenue.

TSR had 338 employees as of May 31, including 292 IT and administrative contractors.

TSR officials declined to discuss the future of Geneva's employees and its Port Washington office.

In a government filing, TSR said the COVID-19 pandemic had decreased demand for its services.

The company said it avoided salary reductions, layoffs and furloughs by using about 53% of its $6.7 million Payroll Protection Program loan to fund payroll and other allowable expenses as of May 31.

The PPP, administered by the Small Business Administration, was designed to buffer the economic shock of the coronavirus outbreak.

In the filing, TSR acknowledged that a review by the SBA and Treasury Department could determine that the company is not eligible to have all or part of the loan be forgiven.

In the fiscal year ended May 31, TSR posted net revenue of $59.1 million compared with $63.3 million in the 2019 period.

For the fourth quarter, revenue fell 5% year-over-year to $14.8 million.

The company narrowed its net loss to 57 cents per share versus a net loss of 68 cents in the fiscal year ended May 31, 2019.

In March, TSR's former CEO, Christopher Hughes, filed a lawsuit for more than $1 million in state Supreme Court in Manhattan, charging the company breached his employment contract and dealt with him in bad faith.

TSR, which denies the charges, has filed counterclaims.

Hughes exited the company after losing a proxy fight last year with TSR's major shareholders and failing to secure financing to buy them out.

Included in the lawsuit are transcripts of telephone calls recorded by Hughes in which he discussed a severance package with Bradley Tirpak, chairman of the board.

After several calls, on Jan. 27, Tirpak increased an offer of $200,000 plus health insurance for two years to $250,000 plus a car and health insurance for two years, but said, "this $1 million dollars in two lump payments is not happening."

Hughes responded: "I do not think $250,000 is reasonable. I really don't."

In another part of the conversation, Tirpak beseeched Hughes to reduce his demands and spare the company, whose sales and earnings were down, from a costly court case.

"You have to go on with your life, Chris . . . be a yoga instructor in Cancun or go do whatever," he said.