

Lawyer for Oyster Bay: Ex-town attorney had loan agreements that were 'invalid and unenforceable'

September 3, 2015 by TED PHILLIPS / ted.phillips@newsday.com



Oyster Bay town hall is seen in this undated photo. (Credit: Kevin P. Coughlin)

An outside attorney representing the Town of Oyster Bay says a former deputy town attorney had documents in his files that arranged to have the town guarantee roughly \$14 million in loans to restaurateur Harendra Singh, agreements he called "invalid and unenforceable" and "in violation of the New York State Constitution's restrictions on municipalities providing guarantees on private

debts."

The statements came in a letter to Newsday from Jonathan Pickhardt, a partner at Quinn Emanuel Urquhart & Sullivan LLP. Pickhardt wrote that "purported amendments" for concession agreements with Singh at town facilities -- the town golf course, where Singh operates the Woodlands banquet hall, and at Tobay Beach -- were not authorized by the town board, didn't follow normal protocols and violated state law. Pickhardt also wrote that the town's regular outside counsel and town officials didn't recall being involved with the agreements.

The narrative laid out in Pickhardt's letter suggests that a town employee hired and worked with outside attorneys and lenders to craft favorable deals for Singh for years, in secret, even as town attorney Leonard Genova and town Supervisor John Venditto approved more limited deals involving Singh that they believed were more beneficial to the town.

It also means that when the town board last year approved extending Singh concessions at the golf course to 2070 and at Tobay Beach to 2065, town officials failed to uncover public records indicating that the town was apparently backing two multimillion-dollar loans to Singh.

The two loans in question originated with NDH Capital Corp. and were then transferred to subsidiaries of Connecticut-based insurer The Phoenix Companies. NDH did not return requests for comment, and Phoenix declined to comment.



Newsday recently reported that Singh had arranged and paid for travel for Nassau County Executive Edward Mangano and Oyster Bay officials, and that the town had entered into agreements to backstop Singh's debt in case of defaults. Pickhardt's letter was part of a Wednesday night release of 199 pages of town documents that followed Venditto's Tuesday pledge to give Oyster Bay's residents the town's version of events.

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But beyond providing public records, town officials have declined to answer questions about how a deputy town attorney -- whom they have declined to name -- was allowed to secretly expose the town to a private businessman's liabilities, pending litigation and potential inquiries by federal officials.

Meanwhile, some of the outside parties involved in the Singh deals said they were not done in secret and pointed out that the loans, which originated in 2011 and 2012, were publicly reported in the annual reports filed with the Connecticut department of insurance.

Singh's attorney, Howard Greenberg of Smithtown, said some of Pickhardt's conclusions were "preposterous." Greenberg said his main contact with the town had been deputy town attorney Frederick Mei, and he had no reason to believe anything was done improperly.

"This is not a secret," Greenberg said of the transactions. "These transactions were fully vetted by a number of lenders and there were other lenders willing to make the loans."

Seven of the documents that Pickhardt indicated were of questionable authenticity are notarized and bear signatures of either Venditto or Genova. Those signatures are not addressed in Pickhardt's letter.

Pickhardt declined to be interviewed yesterday. The deputy attorney, who has not been identified, has resigned, Pickhardt wrote.

Town spokeswoman Marta Kane did not respond to a question about whether Mei, who has worked for the town for almost 30 years, is still employed. Pickhardt said last month that Mei's employment was under review. Mei could not be reached for comment.

One of the outside law firms hired by the town to give an opinion on a Singh deal was Harris Beach PLLC of Uniondale. The firm said in a statement yesterday that it had obtained an engagement letter authorized by the town.

"The firm's engagement on behalf of the Town of Oyster Bay was done openly and in accordance with the authority of the Town Attorney's office," the firm said in a statement. "The Harris Beach attorneys at no time had any indication that town officials acted beyond the scope of their authority."

Venditto did not respond to an interview request yesterday. Venditto has declined repeated interview requests about Singh or to answer questions posed in person by a reporter over the past three months.

The town's decision to release documents related to its agreements with Singh came after Newsday filed a Freedom of Information Law request in December 2014 for agreements, amendments, independent reviews of capital work at the golf course and Tobay Beach, and proposed new construction. The town provided documents in January, but a review of the material, and a comparison with documents independently obtained by Newsday, showed that the town had not turned over all the requested records. In mid-May, Newsday again asked the town to provide the newspaper with all missing documents.

In a May 29 interview, Venditto said he didn't recall having extended the concessions deals in 2014 and was unaware of Singh's companies' financial difficulties, even as they were about seven months behind on payments to the town. By that time, the town had hired Pickhardt for \$985 an hour to deal with potential litigation over the Singh loans. His firm has billed \$234,487 to date.

In June, the town sent notices to the Singh companies, lenders and a law firm, stating that the amendments guaranteeing payments were invalid. Publicly, Venditto said Singh had "always paid on time" but acknowledged he may have missed a payment before.

The agreements that the town acknowledges are legitimate obligate the town to make payments that could be more than \$10 million if the town terminates the agreements without cause, and \$2 million if Singh defaults under the golf course agreement before 2025. A similar agreement for \$1.5 million at Tobay Beach expired in April.

It is unclear if the town has provided all of its documents, and the town has not accounted for millions of dollars of capital work that Singh was supposed to have completed at the town facilities.

Despite the recent problems, Greenberg said Singh's companies will honor their agreements and pay their bills. He said Singh's companies are current with their payments to the town.

Singh "intends to continue servicing the town of Oyster Bay and all the guests and all the residents at the Woodlands and Tobay Beach," Greenberg said. He added, "if God forbid this concession agreement was terminated, then we're going to get our money."

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