
NEWS RELEASE

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NEW GOLD EQUITIES, INC. FILES FEDERAL CIVIL RIGHTS LAWSUIT AGAINST THE CITY OF JERSEY CITY

JERSEY CITY, N.J., July 15, 2005 – Representatives of New Gold Equities, Inc., and BLDG Management Company filed a federal lawsuit against the City of Jersey City today in the United States District Court for the District of New Jersey in Newark. The complaint alleges that there has been a systematic and officially sanctioned campaign and pattern of conduct by the City designed to prevent New Gold and BLDG from exercising and enjoying any meaningful ownership interest in their property at 110 and 111 First Street, located near the Jersey City “Gold Coast.”

The Complaint seeks damages in excess of \$100,000,000 due to a series of events directed at the property owner, including an attempt, in violation of the City’s own ordinances, to sell the property for unpaid fines for violations wrongfully cited by the City and challenged by New Gold.

110 First Street, which was deemed unsafe, was demolished during the summer of 2004. In its place, New Gold proposed a new luxury residential building with one- and two-bedroom units, ground floor retail, a parking garage, fitness center and other amenities including a swimming pool.

111 First Street, a former tobacco factory, was slated by the developer initially for a total redevelopment to reflect the building’s early historic character and to accommodate below-market live/work studios for artists. However, following numerous structural inspections and a deteriorating situation, the building was deemed structurally unsafe and beyond repair. New Gold has been involved in litigation with the City for nearly two years, preventing the owner from demolishing the structure and proposing a new redevelopment plan.

“Rather than attempt to remedy the problems and protect the public from an imminent hazard, the City continues to endanger public life and safety,” noted Michelle Berliner,

Vice President of BLDG Management. “City officials knowingly perpetuated the risk of a collapse at 111 First Street, a building with up to five stories that has been deemed structurally unsound and is located in one of the most densely populated and trafficked areas in New Jersey.”

“The shocking and deliberate conduct of the Jersey City Government towards New Gold has been part of a consistent pattern to misuse the government’s power and violate our rights,” added Daniel E. Horgan, attorney for New Gold. According to Horgan, the City also prevented New Gold from working toward a resolution, violating its rights as the owner. The complaint alleges that ex-Mayor Harvey Smith; Robert Cotter, Acting Director of the Department of Housing Economic Development and Commerce; Stephen Gucciardo, the Chairman of the Jersey City Preservation Commission; the members of the City Council; the Jersey City Historic Preservation Commission; and various other City Officials and bodies, acted in concert with various private individuals in a campaign designed to prevent New Gold and BLDG from exercising and enjoying their property rights at 110 and 111 First Street. This deprived them of the current use, rents, profits, and enjoyment of the property, leaving New Gold with only burdens, obligations, and liabilities . . . a virtually total deprivation of the company’s protected property interests in its property.

New Gold has alleged a conspiracy among those named in the Complaint, both to take the property from New Gold and to prevent them from working on the building. “New Gold’s intent has always been to launch a redevelopment of the neighborhood, establish a residential enclave with added retail that would contribute to the ongoing revitalization of Jersey City,” Berliner said. “In contrast, the City has refused to allow redevelopment of the area, instead focusing on methods to take the property from New Gold and give it away to a select group of artists.”

New Gold Equities Corp. was established in 1991 as a partnership of real estate investors to purchase 110 and 111 First Street in Jersey City. The company, which is a private real estate investment group, became the sole owner of the properties shortly thereafter. A wholly owned subsidiary of BLDG Management Co., Inc, of New York City, New Gold has invested more than \$30 million to date, for the acquisition and building improvements of both properties and subsequent demolition of 110 First Street last year. Total cost of redevelopment was projected to exceed \$100 million, in anticipation of creating a region that would become part of the ongoing revitalization of Jersey City. ###

Media Note:

A complete copy of the complaint and its exhibits can be found on the website: www.newgoldequitiesjerseycity.net.