

**NEW YORK STATE**  
**DEPARTMENT OF ECONOMIC DEVELOPMENT**  
**625 BROADWAY**  
**ALBANY, NEW YORK 12207**

**In the Matter**  
**- of -**  
**the Application of SORANI FINANCE**  
**for Certification as a Minority-Owned Business Enterprise**  
**pursuant to Executive Law Article 15-A.**

**NYS DED File ID No. 5750643**

**RECOMMENDED ORDER**

**-by-**



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**Deidre A. Chuckrow**  
**Administrative Law Judge**  
**April 10, 2025**

This matter considers the appeal by Sorani Finance, (“Sorani” or “applicant”) pursuant to New York State Executive Law Article 15-A and Title 5 of the Official Compilation of Codes, Rules and Regulations of the State of New York (5 NYCRR) parts 140-144, challenging the determination of the Division of Minority and Women’s Business Development (“Division”) of the New York State Department of Economic Development (“DED”) that the business enterprise does not meet the eligibility criteria for certification as a minority-owned business enterprise (“MBE”).

### **PROCEDURAL HISTORY**

1. On February 15, 2024, Sorani applied for certification as a minority-owned business enterprise (“MBE”). Sorani based its application on Mr. Raj S. Inamdar. (DED Exhibit 1).
2. On April 1, 2024, the Division denied the application on the following grounds (DED Exhibit 2):
  - a. The business enterprise for which certification is sought does not operate independently, as required under 5 NYCRR § 144.2(e).
3. Sorani submitted a request to appeal the denial determination via hearing, dated April 1, 2024. (DED Exhibit 3).
4. A Notice of Hearing was sent to all parties on October 21, 2024 (DED Exhibit 4).
5. A hearing was held and concluded on January 13, 2025; however the recording of the hearing was not complete, therefore another hearing was held and concluded on March 4, 2025.

### **FINDINGS OF FACT**

6. Sorani is a sole proprietorship engaged in the business of providing real estate transactions and financing advisory services; real estate asset and development management services; and

medical shared offices and practice management services. Sorani has no employees, nor any assets. (APP Exhibit A; DED Exhibit 1; Hearing Testimony of Raj Inamdar).

7. Raj Inamdar is the minority owner relied upon for certification and is the 100% owner, as sole proprietor and manager, of Sorani. (APP Exhibit A; DED Exhibit 1; Hearing Testimony of Raj Inamdar).
8. Sorani owns or controls other businesses, as subsidiaries, including Silver Wave Equities, LLC (“Silver Wave”), Sorani Capital LLC, (“Sorani Capital”), StarMD Medical Management, LLC (“StarMD”), Sorani 532 West 152, LLC (“532 West”), 1193 Fulton Managers, LLC (“1193 Fulton”), and Strawberry Diamond 2800 LLC (“Strawberry Diamond”). (APP Exhibit C; DED Exhibit 1; Hearing Testimony of Raj Inamdar).
9. Mr. Inamdar is the managing trustee of two family trusts, Inamdar Star Trust, and Inamdar Family 2012 Trust (“Inamdar Family Trust”), of which Mr. Inamdar states that he has the sole authority to act, with limitations with respect to conflicts of interest. (APP Exhibits A, G, and H; Hearing Testimony of Raj Inamdar).
10. StarMD was originally owned 100% by Subhash C. Inamdar, MD. StarMD is considered a subsidiary of Sorani, and is owned as follows: 10% by Mr. Inamdar, 10% each by Mr. Inamdar’s two sisters, and 70% by Inamdar Star Trust. Mr. Inamdar is the controlling trustee of the Inamdar Star Trust. (DED Exhibit 6; Hearing Testimony of Raj Inamdar).
11. Silver Wave is co-owned and operated by Mr. John David (“JD”) Walsh, through his 100% ownership of Norsalin Real Estate (“Norsalin”). Norsalin and Sorani each own 50% of Silver Wave, and Silver Wave is controlled equally by Messrs. Inamdar and Walsh. Silver Wave has no employees. (DED Exhibit 1, Hearing Testimony of Raj Inamdar; Hearing Testimony of JD Walsh).

12. Sorani leases office space, consisting of a desk and chair, wireless internet access, receipt of mail and packages, printer and paper, as well as a shared use of the reception area, kitchen area, and common areas, in exchange for a pro rata fee, “which shall be waived for as long as [Sorani] is Managing Member of [StarMD]. . . .” The lease agreement is signed by Mr. Inamdar on behalf of StarMD and by Mr. Inamdar, for Sorani. (DED Exhibits 1 and 9; Hearing Testimony of Raj Inamdar).
13. Raj Inamdar received the following compensation from StarMD in 2021: \$ [REDACTED] in management fees, as reported on his 1099, and W2 wages of [REDACTED]. (DED Exhibit 13).
14. Raj Inamdar received the following compensation from StarMD in 2022: \$ [REDACTED], in management fees, as reported on his 1099, and W2 wages of [REDACTED]. (DED Exhibit 14).
15. Raj Inamdar received \$ [REDACTED] in distributions from Silver Wave in 2021. (DED Exhibits 1 and 13; APP Exhibit J; Hearing Testimony of Raj Inamdar).

### **APPLICABLE LAW**

5 NYCRR § 144.2 (e) states as follows:

Independence. Business enterprises for which certification is sought must operate independently. In order to determine whether such business enterprises operate independently, the division shall consider but not be limited to the following criteria:

- (1) Whether the business enterprise shares resources with another entity, including, but not limited to, personnel, equipment, office space, warehouse and other storage space, and yard space;
- (2) Whether the business enterprise transacts business primarily with one other entity; and
- (3) Whether the business enterprise receives tangible benefits as a result of a connection to another entity, and whether such benefits are consistent with standard industry practices.

## **STANDARD OF REVIEW**

On this administrative appeal, applicant bears the burden of proof to establish that Division staff's determination to deny the application filed by Sorani for certification as an MBE is not supported by substantial evidence (*see* State Administrative Procedure Act § 306[1]). The substantial evidence standard "demands only that a given inference is reasonable and plausible, not necessarily the most probable," and applicant must demonstrate that Division staff's conclusions and factual determinations are not supported by "such relevant proof as a reasonable mind may accept as adequate to support a conclusion or ultimate fact." *Matter of Ridge Rd. Fire Dist. v Schiano*, 16 NY3d 494, 499 [2011]).

The review is limited to such information that was before the division at the time of the denial determination (5 NYCRR 145.2(b)(1)). Evidence that seeks to clarify and explain previously submitted materials will be considered, however new evidence will not be considered. *See Scherzi Systems, LLC v. White*, 197 A.D.3d 1466 (3d Dept 2021).

## **DISCUSSION**

Raj Inamdar appeared at the hearing on behalf of Sorani. The following witnesses testified on behalf of Sorani: Raj Inamdar, Owner and Manager, Sorani, and John David ("JD") Walsh, 50% owner of Silver Wave. Sorani offered exhibits A through K, of which Exhibits A through E, G, H, and J were admitted into evidence.

Ms. Misha Wright, Counsel, Department of Economic Development, appeared at the hearing on behalf of the Division. The following witness testified on behalf of the Division: Mr. Glenn Butler, Associate Certification Director, Division of Minority and Women Business Development. The Division offered the following exhibits which were admitted into evidence: DED Exhibits 1 through 28.

## I. Prior Certification

Sorani had been previously certified as an MBE, beginning in 2016, however the certification lapsed and Sorani submitted this new application. (Hearing Testimony of Raj Inamdar). The Division acknowledged that Sorani was previously certified as a minority-owned business enterprise (“MBE”). The Division asserts that it is not bound to recertify an MBE if its prior determinations were made in error. The Division argues that based on the application and supplemental material submitted by applicant, Division staff correctly determined that applicant was not eligible for recertification.

The Division is correct that it is not obligated to certify Sorani based on its prior determinations. It is well settled that the doctrine of equitable estoppel cannot, as a general rule, be invoked against a governmental agency in the exercise of its governmental function. See *Matter of Daleview Nursing Home v. Axelrod*, 62 NY2d 30 (1984); *Matter of Atlantic States Legal Found., Inc. v. New York State Dept. of Environmental Conservation*, 119 AD3d 1172 (2014).

With the expiration of its certification, Sorani had the burden to demonstrate compliance with the eligibility criteria outlined at 5 NYCRR §144.2 when it submitted the February 15, 2024, application and supporting materials, and cannot rely on the past determinations of the Division.

## II. Independence

The Division denied Sorani’s application for certification as an MBE on the basis that the applicant business failed to demonstrate that it operates independently, as required by 5 NYCRR § 144.2(e). (DED Exhibit 2). To determine whether a business operates independently the Division shall consider, but is not limited to the following: “(1) Whether the business enterprise shares resources with another entity, including, but not limited to, personnel, office space, warehouse and other storage space, and yard space; (2) Whether the business enterprise transacts business

primarily with one other entity; and (3) Whether the business enterprise receives tangible benefits as a result of a connection to another entity, and whether such benefits are consistent with standard industry practices.” 5 NYCRR § 144.2 (e) (1) (2) and (3).

Sorani operates as a single proprietorship, owned 100% by Mr. Inamdar. (DED Exhibit 1; APP Exhibit C; Hearing Testimony of Raj Inamdar). Sorani is engaged in the business of providing real estate transaction and financing advisory services, real estate asset management, real estate development management services, medical shared offices and practice management services. (DED Exhibit 1 and 2; APP Exhibit A; Hearing Testimony of Raj Inamdar). Sorani manages several other entities, including the Inamdar Star Trust, the Inamdar Family Trust, and Sorani Capital LLC. (APP Exhibit C, Hearing Testimony of Raj Inamdar). StarMD is also managed by Sorani and is owned 10% by Mr. Inamdar, 10% each by Mr. Inamdar’s two sisters, and 70% by Inamdar Star Trust. (APP Exhibit C; Hearing Testimony of Raj Inamdar). Silver Wave is owned 50% by Sorani and 50% by Norsalin, with its management being shared equally by its owners. (DED Exhibit 1; APP Exhibit A; Hearing Testimony of Raj Inamdar; Hearing Testimony of JD Walsh).

Sorani leases office space, consisting of a desk and chair, wireless internet access, receipt of mail and packages, printer and paper, as well as a shared use of the reception area, kitchen area, and common areas, from StarMD. (DED Exhibits 1 and 9). The lease agreement provides for a waiver of the rental fee “for as long as [Sorani] is Managing Member of [StarMD]. . .” The lease agreement is signed by Mr. Inamdar on behalf of StarMD and by Mr. Inamdar, for Sorani. (DED Exhibits 1 and 9; Hearing Testimony of Raj Inamdar). Mr. Inamdar also receives wages directly from StarMD and earns a separate management fee through Sorani, as an independent contractor. (DED Exhibits 13 and 14). Mr. Inamdar received \$██████ and \$██████ in wages in 2021 and

2022, respectively, and received management fees, as paid to Sorani, in the amounts of \$ [REDACTED] and \$ [REDACTED], in 2021 and 2022, respectively. (DED Exhibits 13 and 14). Mr. Inamdar received a K-1 distribution of \$ [REDACTED] from Silver Wave in 2021 which was reported on his tax return as a distribution without more information. (DED Exhibit 13; APP Exhibit J; Hearing Testimony of Raj Inamdar; Hearing Testimony of JD Walsh). The K-1 regarding the distribution, reported on the tax return, was provided for the first time on appeal, and was admitted as clarifying, under *Scherzi*. See *Scherzi*, supra. (APP Exhibit J). Notwithstanding the distribution from Silver Wave in 2021, Silver Wave is reported to not have earned, nor to be earning any income. (DED Exhibits 13 and 14; Hearing Testimony of JD Walsh).

Applicant argues that the Division's denial for independence was incorrect for several reasons. First, Mr. Inamdar testified that he owns 100% of Sorani and is responsible for everything that Sorani owns and manages. Mr. Inamdar additionally testified that Sorani is a sole proprietorship with oversight over other entities which it owns and controls, and as such, he and Sorani are interchangeable under the law. Mr. Inamdar testified that, at Sorani, he manages StarMD and has full control over that company, which he described as a controlled subsidiary of Sorani. Mr. Inamdar also testified that Silver Wave is a subsidiary of Sorani which is 50% owned and managed by Sorani. (DED Exhibit 1; Hearing Testimony of Raj Inamdar). Applicant argues that because StarMD, Silver Wave, and other businesses are subsidiaries of Sorani, the denial for independence should not stand.

Second, Applicant argues that Sorani transacts business with multiple entities that are under its control, and provided an organizational chart, for the first time on appeal, which clarified information on how Sorani operates, and was thus admitted under *Scherzi*. (See *Scherzi*, supra). (APP Exhibit C; Hearing Testimony of Raj Inamdar). Applicant also provided a letter, for the first

time on appeal, which outlined its position, and provided a list of businesses in which it alleges that it transacts business, including but not limited to Sorani Capital, LLC, Silver Wave, the two Inamdar Trusts, and StarMD. (APP Exhibit A). This letter was admitted as clarifying under *Scherzi*. (APP Exhibit A). Applicant argued that Sorani transacts business with multiple entities, and therefore they should not be denied certification under 5 NYCRR § 144.2(e)(2).

Finally, Applicant argues that the organizational structure of Sorani is consistent with standard industry practices, and that as such, it receives no tangible benefits from its subsidiaries which fall outside of standard industry practice. (Hearing Testimony of Raj Inamdar). Mr. Inamdar testified that the business structure is such as to provide liability protection, and is standard practice, and therefore, the Division's denial under 5 NYCRR § 144.2(e)(3) should also be reversed. (Hearing Testimony of Raj Inamdar).

The Division argues that the information before it at the time of application, is that the applicant business shares resources, including office space and personnel, transacts exclusively with two entities, and receives a tangible benefit, inconsistent with standard industry practice, from StarMD, evidenced by both its lease agreement, and that Mr. Inamdar works both for StarMD directly and also as an independent contractor. (DED Exhibits 1 and 2). The Division asserts that Sorani operates as a passthrough, and holds no assets on its own, and therefore, the nature of the business itself makes it dependent on other entities, including StarMD and Silver Wave. (DED Exhibit 2; Hearing Testimony of Glenn Butler). Glenn Butler, Associate Certification Director for the Division, testified that the structure of the business was a "passthrough" and as such operated like a holding company, therefore, any subsidiaries, like StarMD and Silver Wave would each need to be certified as an MWBE. Mr. Butler testified that in this instance, based on the information

in the application, neither StarMD nor Silver Wave met the requirements for MWBE certification. (Hearing Testimony of Glenn Butler).

The Division regularly denies certification where the applicant business is so entwined with another business, such as operating out of the same space, where one business leases the space to the other under unusually favorable terms, where the applicant business is dependent on the other for capitalization and other basic functions, or where a business primarily transacts with one other business entity. See *Matter of Acme Lightning Rod, LLC*, Recommended Order, February 25, 2020, (Final Order 20-02, April 21, 2020) (applicant denied certification where it shared board members, personnel, office space, etc., and paid that same entity as a subcontractor to perform majority of work)). See also, *Matter of Skyline Specialty Systems, Inc. v. Gargano*, 294 AD 2d 742 (3<sup>rd</sup> Dept. 2002) (holding the applicant business was so entangled with another business by sharing personnel, offices, etc. that it clearly was not independent).

Here, the evidence presented is that Sorani does not operate independently from other entities. Sorani shares resources with StarMD as it leases office space and shares a mailing address with StarMD. (DED Exhibits 1 and 9) In addition, the businesses share personnel as Mr. Inamdar works for StarMD, receiving W2 earnings, and also serves as its manager through Sorani receiving compensation as an independent contractor. (DED Exhibits 13 and 14). Sorani also does almost all of its business with one other entity, StarMD, as evidenced by StarMD providing 99% and 98% of the gross receipts for Sorani in 2021 and 2022 respectively. (DED Exhibits 13 and 14). Silver Wave has only provided a K-1 distribution to Mr. Inamdar in 2021 and has not contributed to the gross receipts. (DED Exhibits 13 and 14; APP Exhibit J). Thus, it is clear that Sorani makes almost all of its money through StarMD.

Sorani also receives tangible benefits from its work from StarMD through its lease agreement which contains a provision that waives the rental fee “for as long as [Sorani] is Managing Member of [StarMD]. . .” (DED Exhibit 1 and 9; Hearing Testimony of Raj Inamdar), and through its direct employment of Raj Inamdar and its relationship with him as an independent contractor. (DED Exhibits 13 and 14). An additional tangible benefit is that Sorani owns no business assets, has no employees, and is compensated only through its work with other companies, thus the business cannot stand alone, and appears to exist only for the purposes of limiting liability. (Hearing Testimony of Raj Inamdar).

Based on the foregoing the applicant business does not operate independently, and the Division’s determination to deny certification on the grounds of independence was based on substantial evidence.

### **CONCLUSION**

Sorani did not meet its burden to demonstrate that the Division’s determination to deny its application for certification as a minority-owned business enterprise with respect to the eligibility criteria at 5 NYCRR § 144.2(e) was not based on substantial evidence.

### **RECOMMENDATION**

The Division’s determination to deny Sorani’s application for certification as a minority-owned business enterprise should be affirmed.

In the Matter of Sorani Finance  
DED File ID No. 5750643  
Exhibit Chart

Exhibit #:	Description of the Exhibits	Offered (Yes/No)	Admitted (Yes/No)
APP A	Sorani Cover Letter	Y	Y
APP B	Sorani Capability Statement	Y	Y
APP C	Sorani Organization Chart	Y	Y
APP D	Bronx Affordable Housing – Executive Summary	Y	Y
APP E	Philadelphia Affordable Senior Housing – Executive Summary	Y	Y
APP F	StarMD Amended Operating Agreement	Y	N
APP G	Inamdar Star Trust	Y	Y
APP H	Inamdar Family Trust	Y	Y
APP I	Silver Wave LLC K-1 2018	Y	N
APP J	Silver Wave LLC K-1 2021	Y	Y
APP K	Silver Wave LLC K-1 2023	Y	N
DED 1	Sorani Finance (“SF”) MBE Certification Application	Y	Y
DED 2	Denial Determination Letter re: SF’s MBE Application (dated 4/1/24)	Y	Y
DED 3	SF’s Request to Appeal Denial Determination	Y	Y
DED 4	Notice of Hearing and Conference (dated 10/21/24)	Y	Y
DED 5	Sorani Finance Stamped DBA (Business Certificate Registration, Westchester County Clerk)	Y	Y
DED 6	Operating Agreement StarMD and Sorani Finance’s Raj Inamdar as Manager	Y	Y

DED 7	845 UN 16D Exclusive Right to Rent Document SIGNED	Y	Y
DED 8	StarMD 2x Invoices and Matching Bank Statements	Y	Y
DED 9	Office Space License Share Agreement re: 358 Fifth Avenue	Y	Y
DED 10	358 Fifth Avenue Dec. 2023 Payment Proof	Y	Y
DED 11	358 Fifth Avenue Jan. 2024 Payment Proof	Y	Y
DED 12	358 Fifth Avenue Feb. 2024 Payment Proof	Y	Y
DED 13	Raj Inamdar 2021 1040 Tax Returns (Personal)	Y	Y
DED 14	(Raj Inamdar Personal) 2022 Tax Return FINAL	Y	Y
DED 15	Sorani Capital LLC Our Team (website: <a href="https://soranicapital.com/our-team">https://soranicapital.com/our-team</a> )	Y	Y
DED 16	Sorani Capital LLC About Us (website: <a href="https://soranicapital.com/about-us">https://soranicapital.com/about-us</a> )	Y	Y
DED 17	Sorani Capital LLC DOS (NYS “Department of State”) Filing 7-27-21 – Public Inquiry	Y	Y
DED 18	Sorani Capital LLC Web Page Contact Us ( <a href="https://soranicapital.com/contact-us">https://soranicapital.com/contact-us</a> )	Y	Y
DED 19	Raj Inamdar LinkedIn Profile	Y	Y
DED 20	Sorani Fin. Web Page redirected to Sorani Capital LLC Home Page ( <a href="http://soranifinance.com">URL:http://soranifinance.com</a> to <a href="https://soranicapital.com">https://soranicapital.com</a> )	Y	Y
DED 21	StarMD Medical Management LLC DOS (NYS “Department of State”) Public Inquiry	Y	Y
DED 22	Sorani Finance Resources List Sheet	Y	Y
DED 23	Division Interview of Raj S. Inamdar conducted on 3-27-24, AUDIO	Y	Y
DED 24	(Chase Business Banking Account title/ Depositor: Sorani Finance) Signature Card	Y	Y
DED 25	1193 Fulton Avenue Executive Summary	Y	Y
DED 26	1193 Fulton Avenue Development Fee Installment Proof Dec. 2021 Bank Statement	Y	Y

DED 27	Office Locations Therapy Center of New York	Y	Y
DED 28	Raj Inamdar NYS License Lookup (Real Estate Salesperson)	Y	Y