



Artistic Triumph: Artist Wins 8-Year Legal Battle Against Landlord Steven Croman

A longtime Parsons professor wins his eight-year legal battle with notorious landlord Steve Croman over the fate of a Lower East Side building.

BY [NICHOLAS RIZZI](#) AUGUST 7, 2020 2:53 PM



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In late July, a New York State appellate court upheld a lower court’s decision to throw out the 2012 suit between Neuman and Croman over the botched sale of Neuman’s Lower East Side building at 57 Stanton Street. The decision frees Neuman of his obligation to sell 57 Stanton to Croman, allows Neuman to keep the \$100,000 down payment, and requires Croman to pay for all of Neuman’s legal fees, according to court records.

“It feels great,” Neuman said. “I assume it’s finally over.”

Neuman had been unable to sell or refinance the building during the long legal process, which stymied his plan of moving out of the country. Croman and his lawyer, Matthew Hearle, did not respond to requests for comment.

“Sometime you can’t push around the little guy,” Neuman’s lawyer, Ethan Kobre of Schwartz Sladkus Reich Greenberg Atlas, added. “Shalom really had every incentive to cave to Croman.”

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STEVEN CROMAN PHOTO: NEW YORK STATE ATTORNEY GENERAL

The men agreed to pay \$2.8 million for the three-story building — which currently has ground-floor retail space and two apartments — and then Neuman

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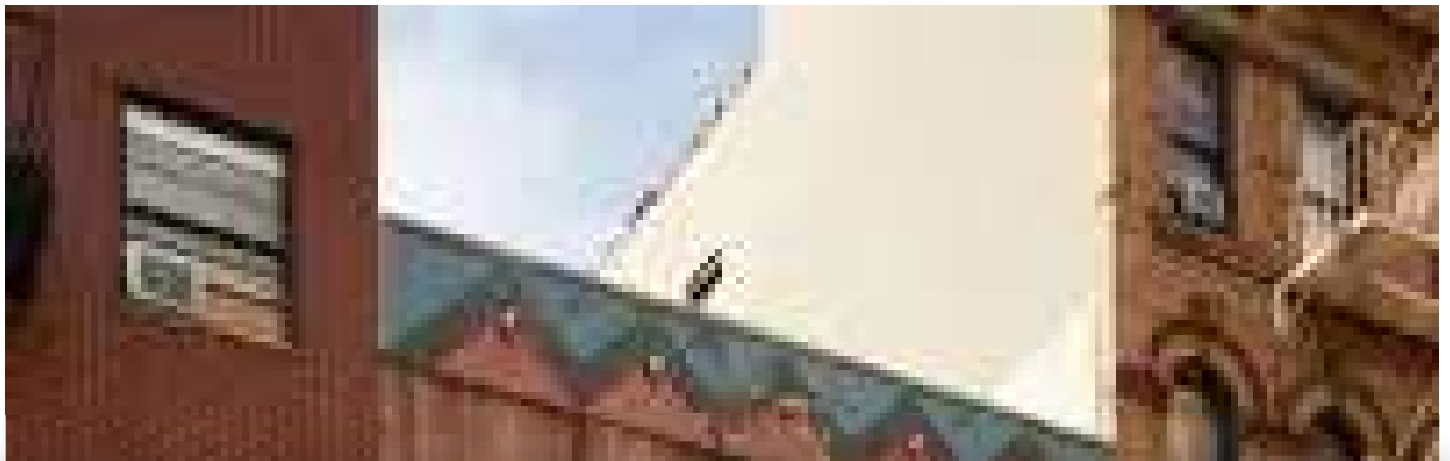
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innate value, Croman claimed in a lawsuit he later filed against Neuman. “The value of the premises and, consequently, the purchase price, is necessarily dependent on the premises’ tax class being properly designated.”

Croman demanded Neuman drop his price by \$700,000. Despite denying any wrongdoing on his part, Neuman agreed to give Croman a \$50,000 discount to be done with the deal.

“I’m not that knowledgeable if I wanted to do something wrong,” Neuman said. “I was a professor at Parsons for 40 years, I’ve been an exhibiting artist my whole life. Whatever his accusations were, they were false and they were just a means by which to try and renege on the contract.”



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57 STANTON STREET. PHOTO: COSTAR GROUP

Both men claimed the other simply walked out of the room during the closing, leaving the deal in limbo. And that is when Neuman really found out about Croman

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him to close on the sale, and, in 2012, both Neuman and Croman filed lawsuits against each other over breach of contract. Despite the legal cases, Croman allegedly got his “secret weapon” Anthony Falconite to pay Neuman a visit.

On May 9, 2013, Neuman was walking home from a Bed-Stuy, Brooklyn, YMCA when two men came out of a van and approached him at about 10 a.m., according to a police report filed by Neuman. They pushed him against a chain-link fence in front of an empty lot on Quincy Street and threatened him to close on the deal.

“They made reference to my dog — Croman met me and my dog — and they knew his name,” Neuman said. “They said something to the effect of ‘This is the big time, you should be careful.’”

Neuman later identified one of the men as Falconite, but the police report does not mention Falconite by name. (Falconite did not respond to a request for comment.) During a 2017 deposition, Croman adamantly denied any knowledge of the alleged assault.

“This is ridiculous,” Croman said during the deposition when asked if he knew about Neuman’s recollection. “I have no idea what you’re talking about.”

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HE BEING ASKED ABOUT IT, KOBRE, NEUMAN'S LAWYER, SAID.

“He started yelling at me, he started to threaten me,” Kobre said. “His lawyers had to physically restrain him.”

A long shot

The legal case — which put a notice of pendency on 57 Stanton barring Neuman from selling it to somebody else — dragged on and was set to go to trial in 2018. However, there was a slight procedural delay when Neuman finally reached his end.

“He broke down in tears and said, ‘I can’t do this anymore,’” Kobre said. “He said, ‘How can we be aggressive, how can we get rid of this case.’”

So Kobre decided to try a Hail Mary move and filed a motion to dismiss the case outright. Notice of dismissals are common shortly after a suit is filed, not six years later.

It argued that “even if everything [Croman] is saying is absolutely true, we still win as a matter of law,” Kobre said. “The contract says that if there’s any reason

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instead of the LLC Croman created to buy the property. The judge's decision is the latest legal setback in Croman's long history with the courts.

As part of his fraud conviction, Croman paid a \$5 million settlement and was later ordered to put \$8 million into a "Tenant Restitution Fund" to give payments to renters who did not get a buyout of \$20,000 or more if they lived in a rent-stabilized apartment deregulated by Croman.

In July 2019, a judge granted a motion to allow more than 100 tenants to [file a class-action lawsuit](#) against Croman for allegedly overcharging and failing to offer rent-stabilized leases in an East Harlem building, *Crain's New York Business* reported. And, in September, tenants at 560-566 Hudson Street in Greenwich Village sued Croman for not [offering rent-stabilized leases](#) in the building despite Croman receiving tax breaks for them, *The Real Deal* reported.

He's also facing a suit from North Hudson Realty [after it accused Croman of backing out of the purchase of 297 West 12th Street](#) because of the state's recent tenant-friendly rent-regulation changes, according to *TRD*.

Since his release from Rikers, Croman has been [welcomed back into the real estate community](#) — with one anonymous developer telling *TRD* that "I don't

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