



Croman backed out of deal over rent-control concerns: lawsuit

Infamous landlord's company didn't consummate acquisition of 297 West 12th Street

TRD New York /

Sep. September 18, 2019 03:28 PM

By [Eddie Small](#)



297 West 12th Street and Steve Croman (Credit: Google Maps and Getty Images)

Notorious landlord Steve Croman has been hit with another lawsuit, this one accusing him of backing out of a deal to buy a Greenwich Village property.

Croman's company Ecalp Corp. went into contract to buy the five-story, nine-unit multifamily building from North Hudson Realty at 297 West 12th Street in April, and the deal was scheduled to close June 27, according to the lawsuit. North Hudson gave Croman's company plenty of opportunities to inspect all aspects of the property during negotiations, but on June 24, the prospective buyer started asking questions about unit 3A and making "baseless accusations" that North Hudson had misrepresented its rent-stabilization status, the suit says.

North Hudson tried pushing the closing back to July 24, but Croman's firm continued to demand more information, despite not citing any provision in the contract that entitled it to additional records, according to court documents. Ecalp did not show up for the closing and has refused to consummate the deal, the lawsuit says.

North Hudson is suing for breach of contract and requesting a declaratory judgment that will let it retain a \$585,000 down payment from when the property

Lucas Ferrara, an attorney at Newman Ferrara and an adjunct professor at New York Law School, is representing North Hudson in the case.

“Croman’s ill repute is beyond cavil,” Ferrara said in a statement. “But if a guy like that is backing out of deals, that certainly doesn’t bode well for the regulated housing market in general.”

The suit does not argue that Croman is trying to back out because of the state’s new rent law that made it nearly impossible to convert rent-regulated apartments to market-rate. However, Ferrara said he suspected the law, passed in June, played a role in Croman’s attempt to renege on the purchase, describing the timing of his move as suspicious.

Representatives for Croman did not immediately respond to a request for comment.

Croman was released from jail last June after spending eight months locked up following a guilty plea to tax and mortgage fraud. He previously agreed to pay \$8 million to harassed tenants in a 2017 settlement with the New York attorney general’s office. That agreement put Michael Besen’s New York City Management in charge of overseeing more than 100 of Croman’s properties for the next five years.

This is at least the second real estate lawsuit that has hit Croman in less than a week. A [suit filed on Sept. 12](#) claims that he broke New York’s rent laws in his Greenwich Village property at 560-566 Hudson Street by receiving J-51 tax breaks that require landlords to provide their tenants with rent-stabilized leases. Tenants in the building claim they did not receive rent-stabilized leases upon moving in and did not receive rent-stabilized renewals either.

Croman is also facing a [lawsuit](#) from tenants in his building at 326-340 East 100th Street in East Harlem. They have accused him of illegally removing almost 70 percent of the property’s residential units from New York’s rent stabilization program.

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