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Landlord Steve Croman Agrees to Pay Tenants \$8 Million in Settlement

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Steve Croman after his surrender May 9, 2016.

Manhattan landlord Steve Croman, who owns many Lower East Side buildings, is already serving a one-year prison sentence for mortgage loan and tax fraud. Now he also must hand over \$8 million and accept a court-approved monitor for his sprawling real estate empire.

State Attorney General Eric Schneiderman announced yesterday evening that a settlement had been reached in a civil lawsuit that alleged harassment, coercion and fraud to force rent-regulated tenants out of their apartments. The AG calls the agreement unprecedented.

“Over and over again,” Schneiderman said in a statement, “Steven Croman acted as though he was above the law, putting profits before his tenants’ safety and wellbeing. Earlier this year, we put Mr. Croman in jail for an elaborate scheme that was intended to push out rent-regulated tenants (he also paid a \$5 million as part of a plea agreement). And today, we’re ensuring tenants get the restitution and protections they deserve – including the largest-ever settlement with an individual landlord, and unprecedented independent management and monitoring at his properties.”

In the past several days, we have been talking with tenants of several Croman buildings on the Lower East Side. While pleased about yesterday's developments, they're also cautious and have lingering concerns after years of fighting one of New York City's most notorious landlords.

First — details from the consent decree signed by Croman and approved by State Supreme Court Judge Shlomo Hagler. Under terms of the deal, an \$8 million Tenant Restitution Fund will be established. While details won't be announced until next year, tenants who received a buyout offer of less than \$20,000 during the past six years will be eligible. Also, more than 100 Croman buildings will be run by, "a new, independent management company with no ties to Croman, for five years." A monitor will be appointed, "who will oversee compliance with the terms of the consent decree and provide regular reporting to the Attorney General." And Anthony Falconite, a former cop allegedly used by Croman to intimidate tenants, has been ordered to stay away from residents in Croman's buildings.

In response to yesterday's news, local State Assembly member Yuh-Line Niou said, "The message to unscrupulous landlords is clear: tenant harassment is simply not tolerated in New York, and our State will hold bad actors accountable for their actions... Tenants throughout my district have long voiced concerns about Croman's housing practices. My office has heard tenant accounts describing a lack of basic repairs, caving rooftops and broken staircases caused by landlord neglect. I applaud Attorney General Schneiderman for his actions today, and I look forward to ensuring tenants have the tools necessary to recover and move past Croman's severe negligence."

One of the local organizations that has battled Croman's 9300 Realty over the years is the Cooper Square Committee. Brandon Kielbasa, Cooper Square's director of organizing and policy, told us last night, "The tenants that organized against Steve Croman deserve huge amounts credit here. Without them pushing back every time they felt harassed, this precedent-setting agreement would have never been reached. This is another major victory for NYC tenants, in a year that has been absolutely full of them."



Croman tenants rally outside the Manhattan Supreme Court in June of 2016.

In an interview, 18th Street resident Cynthia Chaffee, a founder of the [Stop Croman Coalition](#), said, "I'm very pleased with the outcome and grateful to the attorney general for all he's done." Chaffee, who's been fighting Croman since 1999, said her pleas to city and state agencies were ignored for many years. "We'll sleep better at night knowing that (9300 Realty) is not in charge."

At the same time, however, Chaffee is dismayed that Croman has apparently avoided serving his prison sentence at Rikers Island. [*New York Times Oct. 3, 2017*: "A notorious New York City landlord... began his own one-year residency on Tuesday on Rikers Island."] According to the Department of Corrections website, he's at the Manhattan Detention Complex, where Chaffee told fellow tenant advocates this week, "he's in a private cell and can have three visitors a week." She complained about his relatively cushy accommodations to the judge, but was told by court staff that the Department of Corrections makes all decisions about where inmates are held. We were told the same thing by the attorney general's office.

Inmate Details	
CROMAN, STEVEN	Booking Information
NYSID: 13478045J	Incarceration 03-OCT-2017
Year of Birth: 1966	Book & Case Number: 3101700881
Sex: Male	Current Housing Facility: MDC (Manhattan Detention Complex)
Race: White	Arrest Date: 03-OCT-2017
Height: 5 ft 9 inches	Arrest Number: CRT DT
Weight: 150 lbs	Projected Release Date: 03-JUN-2018
Hair Color: Grey	Disposition: sentenced
Eye Color: Green	Charge Information
Nativity: New Jersey	Docket: 2017NY000000
	Indictment: 01372/2016
	Conviction Date: 03-OCT-2017
	Sentence Date: 03-OCT-2017
	Charge: 155.35 FD (GRAND LARCENY-2ND D Felony)
	175.10 FE (FALSIFY BUSINESS RECORDS-1ST E Felony)
	AC 999.99 FE (E Felony)

There is optimism from tenants that yesterday's settlement will finally offer them some relief. But in interviews over the past week, residents have told us that Croman's criminal prosecution did little to improve their living conditions.

Just last night, tenants at 159 Stanton St., fired off an email to 9300 Realty, demanding the replacement of the broken down front door. The door, they wrote, "has for years been a menace to our quiet enjoyment of our homes, and has resulted in frequent break-ins, trespassers and incidents of tenants being unable to enter or exit the building freely."

Kit Brauer, who has lived at 159 Stanton St. for six years said in an interview the other day that there had been "a series of patchwork fixes for years and years," but that 9300 Realty has never taken seriously the security issues in the building. There are many other lingering problems, as well. Brauer said about half of the apartments are currently being renovated. The units were gutted, but then the work stopped, and plastic sheeting has been covering the doors for the past year. Asked what he'd like to see happen at 159 Stanton St., Brauer said, "The ideal situation is that 9300 Realty would start treating residents with basic human dignity and provide for our health and safety."



Tenants of 159 Stanton St. participated in a protest in December of 2016.

George Tzannes, a resident of 529 East Sixth St. for more than 40 years, told a similar story. He's been trying to get the windows in his apartment fixed for at least two years. Every time 9300 Realty sends someone to look, said Tzannes, they say the windows clearly need to be replaced, but then nothing happens. Now his six-year-old grandchild is living in the apartment, a development that finally prompted management to conduct lead testing and lead abatement. At one point, gas service was shut off in the building (a situation that wasn't rectified for 15 months). Since his conviction in criminal court, said Tzannes, "Croman has been laying low in terms of harassing (rent regulated) tenants to get us out. That's good. In the future I'd like to see him treat rent regulated tenants and stabilized tenants the same."



200 Stanton St.

At 200 Stanton St., Silvana Jakich said Con Ed shut down gas service about three months ago when illegal piping was found in the building. Now residents are facing the holidays with no cooking gas and the prospect of making meals on hot plates for the foreseeable future. Jakich said the building manager told her he's waiting for Con Ed to get in touch with management. Like their counterparts in other Croman buildings, Jakich said she and her neighbors live with constant construction dust, persistent leaks, after hours work without proper permits and a general lackadaisical attitude from management about repairs. "Just when you think things might be returning to normal," said Jakich, "some new event occurs. It's just relentless and it doesn't seem like (conditions) will improve no matter what happens to Croman."

Last night Jakich told us in an email that residents are relieved that new management will be taking over, but after everything they've been through, they believe there are several unanswered questions.. Among them: "Why has Croman not had his license revoked?" "Why is he not paying out more money so that market rate tenants can also be compensated?" "Why isn't Croman at Rikers like he's supposed to be?"

We contacted Steve Croman's spokesperson this week for comment regarding the ongoing maintenance issues in his Lower East Side buildings. There was no response. Regarding the settlement, a spokesperson told the Daily News, "We are pleased to have reached a mutually acceptable settlement with the Attorney General to end the ongoing inquiry into our business... We look forward to working with his office to implement the terms of our agreement and continuing to provide quality rental housing throughout New York City."

[Croman Settlement Agreement](#) by [The Lo-Down](#) on Scribd

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK, by
ERIC T. SCHNEIDERMAN, Attorney General of the
State of New York,

Petitioner,

v.

STEVEN CROMAN, ANTHONY FALCONITE,
CROMAN REAL ESTATE INC., 9300 REALTY
MANAGEMENT INC., 9300 REALTY INC.,
FALCONITE LLC, 3-5 WEST 103RD LLC, 7 EAST 75
LLC, 9 WEST 103RD LLC, 15 WEST 103RD LLC, 17
WEST 103RD LLC, 40 AVENUE B LLC, 44 AVE B
LLC, 44 EAST 1ST LLC, 60 AVENUE B LLC, 68
CLINTON STREET LLC, 72 WEST 108TH
ASSOCIATES LLC, 99-105 THIRD AVENUE
REALTY LLC, 102 EAST 7TH ST LLC, 115 AVE A
LLC, 115 MULBERRY LLC, 118 EAST 7 LLC, 120-
1201/2 FIRST LLC, 124 RIDGE LLC, 127 EAST 7TH
STREET LLC, 134 ORCHARD LLC, 138 EAST 16TH
STREET LLC, 145 E 26 LLC, 159- 161 STANTON
LLC, 171 EAST 102ND LLC, 179- 181 ESSEX LLC,
182 STANTON LLC, 193-195 STANTON LLC, 199
EAST 3RD ST LLC, 200 STANTON LLC, 206 EAST
83RD LLC, 208-214 E 25TH ST LLC, 209 E 25 LLC,
212-214 EAST 105 LLC, 212 E 26 LLC, 215 AVENUE

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By [Ed Litvak](#) in [Featured, Lower East Side News, Real Estate](#) on **December 21, 2017 9:15 am**
[steve croman](#)