



## NEWS

# Notorious Hell's Kitchen Landlord Now Faces a Fight to Keep His Own Home

by **Dashiell Allen**

2 days ago

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A landlord long reviled by Hell's Kitchen tenants, Steven Croman, is at risk of losing the lavish mansion he created more than two decades ago by evicting dozens of rent-stabilized tenants, which was almost auctioned off to the highest bidder last week after the property owner defaulted on a multi-million-dollar loan.



Steve Croman's townhouse on the Upper East Side. Photo: Upper East Site

Hell's Kitchen tenants that have lived in the buildings he's owned might remember Croman best for allowing their apartments to fall into disrepair and evicting rent-stabilized residents. He spent eight months on Rikers Island in 2017 for mortgage and tax fraud and paid an \$8 million tenant restitution settlement.

At the same time, Croman himself was living large inside his sprawling, six-story, 19,216-square-foot residence with two private pools at 12 E72nd Street in the Upper East Side. Croman built his opulent abode by combining two Lenox Hill apartment buildings that he **purchased in 2002** for \$5.5 million along with his father Edward and wife Harriet — after evicting the dozens of rent-stabilized tenants living inside of them.

Now, it seems that Croman might be getting a taste of his own medicine. In October, a public notice revealed that the limited liability company holding his mansion, 12 E 72nd LLC, had apparently defaulted on a \$31 million loan from Axos Bank made on August 25, 2023.



New York's Uniform Commercial Code allows for properties to be sold when an owner defaults on a loan, and in this case, NYC Multifamily Portfolio LLC was planning to hold an auction on December 11 (last Thursday). That's where the plot thickens.



Steve Croman seen exiting one of his former properties on W45th Street. Photo: Phil O'Brien

Desperate to hold onto their humble abode, Croman and his wife sued NYC Multifamily Portfolio on Tuesday, December 2, requesting a judge to postpone the sale while they attempt to refinance the loan.

Croman and his wife should have the right to exercise “redemption rights and refinance the outstanding loan indebtedness,” the complaint argues — except they don’t technically have the rights since they aren’t technically the property’s owner, an anonymous LLC is instead.

The mansion “is my family’s residence,” Croman wrote in a sworn affidavit. It is “where I live with my wife and 18-year-old son ... and absent the Court’s intervention, we stand to lose our home.”

The property’s sale would be “irreversible, leading to irreparable harm,” Croman wrote. Defending his choice to place ownership in an LLC, he added that since he has “been a real estate professional ... it was important for me to maintain as much privacy as possible for my residence.”





The entrance to Steve Croman's Upper East Side townhouse. Photo: Upper East Site

The defendant's lawyers shot back, claiming that the Cromans "have no likelihood to succeed" based on the merits of their arguments.

However, last Wednesday, December 10 — one day before the auction — Manhattan Supreme Judge Gerald Lebovits temporarily restrained the sale from going forward, until oral arguments are heard next year, on January 16, leaving the Croman's at least through the New Year to sleep in their own beds.

Croman's argument "raises a serious legal question that warrants careful consideration by this court," Lebovits' order to show cause states.

Croman's legal woes don't end there. In July, his father Edward sued Steven, accusing him of "rampant fraudulent mismanagement" of the family's vast real estate portfolio, and seeking judicial dissolution of the 64 LLCs they co-own.

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Four of Croman's buildings, located at 351-357 W45th Street, allegedly plagued with drug activity and human waste, were **sold to the nonprofit Services for the UnderServed**, which is now transforming them into supportive housing for families.

W42ST has reached out to Kelly Schneid, the attorney representing NYC Multifamily Portfolio LLC, and Matthew Hearle, Croman's lawyer, but did not receive a response by the time of publication.



**Robbee**

2 days ago

May he get what he deserves....



**carol-holland**

2 days ago

KARMA IS A BITCH,, BUT IN THIS CASE I LOVE IT.. I HOPE HE GETS EVERY BAD THING HE DESERVES... CREEP..JERK AS...HOLE....



**Ryan Mc**

22 hours ago

That's outrageous. You should not be able to seek the protections of an LLC when it suits you and then throw them off and seek the protections of being an individual when it suits you. That's "heads I win; tails you lose" and a gross perversion of the whole idea of a corporate structure.