

# Notorious landlord Steve Croman wins temporary reprieve in UES foreclosure case

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Notorious landlord Steve Croman will keep his Upper East Side home — for now.

A Manhattan state Supreme Court judge has postponed a foreclosure auction for the East 72nd Street site that had been scheduled for Thursday.

On Wednesday Justice Gerald Lebovits slapped a restraining order on Dalan Real Estate, preventing the lender from going forward with a special kind of private auction for the property, a pair of combined 6-story prewar townhouses near Central Park.

In a brief decision Lebovits said that the so-called “UCC” auction — a type that usually comes together quickly, targets commercial real estate and is subject to little legal oversight — risked depriving Croman of a place to live and causing him “irreparable harm.”

The embattled Croman, who is in default on a \$31 million mortgage for the property and allegedly [in trouble with similar loans at multifamily sites across the city](#), had argued in a lawsuit against Dalan that the speediness of UCC proceedings does not give him enough time to make himself whole with the loan.

Croman, a landlord regularly accused of harassing tenants who [spent eight months in prison](#) in a loan fraud case, urged the court to show compassion for him and his “unique and extraordinary property,” which is also the residence of his wife, Harriet, and a son, the suit says.

Although Lebovits ultimately sided with Croman, the judge suggested he will issue a more extensive ruling after listening to both sides air their claims at a Jan. 16 hearing.

When they meet, Dalan, whose CEO is Danny Wrublin, is likely to point out how Croman’s townhouse, located between Fifth and Madison avenues, is hardly a humble abode, a new filing shows.

“This purportedly sentimental ‘family home’” is actually a 26,000-square-foot mansion with seven bedrooms, 14 bathrooms and 10 fireplaces; there’s also a wine storage area, an indoor pool and a basketball court, the filing from Dalan’s attorneys alleges.

Dalan’s lawyers also claim Croman deserves little sympathy for a property paid for with allegedly ill-begotten rental revenues. They accuse him of engaging “in a prolonged mortgage and tax fraud scheme while promoting squalor in rent-stabilized units in buildings owned by him in an effort to push existing tenants out,” the court document says.

The case may come down to whether homes [controlled through shell companies](#) — common ways of hiding identities among wealthy owners — enjoy the same protections as those whose deeds are actually in their owners’ names.

Croman says he had to hide his address with a shell company because he is such a controversial figure. Dalan says that may be understandable, but he can't have it both ways: If he gets the benefit of a shell company, he also must be subject to a UCC auction for his loan delinquency.

Dalan sought to foreclose on Croman about four months after scheduling the auction. Had the Chelsea-based firm tried to foreclose on the home through the courts, a more conventional way of going after residential real-estate owned by shell companies or individuals, the process could have played out for more than a year.

Other court filings this week suggest there is strong interest among buyers in Croman's properties, which he combined in 2017 after purchasing them in 2002.

Indeed, after a couple of months of private marketing by the brokerage JLL, which would have managed the auction, 55 people signed the confidentiality agreements required to attend the event, a filing said.

Brett Rosenberg, the JLL broker handling the sale, and Kelly Schneid of the law firm Moritt Hock and Hamroff, who is representing Dalan in the case, did not respond to emails seeking comment. Matt Hearle of Goldberg Weprin Finkel Goldstein, who is Croman's lawyer, did not return a call, and a message left with Croman's management firm Centennial Properties also went unreturned.