

# Maguire Capital Seeks to Foreclose on Daniel Shalom Buildings

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Commercial

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## Lender set to foreclose on NYC's "worst" private landlord

Marvin Azrak's Maguire Capital zeroes in on four Daniel Shalom buildings



Maguire Capital's Marvin Azrak with (clockwise from top left) 1587 3rd Avenue, 438-440 West 45th Street, 331 East 14th Street in Manhattan and 84-53 Dana Court in Queens (Maguire Capital, Google Maps)

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By

Keith Larsen

Tenants have called living in Daniel Shalom's buildings a nightmare. Last year, the 2,980 violations across his 15 buildings in Manhattan and Queens were the most in the history of the public advocate's Worst Landlord Watchlist.

Now Shalom is now on his lender's watchlist too.

Marvin Azrak's Maguire Capital initiated a UCC foreclosure on four of Shalom's Manhattan and Queens properties, consisting of 102 rent-stabilized and free-market units and 10 retail spaces. Azraks' senior and mezzanine loans on the buildings total about \$20 million.

Shalom appears to have defaulted on the loans tied to four properties: 1587 3rd Avenue, 438-440 West 45th Street and 331 East 14th Street in Manhattan, and 84-53 Dana Court in Queens. An auction is set for June 7.

Sometimes owners are able to delay or avoid foreclosure by filing for bankruptcy or refinancing.

A UCC foreclosure allows a lender to initiate an auction on the equity interests in a property, rather than the property itself, giving the lender a path to ownership. The lender often wins the auction because it can bid using its existing debt.

Greg Corbin, president of bankruptcy and restructuring at Rosewood Realty Group, is marketing the foreclosure.

"The buildings are exactly what most investors are looking for these days," said Corbin. "Great location, economy of scale, and mostly free-market units with room to grow the rents."

An Azrak-affiliated entity acquired the loans from Manhattan-based Madison Realty Capital in 2019, according to property records.

Shalom is among the many landlords who have been accused of pushing out rent-stabilized tenants to turn the residences into free-market units prior to the changes in the rent law in 2019. It was a strategy used by other notorious landlords such as Steve Croman and Raphael Toledano.

In 2019, the city sued Shalom and his companies for turning units at three Hell's Kitchen buildings — 410 and 412 West 46th Street and 452 West 36th Street — into short-term rentals. The city claims the rentals led to harassment of rent-stabilized tenants. In 2021, the city said it obtained a \$700,000 settlement from a Shalom-affiliated company to resolve the allegations.

Shalom, who sometimes uses the surname Ohebshalom, has faced other lawsuits. Just this month, the city sued Shalom for 93 outstanding code violations at 1585 Third Avenue in Manhattan.

The city also alleges Shalom and his affiliates filed a statement with the city claiming their office address was in The Yard, a co-working space in Flatiron, but their membership with the Yard was terminated late last year.

Maguire Capital has been active in New York City distressed real estate. The company, along with Watermark Capital, recently acquired the site of a long-stalled megaproject in Brooklyn's Sunset Park.