

# DeNardo Capital Loses Westchester Condo Project in Foreclosure

[therealdeal.com/new-york/tristate/2021/10/19/denardo-capital-loses-westchester-condo-project-to-ucc-foreclosure/](https://therealdeal.com/new-york/tristate/2021/10/19/denardo-capital-loses-westchester-condo-project-to-ucc-foreclosure/)

October 19, 2021

Tri-State

## DeNardo Capital loses Westchester condo project to UCC foreclosure

Developer filed for Ch. 11 bankruptcy in February in last-ditch attempt to halt sale



Oct 19, 2021, 5:06 PM

By

Keith Larsen

Save article

FONT SIZE

DeNardo Capital Management's hail-mary attempt to save its Westchester County luxury condo development from foreclosure has fallen short of the goal line.

Lenders Specialty Credit Holdings and Zee Bridge Capital were the winning bidders for the more than 250,000-square-foot site in a [UCC foreclosure sale](#), according to a filing in Westchester County Bankruptcy Court.

The planned development, known as Marker 27, was supposed to consist of 12 two-story buildings resembling single-family homes. It was pegged as a major development for the village of Irvington, which sits on the Hudson River 20 miles north of Manhattan, but the project was never completed.

SilverPoint Capital, acting as an agent for Specialty Credit Holdings and Zee Bridge Capital, planned a foreclosure sale on the equity interests in the property [in December](#) after it claimed DeNardo had defaulted on a \$1 million mezzanine loan.

That same month, SilverPoint and the lenders alleged in a separate lawsuit in New York Supreme Court that DeNardo had a series of defaults, including its failure to sell a Long Island City industrial property that served as collateral for one of the loans. DeNardo alleged in a counter complaint that the lenders had sabotaged the sale of the property.

## Read more

---

New York



### [Two Upper East Side apartment buildings head to foreclosure sale](#)

The December UCC sale was then delayed to February. Just two days before the rescheduled sale, DeNardo pulled a last-ditch effort to halt the proceeding, filing for Chapter 11 bankruptcy in Westchester County.

## Sign Up for the undefined Newsletter

---



By signing up, you agree to TheRealDeal Terms of Use and acknowledge the data practices in our Privacy Policy.

In July, the Westchester Bankruptcy Court approved a stipulation between DeNardo and SilverPoint. If its loans were not refinanced and Specialty Credit Holdings and Zee Bridge Capital were not paid off by September, the project would move forward to a bankruptcy sale in October.

The lenders were able place a “credit bid” of \$8 million by using their existing debt and won the auction, giving them control of the property.

Rosewood Realty Group’s president of bankruptcy and restructuring Greg Corbin marketed the foreclosure sale.

An attorney for DeNardo declined to comment, as did the attorney for the lenders, Specialty Credit Holdings and Zee Bridge Capital.

UCC foreclosures are ticking up across New York City and the surrounding area. Traditional foreclosures are still banned under a statewide moratorium, but UCC foreclosures have been allowed to move forward because they involve lenders foreclosing on an indirect interest in the property, rather than the property itself.

In the East Village, Maverick Real Estate is planning a UCC sale for the building that houses Theatre 80 St. Marks. On the Upper East Side, New York-based Alder Capital is planning a UCC foreclosure sale for the interests in a 37-unit multifamily assemblage.

Tags

[DistressForeclosures](#)

[Tri-State](#)