

Madison Realty sells \$44M loan on PS 64 site to mysterious LLC

Owner of East Village property suspects buyer is hedge funder Aaron Sosnick



Madison Realty's Josh Zegen, Gregg Singer and 605 East 9th Street (Madison Realty, Singer via Paul Dilakian, Google Maps)

OCT 24, 2023, 8:15 AM

By [Keith Larsen](#)

Gregg Singer's [decades-long](#) battle to redevelop a former East Village elementary school — and save it from foreclosure — has taken a surprising turn.

Singer's lender, [Madison Realty Capital](#), who has been seeking to wrest the empty building at 605 East Ninth Street from the delinquent borrower, has sold the \$44 million loan secured by the property. The buyer is 605 East 9th Community Holdings LLC, an

anonymous company whose point of contact is David Pfeffer of the New York law firm Tarter Krinsky Drogin.

But Singer suspects Aaron Sosnick, a billionaire hedge fund manager who has been angling for the property for years, is behind the LLC. Sosnick has helped thwart Singer's quixotic quest to redevelop the property and has contemplated acquiring it by buying its debt.

Pfeffer has represented Sosnick in the past, in a lawsuit against the board of managers at the [Christodora House](#), where Sosnick owns the penthouse. The condo is next to the old P.S. 64, which Singer bought when the Giuliani administration auctioned it off in the late 1990s.

"Sosnick's obsession and relentless pursuit of this property and the lengths to which he was willing to go and the lines he was willing to cross to deprive Gregg Singer of his property rights is astonishing," said Singer's lawyer, Ayall Schanzer.

Schanzer said purchasing the loan from Madison Realty would mean Sosnick "has effectively accomplished his documented two-decade scheme to purchase this property as a distressed asset." The loan holder would still have to buy it, which it could do by making a credit bid at a sale scheduled for Nov. 8.

When Singer bought the former school, it was known as the Charas/El Bohio Community Center. He sought to turn it into student dormitories and had deals with Cooper Union and Joffrey Ballet. But East Village City Council member Rosie Mendez cried foul, and Singer was denied building permits based on a city rule that restricted what qualified as dormitories.

Singer also lined up a deal with Long Island-based Adelphi University, but the Department of Buildings went quiet on him for eight months. The developer still does not have permits to renovate the decaying building.

Recently unearthed emails and texts obtained by Singer through discovery in litigation show Sosnick made direct requests to city officials to deny Singer building permits. The emails also show that Mayor Bill de Blasio intercepted the Department of Buildings' decision to grant Singer's permits.

The mayor hoped to buy back the building, redevelop it and lease it to nonprofits. In one internal email that surfaced, then-Deputy Mayor Alicia Glen called the idea "nuts."

Email exchanges between consultant Paul Wolf and Sosnick mention that Sosnick had long been interested in buying the property or the loan from Madison Realty.

“I am talking to folks at Madison Realty Capital next week — they hold the note on PS 64,” wrote Wolf, referring Sosnick to an article in *The Real Deal* headlined [Madison Realty Capital: Friend to Some, Foe to Others](#).

“If Madison opens a door to an acquisition, would you consider pursuing it without [masking your identity]?” Wolf emailed.

Sosnick responded, “I don’t think having my name out there is helpful. We can find a credible front if Madison indicates that a sale at a fair price is of interest.”

Madison initiated a foreclosure in 2018, alleging Singer failed to make mortgage payments. To stave off foreclosure, Singer put the five-story, 152,000-square-foot property [into bankruptcy](#). This year, Madison claimed to be owed over \$100 million with default interest.

The owner of the loan can bid using the debt, making it the clear favorite to acquire the property.

Singer is still suing the city, de Blasio, Sosnick and others. Sosnick and Pfeffer did not return a request to comment. Madison declined to comment.