



SAPIR FACES \$130M LAWSUIT OVER BEAVER LOAN

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By David Jones



Tamir Sapir and the William Beaver House

Billionaire developer [Tamir Sapir](#) is facing a \$130 million lawsuit from a fund controlled by the Blackstone Group, alleging he defaulted on a multi-million-dollar loan used to develop the [William Beaver House](#) condominium in the Financial District.

GSO Re Onshore, the fund managed by Blackstone subsidiary GSO Capital Partners, filed suit Monday against Sapir individually in New York State Supreme Court, seeking a judgment on the \$66 million loan that he guaranteed and then failed to repay by the November 2009 maturity date.

"GSO RE would not have made the loan to SDS William Street absent Sapir's personal and unconditional promise to repay the loan set forth in the guarantee," wrote Kobre & Kim attorney Elizabeth Wolstein, who is representing the fund.

The lawsuit alleges that as of November 2009 Sapir owed \$48.7 million in interest, on top of the \$66 million in principal. Another \$15.7 million in new interest is now due, resulting in the \$130 million claim for summary judgment.

Sapir was not immediately available for comment. However, Sapir's legal counsel said they will defend his position.

"We're going to be vigorously defending the action, nevertheless we've had prior conversations and hope to resolve the matter with GSO," said attorney Stephen Meister, who was retained by Sapir in the case.

William Beaver House, at 15 William Street in the Financial District, was once considered [one of the most sought after condo projects](#) in the city. The [Andres Balazs-designed](#) project has 333 units, including three penthouse apartments.

Sapir's partner on the project, SDS Investments, led by S. Lawrence Davis, originally acquired the site for \$90 million from the Manocherian family in 2005. In 2006, they obtained \$247 million in financing from Fremont Investment & Loan to develop the project, but that bank eventually crashed after the subprime debacle and the commercial loan portfolio was sold to iStar Financial. Davis did not respond to repeated calls for comment.

Streeteasy.com records show that a number of apartments were taken off the market in March, and sources say that the developer was in discussions with iStar, but did not elaborate on the nature of the talks. Matthew Parrott, attorney for iStar was not immediately available for comment, but declined to comment on William Beaver earlier this month.

According to the suit, Sapir originally entered the loan agreement in October 2006, to borrow \$66 million, and amended the loan twice, which raised the interest rate to more than 18 percent. The loan came due in November 2009, however the borrower allegedly failed to request an additional extension that would have until May 1, 2010 or a second extension until November 2010.

Analysts say that William Beaver House may have fallen victim to an oversaturated market for condos in Lower Manhattan. Current listings at the property average \$1,441 a square foot, Streeteasy.com indicates.

"That part of the market downtown is not really viable to build that sort of project on spec," said Ben Thypin, senior analyst at Real Capital Analytics. "There's a lot of new buildings down there already."

In 2009, former listing co-broker Core [filed suit against the development team](#) alleging it was owed more than \$220,000 in unpaid commissions. Prodigy International, Core's former co-broker on the property, [became the exclusive broker](#) afterwards.

Wolstein was not immediately available for comment. Officials at Prodigy International, the current brokers at the William Beaver sales office, declined to comment.

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COMMENTS

Anonymous

Lights out

Comment #1 Posted By: Anonymous 05/12/10

Anonymous

Another morally bankrupt person who trades in exotic animal skins and is crooked as a highway in the country... He will get his soon...GOOD!

Comment #2 Posted By: Anonymous 05/12/10

Anonymous

She be sued for putting up the ugliest building in decades.

Comment #3 Posted By: Anonymous 05/12/10

Anonymous

The yellow is quite ugly.

Comment #4 Posted By: Anonymous 05/13/10