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Stanley Chera, titan of NYC retail, dies of coronavirus

Crown Acquisitions founder built one of city's most prominent property portfolios; was key figure in Trump's rise

TRD NATIONAL

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By [Hiten Samtani](#) and [Rich Bockmann](#)

Stanley Chera (Photo by Patrick McMullan/Patrick McMullan via Getty Images)

Stanley I. Chera, who parlayed his father's Brooklyn department store business into one of New York real estate's biggest retail empires, reaped huge rewards from the city's

emergence as a global shopping destination and used his wealth and connections to play kingmaker for Donald Trump, has died from complications of the coronavirus, making him the most high-profile industry casualty of the global pandemic.

Chera's death on April 11 was confirmed to *The Real Deal* by sources who have worked closely with the firm he founded and ran, Crown Acquisitions. Yashar Ali, a journalist and contributor to New York Magazine, **reported** that the Chera family has been informed.

As the pandemic spread rapidly in New York, Trump had advised Chera to leave the city and decamp to his summer home near Deal, N.J., a popular **vacation-home destination** for many moguls hailing from Chera's Syrian Jewish community, which **dominates New York retail**. Chera took his advice but fell ill anyway, and was admitted to New York Presbyterian/Weill Cornell Medical Center in late March. According to a source familiar with events, Chera's wife, Frieda (Cookie) also contracted the virus, but recovered.

Chera's savvy and willingness to chase big-ticket deals elevated him and Crown into the city's retail pantheon, among the likes of **Jeff Sutton** of Wharton Properties, **Joseph Sitt** of Thor Equities and **Bobby Cayre** of Aurora Capital Associates. Crown holds interests in the most retail frontage along Upper Fifth Avenue, perennially among the world's priciest shopping corridors. Those positions meant Crown benefited handsomely from **New York's retail boom** in the mid 2010s, but is perhaps now among the firms most exposed to the **city's retail downturn**.



Haim Chera, Stanley H. Chera and Stanley I. Chera (Photo by Jason Binn/WireImage)

Crown's day-to-day operations are run by two of Chera's sons, Isaac (Ike) and Richard Chera. **Haim (Haimey) Chera**, Stanley's middle son, is head of retail at Vornado, a position he took when Crown bought a 24 percent stake in Vornado Realty Trust's prime Manhattan retail portfolio, a megadeal that valued the portfolio at \$5.6 billion. Crown also has a brokerage arm, Crown Retail Services, which negotiated Apple's first Brooklyn store, in Williamsburg.

According to data from real estate news and research site PincusCo, Crown's **assets** include at least nine properties with 635 feet of frontage, such as 640 Fifth Avenue, 655 Fifth Avenue, 689 Fifth Avenue and 697-703 Fifth Avenue.

The firm also has **interests** in the the World Trade Center complex, and the retail at 650 Madison Avenue and the Olympic Tower on Fifth Avenue. Some of Crown's tenants include global luxury brands such as Cartier and Versace, but the firm also owns more modest properties in blue-collar neighborhoods of Brooklyn, Queens, the Bronx and Staten Island leased to the likes of Duane Reade, Sprint and Planet Fitness.

“Stanley loved the chase,” Steve Witkoff, a prominent New York real estate investor and developer, said in an interview Saturday. “He knew what the trend lines looked like before anybody else does. It’s not dissimilar from being a great hedge fund manager — someone who can see through a particular environment, a particular marketplace, and see how a customer is going to buy.”

“The secret is to stay underleveraged and you can own something forever,” Chera told the New York Times in 2010. “I have 100 pieces of property, say, but I could have 1,000 leveraged.”

The store, the block, and then the neighborhood

Born in Brooklyn in 1942, Chera went to work with his father, Isaac Sr., who owned a children's department store on Fulton Street in Downtown Brooklyn. Isaac, who took over the space from a hat store named Suzette Millinery Shop, didn't have the funds to replace the banner, according to the Commercial Observer, so he merely tweaked it and called his business Suzette Kiddie Store. Only after expanding the business across several stores did the family change the name to Young World.

Bar Mitzvas

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 Mr. and Mrs. Hy EscavaRalph
 Mr. and Mrs. Nat Chera.....Joseph
 Mr. and Mrs. Mike ShamahStuart
 Mr. and Mrs. Saul Sultan
 Mr. and Mrs. Eddie TawilMorris
 Mr. and Mrs. Harry Catton.....Sammy
 Mr. and Mrs. Lou Franco.....David
 Mr. and Mrs. Jack HararyBen

A March 1980 bar mitzvah notice for Stanley Chera's eldest son, Isaac, in the newsletter for Magen David Yeshiva, a religious institution prominent in Bensonhurst

In the Times interview — among the few that the gregarious but press-shy Chera gave in his career — he explained how the family's emphasis shifted from operating retail to owning it.

“I was paying \$2,000 a month rent and I was doing business up to the sky,” Chera recalled. “I said, ‘What am I doing?’ The building next door came up for sale, so I purchased it and started accumulating properties in the city.”

The world of high-stakes Manhattan property, where the competition, risk and rewards are all outsized, beckoned. When Chera entered that scene in the late 1980s, he was typically a junior partner to players such as Morris Bailey or the Feil Organization.

Chera, Bailey and developer Martin Raynes were involved in perhaps one of the city's hairiest real estate transactions when they struck a deal to buy four properties from the government of the Philippines, then led by the extravagant and corrupt Ferdinand Marcos, for \$396 million. The acquisition was structured as a commitment to bid on each property if and when they went up for auction. The portfolio included the two trophies — the Crown Building at 730 Fifth Avenue and a Lower Manhattan office skyscraper at 40 Wall Street — as well as the ugly duckling Herald Center and an office and retail building at 200 Madison Avenue.

But the deal was embroiled in years of litigation that elicited a global cast of notorious characters, including Saudi arms dealer Adnan Khashoggi, representatives of the Philippines government that ousted Marcos in 1986, and brothers Joseph and Ralph Bernstein, allegedly frontmen for Marcos.

Marcos Holdings Shedding Web of Intrigue

APTEK more than three years of turmoil, the real estate empire of Ferdinand Marcos, the ousted Philippine President, and his wife, Imelda, appears to be emerging from a web of international intrigue and competing claims by Federal prosecutors, a foreign government, local developers and an international arms dealer.

The Marcos holdings in Manhattan comprise four buildings, all in need of polishing to correct the neglect that has resulted from their abandonment in a series of court disputes.

The buildings are well located and, despite the relatively soft office market in New York, could bring a total of \$480 million in separate, court-ordered foreclosure sales.

On Aug. 11, Joseph and Ralph Bernstein, the developers who secretly purchased and managed several skyscrapers for the Marcoses in the early 80's, bought their leasehold on the 70-story office building at 40 Wall Street for \$108.4 million at an auction in Federal District Court in Manhattan. The bidders called Jack Brinck & Sons, the Mendel Realty Group and an investment team headed by Morris Bailey, seeing a record price for a property bought at a foreclosure sale.

The closing should take place next month, with \$1 million from the sale set aside to satisfy a second mortgage held by Citibank.

The price proved to be broken next month, when another Marcos building is scheduled to be auctioned in a foreclosure proceeding brought by Security Pacific Mortgage and Real Estate Services. Federal District Judge Pierre N. Levai has set the minimum bid at \$125 million for the 26-story Crown Building, at 37th Street and Fifth Avenue, a spot brokers consider the "center of the world in terms of commercial real estate."

The foreclosure sale of a third building, Herald Center, the nearly vacant vertical mall on Broadway, between West 33d and 34th streets, is scheduled for Sept. 13. The minimum bid was set at \$25 million. Security Pacific holds a \$37 million mortgage on Herald Center, as well as a \$76 million mortgage on the Crown building.

This winter, Judge Levai will hold a trial to determine whether the fourth Marcos building, 380 Madison Avenue, which occupies the blockfront between 29th and 30th Streets, should also be sold in a foreclosure proceeding.

Stephen Estroff, the court-appointed master handling the sales, cleared up nagging title problems only days before the auction of 40 Wall Street. He said he hoped the successful auction would build interest and momentum in the pending sales.

After years of maneuvering, claims and counter-claims of ownership, the foreclosure sales allow the buildings to go back on the market while the battle continues over who is entitled to the net proceeds, a question that may not be resolved for some time. "This will go on for the next 10 to 15 years," said

Joseph Bernstein, who, like the Bailey group, plans to bid on all the properties.

Among those claiming rights to the equity is the Government of the Philippines. In 1965, shortly after Mr. Marcos fled Manila, the Republic of the Philippines got a court order freezing the Marcoses' assets in this country, alleging it is a suit that Mr. Marcos had looted the nation's treasury and then used the funds illegally to buy real estate in New York.

The Federal Government has sought to force the Marcoses to forfeit the properties as part of its criminal and civil prosecution of Ferdinand and Imelda Marcos. The indictment also alleges that the Marcoses and their associates defrauded American financial institutions of "more than \$200 million in connection with the purchase and refinancing" of the four properties.

Mr. Bailey, who heads a group that includes Martin J. Hayes and Stanley Chera, "bought" the four buildings for \$184 million last December from the Philippines. Under Mr. Bailey's agreement with the Philippines, he is committed to bidding on each property if and when it goes on the auction block.

"It's really a pity that because of the ownership dispute they haven't been kept up," Mr. Bailey said. "I'd like to restore them to their true position."

The Bernsteins say they bought the Mediterranean Antilles corporations that controlled three of the buildings — 380 Madison was one of them — from Mr. Marcos for \$30 million in July 1985, seven months before he was deposed. Joseph Bernstein said he has an offer of sale, an oral agreement with Mr. Marcos's financial adviser, but no signed contract closing the deal.

HOWEVER, the Philippine Government and a Saudi Arabian arms dealer, Adnan Khashoggi, now out on \$20 million bail in connection with charges arising from the Marcos prosecution, have disputed the Bernsteins' claim in court.

Mr. Khashoggi and his associate, Karl Peterson, have said in suits in New York and Caracas that they bought the buildings from Mr. Marcos. But Mr. Khashoggi is charged with back-dating sales agreements for the four buildings and illegally transferring ownership from the Marcoses to himself in a race to sidestep the New York court order.

"This is a unique litigation that is unprecedented in its complexity," said Jeffrey J. Greenbaum of Sills Cummins Zuckerman Rudin Tischman Epstein & Gross, the Newark law firm representing the Philippine Government. "It involves real estate worth hundreds of millions of dollars and parties stretching across the world, entwined in a massive web of intrigue."

"Every time you think you get to the last nuance someone calls and says, 'You'll never believe what happened,'" said Jonathan Mechanic of Fried, Frank, Harris, Shriver and Jacobson, the Manhattan law firm.

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The 70-story office building at 40 Wall Street, center. Joseph and Ralph Bernstein, developers, bought leasehold for \$108.4 million at auction.

A 1989 NYT article chronicled the drama behind the Marcos transaction

"Every time you think you get to the last nuance, someone calls and says, 'You'll never believe what happened,'" attorney Jonathan Mechanic of Fried, Frank, Harris, Shriver and Jacobson, who was representing Chera and his partners, **told the Times** about the saga in 1989. (When the dust cleared, Bernard Spitzer would end up acquiring the Crown Building in a bankruptcy sale, while Bailey and his group took control of Herald Center.)

A quarter-century later, Chera would make another run at the Crown Building but lose out to Sutton's record-setting **\$1.7 billion** bid in partnership with General Growth Properties. The leasehold for **40 Wall** would bounce around among several owners before being snapped up in 1995 by one Donald Trump.

Taking the Fifth

By the turn of the century, Chera's appetite and access to capital had grown substantially. In 2001 he teamed up with **Lloyd Goldman**, head of BLDG Management and the son of his mentor Sol Goldman, to make a play for a piece of the real-estate portfolio of insurance giant MetLife.

"The deal was, 'I buy the buildings and Stanley buys lunch,'" Lloyd said in a tribute video created for Chera when he was the honoree at the American Friends of Rabin Medical Center's 2014 gala.

At the time, MetLife's portfolio included Stuyvesant Town, the most coveted multifamily asset in New York. The partners learned that MetLife's then-chairman Robert Benmosche was partial to Prime, a Midtown kosher steakhouse, according to "Other People's Money," Charles Bagli's book about Stuy Town. They got a table near Benmosche and struck up a conversation. Though the MetLife boss passed on the offer, a year later the duo bought two MetLife properties: the Fred French Building at 551 Fifth Avenue and the Otis Building in Chicago.

In 2008, Crown partnered with the Carlyle Group and Kushner Companies in a \$525 million deal to acquire and reposition the retail at **666 Fifth Avenue**. (The skyscraper was Jared Kushner's entree to the high-stakes world of New York real estate and would later become his albatross.)

"When you buy a building on Fifth Avenue, the first or second phone call you're probably going to get is from Stanley," Jared said in the tribute video.

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Over four years, the partners transformed it into two commercial condominium units they then sold for more than \$1 billion to Vornado and Zara parent company Inditex. Although Crown had owned only a small equity stake, insiders credited it with being a **driving force** behind the deal, bringing in the main capital partner Carlyle and anchor tenant Uniqlo. It walked away with between \$25 million and \$50 million in profit in the form of a "promote" as well as brokerage and other fees.

Chera teamed up with Joseph Chetrit on a 2009 bid to buy Filene's Basement out of bankruptcy. They lost out to Syms — which itself filed for bankruptcy in 2011.

In 2012, Chera, Feil, Goldman and other partners sold the retail at the St. Regis Hotel at 2 East 55th Street for \$380.6 million, just three years after buying it for \$117 million. In 2014, Crown would take on the property again, teaming up with Vornado to buy it for **\$700 million**.

Sources active in the market said what set the likes of Chera and Sutton apart was their ability to scout a promising property, get an option on it at a reasonable price, find high-flying tenants willing to cough up top-dollar rents to occupy it, and then quickly line up the financing to buy the building and lock in the tenants.

Those familiar with Crown's operations likened Chera's role in later years as being akin to a counselor, advising his sons who ran different verticals and deals and leveraging the relationships he had built in business, finance and politics. (Sen. Chuck Schumer was spotted at the office, as was Israeli prime minister Benjamin Netanyahu.)

Perhaps Crown's biggest bet on New York retail came last April when it bought a reported 24 percent stake in Vornado's prime Manhattan retail portfolio. The deal valued the portfolio at **\$5.6 billion**. The retail market has continued its slide since then, however, and it's unclear what the portfolio will be worth following the coronavirus pandemic.

"It's almost kind of poetic, in a Greek tragic way," a source in the New York retail market who frequently worked with Chera said of his death. "Because you have the retail industry, which he was such a pillar of, the retail world as we have known it, **crumbling all around us.**"

Kingmaker

Dressed in a cream suit and addressing a gathering that included Charlie and Jared Kushner, Joe Cayre and other industry bigwigs, Stanley Chera was triumphant.

"All the disbelievers in the last few months, we had our ups and downs," he said at his Long Branch mansion. "And today, I'm happy to say today, his polls are ahead, and we're just going to go forward."

It was the summer of 2016, a few months before the presidential election, and Chera was hosting a fundraiser for Trump. Along with Cayre, **Howard Lorber**, Richard LeFrak, Steve Witkoff and others, Chera was a key figure in Trump's path to the White House, donating hundreds of thousands of dollars to his campaign before and after he was elected. As of August 2018, Chera and his wife Cookie had given \$514,000 to the Trump Victory fund.

During a 2019 campaign rally in Grand Rapids, Michigan, Trump gave his friend and stalwart a big shout-out.

"A friend of mine — he's very shy, but he's very rich," Trump **told** the crowd. "He shouldn't be shy. He's one of the biggest builders and real estate people in the world, one of the biggest owners of property. I shouldn't introduce him because you guys won't like him, because he's a big owner of property. But you own property, he just owns more of it than you do. And he's a great guy and he's been with me from the beginning — Stanley Chera. Stanley!"

Witkoff, commenting on Chera's support of Trump, said Saturday: "Stanley, like me, was a very good friend to the president. When you're a very good friend to somebody, you support them, unequivocally. I don't think it gets any more complicated to that."

Witkoff recalled gatherings that brought multiple generations of Cheras together in Deal, N.J, and remarked that Chera had managed to maintain a large, powerful united family even as other dynasties had split in feuds. "The most compelling quality about him," Witkoff said, "with all the deals, all the success, is how he held that incredible family together."

According to Vanity Fair, word in late March of the gravity of Chera's condition contributed to Trump taking the coronavirus more seriously and abandoning his call to get the country back to work by Easter.

"Boy, did that hit home," prominent New York Trump donor Bill White told the publication. "Stan is like one of his best friends." Prominent industry figures such as Silverstein Properties' **Marty Burger**, Soho Properties' **Sharif El-Gamal** and Nest Seekers International's Eddie Shapiro have spoken about contracting the virus, but most have recovered. A fellow retail investor and member of Chera's Syrian Jewish community, A&H Acquisitions' **Harry Adjmi**, was reported in late March to be unwell.

Speaking to reporters at the end of the month, Trump made reference to a friend of his who was seriously ill from the virus, which is especially dangerous to people over 80.

“He’s sort of a tough guy. A little older, a little heavier than he’d like to be, frankly. And you call up the next day: ‘How’s he doing?’ And he’s in a coma,” Trump said. “This is not the flu.” On April 1, Trump again noted that the virus had taken a **devastating toll** on one of his friends.

“He sort of is central casting for what we’re talking about,” Trump said of Chera, “and it hit him very hard.”

Write to Hiten Samtani at hs@therealdeal.com



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