

THE REAL DEAL

Trump Soho Offers Deposit Refunds for Buyers Who Don't Join Fraud Lawsuit

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Donald Trump, Alex Sapir and Trump Soho

The developers of the embattled Trump Soho condominium-hotel are offering to refund buyers as much as half of their deposits if they agree not to join a lawsuit that accuses them of “fraudulent misrepresentations and deceptive sales practices” at the 46-story Spring Street building, according to the Wall Street Journal. Only those

buyers who haven't yet closed would be eligible for the refund, though it is unclear how many have been offered. The lawsuit was filed in August by attorney **Adam Leitman Bailey** on behalf of 17 buyers of eight units at the 391-unit project, who alleged that the Sapir Organization and Bayrock Group pitched them on a building that was 60 percent sold, although it was later revealed in an offering plan filed with the Attorney General's office that the figure had been closer to 15 percent. “They must think the fraud lawsuit has legitimacy and that they will have to settle for more than 50 percent,” said attorney Pierre Debbas, whose former client was offered a refund at the building. Or, he said, the refunds could mean that the developers could be planning to convert the entire project to a hotel. He's not the first to speculate about that outcome for Trump Soho, whose hotel operations have been doing remarkably well, given the financial and legal woes plaguing the condominium portion. [WSJ]