

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

PARK AVE. CONDO LLC,

Plaintiff,

v.

41-45 PROPERTY OWNER, LLC, WILLIAM LIE  
ZECKENDORF, AND ARTHUR ZECKENDORF,

Defendants.

Index No.

**COMPLAINT**

Plaintiff Park Ave. Condo LLC, through its undersigned counsel, alleges as follows against Defendants 41-45 Property Owner, LLC, William Lie Zeckendorf, and Arthur Zeckendorf:

**INTRODUCTION**

1. This case is about a brazen fraud that two real estate moguls perpetrated on Plaintiff Park Ave. Condo LLC (“Buyer”). The objective of Defendants’ fraud was to offload a penthouse apartment onto Buyer for nearly \$80 million before news broke that would cast a permanent cloud over the property—literally—and leave it virtually unsellable.

2. William Lie Zeckendorf and Arthur Zeckendorf are members of a small community of prestigious New York City real estate developers with a history of record-breaking sales at some of the City’s most well-known and prestigious addresses. For years, they were in a race to make the first sale of a New York City apartment for more than \$100 million. In 2014, as part of that quest, they broke ground on 520 Park Avenue. The Zeckendorfs hoped 520 Park would be their most impressive and lucrative development and planned to sell a triplex penthouse in the building for \$130 million. But in 2017, after another development had broken the \$100 million milestone

and the triplex at 520 Park Avenue had sat on the market for years, the Zeckendorfs realized they had to cut their losses and subdivided the triplex into a simplex and a duplex penthouse.

3. The duplex penthouse, Unit DP-PH-63 (the “Penthouse”), was the building’s crown jewel, with stunning views of Central Park. But that unit, too, sat unoccupied for years, until 2024 when Buyer expressed interest in a potential purchase. At long last, a sale was in reach, and for a massive sum: close to \$80 million.

4. The Zeckendorfs’ desperation turned to panic, however, when they learned that Extell Development Corporation and Solil Management—owners of the lots directly west of 520 Park Avenue—were planning to build a skyscraper abutting 520 Park Avenue. That skyscraper is all but certain to ruin the Penthouse’s unobstructed Central Park view, the unit’s defining feature. The Zeckendorfs thus knew that if this plan came to light, no one, Buyer included, would pay anything close to \$80 million for the Penthouse.

5. Faced with disclosing this obviously material information or keeping quiet, the Zeckendorfs prioritized lining their pockets. They rushed Buyer to closing, knowing it would agree to purchase the Penthouse only if ignorant of the planned skyscraper. And that is precisely what happened. Buyer closed on the Penthouse for nearly \$80 million in November 2024, just a few weeks after it began negotiations with the Zeckendorfs, only after which news of the planned obstructing development finally became public. Needless to say, had Buyer known the development was in the works, Buyer never would have purchased the Penthouse—let alone for close to \$80 million.

6. Buyer accordingly brings this action to recover for Defendants’ fraud that was calculated to, and did, induce Buyer to purchase the Penthouse on materially false terms.

**PARTIES**

7. Plaintiff Park Ave. Condo LLC is a limited liability corporation organized under the laws of New York with its principal place of business at 7 Times Square, New York, NY 10036.

8. Defendant 41-45 Property Owner, LLC is a limited liability corporation organized under the laws of Delaware with its principal place of business at 445 Park Avenue, Suite 1902, New York, NY 10022.

9. Defendant William Lie Zeckendorf is an individual who, on information and belief, resides in New York City.

10. Defendant Arthur Zeckendorf is an individual who, on information and belief, resides in New York City.

**JURISDICTION AND VENUE**

11. This Court has personal jurisdiction over Defendants pursuant to CPLR 301, as each of them is a resident of New York. Personal jurisdiction is, alternatively, present under CPLR 302(a)(1) and/or CPLR 302(a)(2), because the cause of action pled herein arises from Defendants' transaction of business and tortious conduct within New York.

12. Venue is proper pursuant to CPLR 503(a) because numerous parties to this action reside in New York County.

## BACKGROUND

### I. The Zeckendorfs' Quest For A Record Sale

13. Defendants William Lie Zeckendorf and Arthur Zeckendorf are sophisticated players in a small circle of major New York City real estate developers and the principals of Defendant 41-45 Property Owner, LLC. As they wrote in the Offering Plan for 520 Park Avenue<sup>1</sup>:

William Lie Zeckendorf and Arthur Zeckendorf have been active in the real estate business for over 23 years. They have been involved in the development of over 2000 condominium apartments in Manhattan with a value exceeding \$2 billion. Some of the Zeckendorf family's best known condominium projects include 50 United Nations Plaza, 18 Gramercy Park Condominium, Fifteen Central Park West Condominium, 515 Park Avenue, Millennium Tower located at 101 West 67th Street, the Belaire located at 524 East 72nd Street, Central Park Place located at 301 West 57th Street, Zeckendorf Towers on Union Square and the Copley Condominium located at 2000 Broadway.

14. The Zeckendorfs' Fifteen Central Park West, completed in 2008, "has become something of a personality in its own right in a city obsessed with real estate."<sup>2</sup> Known as the "Limestone Jesus," Fifteen Central Park West has been called "New York's most exclusive address," and is the subject of countless articles, a glowing Vanity Fair profile, and even a book, *The House of Outrageous Fortune: Fifteen Central Park West, the World's Most Powerful Address*.<sup>3</sup> In 2012, the Zeckendorfs sold the penthouse apartment at Fifteen Central Park West for

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<sup>1</sup> Ex. A (520 Park Offering Plan), at 160.

<sup>2</sup> Sarah Kershaw, *15 Central Park West, Success Etched in Stone*, N.Y. Times (Dec. 17, 2020), <https://archive.nytimes.com/cityroom.blogs.nytimes.com/2010/12/17/big-deal-15-central-park-west-success-etched-in-stone/>.

<sup>3</sup> Kershaw, *supra* note 2; Michael Gross, *Inside the Walls of Swanky 15 Central Park West*, N.Y. Post (Mar. 9, 2014, 3:52 PM), <https://nypost.com/2014/03/09/inside-the-walls-of-swanky-15-central-park-west/>; Paul Goldberger, *The King of Central Park West*, Vanity Fair (Aug. 1, 2008), <https://www.vanityfair.com/culture/2008/09/centralparkwest200809>; Michael Gross, *The House of Outrageous Fortune: Fifteen Central Park West, the World's Most Powerful Address* (Atria Paperback 2014).

\$88 million, setting the record at that time for the most expensive residential sale in New York City.<sup>4</sup>

15. In 2014, the Zeckendorfs broke ground on their next ultra-luxury building and the one at the heart of this action: 520 Park Avenue. The building's offering plan disclosed the Zeckendorfs as the building's primary "principals of Sponsor [Defendant 41-45 Property Owner, LLC] who will be actively involved in this offering . . . ."<sup>5</sup>

16. With 520 Park Avenue, the Zeckendorfs set their sights on another record sale. As one source described: "Clearly 520 Park Avenue is vying with a number of other properties in New York to be the first to crack the US\$100 million number for the penthouse . . . ."<sup>6</sup>

17. In September 2014, the Zeckendorfs unveiled the building's offering plan and sought a staggering \$130 million for TRI-PH Unit 52, a 12,000+ square foot triplex penthouse that extended from the 52nd to 54th floors.<sup>7</sup> When asked by reporters, "15 Central Park West I believe is known as the most successful condo development in New York City history, do you think you can top that or equal that this time?," Arthur Zeckendorf responded, "Apparently we are!"<sup>8</sup>

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<sup>4</sup> Marc Santora, *Sold for \$88,000,000*, N.Y. Times (Mar. 9, 2012, 3:04 PM), <https://archive.nytimes.com/cityroom.blogs.nytimes.com/2012/03/09/big-ticket-sold-for-88000000/>.

<sup>5</sup> Ex. A (520 Park Offering Plan), at 160.

<sup>6</sup> Clive Minchom, *Arthur and William Lie Zeckendorf Break Ground At New 520 Park Avenue \$1 Billion Luxury Condo Project*, Jewish Bus. News (Mar. 26, 2014), <https://jewishbusinessnews.com/2014/03/26/arthur-and-william-lie-zeckendorf-break-ground-at-new-520-park-avenue-1-billion-luxury-condo-project/>.

<sup>7</sup> Ex. A (520 Park Offering Plan), at 51.

<sup>8</sup> The Real Deal, *Arthur Zeckendorf on the Future of Condo Financing*, at 0:18-0:28, YouTube (May 24, 2016), <https://www.youtube.com/watch?v=IPcWyj1Abgg>.

18. The Zeckendorfs, however, ultimately lost the race to be the first \$100 million sale, when in 2015 the penthouse at 157 West 57th Street sold for \$100.5 million.<sup>9</sup> Meanwhile, the Zeckendorfs' efforts to sell the \$130 million TRI-PH Unit 52 stalled.

19. So the Zeckendorfs decided on a new strategy: carve the triplex penthouse into a simplex on the 52nd floor and a duplex penthouse spanning the 53rd and 54th stories, Unit DP-PH-63 (defined above as the "Penthouse").<sup>10</sup>

20. The Zeckendorfs remained confident that they could finally break the \$100 million milestone and set a sale record with the now-duplex penthouse. One source reported: "[S]everal brokers who've done deals in the building said [the Zeckendorfs are] not desperate to sell the top unit. They said multiple buyers have bid on the duplex penthouse — only to be turned down. 'They're not in a rush,' one agent said. 'They can wait until the crown jewel of the building is finished and get the highest and best price for the crown jewel.'"<sup>11</sup>

21. But the Zeckendorfs' optimism proved unfounded when the Penthouse languished on the market for several years, with seemingly no serious buyer in sight willing to pay upwards of \$100 million. As one source reported in 2019, "[t]he quest to outdo One57's record-setting \$100.5 million penthouse doesn't seem to be working."<sup>12</sup>

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<sup>9</sup> Erin Carlyle, *New York City's Most Expensive Sale Ever: \$100.5 Million Penthouse At One57*, Forbes (Jan. 19, 2015), <https://www.forbes.com/sites/erincarlyle/2015/01/19/new-york-citys-most-expensive-sale-ever-100-5-million-penthouse-at-one57/>.

<sup>10</sup> E.B. Solomont, *Zeckendorfs Carve Up \$130M Penthouse at 520 Park Avenue*, The Real Deal (Jan. 4, 2019), <https://therealdeal.com/new-york/2019/01/04/zeckendorfs-carve-up-130m-penthouse-at-520-park-avenue/>.

<sup>11</sup> Solomont, *supra* note 10.

<sup>12</sup> Dana Schulz, *\$130M Penthouse at 520 Park Avenue Is Now Two Separate Units*, 6sqft (Jan. 4, 2019), <https://www.6sqft.com/130m-penthouse-at-520-park-avenue-is-now-two-separate-units/>.

22. Meanwhile, news surfaced about Defendants' desperation to sell other units at 520 Park Avenue. For example, Defendants and another potential buyer are currently embroiled in litigation after the buyer backed out of a sale when the unit failed to match the Zeckendorfs' representations.<sup>13</sup> The Zeckendorfs sued to enforce the sale, but the buyer quickly countersued citing the Zeckendorfs' deceptive representations about the unit. Buyer's suit is just the latest example of the Zeckendorfs' cynical sell-at-all-costs strategy that prioritizes profits above all else.

## II. The Zeckendorfs And Buyer Enter Negotiations For The Penthouse

23. In or around late fall 2024, Buyer expressed interest in the Penthouse. Buyer was motivated to purchase the apartment because of its incredible panoramic views of Central Park, depicted in a listing photo thusly<sup>14</sup>:



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<sup>13</sup> See Keith Larsen, *LA Angels Owner Arte Moreno, Zeckendorf Head to Trial over UES Condo*, TheRealDeal (Nov. 19, 2024), <https://therealdeal.com/new-york/2024/11/19/arte-moreno-zeckendorf-head-to-trial-over-520-park-avenue/>.

<sup>14</sup> NYStateMLS, *520 Park Avenue, #DPPH63, New York, NY 10065*, <https://www.nystatems.com/property/520-park-avenue-new-york-ny-10065/11348013/> (accessed Mar. 24, 2025).

24. Listings at the time unsurprisingly touted the Penthouse’s “breathtaking” views: “In a class of its own, this magnificent Duplex Penthouse redefines luxury living, offering an unparalleled layout, spectacular views, and generous outdoor space. . . . The dining space leads seamlessly into the exquisite corner living room encompassing the North-East corner of the home, featuring breathtaking views of Central Park, the city skyline, both the Hudson and East Rivers and much more through the oversized bay windows.”<sup>15</sup>

25. At no point during the parties’ negotiations did the Zeckendorfs or anyone else on behalf of Defendants disclose to Buyer that Defendants were aware of a specific, existing risk that the Penthouse’s west-facing Central Park windows would be obscured. The 520 Park Avenue offering plan contained only a general disclosure that the west-facing windows on some apartments—including TRI-PH Unit 52, the triplex later subdivided into the duplex Penthouse—“are considered amenities that potentially can be lost.”<sup>16</sup> It also contained a general disclosure about future construction, stating that “[n]o representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows and/or Terraces in the Building.”<sup>17</sup> Although Defendants amended the offering plan twenty-six times, none of these disclosures stated or even suggested that the west-facing windows faced a specific, existing risk of obstruction that was known to Defendants, and that risk was never disclosed to Buyer.

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<sup>15</sup> NYStateMLS, *520 Park Avenue, #DPPH63, New York, NY 10065*, <https://www.nystatems.com/property/520-park-avenue-new-york-ny-10065/11348013/> (accessed Mar. 13, 2025).

<sup>16</sup> Ex. A (520 Park Offering Plan), at 18-19.

<sup>17</sup> Ex. A (520 Park Offering Plan), at 19.

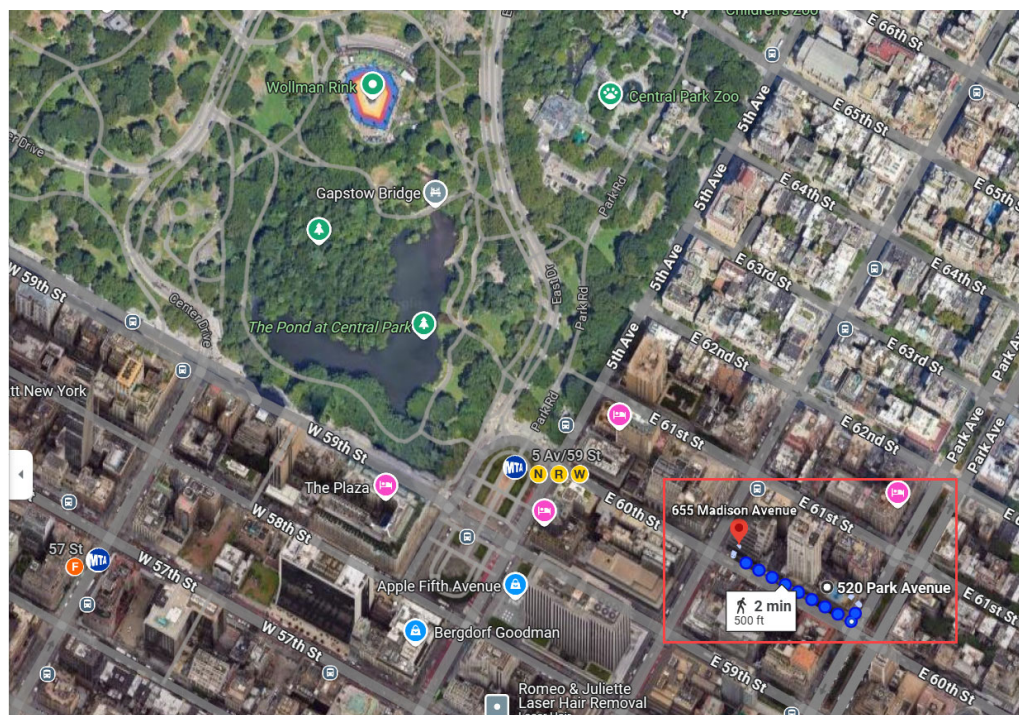
26. As referenced above, negotiations between Buyer and Defendants began in earnest in late fall 2024 and were marked by significant—and now telling—urgency from Defendants to close the deal as soon as possible. Relying on Defendants’ conduct and representations regarding the Penthouse and its unobstructed Central Park views, on October 29, 2024, Buyer entered into an option agreement with Defendants to purchase the Penthouse for \$78.9 million. The closing was completed and the sale took place just a few weeks later on November 20, 2024.

### **III. The Zeckendorfs Learn Secret Information That Would Kill The Sale**

27. What Buyer did not know was that Defendants rushed the sale not for any legitimate reason, but on information and belief because they had discovered insider information that the Penthouse’s Central Park-facing windows—the unit’s defining feature—faced a very real and specific risk of obstruction by a planned adjoining property. Defendants knew that if that fact came to light, there was no chance Buyer would purchase the Penthouse, the nearly \$80 million sale price would plummet, and the Penthouse would be forever marred by the cloud of the actual or potential obstructing development.

28. Defendants could only have learned this information from yet another group of real estate insiders unknown to Buyer, specifically Gary Barnett and Jane Goldman. Gary Barnett, the founder of Extell Development Corp., is another power player in the inner circle of New York City real estate developers. So too is Jane Goldman, the co-chair and co-owner of Solil Management. Together, Extell and Solil have agreed to consolidate ownership over a series of lots immediately west of 520 Park Avenue–655 Madison Avenue (owned by Extell) and 35, 37, and 39 East 60<sup>th</sup> Street (owned by Solil)—that they plan to develop into a skyscraper. A map showing the properties’ approximate locations is below, along with Google satellite images for context:





29. News reports predating the negotiations between Buyer and Defendants indicated the 24-story building at 655 Madison would be demolished and replaced with a new structure, but nothing suggested this development would encompass multiple adjoining lots or result in an obstructing skyscraper. In April 2024, Williams and Colliers (the former owners of 655 Madison Avenue) indicated the 655 Madison building would “get torn down and replaced probably by a mixture of retail, hospitality and residential.”<sup>18</sup> On August 22, 2024, another article similarly reported that 655 Madison was being slated for demolition.<sup>19</sup> Later, on October 17, it was reported

<sup>18</sup> Mary K. Jacob, *A 1950s Tower on Madison Avenue in Manhattan Is Slated for Demolition*, N.Y. Post (Aug. 22, 2024), <https://nypost.com/2024/08/22/real-estate/a-1950s-tower-on-madison-avenue-is-slated-for-demolition/> (quoting David M. Levitt, *Colliers’ Michael Cohen on Filling All That Empty New York Office Space*, Com. Observer (Apr. 16, 2024), <https://commercialobserver.com/2024/04/colliers-michael-cohen-filling-space/>)).

<sup>19</sup> Jacob, *supra* note 18.

that Extell Development was buying 655 Madison Avenue, but these articles too gave no indication that a mega skyscraper development spanning multiple lots was in the works.<sup>20</sup>

30. This news that Extell planned to purchase and demolish 655 Madison Avenue did not concern Buyer, nor should it have. The lot at 655 Madison Avenue, by itself, is too small to support a significant skyscraper that would comply with New York City building regulations, including the air rights restrictions along Madison Avenue. Moreover, there was no indication that Extell intended to combine the lot at 655 Madison Avenue with the adjoining lots on East 60<sup>th</sup> Street. Accordingly, there was no indication that a future development down the block would affect the Penthouse any more than the existing building at 655 Madison had.

31. But what Buyer did not know—and Defendants on information and belief did—is that Extell did not plan to stop with its purchase of 655 Madison Avenue, and never had plans to develop only that lot. Gary Barnett and Extell had in fact been in negotiations throughout 2024 with Jane Goldman to purchase the properties between 655 Madison Avenue and 520 Park Avenue owned by Solil. And Extell and Solil had made secret plans to develop a skyscraper across 655 Madison Avenue and Solil's properties, once the suite of lots was purchased, that will tower over 520 Park Avenue. Unlike Buyer, Defendants were in a unique position to learn—and on information and belief did learn—this non-public information about the negotiations between Extell and Solil and the anticipated development given their status as part of a small circle of New York City real estate insiders.

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<sup>20</sup> *Extell Pays \$160M for Midtown East Office Marked for Demolition*, TheRealDeal (Oct. 17, 2024), <https://therealdeal.com/new-york/2024/10/17/extell-buys-williams-655-madison-ave-for-office-conversion/>.

32. Defendants, however, never disclosed this information to Buyer at any point prior to closing. The reason is simple: Defendants knew that the value of the Penthouse and any serious interest would crater once news broke about the Extell-Solil negotiations.

33. The Zeckendorfs thus faced immense pressure to close on the Penthouse before the news became public. They already had failed to sell the triplex for \$130 million and had to subdivide it to attract buyers. That too seemingly failed to work when the Penthouse sat vacant for years before Buyer entered the picture. And the Zeckendorfs knew that if the public ever caught wind of the Extell-Solil development, the Penthouse would never sell—and certainly not at an \$80 million price tag. So rather than disclose what they knew was material, non-public information that any reasonable buyer would want to know, Defendants on information and belief rushed to close.

34. In early December 2024, for the first time, news of the Extell-Solil negotiations became public, and Buyer only then learned about the negotiations and plans to build a skyscraper abutting 520 Park Avenue.

**FIRST CAUSE OF ACTION**  
**(Fraudulent Inducement)**

35. Buyer incorporates each and every allegation above as though fully set forth herein.

36. Defendants fraudulently induced Buyer to purchase the Penthouse when they failed to disclose their knowledge of the Extell-Solil negotiations, that the lots between 520 Park Avenue and 655 Madison would or would potentially be demolished to make way for a new skyscraper, or a specific, existing risk of an obstructing development (collectively the “Hidden Material Information”).

37. Defendants had an affirmative duty to disclose the Hidden Material Information for two, independent reasons. First, in the offering plan, Defendants disclosed a generalized risk of a

development or future construction that might theoretically obscure the Penthouse's west-facing windows. Having made such a partial disclosure that an obstructive development *might* someday occur, and also having touted the Penthouse's great views, Defendants were obligated to disclose their knowledge of the potentially obstructing development they in fact *knew* was in the works. Second, Defendants, because of their standing in the New York City real estate community, had superior knowledge of the Extell-Solil negotiations and development that was unavailable to Buyer and that Buyer could not have discovered through reasonable means. Defendants thus had a duty to disclose that superior and material knowledge.

38. Defendants misrepresented and/or omitted to disclose the Hidden Material Information, which they knew would significantly and negatively affect the value and desirability of the Penthouse, in order to induce Buyer to purchase the Penthouse.

39. Buyer reasonably relied on Defendants' misrepresentations and/or material omissions in the process and Buyer purchased the Penthouse for nearly \$80 million, a vastly inflated price, without knowledge of the Hidden Material Information.

40. Buyer has suffered significant damages as a result of Defendants' conduct and would not have purchased the Penthouse had Defendants disclosed the Hidden Material Information.

**PRAYER FOR RELIEF**

41. WHEREFORE, Buyer respectfully requests the following relief:
- a. damages—including actual damages, restitution, consequential damages, and punitive damages—and any such other relief available under the cause of action stated herein;
  - b. equitable relief, including rescission of the sale of DP-PH-63, due to Defendants' fraud;
  - c. the costs of bringing this suit, including reasonable attorneys' fees;
  - d. pre- and post-judgment interest, as applicable; and
  - e. any such other, further relief as to the Court appears just and proper.

DATED: March 24, 2025

Respectfully submitted,

QUINN EMANUEL URQUHART &  
SULLIVAN, LLP

*/s/ John B. Quinn*

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