

Steven E. Ostrow

Partner

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Steve Ostrow is a Partner in the firm's Real Estate and Finance Groups. For more than 30 years, he has represented parties in commercial leasing and sales transactions and in bankruptcy, foreclosure and receivership proceedings throughout the country, particularly in the Mid-Atlantic region. Steve's approach is to develop deal-specific, cost-effective strategies to help clients achieve their goals in the commercial real estate market and the debtor-creditor arena.

COMMERCIAL LEASING AND SALES

Steve represents landlords and tenants in commercial leasing transactions, real estate litigation and in single-asset or retail bankruptcies. His landlord representations include real estate investment firms, developers/mall owners, receivers and property managers leasing properties primarily located in the Northeast. The real estate work includes the negotiation and preparation of sale agreements, leases, subleases, easements, REAs, SNDAs and recognition agreements for office, retail, mixed use and industrial space. Steve also handles the workout or litigation of commercial leasing disputes often regarding early tenant closures, lease assignments/sublets, cam and percentage rent issues, operating covenants and co-tenancy and exclusivity clauses. Steve has also represented property owners, counties and municipalities in many Rails-to-Trails projects in Pennsylvania such as the Hay Creek Trail, the Nor-Bath Trail and the Delaware and Lehigh Canal Corridor Trail.

Steve has protected landlords' rights and maximized rent recoveries in retail and single-asset bankruptcy proceedings by: moving to compel payment of post-petition administrative rent or to obtain relief from the automatic bankruptcy stay to evict tenants; objecting to motions to extend the time to assume or reject leases, or to assume and assign leases and proposed cure amounts; objecting to store closing, going out of business or lease assumption/rejection procedures; objecting to motions to sell assets and assume and assign related leases; and filing proofs of claim for landlords to recover rental charges and lease rejection damages.

Practice Areas

Financial and Investment Services
Industry

Finance

Financial Restructuring and Bankruptcy

Real Estate

Bar and Court Admissions

Pennsylvania

New York (admission pending)

U.S. Court of Appeals for the Third Circuit

U.S. Bankruptcy Court for the Eastern
District of Pennsylvania

U.S. Bankruptcy Court for the Middle
District of Pennsylvania

U.S. District Court of the Eastern District
of Pennsylvania

U.S. District Court of the Middle District
of Pennsylvania

U.S. District Court for the Eastern District
of Michigan

Education

The George Washington University Law
School, JD, 1987

University of Vermont, BA, *cum laude*,
1984

FORECLOSURES/WORKOUTS AND RECEIVERSHIPS

Steve represents lenders, institutional investors, equipment financiers and other secured creditors in foreclosures, credit restructurings and complex asset recovery proceedings. He advises clients at all levels of the capital structure in a wide variety of structured transactions, including first mortgage loans, mezzanine loans, participations and other co-lender and intercreditor arrangements. Steve's approach to handling foreclosures and workouts is to be very responsive and proactive from the time the matter goes into distress through resolution, whether by foreclosure or workout agreements. He focuses on promptly and efficiently maximizing recoveries, getting property receivers appointed, enhancing collateral, modifying or restructuring a non-performing loan or resolving protracted litigation through alternative dispute resolution.

Steve has helped lenders and judgment creditors recover delinquent loans and judgments through foreclosure proceedings, execution and garnishment actions against borrowers, guarantors and third parties, and non-judicial foreclosures of personal property collateral under Article 9 of the Uniform Commercial Code. Steve has foreclosed upon a myriad of collateral such as office buildings, shopping centers, apartment buildings, ground leases, industrial facilities, distilleries, commercial paper and business inventory, equipment and accounts.

Steve has also represented numerous property receivers in foreclosures of shopping centers, office buildings and other commercial properties in the Mid-Atlantic region. Steve has provided advice to receivers in connection with their management, sale and leasing of commercial property, and the recovery and distribution of receivership assets primarily for the benefit of secured creditors.

CHAPTER 7, 11 AND 15 BANKRUPTCY PROCEEDINGS

Steve has substantial experience in advising secured creditors seeking to enforce their rights and claims in Chapter 7, 11 and 15 (cross-border) bankruptcy proceedings. He has assisted secured creditors in maximizing their recoveries in insolvency proceedings as well as protecting their collateral from a diminution in value in connection with, for example, cash collateral motions, surcharge motions or DIP financing motions. Steve has also protected secured creditors in connection with free and clear asset sales, proposed plans of reorganization or liquidation, and objections to lenders' claims or secured status. Steve has obtained relief from the automatic stay in order for his clients to exercise their rights and remedies outside of bankruptcy by foreclosing on or taking possession of their collateral.

Steve also regularly represents unsecured trade creditors and contract counterparties in bankruptcies, receiverships and assignment for the benefit of creditor proceedings under state law. Steve advises clients if any proposed plan of reorganization or other relief sought during the bankruptcy proceeding might adversely affect their claim, rights and contracts with a debtor. This includes asserting suppliers' and vendors' reclamation claims, filing and enforcing mechanics' or construction lien claims, filing proofs of claim, obtaining payment for services rendered during the bankruptcy and defending claim objections. In addition, he defends creditors in preferential transfer and fraudulent conveyance avoidance actions filed by debtors, trustees and plan administrators in bankruptcy cases and state insolvency proceedings.

PURCHASE AND SALE OF DISTRESSED DEBT; ACQUISITION OF ASSETS IN BANKRUPTCY

Steve also represents lenders, institutional investors, real estate funds and other companies in selling or purchasing commercial debt, whether an individual loan or loan portfolio. In addition, Steve advises clients in acquiring properties and other assets throughout all phases of the bankruptcy sale process, starting with due diligence, preparing sale agreements, submitting bids and attending auctions, sale hearings and closings.

Representative Matters

Commercial Leasing and Sales

- Represented real estate investment and property management firm in leasing office, retail and mixed use properties located in the Mid-Atlantic
- Represented real estate developer in leasing and sale of regional malls and shopping centers in the Northeast
- Represented commercial real estate investment and management company whose portfolio spans multiple asset classes, including office, retail, multifamily, industrial, and hospitality, in North America, South America, Europe and Asia Pacific
- Represented national self-storage and moving company

Foreclosures/Workouts and Receiverships

- Represented the participants controlling the senior mezzanine loans of \$300 million for one of the largest structured real estate financings in US history, Stuyvesant Town/Peter Cooper Village, New York
- Represented lender group in restructuring a mortgage loan over \$100M for a resort in the Rocky Mountains
- Represented lender in foreclosing its \$56M mortgage encumbering a ground leased office tower in Pittsburgh, Pennsylvania
- Represented receiver in the sale of Cheltenham Mall, a 760,000SF regional mall outside of Philadelphia
- Represented equipment finance company in UCC foreclosure sale of cranes after obtaining relief from stay in Chapter 11 bankruptcy of debtor in Pittsburgh, Pennsylvania
- Represented the lender in working out an asset based defaulted loan to a mid-market New Jersey manufacturer
- Represented the rent receiver appointed by the Court for a shopping center in New Jersey
- Represented a loan purchaser in rent receivership proceeding to recover mortgage loan secured by warehouse in New Jersey

Bankruptcy Proceedings

- Represented lenders or secured creditors in numerous Chapter 7 and 11 bankruptcy proceedings such as Spanish Peaks Holdings LLC in Montana, American Cabinetry Inc. in New Jersey, Montvale KSL, LLC in New Jersey, HMA Sales LLC in Nevada, USA Commercial Mortgage Company in Nevada, and Ray Anthony International LLC in Pittsburgh
- Represented trade creditors in numerous retail bankruptcy cases such as RadioShack Corporation, Gordmans Stores, Inc., BCBG Max Azria Group, Inc., Hhgregg Inc., Maurice Sporting Goods Inc., The Limited Stores Inc., and The Wet Seal

Inc.

- Represented landlords and property receivers in numerous retail bankruptcy cases such as The Great Atlantic & Pacific Tea Company (A&P), Athlete's Foot, Bally Total Fitness of Greater New York, Boscov's, Carmike Cinemas, Norstan Apparel t/a Fashion Cents, Footstar, KB Toys, Musicland, Phar-Mor, Inc. and Sun Apparel

Purchase/Sale of Assets and Debt

- Represented purchaser of warehouse space in Chapter 7 bankruptcy of Evergreen International Aviation, Inc. in Delaware Bankruptcy Court
- Represented purchaser of assets in Chapter 11 bankruptcy of Eastman Kodak in New York Bankruptcy Court
- Represented participants of senior mezzanine loans of \$300M for one of the largest structured real estate financings in US history, Stuyvesant Town/Peter Cooper Village, New York
- Represented lender group in sale of mortgage loan over \$100M secured by a resort in the Rocky Mountains
- Represented purchaser of assets of Pennsylvania forge business in foreclosure
- Represented purchaser of warehouse and office property in Chapter 7 bankruptcy of Barry Portnoy in Philadelphia Bankruptcy Court
- Represented purchaser of loan secured by assets of manufacturing company in New Jersey
- Represented seller of loan secured by warehouse facility in New Jersey

Recognition & Involvement

While in law school, Steve was a member of the *Law Review of The George Washington University School of Law*.

Steve is AV® rated by the Martindale-Hubbell peer review rating system.

In the News

Bankruptcy Partners Represent White and Williams at Regional Bankruptcy Workshop
August 4, 2012

Firm Sponsors and Participates in IMN Real Estate Subordinated Debt Origination & Investment Forum
November 29-30, 2011

Events

Commercial Leases In Economic Distress: Pre-and Post-Bankruptcy Strategies for Landlords
Webinar | June 11, 2020

America's Brick-and-Mortar Retail Stores – A Vanishing Act in an Online Shopping World
Philadelphia, PA | November 2, 2017

The Changing Landscape of Commercial Loan Documents
Philadelphia, PA | April 7, 2016

What Every Lawyer Needs to Know About the Automatic Stay
Philadelphia, PA | December 5, 2012

Don't Let Bad Get Worse: How to Proceed When a Loan Goes Sideways
Philadelphia, PA | November 29, 2012

Real Estate Loan Restructurings and Loan Workout Solutions
Real Estate Preferred Equity and Mezzanine Financing Summit (New York, NY) | May 9, 2012

Publications

CDC Issues Moratorium on Residential Evictions Through 2020
Real Estate Alert | September 8, 2020

New York Court Temporarily Enjoins UCC Foreclosure Sale
Real Estate Alert | August 14, 2020

Consider Short-Term Lease Workouts For Commercial Tenants
Law360 | June 17, 2020

Commercial Lease Workouts During the COVID-19 Pandemic
Real Estate, Finance and Financial Restructuring Alert | April 6, 2020

Distressed Debt and Workout Agreements During the COVID-19 Pandemic
Real Estate, Finance and Financial Restructuring Alert | March 27, 2020

DFS Wins New York State Appeal Reinstating Portions of Regulation Aimed at Controlling Title Insurance "Marketing" Expenses
Real Estate and Finance Alert | January 16, 2019

Key Takeaways from Real Estate and Finance Forum
Real Estate and Finance Alert | November 17, 2017

Title Insurance Rate Premiums in New York: Immune to Rate Disruption?
Real Estate Alert | April 25, 2017

Instruments Under Seal: Those Words Really Can Make a Difference!
Real Estate, Finance and Bankruptcy Alert | June 3, 2013

Borrower's Objection to Lender's Application for Receiver Results in Guarantor's Full Liability on Construction Loan under Non-Recourse Carve-Out Guaranty
Finance Alert | March 4, 2013

NY Federal Court Permits Appointment of Receiver for Hotels Without Lender Having Commenced Foreclosure Action
Real Estate and Finance Alert | January 15, 2013

Delaware Bankruptcy Court Dismisses Fraudulent Conveyance Claims for Transfers Made More Than Two Years Before
Bankruptcy
Financial Restructuring and Bankruptcy Alert | April 2, 2012

Cases & Deals

Finance Group Assists Aerospace Company With Acquisition
June 1, 2012