REAL ESTATE

Michael Stern built the world's skinniest skyscraper — and a mountain of legal disputes

Matt Chase for BI; Photo courtesy of JDS

Katie Warren

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Michael Stern was fed up.

For weeks, an anonymous website had been portraying the real estate developer as a fraud who has a history of deceiving investors and business partners.

Does he? Stern says no. In April, he filed a lawsuit seeking to clear his name, demanding that a judge unmask the anonymous website creator.

What Stern does have, according to a Business Insider review, is a history of lawsuits filed against him by former business partners, investors, and contractors.

Stern is a big target — one of the rare few who can credibly claim to have remade New York City's skyline. He built the "world's skinniest skyscraper" in Manhattan and the tallest tower in Brooklyn.

These days he's trying to leave his mark on Miami, where he's developing $4 billion in luxury projects with Italian packaging heir Gianluca Vacchi. Their portfolio includes a $1 billion Mercedes-Benz residential tower, complete with a fleet of cars for residents, and one of Dolce & Gabbana's first ventures into branded real estate.

Stern's arrival in Miami turned heads. The Financial Times recently named him one of the top "10 power builders and brokers shaping Miami." In February, hundreds of real estate brokers showed up for his lavish party promoting the Mercedes-Benz tower, a testament to his growing clout in the luxury market.

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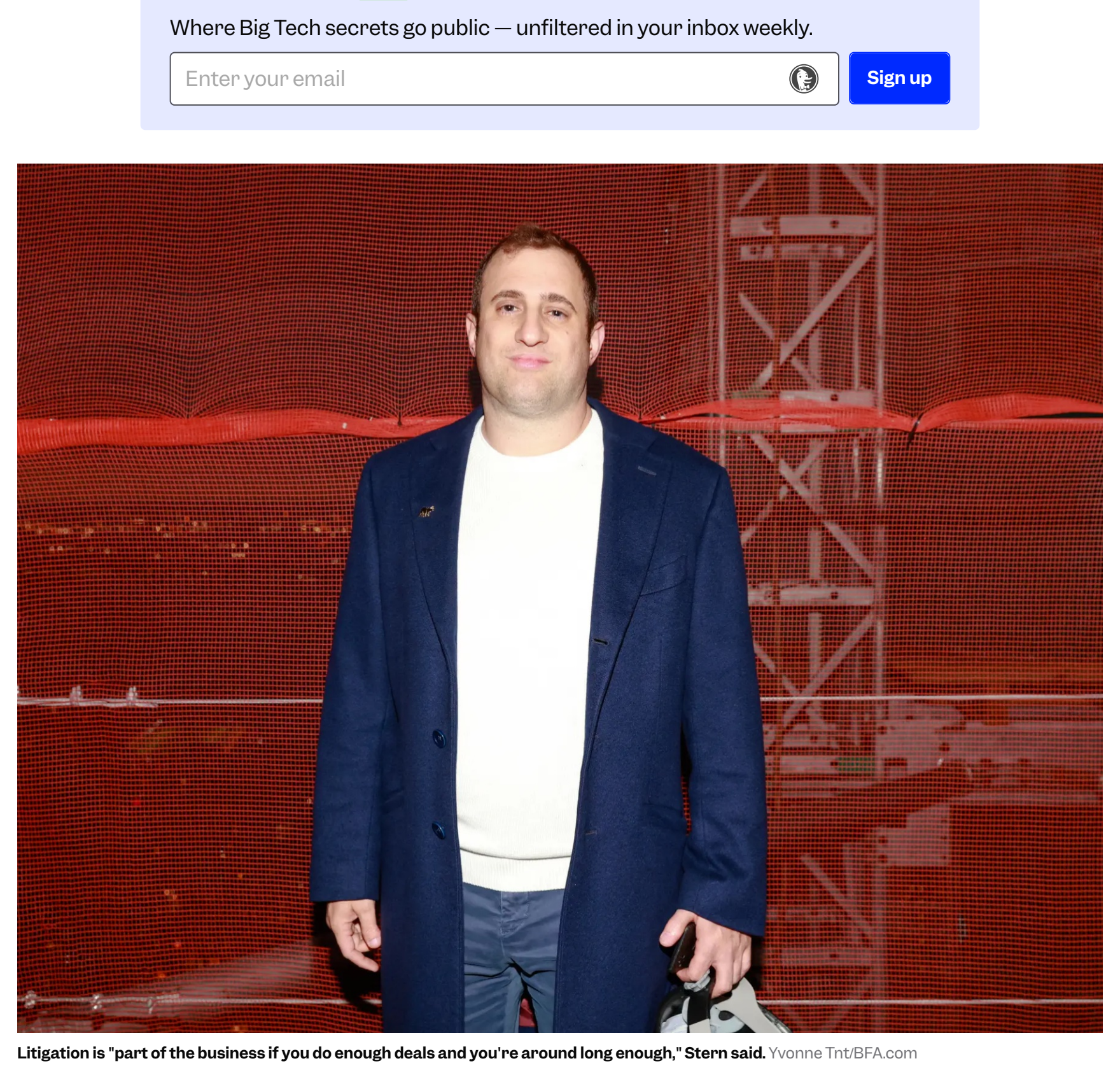


Litigation is "part of the business if you do enough deals and you're around long enough," Stern said. Yvonne Tnt/BFA.com

But legal issues have followed him to the Magic City. Stern says it's just part of the job.

"Unfortunately, litigation is part of the business if you do enough deals and you're around long enough," Stern told BI in December. "We live in a litigious society, and anybody can make claims in the court system."

Despite the struggles that have at times forced him to surrender control of some signature properties, Stern remains focused on his legacy. "We want to inspire people," he said. He likes to think of children gazing up at his towers and wondering: "How did they do that?"

Stern was born in June 1979 to a nurse and an auto body shop owner. Raised in an Orthodox Jewish community on Long Island, he was kicked out of multiple yeshiva high schools "that didn't like my leather jacket, didn't like my attitude," he told The Real Deal in 2016.

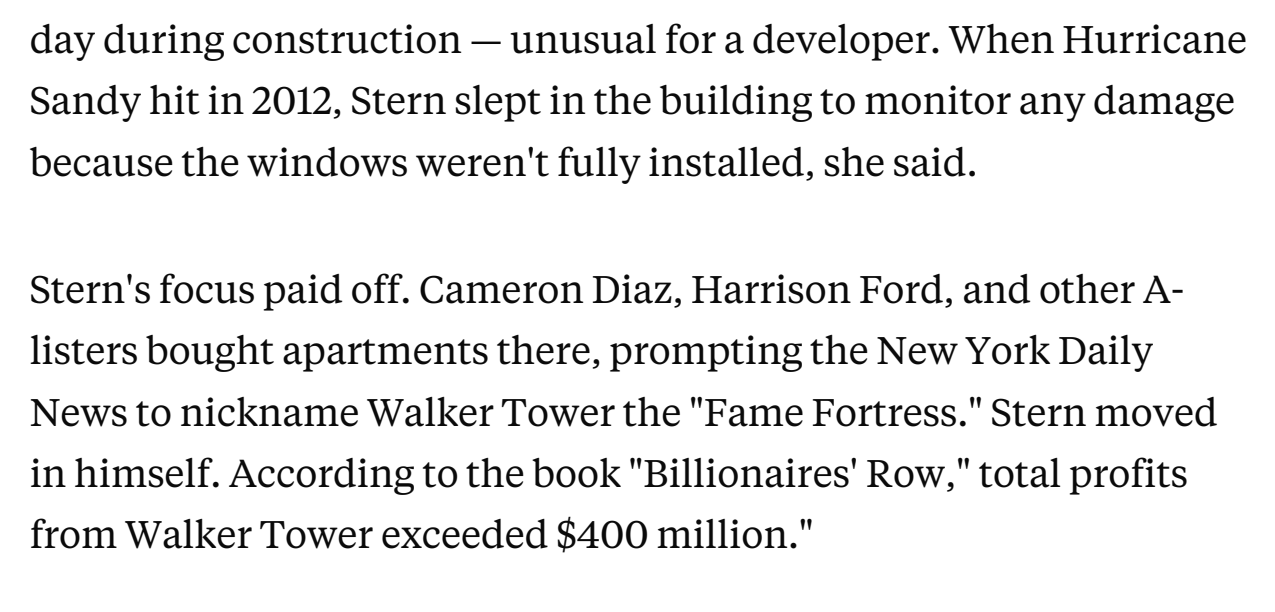
After graduation, he moved to Florida, where he worked as a project manager for a real estate developer. In 2000, when he was 21, Stern returned to New York, got married, and moved into his wife's house on Long Island. Two years later, he founded JDS and started building low- and mid-rise houses in the outer boroughs. "I liked that I could buy a dirt lot and build something great, and somebody would make that their home," he told BI.

Over the next several years, Stern became involved in a series of legal disputes with his family. After he got married, Stern added his mother and his brother to the deed of his wife's Long Island house and took out at least two new mortgages, two of which were later involved in foreclosure proceedings. BI was unable to verify the outcomes of the proceedings.

Stern's wife filed for divorce in 2009. Two years later, Stern's mother filed a partition action naming Stern as a "nominal defendant" along with his ex-wife, though Stern and his mother were on the same side. In court filings, Stern's wife said Stern took out a $1 million mortgage in her name by forging her signature on loan documents. Stern argued he had power of attorney to sign on his wife's behalf and said he hadn't made any payments on the mortgage since 2007, resulting in one of the foreclosures. (In a 2025 affidavit provided to BI by Stern's lawyer, Stern's ex-wife now says that he never forged her signature.) In 2011, all parties agreed to discontinue the case concerning the house. The next year, Stern's divorce was finalized, and his ex-wife regained sole ownership of her home.

> I liked that I could buy a dirt lot and build something great, and somebody would make that their home
>
> - Michael Stern

Amid the personal turmoil, Stern's career was taking off. In 2009, he partnered with the developer Property Markets Group to buy a 24-story art deco building in Chelsea for $25 million. It was a big leap for Stern, and he and PMG spent several years transforming the Ralph Thomas Walker-designed building into a 47-unit luxury development. John Cetra, the conversion architect, said Stern didn't hesitate to spend big on high-quality features, adding radiant floor heating and a built-in humidification system.



The profits from Stern's first major project, Walker Tower, reportedly exceeded $400 million. Amir Hamja for BI

Vickey Barron, a Compass broker who handled sales for what became known as Walker Tower, said Stern was on-site almost every day during construction — unusual for a developer. When Hurricane Sandy hit in 2012, Stern slept in the building to monitor any damage because the windows weren't fully installed, she said.

Stern's focus paid off. Cameron Diaz, Harrison Ford, and other A-listers bought apartments there, prompting the New York Daily News to nickname Walker Tower the "Fame Fortress." Stern moved in himself. According to the book "Billionaires' Row," total profits from Walker Tower exceeded $400 million."

At the same time, tensions appeared to be growing between Stern and his partners. Kevin Maloney, PMG's CEO, and Elliott Joseph, a former PMG executive, accused Stern in The Wall Street Journal of taking credit for their work on Walker Tower even though they codeveloped the project and agreed to split profits 50-50. In 2013, Stern told the paper: "I conceived it, designed it, built it, and was majority partner on it. That's just reality." He added, "It was my baby, a hundred percent. Not a hundred percent, a million percent."

PMG continued to work with Stern. After Walker Tower, they restored Stella Tower in Hell's Kitchen — where 60% of apartments sold a month after hitting the market — and built condos in Manhattan and Brooklyn.

Stern and his partners built the striking, copper-clad American Copper Buildings on Manhattan's east side. Amir Hamja for BI

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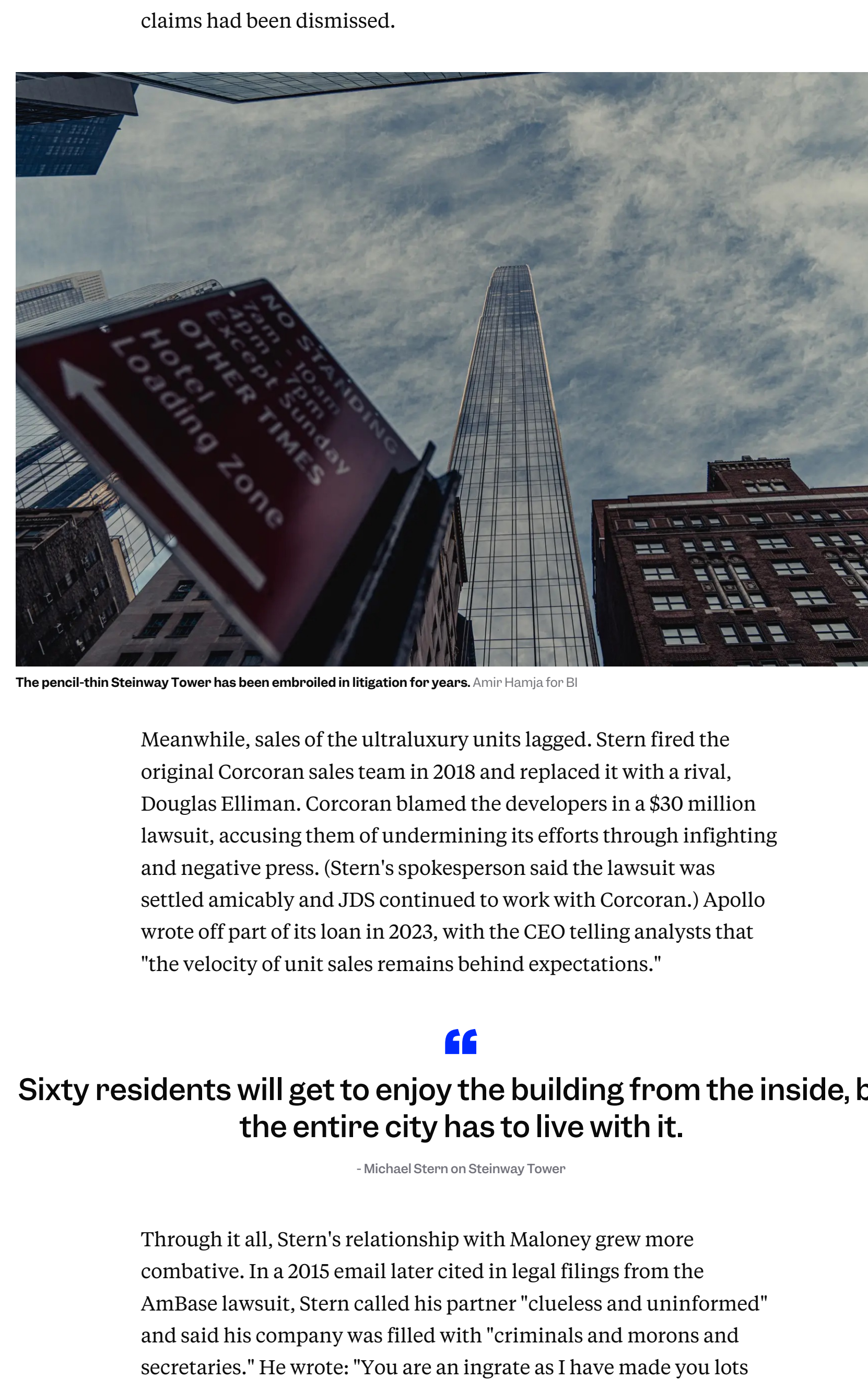
It was an exciting time to work for Stern, said Greg Gleicher, who started at JDS out of college in 2013 and stayed for eight years. "The projects we did were all very high-profile and architecturally significant," Gleicher said. "As someone who grew up in New York City, to build skyscrapers that you see every time you fly in is pretty unique."

Stern and PMG took on their most extravagant job to date with 111 West 57th Street, built above a former Steinway & Sons piano store. Topping out at 1,438 feet, Steinway Tower's ultrathin design was praised as a feat of engineering, and its residences started at $18 million. Stern said he thought long and hard about the building's legacy as a "centerpin" of Central Park. "Sixty residents will get to enjoy the building from the inside," he said, "but the entire city has to live with it."

With construction underway, problems began to arise. AmBase Corporation, which had invested nearly $70 million in Steinway Tower, filed a lawsuit in 2016 accusing Stern and PMG of a scheme to cheat AmBase out of its $70 million equity investment in the project. As work fell behind schedule, Stern and PMG failed to make their payments to one of their lenders, Apollo Global Management. In 2017, Apollo sold a portion of its debt to Spruce Capital Partners, which foreclosed on the building, wiping out Stern and the PMG CEO Maloney's ownership stake in Steinway Tower, as well as AmBase's, Maloney said in litigation.

By then, according to AmBase's lawsuit, the tower was $50 million over budget and just a quarter built. "The world's skinniest skyscraper might never get finished," read a 2017 New York Post headline.

Still, the developers were kept on to finish construction. The following year, a private equity firm agreed to invest $90 million in the tower in a deal that returned Stern's and Maloney's ownership stakes, The Real Deal reported. (BI was unable to confirm what percentage of the project Stern owns.) A spokesperson for Stern called AmBase's lawsuit "meritless" and pointed out that many of its claims had been dismissed.



The pencil-thin Steinway Tower has been embroiled in litigation for years. Amir Hamja for BI

Meanwhile, sales of the ultraluxury units lagged. Stern fired the original Corcoran sales team in 2018 and replaced it with a rival, Douglas Elliman. Corcoran blamed the developers in a $30 million lawsuit, accusing them of undermining its efforts through infighting and negative press. (Stern's spokesperson said the lawsuit was settled amicably and JDS continued to work with Corcoran.) Apollo wrote off part of its loan in 2023, with the CEO telling analysts that "the velocity of unit sales remains behind expectations."

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>
> - Michael Stern on Steinway Tower

Through it all, Stern's relationship with Maloney grew more combative. In a 2015 email later cited in legal filings from the AmBase lawsuit, Stern called his partner "clueless and uninformed" and said his company was filled with "criminals and morons and secretaries." He wrote: "You are an ingrate as I have made you lots and lots of money. Easy to throw potshots from Florida. Fuck you."

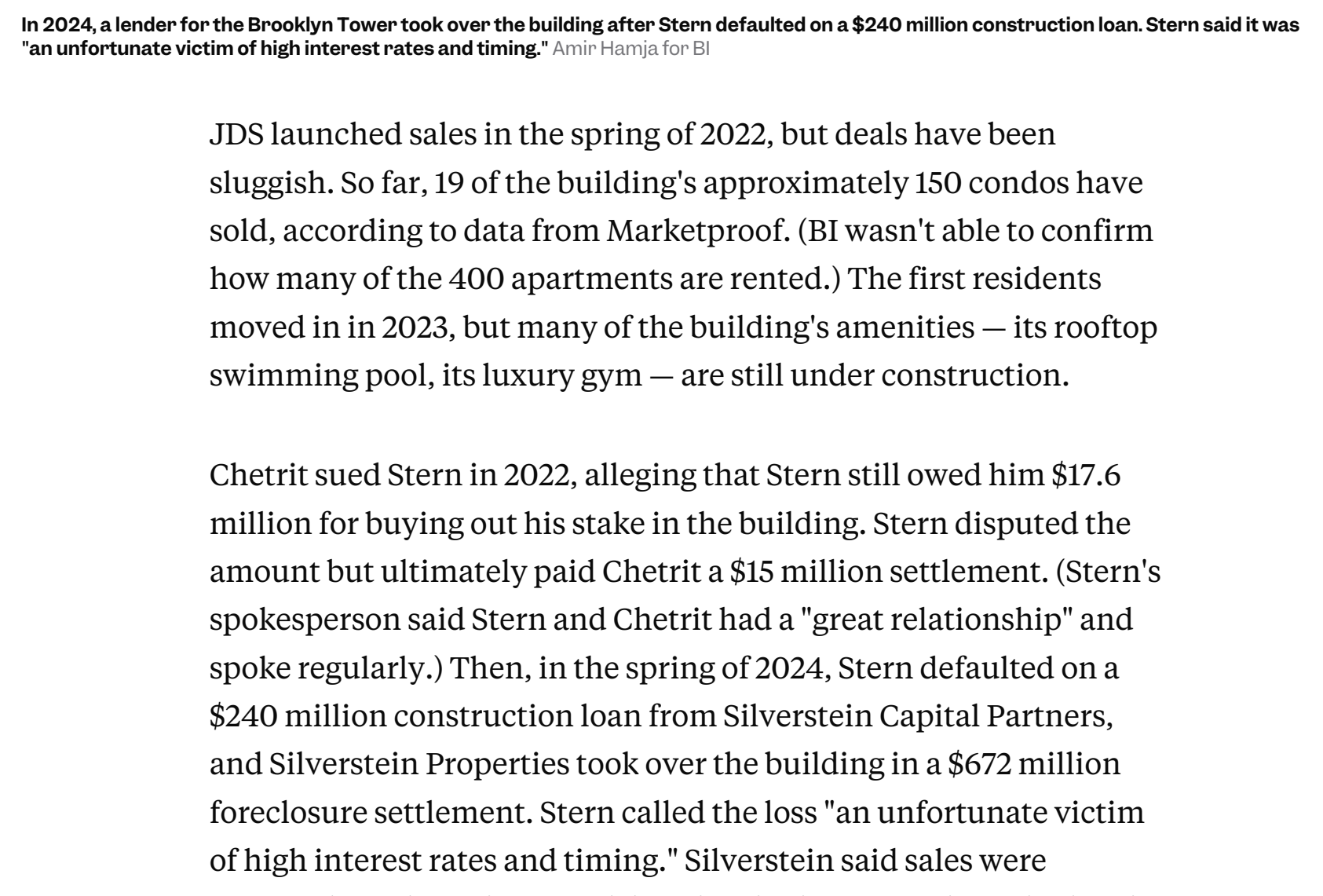
Maloney said in 2014 that he wouldn't work with Stern again. "We're very different personalities," he told The Real Deal, adding that he hadn't done his due diligence on Stern before partnering with him. Maloney later said he considered Steinway Tower to be a commercial failure. "I lost all my money, but so did everybody else," he said in a July 2024 deposition.

Stern told BI that he and Maloney had tough moments working together but were on good terms. "We're both living in Miami now, and our kids go to the same school so I see him at drop-off," he said. Maloney declined to comment.

Stern said that Steinway Tower taught him to stick with bigger capital partners who could more easily "roll with the punches." The lawsuits and bad press, he said, were the cost of doing business. "We weren't going to be deterred from doing the building the way we thought it should be done," he told BI. "It'll be there for generations. And in a couple of years, nobody really remembers the noise."

Steinway Tower wasn't the only one of Stern's projects making noise. In 2016, he and his development partner, Joseph Chetrit, submitted plans to the city to build the tallest skyscraper in Brooklyn.

The Brooklyn Tower would stand nearly twice as high as anything around it, topped by a Gothic-looking crown. It would hold 120,000 square feet of amenities, including a cocktail bar and the Western Hemisphere's highest basketball court. The building seemed poised to usher in a new era of Brooklyn real estate, complete with Manhattan prices: condos started at $875,000 for a studio and rose to $8 million for a four-bedroom. "We're really excited to give Brooklyn a building that isn't bashful, that isn't shy," Stern told The New York Times in 2016.



In 2024, a lender for the Brooklyn Tower took over the building after Stern defaulted on a $240 million construction loan. Stern said it was "an unfortunate victim of high interest rates and timing." Amir Hamja for BI

JDS launched sales in the spring of 2022, but deals have been sluggish. So far, 19 of the building's approximately 150 condos have sold, according to data from Marketproof. (BI wasn't able to confirm how many of the 400 apartments are rented.) The first residents moved in in 2023, but many of the building's amenities — its rooftop swimming pool, its luxury gym — are still under construction.

Chetrit sued Stern in 2022, alleging that Stern still owed him $17.6 million for buying out his stake in the building. Stern disputed the amount but ultimately paid Chetrit a $15 million settlement. (Stern's spokesperson said Stern and Chetrit had a "great relationship" and spoke regularly.) Then, in the spring of 2024, Stern defaulted on a $240 million construction loan from Silverstein Capital Partners, and Silverstein Properties took over the building in a $672 million foreclosure settlement. Stern called the loss "an unfortunate victim of high interest rates and timing." Silverstein said sales were expected to relaunch in April, but they had not yet relaunched at the time of publication.

In 2017, at about the same time Stern was getting The Brooklyn Tower off the ground, he finished a 43-unit condo in Park Slope called Baltic. Tona Construction, the project's original builder, accused Stern in a multimillion-dollar lawsuit of failing to provide basic financial reports and illegally cutting Tona out of the project to use his own construction firm. At the time, Stern told the press that the allegations were "baseless."

Tona also said Stern forged the signature of the firm's president, Domenick Tonacchio, on a loan document. (A forensic expert testified that the evidence strongly indicated the signature had not been written by Tonacchio.) Tonacchio declined to comment to BI, citing an NDA. The case was settled out of court in 2022 on confidential terms.

In 2020, Stern sued two of his collaborators — Nicholas Werner and Nissim Ben-Nun of Largo Investments — accusing them of misrepresenting their development expertise when they pitched working together. (Largo denied the allegations, and a judge ruled in their favor in 2023.) Largo countersued, alleging that Stern had defrauded investors and inflated costs on the Baltic to fund a "lavish lifestyle." Stern's attorney at the time called the countersuit "wholly meritless," and it was settled this past January.

In late 2021, according to legal filings by Largo, Stern abruptly informed Werner and Ben-Nun that the American Copper Buildings — of which Largo was part owner — were in contract to be sold. The Largo executives, who had invested $7.3 million in the project, demanded financial records and accused Stern of "self-dealing" by putting the building up for sale without consulting them.

A few months later, Stern dropped a bomb: According to Largo, he emailed Werner and Ben-Nun that the sale had already closed for $837 million. Per Largo's legal filings, Stern wired Largo $2 million, but Largo said they were owed another $2.9 million. In 2023, the dispute went to arbitration — where Largo accused Stern of diverting investors' funds to his own businesses in "a string of cases" in New York and Florida — and then to court. Largo withdrew its claims in January of this year. Stern's spokesperson said JDS and Largo had "resolved all disputes" in confidential settlements.

In total, since starting JDS Development in 2002, Stern and his corporate entities have been sued at least 30 times in New York and Florida.

Stern denied any wrongdoing, and several of the cases were settled.

"Anyone who successfully develops transformative large-scale projects understands that building skyscrapers isn't easy," he told BI. "JDS has a 20-plus-year track record and reputation for designing, developing, and completing some of the most architecturally significant and complex projects in the world and delivering strong returns to our investors and partners, and that will continue."

As Stern shifted his focus to Miami, the pattern of ambitious projects accompanied by legal disputes continued. His first major project there, Monad Terrace, drew lawsuits from investors and an architect over allegations of mishandling money, and residents have complained about construction and design defects.

More recently, there's been a hint of a rift with Vacchi, his new business partner. In December, a former consultant on the Mercedes-Benz Places project sued Vacchi's company over $1.7 million in fees. The complaint also alleged that Vacchi tried to pull out of the project and asked Stern to pay him back $35 million just three weeks before their partnership was made public this past October. In a memo cited in the lawsuit, the consultant raised concerns that the project was going to go "significantly over budget" and questioned Stern's ability to hire talent. "Their name in the market is pretty bad," he wrote.

A spokesperson for Stern said the allegations in the lawsuit were false, adding that Stern and Vacchi had "a great relationship" and continued to work together.

Over the years, Stern has become a familiar face at glitzy events like Art Basel Miami Beach and the Miami Grand Prix, often traveling by private plane. (Last year, a private jet operator sued Stern, saying he owed the company more than $1.2 million; Stern's spokesperson called the suit "meritless." The case is still pending.)

In 2021, Stern sold his Walker Tower apartment for $21 million. He now lives primarily in a $10.5 million waterfront property in a Miami neighborhood home to David and Victoria Beckham and the media tycoon Barry Diller. A Riva Rivale boat — which typically costs upward of $2 million — is moored at Stern's dock, and he has collected "a couple of dozen" cars, including an Audi R8 Spyder and a Mercedes-AMG GT S, he told The Real Deal in 2016.

In 2021, he finished his first major Miami project, Monad Terrace, a 14-story waterfront building designed by the French architect Jean Nouvel where condos started at $3 million. It quickly became the go-to residence for those who preferred the laid-back vibe of Miami Beach to the bustle of downtown. James Koutoulas, the CEO of the hedge fund Typhon Capital Management, moved in in 2022 and throws Art Basel parties on his expansive terrace. "Monad's an absolutely beautiful building," Koutoulas said. "You have billionaires, family offices, CEOs in here."

Monad Terrace, Stern's first major Miami project, faced several lawsuits, including an on-and-off legal battle with the architect over $213,000 in design fees that was eventually settled. Rodolfo Benitez for BI

Recently, though, residents have complained about construction issues. In December 2024, a lawyer for the Monad Terrace Condominium Association requested mediation to address what the lawyer described as "defects and deficiencies" with the building's roofing, showers, exterior railings, waterproofing, and other components. Koutoulas said that after just three years the building's steel reinforcing bars had rusted, creating drip patterns down the stucco terraces overlooking Biscayne Bay. (Stern's spokesperson said this type of mediation was typical for new construction in Florida.)

Stern is waiting for the city's approval to rezone the adjoining property so he can build a 400-foot condo building — more than twice the existing 150-foot limit. "It's a bad look when you build an ultraluxury boutique property, and there's a ton of unresolved problems, and we're going to give you an exception to build right next door," Koutoulas told BI. Stern told BI that he was in mediation with the condo board and that they were "on a good path to get this resolved."

Monad Terrace has also faced several lawsuits, including a $45.8 million mortgage dispute that was dismissed after Stern paid the loan, an on-and-off legal battle with the architect Ateliers Jean Nouvel over $213,000 in design fees that was eventually settled on confidential terms, and a 2021 suit from Ariel Ackerman's Ackerman Development and Daniel Minkowitz's Mink Development alleging Stern had a "pattern and practice of duping investors." Stern denied the allegations in the latter suit, which he ultimately won; Ackerman and Minkowitz were ordered to pay his legal fees after they failed to hire a new attorney.

Stern is moving ahead with his other Miami buildings: Mercedes-Benz Places and the Dolce & Gabbana tower, both in partnership with Vacchi, whose family owns a 7 billion euro manufacturing company.

A consultant warned Stern and Vacchi that the Mercedes-Benz Places in Miami could go significantly over budget. Rodolfo Benitez for BI

Documents submitted in the December lawsuit against Vacchi show the consultant for the Mercedes-Benz building, John Stamoulis, raised concerns about the project this past summer. The suit alleges that Stamoulis, who put together financial and feasibility reports for the building, said the project's total costs would be far higher than the $730 million JDS projected. For instance, the budget for concrete could be as high as $170 million, compared with JDS's estimate of $140 million, he wrote in an email included in legal documents. He also said the building's exterior could cost $70 million to $80 million, making it "the most expensive facade ever for Miami" and a "very high risk." Stamoulis added he had "never seen such expensive taste."

"Construction costs are subject to various macroeconomic factors," Stern's spokesperson said. "JDS continues to manage these in the ordinary course of business and the project is under construction and selling strongly."

In an email from October, another development partner, Rafi Gibly, called the Mercedes-Benz project "a runaway train." (Gibly told BI he's still working on the building and declined to comment further.)

Despite the claim in Stamoulis' lawsuit that Vacchi said he was withdrawing from the Mercedes-Benz deal, his and Stern's partnership remains intact. Stern's spokesperson said Stamoulis was "indirectly involved in minor aspects of the project for a brief period of time" and was terminated for cause. In February, Vacchi gave a tour of the Dolce & Gabbana tower's newly opened sales gallery to a Venezuelan TV host, who in turn shared a video with his 1.3 million Instagram followers. Stern's spokesperson said Stern and Vacchi were working together on another project set to be announced in the coming weeks.

Stern said his collaborations with luxury brands in Miami had been very intentional. "There's a familiarity with the lifestyle and ethos of a brand that helps you tell the story of a building," he said. Naturally, he remains bullish on his firm's future in the city. "Just as we elevated the high-end residential market with dynamic and iconic projects in New York," he said, "we expect to do the same in Miami."

Gil Dezer of Dezer Development, a friend of Stern's who built Miami's Porsche Design Tower, said Stern was on his way to being considered a top Miami developer despite the challenges.

"You have to get at least five buildings under your belt," Dezer said. "There's a lot of one-hit wonders in this town."

Update, May 20, 2025: The article has been updated to clarify language, including that Michael Stern was not involved in an adversarial proceeding with his mother and that PMG was not involved in building the American Copper Buildings. It has also been updated to clarify that BI was unable to verify the outcome of the foreclosure proceedings on Stern's wife's Long Island house.

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