

Newsweek remains on the hook for \$1.1M in back rent (Crain's')

Newsweek can no longer hide behind its former parent company, IBT Media, to avoid paying more than \$1.1 million in [rent arrears](#) at its Financial District offices, Justice William Perry has ruled in state Supreme Court in Manhattan.

The media conglomerate signed a lease for *Newsweek*'s office space in 2015 at 33 Whitehall St.—years before [the weekly magazine](#) was spun off into a separate company in 2018. But when *Newsweek* began making rent payments from its own company bank accounts and allowing its executives to work with the landlord, Stawski Partners, on rent matters, it took financial responsibility for the lease terms, court documents say.

In court documents Stawski Partners has accused Dev Pragad, former IBT chief executive, current CEO and part owner of *Newsweek*, of orchestrating the restructuring of IBT and the formation of *Newsweek*, for the purposes of “avoiding IBT's rental obligations.”

Although *Newsweek* is being held in [default](#) by its landlord, the news company claims it is not liable because its name isn't on the lease, court papers show, and its motion to dismiss the charges was denied.

Glenn Spiegel, who represents *Newsweek*, said in court documents that the lawsuit is a “bad-faith and unjustified attempt” to collect commercial rent.

[Stawski](#) Partners sued both IBT and *Newsweek* in January, claiming they had not received any rent for the office space since September 2020, and that the tenant owes more than \$700,000 in arrears.

Since then, *Newsweek* bank accounts made several payments to the landlord for IBT's arrears, and executives from the spin-off company were in touch with the landlord about subletting and payment plans, the complaint said.

By doing that, *Newsweek* had “disregarded and misused the corporate form by dominating and controlling IBT,” the landlord claimed.

Who will be responsible for making the rent payments on Whitehall Street is still uncertain, said Stawski's attorney, Efreim Fischer. It could be either of the companies or both, he said.

This lawsuit isn't the first rent dispute between the landlord and the media business. Stawski Partners went after IBT for more than \$500,000 in rent arrears in 2019, but that case has since been settled.

Representatives for IBT and *Newsweek* did not immediately respond to requests for comment.

Correction, Sept. 27, 2021: An earlier version of this article incorrectly attributed a claim made by the landlord in the case to the judge.