**125 INVESTORS TAKE LEGAL ACTION AGAINST CROWDSTREET OVER $7.25 MILLION LOST IN NEW NIGHTINGALE INVESTMENT SCANDAL**

***Attorneys: CrowdStreet Aggressively Marketed Failed Investment Fund Without Proper Due Diligence; Offering Was Venture of Nightingale Properties, Currently at Center of Separate SEC and DOJ Fraud Cases Involving Other CrowdStreet Offerings.***

**PORTLAND, OR – MARCH 5, 2025 –** 125 investors brought a major action against the investing platform CrowdStreet over its role in the loss of $7.25 million in a failed real estate investment offering. The fund was formed to invest in the purchase of a Chicago office building – 200 W. Jackson Blvd. – by Nightingale Properties, which was recently charged with defrauding investors by the SEC for two other commercial real-estate scams also involving CrowdStreet.

The [Statement of Claim](https://brokerwatch.com/wp-content/uploads/2025/03/Crowdstreet-SOC.pdf) was filed with the Arbitration Service of Portland (ASP) on behalf of the 125 victims by Daniel Centner and Jason Kane of the law firm Peiffer Wolf Carr Kane Conway & Wise (Peiffer Wolf) and New York-based attorney Daren Luma. To date, the 200 W. Jackson investors have received no distributions or returns on their investment, and Nightingale has refused to provide financial statements, allow an inspection of books and records, or provide any meaningful information whatsoever.

In December 2024, the U.S. Attorney’s Office and U.S. Department of Justice filed a [criminal information](https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26254) charging Nightingale’s CEO, Elie Schwartz, with a $54 million felony wire fraud involving two other CrowdStreet offerings. The new action follows Schwartz’s guilty plea last month to that charge.

Dan Centner, partner at Peiffer Wolf, said: **“Crowdfunding platforms are ripe for abuse by scammers. These investors are regular people who depend on platforms like CrowdStreet to provide honest and accurate information so they can make informed decisions about how to invest their hard-earned money. Unfortunately, CrowdStreet broke that trust, and lawsuits like this one are the only way to keep these platforms honest.”**

Daren Luma, managing partner at Daren A. Luma, PLLC, said: **“CrowdStreet marketed itself as the gatekeeper of safe, vetted real estate deals, but they handed the keys to Nightingale and its criminal fraudster CEO and let them loot our clients’ savings. This wasn’t just negligence; it was a betrayal of trust, and we intend to hold them accountable for every dollar lost.”**

Charles Wang, a 200 W. Jackson investor, said: **"CrowdStreet pitched Nightingale as an 'Enterprise Level' sponsor, claiming they were putting 20% of their own money into the deal. That’s why I entrusted them with my hard-earned savings. But had I known CrowdStreet wasn’t tracking funds beyond their investors’ contributions—or even doing basic sponsor vetting—I would have steered clear. I paid their tech fee for a platform I thought only featured top, fraud-free sponsors. Turns out, Nightingale didn’t invest 20%; they borrowed money we’re now on the hook for. Most of us didn’t realize how quickly our investments could vanish, especially with fraud in play."**

CrowdStreet calls itself “[the largest online private equity real estate investing platform](https://www.instagram.com/crowdstreet_inc/?hl=en).” Offerings are typically sponsored by third parties that invest and manage the capital contributions made by CrowdStreet customers. CrowdStreet is an active participant in the investments it features on its Marketplace, claiming that every opportunity offered has been specifically vetted and approved by CrowdStreet’s “investment team,” which CrowdStreet boasts has more than 120 years of collective commercial real estate investment expertise. CrowdStreet calls itself a “partner” in each offering and invites its Marketplace customers to “invest with CrowdStreet.”

**Nightingale & 200 W. Jackson**

CrowdStreet partnered with Nightingale to offer 200 W. Jackson as an investment opportunity on the CrowdStreet Marketplace in 2021. Eventually, CrowdStreet raised approximately $35 million for Nightingale and 200 W. Jackson. The offering documents made available through the CrowdStreet Marketplace contained a number of statements about Nightingale’s track record, and even designated Nightingale as an “Enterprise” sponsor, which is the highest designation CrowdStreet can award if it determines the sponsor satisfied the required criteria. The offering documents also described Nightingale’s supposed co-investment (“skin in the game”), as well as a list of debts associated with the building.

These statements were false. Key events were misrepresented and/or omitted from Nightingale’s background. Nightingale never actually made its promised $11.7 million co-investment, and it omitted a mezzanine lender from the stated Capital Stack. CrowdStreet promises investors an in-depth review of all potential investments before recommending the investment. These misrepresentations and omissions would have been caught had CrowdStreet performed the proper due diligence it promised prior to offering and promoting 200 W. Jackson on the CrowdStreet platform.

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**Peiffer Wolf Carr Kane Conway & Wise** is a national law firm with offices in New Orleans, New York, Chicago, San Francisco, Los Angeles, Cleveland, Youngstown, St. Louis and Detroit. Visit <https://brokerwatch.com/> for more information.

**Daren A. Luma, PLLC** is a boutique law firm based in New York that represents investment victims. Visit [www.lumalegal.com](http://www.lumalegal.com/) for more information.