

Letter to the Editor
The Dark Horrors of Rent Control
by Anatole Geiche

Dear AOA:

Your organization is talking about the greedy developers and corrupt politicians, but no where about the darkest horror of the rent control and the lawyers profiteering on it. Is this a taboo in the AOA? I know, in the SFAOA it is. SFAOA is a lawyers' front; it is run by lawyers for lawyers.

The rent control purpose is, first of all, to pitch tenants against landlords and instigate a mass legal *class-fighting* of the highest animosity for the sake of the filthiest fortunes. There was the lead legal racket, the asbestos legal racket for profit, but nothing compares with the lawyers profiteering frenzy in their rent control scam. The scam is perfect indeed: there is no point in suing the "judgment proof" deadbeats: it is the *property* owners who are perfect for that.

And the eminent domain -- yeah, it is a threat, but for the absolute majority of the apartments owners -- a very remote, outright inconceivable threat. They know this and don't care and pay no attention to any scary stories about it. But what the people of the rent-control-free counties have no clue about, it is that the devastating suits, however totally phony and ludicrous, are the every day real possibility for EACH AND EVERY AND ALL the owners of the rental properties in the rent-controlled cities like San Francisco. Here, these suits hang over the head of each of them like the sword of Damocles. Some people compare them with the worst kind of extortion. But it is a poor comparison. This is not just "pay the ransom or you are dead." The perverted "justice for profit" devastates the very lives of its victims, their health, their business and warps them forever. Tell me about the fascism and democracy, "human rights" and flags waving! -- I don't care: I am a San Francisco landlord; I know better.

This is a common knowledge that in our "the most progressive" of states, California, even the simplest, "clear liability" eviction of a habitual deadbeat (i.e. legalized thief) for nonpayment of rent is turned into a "formalized robbery." But the "*wrongful evictions,*" or "intended wrongful evictions," or "attempted wrongful eviction," or whatever -- in the rent-controlled cities, they are your money in six-seven digits or your life while you are in the bloodsucking and stifling tentacles and claws of the justice from hell.

The victims of such "rent control" develop here a respect for things like burglaries, bank robberies, the kidnapping for ransom: there is something of courage and pride in these risky things. But here -- a knock on your door. Polite summons. You are trying to speak to the plaintiff, your tenant. "Speak to my lawyer!" And the lawyer: "Your money or

your life in the name of law!" How simple, civil and lawful! And the perverted state machine is all at service of these lawful thieves!

The rent control starts with a sudden moratorium on the rent. The unreasonably low rent, the unreasonably high rent -- all are frozen in a true act of a revolutionary class war on "greedy," "inhuman" landlords possessed with the raising of their bloody rent and amassing of their bloody money. The word "landlord" becomes a dirty word, the landlords themselves -- a kind of public enemy. Their tenants are their victims. From now on, these filthy crooks would be able to raise their bloody rent only in the controlled manner, or else... If they would dare only to think of the circumventing the law, they would be hanged! And so, the lawyers make a set of outrageous, draconian laws. Any "harassment" of tenants is, of course -- what else? -- an intent to force them out in order to re-rent their lawful homes at higher rent. And each and every tenant should be vigilant in guarding their rights -- and sue the bas@#%&s- landlords! So, mandatory treble punitive damages, and so on are put in books. \$300,000 means \$900,000. And the carnage starts. And its first mass victims are the very those yesterday's "good" and kind landlords who kept their rents low, because, naturally, these bas@#%&s dreams only of illegal jacking up their rent, and the only way to do this is to "harass" tenants and force them out. So, of course they do harass their tenants and of course they all are guilty of "attempted unlawful eviction." "My life becomes impossible," a tenant complains to a lawyer in his quest for a windfall. And the lawyer's first question is how much is the rent. "Ahhh... of course! Great!"

One San Francisco Superior Court three year litigation, split for the purpose of a mess and confusion into two cases, *Michael Babbitt vs. Anatole Geiche*, 1999-2002 (No. 303589) and *Gabrielle M. Slough and Jennifer L. Bruns vs. Anatole Geiche*, 1999-2002 (No. 305285), could be a good illustration to this outrage. It was related to the three unit building located at 626-626A-628 Cole Street, San Francisco. The suits' grounds: a "harassment" and *intended* eviction. The demanded damages: over \$2,000,000. **They were poised to get all my properties, all what I had,** and were already dividing the certain windfall between themselves and their false witnesses. Regardless the merits, such suits in San Francisco are deemed a sure game, for most judges here are despicable tenants' puppets and the juries are composed mostly of tenants (who are about 70% of the San Francisco population). Under these circumstances, such cases are filed at will, and they are deemed hopeless for the landlords.

I was represented by lawyers of two my insurance companies, but, like the majority of landlords, I did not have right coverage, and the insurance companies' involvement was limited to defense only, not to payment of any adverse judgment. So, my insurance companies could not settle. Instead, throughout the 3-year litigation, my lawyers and the mediators were persistently trying to persuade me to sell my properties and to settle the case. "Uhh... are you suicidal?" they kept asking me. "Do you realize that otherwise you are going to lose everything?" I grew ill, but continued to stand firm.

Then, 17 days jury trial. The jury -- nine tenants and three home owners, one of whom -- a purported landlord and PhD! In such tenant-landlord trials, a nine to three jury vote

against landlords on any of many issues means, as a rule, guilty. But here, I prevailed on every point: only the “PhD-landlord” voted consistently against me. When the jury was released, a juror-tenant, a middle aged lady, stood up and approached me. She got my hand and said, “I admire you.” I was unable to reply. She repeated, “I admire you.” I did not reply.

What is the most stunning about this is that my lawyers, trying to predict the jury votes, were considering her as my certain enemy number one. And there was another juror, a tenant, as equally my “worst enemy,” a very casually dressed young man. When, after the deliberation, the jury came back, he was just staring at me steadily, intensively, all shining. It turned out he was so happy because I prevailed. And the juror whom they regarded as my best hope turned to be my worst enemy.

This was a stunning lesson: the decent people mostly remain decent and fair even in hell dominated by human scum. The worst of this scum turns into vampires - lawyers, judges and company. If not the lawyers, such litigations would be absolutely impossible and inconceivable.

It was the constant war with my own lawyers that was my worst ordeal in these litigations: there was no way to educate them about the nature of this simple case, and because of that, it looked for along time, hopeless indeed. From a simple one, it turned into a gross nightmare. Only my own file was about 300 1” binders and about 40 3” binders. I became ill and still cannot recover. Life and all business were wrapped up. And the attorneys’ fees? My insurance companies incurred supposedly over \$500,000 in these fees and costs, and they waived all this in exchange of waiver of post-trial proceedings and appeal -- a sort of a settlement. The insurance companies always do this, for the tenants are cleared of such debts via bankruptcy automatically anyway. This rarely happens, of course, for such landlords victories are extremely rare exceptions from the rule.

I prevailed here only because I took very, very active part in the suit, which normally does not happen. Typically, the victims of such extortions became scared to death and just pay the ransom -- “settle”.

For example, in 1999, a friend of my acquaintance, an ill San Francisco landlady, (suffering a serious kidney disease and she had also an ailing daughter) was sued by two of her **former** tenants for “unlawful eviction.” The tenants moved out after giving her 30-day notices of intent to move out. One of them even stated in his notice the reason for the moving out: he had to join his wife and daughter living in Red Wood City where the daughter was attending a school. The landlady returned them their security deposits in full, and all the matter was forgotten.

Both of them then rented much larger and expensive apartments, and in about a year, they both filed a suit against her for an “unlawful eviction,” demanding the damages in excess of the worth of the building. She was hospitalized. As soon she was released from the hospital, she retained the most prestigious San Francisco tenants-landlord law firm. That

meant a large retainer and \$350 hourly rate. I spoke with her and reviewed the simple matter in all the details. There was nothing there at all. Nil. The case was ludicrous. Even I was astonished. But her high profile lawyers insistently advised her to settle, alluding to the bias of the San Francisco court and juries and the entire San Francisco anti-landlords atmosphere. They argued that otherwise she could lose everything and that she could not handle the litigation because of her disease. True, she could not, and this is why perhaps she was sued. The tenant-landlord litigations in the rent-controlled cities are the most brutal and devastating, complex and expensive. So, she settled. She agreed to pay both tenants monthly for 10 years the difference between their former and new rents. This was praised as the wisest resolution of the dispute. And so it goes.

Best regards,

Anatole Geiche