

The Case Of The Hard-Headed Landlord

How many cookies can you get out of the cookie jar with both hands? The lesson taught in that old story apparently hasn't been learned by all of us.

BY PAUL ROSENBERG

Some people just can't leave well-enough alone. This is the story of a man with a legitimate claim who tried to grab more than he deserved. At the end, he paid a price for his attempted plunder.

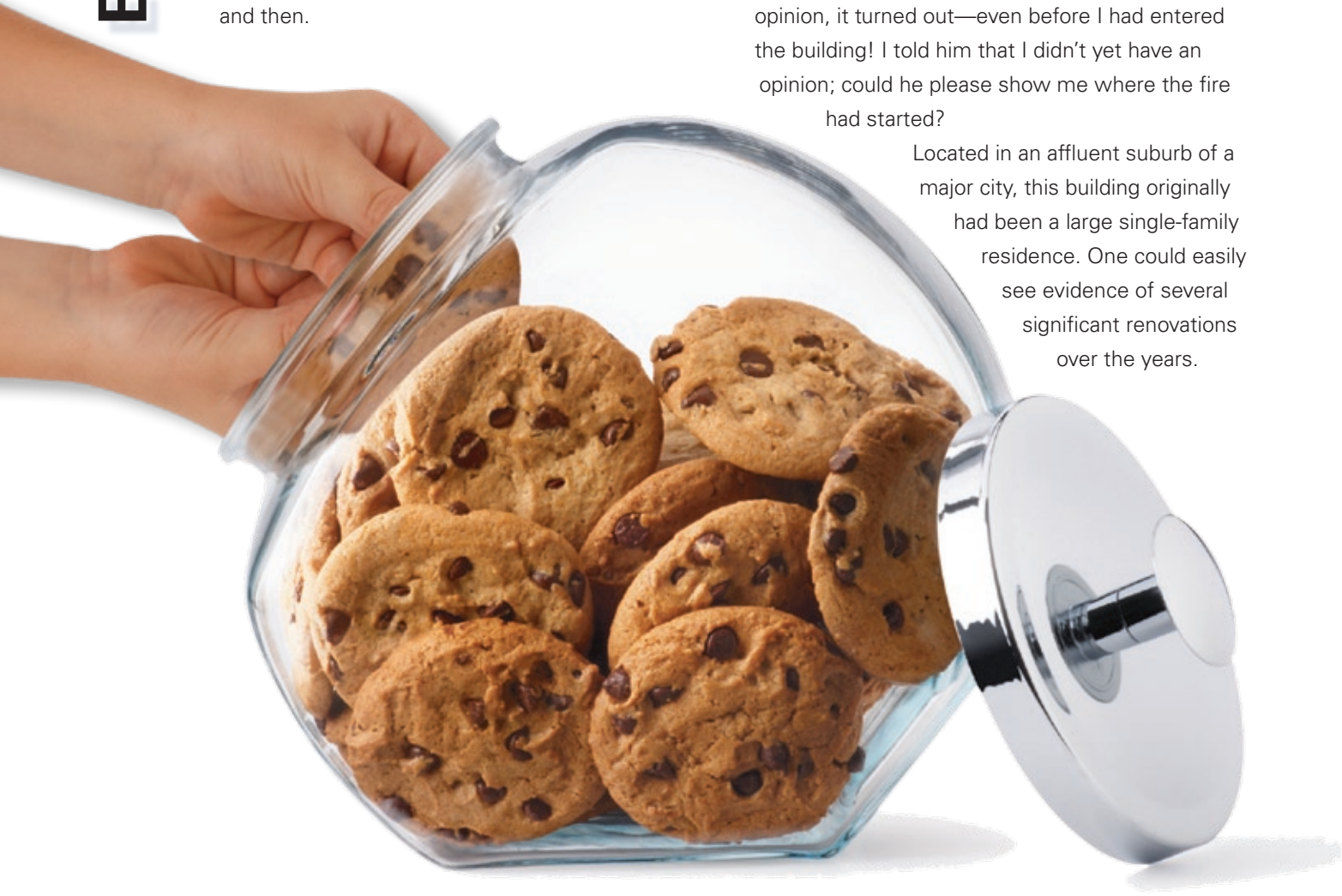
Justice, apparently, does show up every now and then.

Found In Place: Knob-And-Tube Wiring

This case began as a rather small electrical fire in an old apartment building. I was called in to inspect the site by the property insurance carrier. The landlord met me at the site.

He was extremely interested in knowing my opinion, it turned out—even before I had entered the building! I told him that I didn't yet have an opinion; could he please show me where the fire had started?

Located in an affluent suburb of a major city, this building originally had been a large single-family residence. One could easily see evidence of several significant renovations over the years.



The source of the fire was found in a third-floor apartment. It was old knob-and-tube wiring in an outside wall, feeding an outlet where an air conditioner had been plugged-in. Water had leaked in during a heavy rain the day before the accident; the wires became wet and stayed that way.

Intermittent arcing had been taking place at a point where they wires crossed over each other. That led, eventually, to fire starting in an old wooden stud.

Note that this wiring was original with the house—which means it was approximately 100 years old. I couldn't be certain (since the wire had been disturbed by the firemen), but the old insulation may not have been intact.

No One Was Hurt, Not Much Damage Done

Perhaps the fire could have been extinguished quickly. In the event, the renter was out at the time. The fire gained ground in the several minutes that passed before the fire department (alerted by a passer-by who saw the smoke) showed up.

Despite that delay, the damage wasn't too extensive (all things considered); and no one was hurt. My assessment: The bedroom would have to be gutted, the exterior wall repaired and a section of the roof redone; some interior cleaning as well.

But the fire hadn't caused serious damage; the building was structurally sound. Further, the repairs wouldn't take too long; and all the other apartments could remain occupied during the repairs.

In inspecting the rest of the building's electrical system, I found what one might well have expected:

- Multiple wiring systems.
- Partial wiring systems layered on top of one another.
- New cables running through old walls.
- A few new runs of Thinwall.
- Old junction boxes, with newer wiring going in and out of them.

Notably, the circuit that had caused the fire came up the wall from the second floor, where it was spliced into some fairly new wiring.

When Enough Does Not Seem Like... Enough

As I finished the inspection and prepared to leave, the building owner continued to ask for my opinion.

Again, I politely declined. I was there at the behest (and in the pay of) the insurance company, not the landlord. All I felt I could offer were a few general comments, such as "Glad the fire department was close"—and so on.

After getting my report, my clients made a settlement offer to the landlord. It seemed a reasonable enough offer to me. From what I knew, a regular contractor in the area would be willing to do the repair job for the amount of the settlement.

But wait. The landlord protested! In his opinion, the settlement should be *twice* the offered amount.


After realizing he could get nowhere with the insurance company, he hired a lawyer. His claims were ridiculous, but fighting the case was going to be expensive. It would have been expensive for the landlord too, but he seemed a bit unhinged about it and unlikely to give up.

My client, the insurance company, asked the landlord why he thought he was entitled to so much money. He ignored this query—and kept on making demands.

A Discovered Checkmate In An Innocent Request

Legal papers began going back and forth between the parties. Some of these are called Interrogatories.

An Interrogatory is a formal document that seeks answers to questions. Under this legal structure, the



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landlord was now forced to explain why he wanted so much money.

When the answer came back, it was shocking: The man claimed (in writing!) that he'd have to replace the siding on almost half the building.

In my estimation, this was simply a lie. But, it was a lie that my clients had to take seriously. Lawyers for the insurance company didn't know what to do. A reasonable analysis of the cost of a trial told them it might be cheaper just to pay the landlord twice the money to which he was entitled—give him what he wanted to make this go away.

Fortunately, the lawyers asked me if there was anything else we could do, aside from playing the "Expert-versus-Expert" game in a court room.

As is probably standard for forensics experts, I had taken photos during my inspection. In reviewing them, one could not miss the various remodeling jobs that had been done on the property.

So: Did the landlord obtain building permits before doing this previous work? The insurance company lawyers found that question interesting. Out went another Interrogatory: *Could we please obtain copies of all the building permits the landlord had obtained?* Specifically, it mentioned the two remodeling projects.

Upon receiving this document, the landlord went silent. Note that the insurance company was *not* determined to "turn him in" to the building department; but he could not have known that and (it seems) feared that could happen.

One week later he accepted the original offer.

The Postscript: An Ugly Aftermath

We never said a word about the building permits outside of our offices. But this was a small town (even if attached to a big city). Result: *Word got around*.

Soon enough, one of the town's building inspectors decided to take another look at the apartments. He had originally been there by the time the fire was out, to make sure the building was still safe for habitation.

But now his focus wasn't so tight; he noticed the obvious: This landlord had done a few fairly major projects. The inspector checked at his office and (of course) found that no permits had ever been issued.

Now the landlord *really* needed a lawyer. As I hear it, there were several in-depth inspections, orders for repairs, and a fine.

Grab Only Cookies That Are Legitimately Yours!

In this case, the landlord's reach exceeded his grab. He could have had the whole situation taken care of reasonably and quickly (and, we might add, fairly).

Instead, he got greedy. The end result was a loss for the guy, as he paid a fair amount of money to his lawyers—and to the city.

Lesson: Don't try to take more than you deserve. Even if you do get away with it the first time or two, you'll eventually get burned.

Why not just play nice and be happy? At least when you can! ⚡



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