



# CITY OF CAMBRIDGE

831 MASSACHUSETTS AVENUE  
CAMBRIDGE, MASSACHUSETTS 02139

TEL 499-6161

RENT CONTROL BOARD

D. MARGARET DRURY, EXECUTIVE DIRECTOR

Date: January 18, 1989

Case No: SCV 88 281

Address: 52-54 Fairmont St.

## Notice of Ruling

The Board at its meeting of January 11, 1989 remanded this case to allow Jacqueline Rickard the opportunity to call additional witnesses.

Per Order of the Board

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Ken Moraff  
Deputy Counsel

cc: case, reg. files,  
computer, docket  
Donna Turley,  
Hearing Examiner

HEARING REPORT

CASE: SCV-88-281

ADDRESS: 52-54 FAIRMONT STREET

HEARING DATES: NOVEMBER 30, 1988

DECEMBER 12, 1988

REPORT DATE: DECEMBER 19, 1988

OWNER: ARTHUR ABBOTT AND VICTOR BALK (A and B TRUST)

HEARING OFFICER: GREG ANTON

PURPOSE OF HEARING: SPECIAL CASE TO DETERMINE:

- 1) WHETHER CONTROLLED RENTAL UNITS HAVE BEEN REMOVED OR MERGED AT THIS PROPERTY (A FIVE-UNIT RENT-CONTROLLED BUILDING) IN VIOLATION OF ORDINANCE 966, THE RENT CONTROL ACT, AND BOARD REGULATIONS;
- 2) IF UNITS HAVE BEEN REMOVED OR MERGED, WHAT FORM OF RESTORATION ORDER IS APPROPRIATE UNDER SEC. 5(e) OF THE RENT CONTROL ACT;
- 3) WHETHER TENANTS HAVE BEEN CHARGED MORE THAN THE LEGAL MAXIMUM RENT.

PEOPLE PRESENT:

AT NOVEMBER 30, 1988, HEARING:

ARTHUR ABBOTT, CO-OWNER

JOSEFINA NINOBLA, ARTHUR ABBOTT'S WIFE

FREDERICK HAYES, ATTORNEY FOR ARTHUR ABBOTT

JACQUELINE RICKARD, FORMER OWNER

GEORGE BUTLER, ATTORNEY FOR MS. RICKARD

JOHN COLLIER, OBSERVOR

GEORGE GORMLEY, ATTORNEY FOR MR. ABBOTT

JOHN PURICELLI, ASSISTANT COUNSEL, CAMBRIDGE RENT CONTROL BOARD

AT DECEMBER 12, 1988, HEARING:

ARTHUR ABBOTT, OWNER

FREDERICK HAYES, ATTORNEY FOR ARTHUR ABBOTT

GEORGE GORMLEY, ATTORNEY FOR ARTHUR ABBOTT

EXHIBITS:

1. LETTER OF FREDERICK HAYES TO THE RENT CONTROL BOARD, DATED NOVEMBER 29, 1988
2. PURCHASE AND SALE AGREEMENT
3. SUBPOENA OF ARTHUR ABBOTT
4. DEED FOR 52-54 FAIRMONT STREET
5. HUNNEMAN REALTY OFFER SHEET
6. RECEIPT FROM J. RICKARD AND R. REAVIS
7. LOAN APPLICATION

8. LETTER OF HAYMARKET COOPERATIVE BANK, DATED AUGUST 24, 1985
9. RENT CONTROL DATA BASE PRINT-OUT FOR 52-54 FAIRMONT ST.

I. The hearings were conducted pursuant to Mass. G.L. c. 30A. I explained to the parties that these hearings would be their only opportunity to present evidence; that appeal of the decision would be limited to a review of the Rent Control Record; and that all parties had a right to bring a legal representative, call and examine witnesses, introduce exhibits, cross-examine witnesses, and submit rebuttal evidence.

I administered the oath to all persons intending to testify. The hearings were tape-recorded.

II. Preliminary Matters:

Mr. Hayes stated that he had spoken with the hearing examiner and Margaret Drury, Executive Director of the Rent Control Board, on Tuesday, November 29, 1988, to request a continuance. He also hand-delivered a letter requesting a continuance. (See Exhibit #1). He explained that he had just been retained as counsel by Mr. Abbott on Monday evening, November 28, 1988, and that he had no opportunity to prepare his case. Mr. Gormley, co-counsel, was not presently available to attend the hearing at 1:30 on November 30, 1988, because he was tied up in matters in Federal District Court. Mr. Hayes also stated that he had previously scheduled a deposition relating to another matter on November 30, 1988, at the time of the scheduled hearing. He also stated that Rent Control Board Regulation 32-05 provides that hearings be continued for good cause and the regulations also provide that at the time of the hearing parties are entitled to representation of counsel. He requested a continuance, claiming that the reasons he set forth constitute good cause and that he should be allowed time to confer with his client, especially since this case might involved issues relating to the Removal Permit Ordinance, criminal matters, and a taking of property. He stated he did not understand why the Board did not grant a continuance and did not understand the incredible rush in this case, since the hearing could not result in an injunction or anything that could prohibit a transfer of the property.

Mr. Butler stated that he had been apprised of this matter last week and called Mr. Gormley to notify him of his representation of Ms. Rickard. He was then told by Mr. Gormley that he was scheduled to be in Federal Court and Mr. Gormley asked him if he would be opposed to a continuance. He is not opposed to a continuance being granted.

I informed the parties for the record that Attorney George Gormley called me on Monday afternoon, November 28, 1988, to request a continuance. I informed Mr. Gormley that a continuance

would not be granted because (a) notices of the hearing were mailed on November 10, 1988, to many other people (notices were sent to the following people: Occupants, 52 Fairmont St. units #1, #2, #3; Occupants 54 Fairmont St. units #1, #2; Arthur Abbott, Victor Balk, Francis Branley, Jacqueline Rickard, Richard Reavis, and Ellen Brockman); (b) other parties who had been notified of the hearing could not be sufficiently notified of any continuance since the request was made a day and a half before the scheduled hearing; and (c) the case is to be processed as expeditiously as possible because the property is currently for sale. Attorney Frederick Hayes called me on Tuesday, November 29, 1988, at 12:30 p.m., to request a continuance until December 12, 1988, because he was recently retained as counsel and that he would need time to meet with the client and prepare the case and further because he would be on vacation from December 3-December 11, 1988. I informed Mr. Hayes at that time that such a continuance would not be granted for the same reasons given to Mr. Gormley. The Rent Control Board received Mr. Hayes' hand-delivered letter at 3:30 p.m. on Tuesday, November 29, 1988.

Mr. Hayes, Mr. Gormley, Arthur Abbott, and Josefina Ninobla appeared at the hearing of November 30, 1988. Additionally, Jacqueline Rickard, George Butler, John Collier, and John Puricelli attended the hearing. I informed the parties present at the hearing that I would offer a continuance until either Thursday, December 1, 1988, or Friday, December 2, 1988, to allow time for preparation. I gave the parties this option at that time because all parties present agreed to a continuance and I could be certain that whoever intended to participate in the hearing was given proper notice. Mr. Hayes stated that Thursday or Friday would be unacceptable. Mr. Butler agreed to Friday. The hearing then proceeded as scheduled.

The record also reflects that Mr. Gormley was not present at the hearing on November 30, 1988, when it commenced at 1:30, but he did enter at approximately 2:00, just before Jacqueline Rickard began testifying.

The hearing of November 30, 1988, ran past 5:00 p.m. and had to be continued to another date. It was continued to Monday, December 12, 1988, at 9:00 a.m. by agreement of all parties. On Monday, December 12, 1988, Mr. Butler called at 8:35 a.m. and left a message that he was sick and could not attend the hearing that morning. He specifically stated that he did not want to request a continuance. Mr. Abbott did not wish to present any further evidence at the hearing of December 12, 1988, so the hearing was adjourned and the record was closed. Mr. Butler then called on Tuesday, December 13, 1988, to inquire about what occurred at the hearing of December 12, 1988. He then requested another hearing date to present further evidence and to call additional witnesses. I informed Mr. Butler that the record had been closed at the December 12, 1988, hearing and that I would not schedule any

additional fact-finding hearings.

### III. Summary of the Evidence and Testimony of the Parties:

On questioning by the hearing examiner, Arthur Abbott testified that:

1. He lives at 52 Fairmont Street, Cambridge.

Note: When asked additional questions, Mr. Abbott stated that he refused to answer these questions and invoked the 5th and 14th Amendments in so doing.

On questioning by the hearing examiner, Jacqueline Rickard testified that:

1. She was the prior owner of 52-54 Fairmont Street.
2. She owned the property from the end of 1983 to the end of 1985.
3. There were five units in the building when she purchased it.
4. She resided at 52 Fairmont Street and occupied units #1, #2, and #3.
5. She lived there with Richard Reavis.
6. She rented the other two units at 54 Fairmont Street.
7. The tenants at 54 Fairmont St. were Mr. and Mrs. Fitzgerald and she believes a Mr. Ainsley.
8. She does not know exactly when they vacated the units.
9. She did not obtain a removal permit to occupy the three units or to merge them.
10. She vacated the property at the latter part of 1985. She purchased another property and sold this one.
11. She sold the property to Arthur Abbott and Victor Balk.

Note: See exhibit #4, the deed for 52-54 Fairmont St. which conveyed title from Jacqueline Rickard and Richard Reavis to Arthur Abbott and Victor Balk. It is dated October 21, 1985.

12. When she purchased the property, 52 Fairmont St. #3 did not really have a kitchen. There was a hot plate and a sink.
13. She removed a kitchen on the second floor and did other remodeling.

14. There were three separate units, one on each of the three floors when she purchased the property. She combined and occupied all three apartments. 54 Fairmont St. remained two separate units.
15. She did the remodelling when she was living there, over a period of six months to a year. She did the work on a part-time basis.
16. 52 Fairmont St. was never rented. It was vacant when she moved in and she occupied all three units.
17. She knocked down one wall on the second floor which separated the second-floor unit from the common stairway which led to the first and third floors.
18. She also removed doors and opened up the entranceways.
19. She purchased the property from Frank Branley and it was a five-unit building when she purchased it.

On questioning by Mr. Butler, Jacqueline Rickard testified that:

1. 52 Fairmont St. is on the left-side of the property. There is a common stairway which runs through to the third floor.
2. She removed the wall on the second floor which separated the self-contained unit from the common stairway. The purpose of doing this was to enlarge the room and to eliminate the self-contained unit.
3. She removed the doors on the second- and third-floor units which made them self-contained units.
4. She owned the property with Richard Reavis. They were each 50% owners.
5. 54 Fairmont St. units #1 and #2 remained subject to rent control.
6. The condition of the property was poor when she purchased it.
7. The property was extremely run down and the walls were cracked. No work seemed to have been done for about twenty years.
8. They remodelled 52 Fairmont to make it one unit. They wanted to make it one unit to have a nice place with a lot of space.
9. They also did some weatherproofing, and improved the

conditions of the walls, floors, and kitchen. A new heating system was also installed.

10. She was not aware of the removal permit requirement and was not aware that she was doing anything wrong.
11. The tenants at 54 Fairmont St. were never charged more than the legal maximum rents.
12. She occupied three units and rented the other two at rent control rates. She never considered the property exempt as owner-occupied.
13. She was made aware of the removal permit issues later because of the Anastasi case which she read about in the newspaper and because the issues were generally being discussed. It sounded like she fit the bill in terms of merging units.
14. She did not take any action pursuant to this. She still lived there and considered her situation to be in limbo.
15. She then had an opportunity to sell the property. She sold it to Mr. Abbott and Mr. Balk.

On questioning by Mr. Hayes, Jacqueline Rickard testified that:

1. She purchased the property in 1983 and was aware of its status with Rent Control as a five-unit building.
2. She works as a contractor. Her occupation in 1983 was superintendant of building services for a nursing home.
3. She lived at 52 Fairmont St., the left-hand side of the property.
4. When she purchased the property, the left-hand side contained the following:
  - a. 1st floor: bedroom, living room, kitchen, bathroom;
  - b. 2nd floor: bedroom, living room, kitchen, bathroom;
  - c. 3rd floor: two rooms and a bathroom, one room had a hot plate and a sink.
5. When she purchased the property, the right-hand side contained the following:
  - a. 1st floor: bedroom, living room, kitchen, bathroom;
  - b. 2nd floor: bedroom, living room, kitchen, bathroom.
6. She rented out the two units on the right-hand side. The rent for the second floor was approximately \$200. The rent for the first floor was a little more than \$200, but she does not

remember specifically.

7. The second floor was vacant when she sold the property. She does not know exactly when it was vacated; approximately two or three months prior to her selling of the property.
8. The second floor was occupied by the Fitzgeralds when she first purchased the property. She does not remember what the rent was then. The rent they last paid was approximately \$200, but she is not sure. She thinks they moved out to go live in elderly subsidized housing.
9. The first floor was occupied by Mr. Ainsley when she purchased the property. He paid approximately \$200 rent. She thinks he left because he finished graduate school, but she does not know when he vacated.
10. When she sold the property, 54 Fairmont #2 contained a bedroom, a living room, a kitchen, and a bathroom.
11. She did nothing to 54 Fairmont #2 other than sheetrocking the ceiling, painting, and sanding floors. When the tenants left they did some spiffing up on a limited basis for six months to a year; probably closer to six months.
12. When she sold the property, 54 Fairmont #1 contained a bedroom, a living room, a kitchen, and a bathroom.
13. She did no work on this unit.
14. When she sold the property 52 Fairmont Street contained the following:
  - a. 1st floor: living room, dining room, kitchen, another room used for storage, and a bathroom;
  - b. 2nd floor: large room, bedroom, and a bathroom;
  - c. 3rd floor: two rooms and a bathroom.
15. She knew Mr. Abbott because he worked at the nursing home with her. He did some work for her as a contractor and did some work on the property.
16. He did some carpentry work and was there frequently when work was being done. He also did sheetrocking, insulation work, and work on windows. She is not sure if he took down a wall.
17. He probably was involved in the sheetrocking work at 54 Fairmont St. He did most of his work at 52 Fairmont.
18. She knew the property was a five-unit rent-controlled property when she purchased it.

19. She had owned other property in Cambridge before this. She owned a three-family building and knew that a three-family owner-occupied property is exempt from rent control.
20. She knew that when she purchased 52-54 Fairmont that it was not exempt from rent control and that her purchase did not exempt it from rent control.
21. She believes she was sent information about rents by the Board, but she does not know if she checked with Rent Control as to the legal maximum rents.
22. She does not remember if she registered herself as the owner of the property with the Rent Control Board, but she does not recall registering the property.
23. She changed the configuration as to the third floor unit by removing the door that was on the second-floor common hallway which had previously made the third floor unit a self-contained unit.
24. She knew that the units that were combined were rent-controlled units.
25. She thinks she sold the property with it having five bathrooms, one on each floor.
26. There were three kitchens when she sold the property: one on the first floor, 52 Fairmont; one on the first floor, 54 Fairmont; one on the second floor, 54 Fairmont.
27. She knew Mr. Balk before she sold him the property. He was working with her as a carpenter. She knew him in the latter part of 1984. Mr. Balk lived in Winthrop. He now lives in East Boston; she does not know his address.
28. She does not know if Mr. Balk was subpoenaed to attend the hearing.
29. Mr. Balk has worked for her as a carpenter but he does not work for her presently.
30. Mr. Balk did not purchase any other property from her.
31. She and Mr. Balk have owned other property together.
32. They owned two properties: 1531 Cambridge St., and 73 Allston St., both in Cambridge. They were each 50% owners of both properties.
33. She lived at 1531 Cambridge St. She did not live at 73 Allston St.

34. She sold the property (52-54 Fairmont St.) to Mr. Balk and to Mr. Abbott. They talked about selling the property because they all worked together and they saw each other on a daily basis.
35. She mentioned the rent-controlled status of the property to Mr. Abbott; he knew the issues.
36. She told him that it was a five-unit building, that she merged units for her living space, and that it was still five units with one merged unit subject to rent control.
37. She does not know if Mr. Abbott was represented by counsel during the sale.
38. She was represented by counsel: Gregory Griffin of Ferraro and Walsh.
39. She does not know if Mr. Abbott was represented by counsel at the signing of the purchase and sale agreement.
40. At the closing they went to the bank attorney's office. The only attorneys present were her attorney and the bank's attorney. The bank attorney did not negotiate the purchase and sale agreement.
41. She does not know if the property was taken in the form of a trust.
42. She did take back a second mortgage on the property.
43. She knew from the paper that the mortgage came from a trust.
44. The arrangements for the repayment of the second mortgage were that it was a one-year note and that Mr. Abbott owed her one half of the note which was for \$60,000.
45. The first mortgage was held by Haymarket Cooperative Bank.
46. She does not know who drafted the trust documents.
47. Mr. Abbott made payments on the note in the form of reduction of the amount owed because of employment bonuses which were owed to him for two projects he worked on for her; these were deducted from the amount owed (instead of paying him directly). This amounted to \$10,000.
48. The one-year note was at 10%. Originally it was to be at no interest.
49. When Mr. Abbott and Mr. Balk purchased the property, there

were no tenants living there.

50. She did not arrange for the tenants to move out. They moved out voluntarily.

On further questioning by Mr. Butler, Ms. Rickard testified that:

1. Prior to his ownership Mr. Abbott had an opportunity to see all the units because of the carpentry and general contracting work that he was doing.
2. She did no work in the two units at 54 Fairmont St. while the tenants were living there.
3. Mr. Abbott did most of the work at 52 Fairmont St.
4. She does not know if Mr. Abbott took down the wall on the second floor.
5. At the time he was working for her, Mr. Abbott lived in Brighton.
6. She does not know the earliest date when Mr. Abbott did work at the property.
7. During the discussions about her selling the property, both Mr. Abbott and Mr. Balk expressed interest in purchasing the property.
8. She cannot recall exactly the conversations about the status of the property as to rent control, but the issues were known by Mr. Abbott and Mr. Balk.
9. They had an occasion to inspect the property before they purchased it.
10. She made the specific representation to them that it was a five-unit building according to Rent Control.
11. At the closing she was not asked about the rent-control status of the property.

Note: At this point, Ms. Rickard was shown a document which was marked as exhibit #2.

12. She recognizes the document. It is the purchase and sale agreement entered into with Mr. Abbott and Mr. Balk.

Note: At this point, Mr. Butler introduced a subpoena for Mr. Abbott which was marked as exhibit #3. Mr. Hayes objected to this being entered into evidence. Mr. Butler stated that his inability

to examine Mr. Abbott made his presentation of evidence difficult. He then showed Ms. Rickard a document which was marked as exhibit #4.

13. She recognizes the document as the deed to 52-54 Fairmont St. It is the deed by which she conveyed the property to Mr. Abbott and Mr. Balk.

Note: At this point, Mr. Hayes offer to stipulate that the property was in fact purchased by Mr. Abbott and Mr. Balk.

On questioning by the hearing examiner, John Puricelli testified that:

1. He is an assistant counsel with the Cambridge Rent Control Board.
2. He has obtained knowledge about the property at 52-54 Fairmont Street.
3. In October, 1988, the Rent Control Board received calls in which people complained that the property at 52-54 Fairmont Street which is listed with Rent Control as a five-unit building was being offered for sale as a two-unit building and that advertisements were placed in the Boston Globe claiming it to be a two-unit building.
4. Deputy Counsel Ken Moraff requested him to contact the realtor who was offering it for sale, Ellen Brockman with Hunneman Realty, to make an appointment to see the property.
5. On November 5, 1988, he met with Ms. Brockman at the property and she handed him a packet of information which included an offer sheet which described the property. (See Exhibit #5)
6. He went through the property at 52-54 Fairmont St. and found the following:
  - a. 52 Fairmont consists of three floors, one kitchen and two bathrooms. There is one stairway which leads from the first floor to the second floor and from the second floor to the third floor.
  - b. 54 Fairmont consists of two floors and three tenants were occupying the premises. There are two bathrooms and one kitchen, which is on the first floor.
7. He asked the realtor when the property was converted and she said in 1983 or 1984 by the previous owner.

Note: Mr. Butler objected to this hearsay testimony. The objection was overruled.

8. He was not told who the present owner was but Ms. Brockman referred to him as Arthur. She said the present owner occupied #52 for approximately two years.
9. 54 Fairmont St. is one unit which is two floors connected by an open stairway. There are three bedrooms on the second floor and a living room, kitchen/dining room with an island configuration, on the first floor.

On questioning by Mr. Hayes, Mr. Puricelli testified that:

1. When he spoke with Ellen Brockman, she did not tell him the name of the person who was the previous owner who converted the building in 1983 or 1984.
2. She did say the previous owner was a contractor.
3. She said it was the previous owner, not the present owner, who converted the property.

On questioning by Mr. Butler, Mr. Puricelli testified that:

1. He assumed she was referring to the conversion of both 52 and 54 Fairmont St., not just 52 Fairmont.
2. From his inspection it appeared to be two units not three units.
3. The second floor at 54 Fairmont St. did not appear to be a separate unit because there was no kitchen and there was an open stairway and no restricted entranceway. There were only three bedrooms and a bathroom.
4. He looked at the third floor at 52 Fairmont St. He gained access to it from one staircase. He is not sure if there was a bathroom on that floor; he thinks there was one. There was one very large master bedroom and the realtor said something about piping for a jacuzzi. The other room appeared to be a study.
5. The realtor did not tell him where she obtained her information about the conversion. She did tell him that the building was converted from a five-unit to a two-unit building by the prior owner and he believed she was talking about the entire building.
6. He assumed she meant Jackie Rickard and Richard Reavis.

Note: At this point, Mr. Butler requested that another hearing (after the Nov. 30, 1988, hearing) date be scheduled to have Ellen Brockman attend. I informed Mr. Butler that Ms. Brockman was sent

notice of the Nov. 30, 1988, hearing, and that she would be sent notices of any subsequent hearings.

7. The realtor told him the tenants were paying rent of \$700 for 54 Fairmont Street, and that they intend to vacate by December.
8. The realtor said she knew the property was listed with Rent Control and that it even says so on the offer sheet.
9. Ken Moraff appraised him of the suspected violations at the property and he did not check any rent control files pertaining to the property.
10. Ken Moraff did not appraise him of his (Ken Moraff's) source of knowledge other than his statement that the Board had received phone calls from people who made complaints.
11. He did not make a determination as to when the changes in the property might have occurred. He made no formal inspection to make such determinations.
12. He has no idea if an inspector from Rent Control is going to conduct such an inspection.

Note: At this point in the hearing, Mr. Abbott agreed to testify. Mr. Butler wished that Ms. Ninobla be sequestered from the hearing room because he intended to call her as a witness. Mr. Hayes objected to this. I did not allow the request for sequestration. Ms. Ninobla was not in the hearing room when Mr. Abbott commenced his testimony, but entered about ten minutes later.

Arthur Abbott testified that:

1. He lives at 52 Fairmont Street and has resided there since August, 1985.
2. He first became familiar with this property around November, 1983. He was hired to do some sheetrocking to finish off walls that had been insulated.
3. He was hired by Jackie Rickard and Richard Reavis who were the owners.
4. When he first went to the property, 52 Fairmont St., 1st floor, consisted of a living room, dining room, kitchen and a separate section in the back. There were stairs to the left off of the hallway.
5. The second floor at 52 Fairmont St. had a room which had been opened up from off of the stairs and a small bedroom in the far left. There was no kitchen and no bathroom.

6. The third floor at 52 Fairmont St. consisted of a small room at the top of the landing of the stairs from the second floor and an opening into a small room. There was a dormer in the back of the house which had been gutted. There was no kitchen and there was no toilet.
7. He had an opportunity to go to the second floor at 54 Fairmont St. because the old woman came down to tell him that the pipes had frozen. He went up to the apartment. It was a separate self-contained unit. There was a kitchen and two other closed doors which he assumed were a bedroom and a living area.
8. At the time of his purchase of the property 52 Fairmont St. had one unit and 54 Fairmont St. had the following:
  - a. three rooms upstairs and a decrepit bathroom.
  - b. two rooms and a kitchen and bathroom on the first floor.
  - c. there was only one kitchen at 54 Fairmont St.
9. He became interested in purchasing the property because he was working for Jackie Rickard at the time and he knew she was looking to sell it. He wanted to purchase the place with his brother. His brother was not interested.
10. Then Victor Balk said he wanted a piece of the property.
11. He was not represented by counsel at the purchase and sale or at the closing.
12. At the time, he lived at Vinal Street in Brighton, on the Brighton/Brookline border. He rented.
13. He never owned property before this and never owned property in Cambridge before this. He had no familiarity with Rent Control laws and no familiarity with the Removal Permit Ordinance.
14. When he was negotiating the sale of the property with Jackie Rickard she said it was a four-unit property with a possible illegal fifth unit.
15. He understood that it had been illegally converted by Jackie Rickard.
16. He was told that he could move in to one side of the property and that Victor Balk could move in to the other side and they could then sell the property later. The property was to be his nest-egg.
17. Jackie Rickard told him that she illegally converted the property. He is not sure if she said removed units; her

language was that she illegally converted.

18. When he worked for Jackie Rickard and did work at the property, the third floor at 52 Fairmont had already been gutted and there was no actual kitchen. He never saw a kitchen on the second floor.
19. He did work at 54 Fairmont St. for Jackie Rickard when she owned the property. He took out the sink and stove in the kitchen at 54 Fairmont St. #2 and built a sound-proof wall on the wall that 52 and 54 Fairmont share on the second floor. He did this sometime in the Fall of 1984 or Spring of 1985. The tenants were gone.
20. He saw the tenants at 54 Fairmont St. #2 around November or December, 1983. He did not see anybody on the first floor. He did not go into that apartment.
21. He did some work on 54 Fairmont on the first floor after he purchased the property.
22. He was not represented by counsel when he signed the purchase and sale agreement.
23. Jackie Rickard and Bill Walsh prepared the purchase and sale agreement.
24. He read the purchase and sale agreement and thought he understood it.
25. He was told that they would have to charge 10% interest on Jackie's note because it was required by state law. He thought that the note was to have no interest.
26. He was told he could sell the house within one year.
27. He paid \$176,000 for the property.
28. The first mortgage was with Haymarket Cooperative Bank for \$117,000. Jackie Rickard held back \$60,000.
29. He had no funds of his own at that time. He borrowed \$1,000 from his father.
30. The property was taken in the form of a trust with Victor Balk. The name of the trust is A and B Trust. This was done because Jackie and Victor recommended it be done that way.
31. He never was involved in a trust before. He understood it to be something like a partnership.
32. The terms of Jackie's note were one year to pay back \$60,000.

and after the year she had the option to extend the note for six months or she would take back the house. But that was not to be a problem because the plan was to sell the house after one year.

33. He received \$10,000 from bonuses for work he did at 1531 Cambridge Street and 73 Allston Street. He was paid wages of \$10/hour and his wife was paid wages of \$5/hour. They were to be paid the bonuses of \$5,000 for each job which was to be credited toward the note.
34. He took title to the property in October, 1985. He moved in in August, 1985.
35. He paid one month rent to Jackie Rickard and paid \$600.
36. His mortgage payments to Haymarket Bank vary between \$1,000 and \$1,200.
37. He did not have the income to carry the property. Victor Balk was renting out his half of the house.
38. The original agreement was that Victor Balk would move in to his side, renovate, and they would sell the property one year later.
39. Victor Balk rented his side (54 Fairmont) to students and established the rent.
40. Victor Balk would turn over the rent checks to him and he would pay the mortgage by sending the rent check and covering the balance with his check.
41. He also paid all the bills for the property.
42. From the time they purchased the property to the present, 54 Fairmont St. was never rented as more than a single unit. It was rented as one unit with three bedrooms.
43. Victor Balk decided to rent 54 Fairmont.
44. He (Arthur Abbott) did not know the legal maximum rents. He knew Rent Control set rents, but he did not know what they were.
45. He was not informed by Jackie Rickard what the rent control rents were. She also never told him the implications if they rented beyond the rent control rents.
46. He and his wife paid the cost of insurance, water, and taxes for the first two years.

47. They spent all their money repairing the house. They asked Victor Balk for his half of the money.
48. Victor Balk never lived there. He resides in Winthrop or East Boston. He owns a house in East Boston.
49. Victor Balk was involved with other rent-controlled properties with Jackie Rickard. The properties were 1531 Cambridge St., a place on Kinnaird St., 121 Trowbridge St., maybe 118 Trowbridge St., maybe Allston St., but he does not know if that is subject to rent control.
50. After he purchased the property he made repairs which totalled about \$15,000 and put in 1000 hours of labor. He lived at the property.
51. The first year he was in the property they did some work in the third floor at 52 Fairmont. He built a door to separate the bedroom and built a closet.
52. The third floor was rented to a friend in September or October, 1985.
53. His wife's brother lived on the second floor.
54. He thinks he rented the room on the third floor for \$100, but he is not sure. His wife did most of the bookkeeping.
55. His wife's brother paid rent. He is not sure how much.
56. Victor Balk rented out 54 Fairmont for \$50/person to three people for the first two months while work was going on.
57. Then he charged \$75/person.
58. To help with the mortgage payments, Victor charged \$600. It was Victor's decision to raise the rent.
59. He decided to sell the property in September, 1988.
60. At the time he was thinking about putting the property on the market he talked to Jackie Rickard about the rent control implications. She told him to ask Mel Gadd who told him it was a five-unit building. When he told Jackie Rickard this, she said, "Oh." This was in March, 1988.
61. He went to the Ferraro and Walsh office to see if he could subdivide the property. They said possibly, but that there would be rent control problems.
62. He told Victor Balk he wanted out of the property because he was losing money.

63. Their original plan was to sell the property within one year after they purchased it. Jackie told him that she would get in trouble because of the illegal conversion. She also told him that a bill was going to be passed within a year which would exempt owner-occupied four, five, and six unit buildings from rent control. She told him he and Victor could live there, and sell the building after one year. The bill never passed. She told him it would be legal to do so and that he would have a nest-egg after he sold the property.
64. Victor Balk and Jackie Rickard both told him this.
65. He has received two offers to purchase the property.
66. There is no signed purchase and sale agreement.
67. Victor Balk did not want to sell the property.

Note: At this point, he was shown a document signed by Jackie Rickard and Richard Reavis which was marked as exhibit #6.

68. This document is a receipt he received for the wages held back for the work he did at 1531 Cambridge St. and 73 Allston St. He received it in April, 1988.
69. He was supposed to be paid the bonus money but Victor Balk said that Jackie Rickard needed the mortgage note to be paid back. He asked for a receipt but never received one until a year later.
70. He alone cannot afford the mortgage payments on the property. That is why he is trying to sell the property. He is broke.

On questioning by Mr. Butler, Mr. Abbott testified that:

1. He did get credit for the bonus money which was applied to Jackie Rickard's note.
2. Jackie Rickard told him that the property was a four-unit building, possibly five units.
3. When he purchased the property there was no kitchen at 54 Fairmont #2. He was hired to take out the kitchen in the Fall of 1984 or Spring of 1985 by Jackie Rickard.
4. He moved into the property in August, 1985.
5. He did no work to combine the units at 54 Fairmont St.
6. He took out a wall on the first floor to enlarge the kitchen and the dining area so that it looked like the other side.

7. He did nothing to combine the two units. The second floor consisted only of three bedrooms and he redid the bathroom.
8. He did some work 54 Fairmont St. after it was vacated by the tenants when Jackie Rickard owned it.
9. He did some exterior and interior work at 52 Fairmont since he has owned the property.
10. The cost of the work was \$15,000 cash and credit. He used his personal savings and received credit from Somerville Lumber.
11. Victor Balk did not provide him with 50% of the expenses.
12. The first three months at the end of 1985 Victor paid him about \$6,000 or \$7,000, but that was the last of money.
13. He cannot afford the mortgage for the property.
14. He pays his 50% share of the mortgage to Haymarket Bank and Victor Balk pays his 50% share.
15. Victor Balk charges rent of \$700, but then one tenant moved out and now he charges \$500.
16. Victor Balk told the tenants to pay the rent to him (Arthur Abbott). He (Arthur Abbott) makes up the difference to pay the mortgage.
17. Victor Balk owes him money because he has not paid his half share of the bills.
18. He does not know the rents he charged for the tenants on the second and third floors at 52 Fairmont St.
19. He had no lawyer at the closing. Jackie Rickard told him Bill Walsh would take care of everything. She told him to be quiet because they were pulling a fast one. Bill Walsh was present at the closing.

Note: The purchase and sale agreement is dated July 19, 1985. The deed conveying the property to Arthur Abbott and Victor Balk is dated October 21, 1985. See exhibits #2 and #4.

20. Bill Walsh took care of the second mortgage to Jackie. He does not know any of the requirements for mortgages and Jackie and Bill took care of everything so that he could get the mortgages.
21. He took a mortgage of \$117,000 with the Haymarket Bank.

22. He filled out an application with Haymarket Bank and gave it to Bill. He said he would take care of everything and fill in everything that needed to be filled in.

Note: There is no date on the loan application. The letter from Haymarket Cooperative Bank is dated August 24, 1985. See exhibits #7 and #8.

23. He does not know what he filled in on the application. He remembers that he hand-wrote the application and that the final one is typewritten.
24. He remembers listing his two forms of income as being a carpenter and an acupuncturist. He listed his wife's occupation as a dietician.
25. He has no idea what Victor Balk declared as his sources of income. He did co-sign the mortgages with him.
26. He does not know if Victor Balk currently owns other property.
27. The original agreement with Victor Balk was that his (Arthur's) share of money would come from the wages in hourly work that he put into the property and that he would get money back when they sold the property a year later and split profits evenly.
28. The purchase price was \$167,000. He borrowed \$117,000 from Haymarket Bank. He does not know how much he expected to eventually sell the property for.
29. He was served with a subpoena and brought the documents which were submitted to Haymarket. He has no copy of the application; he gave everything to Bill Walsh.
30. Gregory Griffin of Ferraro and Walsh was also at the closing. The bank's attorney was also there; he does not know his name.

Note: At this point, Mr. Abbott was shown a residential loan application which was marked as exhibit #7.

31. He filled out an application by hand; this copy is typewritten and it is not his signature on this document. He does not know who signed it. He gave all the papers to Bill Walsh.
32. He does not know if it contains the same information which he furnished on the hand-written copy.
33. He does not know if he told the Haymarket Bank that the property was a two-family house. He was told that they would list the property as a two-family house to get the mortgage.

Jackie Rickard told him that.

34. He was never told specifically by Jackie Rickard that the property was a two-family house.
35. He did not declare to Haymarket Bank that the property was a two-family house. He did not take care of making up the mortgage application. Bill took care of it.
36. He does not know to what extent Victor Balk was involved in the mortgage application.
37. He recently spoke with Victor Balk about the mortgage payments. He told him that they had to extend the mortgage or else they would lose the house. This was last month.
38. He does not remember if he was told by the bank to do certain work before the approved the loan. He remembers something on the purchase and sale agreement.

Note: At this point, he was shown the purchase and sale agreement, exhibit #2.

39. He does not see anything on the purchase and sale agreement about that.
40. He signed a purchase and sale agreement that was handwritten. This one is typed. It is his signature on this one.
41. He signed one handwritten one and one typed one. He does not know if he compared the two documents. He is familiar with the handwritten one.
42. He does not know if Victor Balk was with him when he signed the purchase and sale agreement.
43. The property was vacant at the time of the sale. He does not know why it was vacant.
44. He never saw tenants at 54 Fairmont St. at the time the purchase and sale agreement was signed.
45. Jackie Rickard and Richard Reavis lived at 52 Fairmont at the time.

Note: At this point he was shown a mortgage loan commitment letter from the Haymarket Bank. It was marked as exhibit #8.

46. He recognizes the document. It is a mortgage loan commitment letter which he signed.
47. It requires certain work to be completed. Stair work, drain

work, and metering work had to be completed.

48. The metering was incorrect.
49. He does not know if the work was to make the house look like a two-family house. He knew that on paper the house had to be a two-family house to get the mortgage. He does not know what that entailed.
50. He knew it was a two-family house and was told that it would be decontrolled from a four-unit house to a two-unit house.
51. He does not know the name "Anastasi," or any law suit so named.
52. He made no effort to find out about the bill that was supposed to be passed which would allow this property to be exempted from Rent Control. Jackie and Victor told him that Bill Walsh was pushing for the bill and would have it pushed through.
53. He first discussed the rent control issues with Victor in March, 1988, when he decided he wanted to sell the property.
54. He has not talked to Victor in four months.
55. Victor currently lives in East Boston or Winthrop; he is not sure.
56. He knew that his wife was a beneficiary of the trust. He understood that to mean if he died his wife would get half of the property.
57. He did not talk to Victor about condo units. He talked about subdividing the property so he could sell. He wanted to get out.
58. He can no longer afford the mortgage payments. He originally could afford them but all his money went into the house.
59. He did not get a permit himself for the work he did when he removed the kitchen at 54 Fairmont #2 when Jackie owned the property. He assumed Jackie would pull all necessary permits.
60. Jackie and he talked to Ellen Brockman, the current real estate broker. Jackie said she would handle the selling of the house. He signed a listing agreement.
61. Ellen Brockman knew who did the prior conversion because she had been in the property before. He did tell her that the prior owner converted it as well.
62. He told her that he and Victor did some work at 54 Fairmont.

- 63. Victor did not want to sell the property and told him to hold on because the bill would pass.
- 64. He does not know if Victor Balk signed an agreement with the broker that this property could be listed and sold. All he knows is that Anita Cohen, a lawyer with Ferraro and Walsh, sent a letter to George [Gormley].

IV. Findings of Fact:

- 1. 52-54 Fairmont Street is registered with the Cambridge Rent Control Board (hereinafter, the Board) as a five-unit building. The legal maximum rents are as follows:

Unit	# of Rooms	Rent	Services Included
52 Fairmont #1	3	\$261	Heat, Cooking Gas, Electricity, Hot Water.
52 Fairmont #2	3	\$245	Heat, Hot Water
52 Fairmont #3	3	\$226	Heat, Hot Water
54 Fairmont #1	3	\$286	Heat, Hot Water
54 Fairmont #2	3	\$226	Heat, Hot Water

- 2. The property is currently owned by A and B Trust. Arthur Abbott and Victor Balk are trustees and each have a 50% ownership interest in the property.
- 3. They have owned the property since October, 1985. They have not registered themselves as the owners of the property with the Board.
- 4. Arthur Abbott and Victor Balk purchased the property from Jacqueline Rickard and Richard Reavis.
- 5. Jacqueline Rickard and Richard Reavis owned the property from some time in 1983 until October, 1985. They each had a 50% ownership interest in the property. They did not register themselves as the owners of the property with the Board.
- 6. The property contained five units when Jacqueline Rickard and Richard Reavis purchased the property. They purchased the property from Francis Branley.
- 7. I find that Jacqueline Rickard knew that 52-54 Fairmont Street was subject to Rent Control and that she knew that her purchase of the property and her occupancy at 52 Fairmont St. #1 did not exempt the property from Rent Control.
- 8. I find that Jacqueline Rickard illegally removed kitchens at 52 Fairmont St. units #2 and #3.

9. I find that Jacqueline Rickard merged units #1, #2, and #3 at 52 Fairmont St. into one unit.
10. I find that the merger of units #1, #2, and #3 at 52 Fairmont St. resulted in the removal of units #2 and #3 from the rental market.
11. I find that Jacqueline Rickard did not obtain removal permits from the Board to remove controlled rental units #2 and #3 at 52 Fairmont St. from the market.
- X 12. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental units #2 and #3 at 52 Fairmont St.
13. I find that Arthur Abbott was hired by Jacqueline Rickard while she owned the property to remove the kitchen at 54 Fairmont St. #2.
14. I find that Jacqueline Rickard merged units #1 and #2 at 54 Fairmont Street into one unit.
15. I find that the merger of units #1 and #2 at 54 Fairmont St. resulted in the removal of unit #2 from the rental market.
16. I find that Jacqueline Rickard did not obtain a removal permit from the Board to remove controlled rental unit #2 at 54 Fairmont St.
- X 17. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental unit #2 at 54 Fairmont St. from the market.
18. I find that the residential loan application made by Arthur Abbott and Victor Balk lists 52-54 Fairmont St. as a two-family house.
19. I find that Arthur Abbott and Victor Balk knew before they purchased 52-54 Fairmont St. that the building had been illegally converted from a five-unit building to a two-unit building by Jacqueline Rickard.
20. I find that Arthur Abbott was told by Jacqueline Rickard that she illegally converted the property.
21. I find that Arthur Abbott and Victor Balk were aware of the illegal conversion of 52-54 Fairmont St. from a five-unit building to a two-unit building and that they were not subsequent innocent purchasers who purchased in good faith..
22. I find that Arthur Abbott and Victor Balk sought to benefit financially from the illegal conversion by planning to sell

the property within one year after they purchased it.

23. I find that Hunneman Realty is acting as the agent of Arthur Abbott and Victor Balk in the current listing and offering for sale of 52-54 Fairmont St.
24. I find that Hunneman Realty is informing prospective purchasers that 52-54 Fairmont St. is a two-family house.
25. I find that Hunneman Realty's offer sheet for 52-54 Fairmont St. states that the property is listed with the Board as having five units.
26. I make no findings as to whether tenants at 52-54 Fairmont St. have been charged more than the legal maximum rents.

V. Recommendations:

Section 1(c) of Ordinance 966 (the Removal Permit Ordinance) states that "no owner or other person shall remove from the market any controlled rental unit, unless the Board after a hearing grants a permit."

In this case, the evidence clearly establishes that 52-54 Fairmont St. was illegally converted from a five-unit building to a two-unit building. No removal permits were obtained from the Board to allow such conversion. The testimony of Jacqueline Rickard establishes that she removed units #2 and #3 at 52 Fairmont St. by merging them with 52 Fairmont St. #1 to create one unit. This is a clear violation of Ordinance 966 because no removal permits were obtained from the Board.

The evidence clearly establishes that unit #2 at 54 Fairmont St. was merged with 54 Fairmont St. #1 to create one unit and that no removal permit was obtained from the Board. However, the testimony of Jacqueline Rickard and the testimony of Arthur Abbott differ as to when units #1 and #2 at 54 Fairmont Street were merged into one unit and who merged the units. Jacqueline Rickard testified that she sold the property to Arthur Abbott and Victor Balk with 54 Fairmont St. having two separate units. Arthur Abbott testified that he purchased the property from Jacqueline Rickard and Richard Reavis with 54 Fairmont St. having only one unit and that the two separate units had already been merged by Jacqueline Rickard and Richard Reavis.

Jacqueline Rickard's testimony regarding 54 Fairmont St. is often vague. She testified that she rented the two units, but she is not sure of the tenants' names and when they vacated the premises. She also testified that she charged the tenants the legal maximum rent, but does not remember what the rents actually were. She testified that she does not know if she checked with Rent Control as to the legal maximum rent and that she does not

recall registering herself as the owner of the property with the Board. She also testified that the second floor unit was vacated approximately two or three months before she sold the property to Arthur Abbott and Victor Balk. She then testified that she did nothing to 54 Fairmont St. #2 other than sheetrocking, painting, and sanding floors and some spiffing up on a limited basis for six months to one year after the tenants at 54 Fairmont St. #2 had vacated. This testimony establishes that work was done over at least a six-month period while the unit was vacant.

I determined that such vague testimony makes the testimony of Jacqueline Rickard less credible than the testimony of Arthur Abbott. Mr. Abbott testified that he was hired to remove the kitchen at 54 Fairmont St. #2 by Jacqueline Rickard while she owned the property. He also testified that 54 Fairmont St. contained only one unit when he purchased the property. Additionally, the residential loan application of Arthur Abbott and Victor Balk (exhibit #7) lists the property as a two-family house.

Moreover, the evidence that Jacqueline Rickard merged the units at 52 Fairmont St. without a removal permit from the Board also makes her testimony less credible. She testified that she knew the property was not exempt from Rent Control and that she knew that her purchase and occupancy did not exempt the property from Rent Control. She merged units #1, #2, and #3 at 52 Fairmont St. without obtaining removal permits from the Board. Although this evidence does not go toward proving who merged the units at 54 Fairmont St., it does establish prior bad acts of Jacqueline Rickard, which does go toward determining her credibility.

Mr. Abbott's testimony establishes that he and Victor Balk knew the property had been illegally converted to a two-family house before they purchased it. Mr. Abbott was told by Jacqueline Rickard that she had illegally converted the building. Mr. Abbott's testimony establishes that he and Victor Balk purchased the property on the expectation of selling it one year later and receiving a "nest-egg." Although Mr. Abbot testified that he was misled in some matters by Jacqueline Rickard and others, he proceeded to purchase this property in hopes that his investment and speculation would generate a "nest-egg" within one year. Arthur Abbott and Victor Balk are not subsequent innocent purchasers who purchased in good faith. They were aware of the illegal conversion and sought to benefit financially from the illegal conversion.

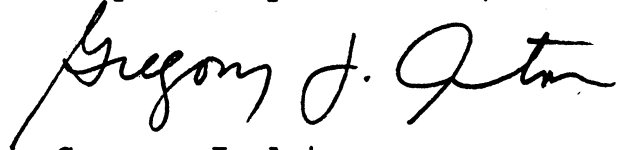
Section 1(c) of Ordinance 966 states that the Board may issue orders and promulgate regulations to effectuate the purpose of this section. Therefore, I recommend that the Board refer this case to its General Counsel for further criminal and civil proceedings. I specifically recommend that the Board:

1. seek the issuance of criminal complaints against

Jacqueline Rickard for illegally removing units #2 and #3 at 52 Fairmont St, and unit #2 at 54 Fairmont St in violation of Ordinance 966; and that the Board treat the illegal removal of each unit as a separate violation, pursuant to section 1(f) of Ordinance 966;

2. order Arthur Abbott and Victor Balk, the current owners, to restore the property to a five-unit building by July 1, 1989;
3. order Arthur Abbott and Victor Balk to obtain a contract to restore the property to a five-unit building by March 1, 1989, and order them to submit a copy of the contract to the Board by March 8, 1989;
4. order Arthur Abbott and Victor Balk to register themselves as the owners of 52-54 Fairmont St. with the Board by submitting a supplemental registration form by January 13, 1989;
5. order Arthur Abbott and Victor Balk to order their agent, Hunneman Realty, to stop representing the property as a two-unit building to prospective purchasers; and
6. order Arthur Abbott and Victor Balk to order their agent, Hunneman Realty, to inform prospective purchasers that the property at 52-54 Fairmont St. is a five-unit building subject to Rent Control and that the Board has ordered the current owners to restore it to five units.

Respectfully submitted,



Gregory J. Anton  
Assistant Counsel



# CITY OF CAMBRIDGE

831 MASSACHUSETTS AVENUE  
CAMBRIDGE, MASSACHUSETTS 02139

TEL 499-6161

RENT CONTROL BOARD

D. MARGARET DRURY, EXECUTIVE DIRECTOR

Date: January 18, 1989

Case No: SCV 98 281

Address: 52-54 Fairmont St.

## Notice of Ruling

The Board at its meeting of January 11, 1989 remanded this case to allow Jacqueline Rickard the opportunity to call additional witnesses.

Per Order of the Board

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Ken Moraff  
Deputy Counsel

cc: case, reg. files,  
computer, docket  
Donna Turley,  
Hearing Examiner

HEARING REPORT

CASE: SCV-88-281

ADDRESS: 52-54 FAIRMONT STREET

HEARING DATES: NOVEMBER 30, 1988  
DECEMBER 12, 1988

REPORT DATE: DECEMBER 19, 1988

OWNER: ARTHUR ABBOTT AND VICTOR BALK (A and B TRUST)

HEARING OFFICER: GREG ANTON

PURPOSE OF HEARING: SPECIAL CASE TO DETERMINE:

- 1) WHETHER CONTROLLED RENTAL UNITS HAVE BEEN REMOVED OR MERGED AT THIS PROPERTY (A FIVE-UNIT RENT-CONTROLLED BUILDING) IN VIOLATION OF ORDINANCE 966, THE RENT CONTROL ACT, AND BOARD REGULATIONS;
- 2) IF UNITS HAVE BEEN REMOVED OR MERGED, WHAT FORM OF RESTORATION ORDER IS APPROPRIATE UNDER SEC. 5(e) OF THE RENT CONTROL ACT;
- 3) WHETHER TENANTS HAVE BEEN CHARGED MORE THAN THE LEGAL MAXIMUM RENT.

PEOPLE PRESENT:

AT NOVEMBER 30, 1988, HEARING:

ARTHUR ABBOTT, CO-OWNER  
JOSEFINA NINOBLA, ARTHUR ABBOTT'S WIFE  
FREDERICK HAYES, ATTORNEY FOR ARTHUR ABBOTT  
JACQUELINE RICKARD, FORMER OWNER  
GEORGE BUTLER, ATTORNEY FOR MS. RICKARD  
JOHN COLLIER, OBSERVOR  
GEORGE GORMLEY, ATTORNEY FOR MR. ABBOTT  
JOHN PURICELLI, ASSISTANT COUNSEL, CAMBRIDGE RENT CONTROL BOARD

AT DECEMBER 12, 1988, HEARING:

ARTHUR ABBOTT, OWNER  
FREDERICK HAYES, ATTORNEY FOR ARTHUR ABBOTT  
GEORGE GORMLEY, ATTORNEY FOR ARTHUR ABBOTT

EXHIBITS:

1. LETTER OF FREDERICK HAYES TO THE RENT CONTROL BOARD, DATED NOVEMBER 29, 1988
2. PURCHASE AND SALE AGREEMENT
3. SUBPOENA OF ARTHUR ABBOTT
4. DEED FOR 52-54 FAIRMONT STREET
5. HUNNEMAN REALTY OFFER SHEET
6. RECEIPT FROM J. RICKARD AND R. REAVIS
7. LOAN APPLICATION

8. LETTER OF HAYMARKET COOPERATIVE BANK, DATED AUGUST 24, 1985
9. RENT CONTROL DATA BASE PRINT-OUT FOR 52-54 FAIRMONT ST.

I. The hearings were conducted pursuant to Mass. G.L. c. 30A. I explained to the parties that these hearings would be their only opportunity to present evidence; that appeal of the decision would be limited to a review of the Rent Control Record; and that all parties had a right to bring a legal representative, call and examine witnesses, introduce exhibits, cross-examine witnesses, and submit rebuttal evidence.

I administered the oath to all persons intending to testify. The hearings were tape-recorded.

## II. Preliminary Matters:

Mr. Hayes stated that he had spoken with the hearing examiner and Margaret Drury, Executive Director of the Rent Control Board, on Tuesday, November 29, 1988, to request a continuance. He also hand-delivered a letter requesting a continuance. (See Exhibit #1). He explained that he had just been retained as counsel by Mr. Abbott on Monday evening, November 28, 1988, and that he had no opportunity to prepare his case. Mr. Gormley, co-counsel, was not presently available to attend the hearing at 1:30 on November 30, 1988, because he was tied up in matters in Federal District Court. Mr. Hayes also stated that he had previously scheduled a deposition relating to another matter on November 30, 1988, at the time of the scheduled hearing. He also stated that Rent Control Board Regulation 32-05 provides that hearings be continued for good cause and the regulations also provide that at the time of the hearing parties are entitled to representation of counsel. He requested a continuance, claiming that the reasons he set forth constitute good cause and that he should be allowed time to confer with his client, especially since this case might involved issues relating to the Removal Permit Ordinance, criminal matters, and a taking of property. He stated he did not understand why the Board did not grant a continuance and did not understand the incredible rush in this case, since the hearing could not result in an injunction or anything that could prohibit a transfer of the property.

Mr. Butler stated that he had been apprised of this matter last week and called Mr. Gormley to notify him of his representation of Ms. Rickard. He was then told by Mr. Gormley that he was scheduled to be in Federal Court and Mr. Gormley asked him if he would be opposed to a continuance. He is not opposed to a continuance being granted.

I informed the parties for the record that Attorney George Gormley called me on Monday afternoon, November 28, 1988, to request a continuance. I informed Mr. Gormley that a continuance

would not be granted because (a) notices of the hearing were mailed on November 10, 1988, to many other people (notices were sent to the following people: Occupants, 52 Fairmont St. units #1, #2, #3; Occupants 54 Fairmont St. units #1, #2; Arthur Abbott, Victor Balk, Francis Branley, Jacqueline Rickard, Richard Reavis, and Ellen Brockman); (b) other parties who had been notified of the hearing could not be sufficiently notified of any continuance since the request was made a day and a half before the scheduled hearing; and (c) the case is to be processed as expeditiously as possible because the property is currently for sale. Attorney Frederick Hayes called me on Tuesday, November 29, 1988, at 12:30 p.m., to request a continuance until December 12, 1988, because he was recently retained as counsel and that he would need time to meet with the client and prepare the case and further because he would be on vacation from December 3-December 11, 1988. I informed Mr. Hayes at that time that such a continuance would not be granted for the same reasons given to Mr. Gormley. The Rent Control Board received Mr. Hayes' hand-delivered letter at 3:30 p.m. on Tuesday, November 29, 1988.

Mr. Hayes, Mr. Gormley, Arthur Abbott, and Josefina Ninobla appeared at the hearing of November 30, 1988. Additionally, Jacqueline Rickard, George Butler, John Collier, and John Puricelli attended the hearing. I informed the parties present at the hearing that I would offer a continuance until either Thursday, December 1, 1988, or Friday, December 2, 1988, to allow time for preparation. I gave the parties this option at that time because all parties present agreed to a continuance and I could be certain that whoever intended to participate in the hearing was given proper notice. Mr. Hayes stated that Thursday or Friday would be unacceptable. Mr. Butler agreed to Friday. The hearing then proceeded as scheduled.

The record also reflects that Mr. Gormley was not present at the hearing on November 30, 1988, when it commenced at 1:30, but he did enter at approximately 2:00, just before Jacqueline Rickard began testifying.

The hearing of November 30, 1988, ran past 5:00 p.m. and had to be continued to another date. It was continued to Monday, December 12, 1988, at 9:00 a.m. by agreement of all parties. On Monday, December 12, 1988, Mr. Butler called at 8:35 a.m. and left a message that he was sick and could not attend the hearing that morning. He specifically stated that he did not want to request a continuance. Mr. Abbott did not wish to present any further evidence at the hearing of December 12, 1988, so the hearing was adjourned and the record was closed. Mr. Butler then called on Tuesday, December 13, 1988, to inquire about what occurred at the hearing of December 12, 1988. He then requested another hearing date to present further evidence and to call additional witnesses. I informed Mr. Butler that the record had been closed at the December 12, 1988, hearing and that I would not schedule any

additional fact-finding hearings.

### III. Summary of the Evidence and Testimony of the Parties:

On questioning by the hearing examiner, Arthur Abbott testified that:

1. He lives at 52 Fairmont Street, Cambridge.

Note: When asked additional questions, Mr. Abbott stated that he refused to answer these questions and invoked the 5th and 14th Amendments in so doing.

On questioning by the hearing examiner, Jacqueline Rickard testified that:

1. She was the prior owner of 52-54 Fairmont Street.
2. She owned the property from the end of 1983 to the end of 1985.
3. There were five units in the building when she purchased it.
4. She resided at 52 Fairmont Street and occupied units #1, #2, and #3.
5. She lived there with Richard Reavis.
6. She rented the other two units at 54 Fairmont Street.
7. The tenants at 54 Fairmont St. were Mr. and Mrs. Fitzgerald and she believes a Mr. Ainsley.
8. She does not know exactly when they vacated the units.
9. She did not obtain a removal permit to occupy the three units or to merge them.
10. She vacated the property at the latter part of 1985. She purchased another property and sold this one.
11. She sold the property to Arthur Abbott and Victor Balk.

Note: See exhibit #4, the deed for 52-54 Fairmont St. which conveyed title from Jacqueline Rickard and Richard Reavis to Arthur Abbott and Victor Balk. It is dated October 21, 1985.

12. When she purchased the property, 52 Fairmont St. #3 did not really have a kitchen. There was a hot plate and a sink.
13. She removed a kitchen on the second floor and did other remodelling.

14. There were three separate units, one on each of the three floors when she purchased the property. She combined and occupied all three apartments. 54 Fairmont St. remained two separate units.
15. She did the remodelling when she was living there, over a period of six months to a year. She did the work on a part-time basis.
16. 52 Fairmont St. was never rented. It was vacant when she moved in and she occupied all three units.
17. She knocked down one wall on the second floor which separated the second-floor unit from the common stairway which led to the first and third floors.
18. She also removed doors and opened up the entranceways.
19. She purchased the property from Frank Branley and it was a five-unit building when she purchased it.

On questioning by Mr. Butler, Jacqueline Rickard testified that:

1. 52 Fairmont St. is on the left-side of the property. There is a common stairway which runs through to the third floor.
2. She removed the wall on the second floor which separated the self-contained unit from the common stairway. The purpose of doing this was to enlarge the room and to eliminate the self-contained unit.
3. She removed the doors on the second- and third-floor units which made them self-contained units.
4. She owned the property with Richard Reavis. They were each 50% owners.
5. 54 Fairmont St. units #1 and #2 remained subject to rent control.
6. The condition of the property was poor when she purchased it.
7. The property was extremely run down and the walls were cracked. No work seemed to have been done for about twenty years.
8. They remodelled 52 Fairmont to make it one unit. They wanted to make it one unit to have a nice place with a lot of space.
9. They also did some weatherproofing, and improved the

conditions of the walls, floors, and kitchen. A new heating system was also installed.

10. She was not aware of the removal permit requirement and was not aware that she was doing anything wrong.
11. The tenants at 54 Fairmont St. were never charged more than the legal maximum rents.
12. She occupied three units and rented the other two at rent control rates. She never considered the property exempt as owner-occupied.
13. She was made aware of the removal permit issues later because of the Anastasi case which she read about in the newspaper and because the issues were generally being discussed. It sounded like she fit the bill in terms of merging units.
14. She did not take any action pursuant to this. She still lived there and considered her situation to be in limbo.
15. She then had an opportunity to sell the property. She sold it to Mr. Abbott and Mr. Balk.

On questioning by Mr. Hayes, Jacqueline Rickard testified that:

1. She purchased the property in 1983 and was aware of its status with Rent Control as a five-unit building.
2. She works as a contractor. Her occupation in 1983 was superintendant of building services for a nursing home.
3. She lived at 52 Fairmont St., the left-hand side of the property.
4. When she purchased the property, the left-hand side contained the following:
  - a. 1st floor: bedroom, living room, kitchen, bathroom;
  - b. 2nd floor: bedroom, living room, kitchen, bathroom;
  - c. 3rd floor: two rooms and a bathroom, one room had a hot plate and a sink.
5. When she purchased the property, the right-hand side contained the following:
  - a. 1st floor: bedroom, living room, kitchen, bathroom;
  - b. 2nd floor: bedroom, living room, kitchen, bathroom.
6. She rented out the two units on the right-hand side. The rent for the second floor was approximately \$200. The rent for the first floor was a little more than \$200, but she does not

remember specifically.

7. The second floor was vacant when she sold the property. She does not know exactly when it was vacated; approximately two or three months prior to her selling of the property.
8. The second floor was occupied by the Fitzgeralds when she first purchased the property. She does not remember what the rent was then. The rent they last paid was approximately \$200, but she is not sure. She thinks they moved out to go live in elderly subsidized housing.
9. The first floor was occupied by Mr. Ainsley when she purchased the property. He paid approximately \$200 rent. She thinks he left because he finished graduate school, but she does not know when he vacated.
10. When she sold the property, 54 Fairmont #2 contained a bedroom, a living room, a kitchen, and a bathroom.
11. She did nothing to 54 Fairmont #2 other than sheetrocking the ceiling, painting, and sanding floors. When the tenants left they did some spiffing up on a limited basis for six months to a year; probably closer to six months.
12. When she sold the property, 54 Fairmont #1 contained a bedroom, a living room, a kitchen, and a bathroom.
13. She did no work on this unit.
14. When she sold the property 52 Fairmont Street contained the following:
  - a. 1st floor: living room, dining room, kitchen, another room used for storage, and a bathroom;
  - b. 2nd floor: large room, bedroom, and a bathroom;
  - c. 3rd floor: two rooms and a bathroom.
15. She knew Mr. Abbott because he worked at the nursing home with her. He did some work for her as a contractor and did some work on the property.
16. He did some carpentry work and was there frequently when work was being done. He also did sheetrocking, insulation work, and work on windows. She is not sure if he took down a wall.
17. He probably was involved in the sheetrocking work at 54 Fairmont St. He did most of his work at 52 Fairmont.
18. She knew the property was a five-unit rent-controlled property when she purchased it.

19. She had owned other property in Cambridge before this. She owned a three-family building and knew that a three-family owner-occupied property is exempt from rent control.
20. She knew that when she purchased 52-54 Fairmont that it was not exempt from rent control and that her purchase did not exempt it from rent control.
21. She believes she was sent information about rents by the Board, but she does not know if she checked with Rent Control as to the legal maximum rents.
22. She does not remember if she registered herself as the owner of the property with the Rent Control Board, but she does not recall registering the property.
23. She changed the configuration as to the third floor unit by removing the door that was on the second-floor common hallway which had previously made the third floor unit a self-contained unit.
24. She knew that the units that were combined were rent-controlled units.
25. She thinks she sold the property with it having five bathrooms, one on each floor.
26. There were three kitchens when she sold the property: one on the first floor, 52 Fairmont; one on the first floor, 54 Fairmont; one on the second floor, 54 Fairmont.
27. She knew Mr. Balk before she sold him the property. He was working with her as a carpenter. She knew him in the latter part of 1984. Mr. Balk lived in Winthrop. He now lives in East Boston; she does not know his address.
28. She does not know if Mr. Balk was subpoenaed to attend the hearing.
29. Mr. Balk has worked for her as a carpenter but he does not work for her presently.
30. Mr. Balk did not purchase any other property from her.
31. She and Mr. Balk have owned other property together.
32. They owned two properties: 1531 Cambridge St., and 73 Allston St., both in Cambridge. They were each 50% owners of both properties.
33. She lived at 1531 Cambridge St. She did not live at 73 Allston St.

34. She sold the property (52-54 Fairmont St.) to Mr. Balk and to Mr. Abbott. They talked about selling the property because they all worked together and they saw each other on a daily basis.
35. She mentioned the rent-controlled status of the property to Mr. Abbott; he knew the issues.
36. She told him that it was a five-unit building, that she merged units for her living space, and that it was still five units with one merged unit subject to rent control.
37. She does not know if Mr. Abbott was represented by counsel during the sale.
38. She was represented by counsel: Gregory Griffin of Ferraro and Walsh.
39. She does not know if Mr. Abbott was represented by counsel at the signing of the purchase and sale agreement.
40. At the closing they went to the bank attorney's office. The only attorneys present were her attorney and the bank's attorney. The bank attorney did not negotiate the purchase and sale agreement.
41. She does not know if the property was taken in the form of a trust.
42. She did take back a second mortgage on the property.
43. She knew from the paper that the mortgage came from a trust.
44. The arrangements for the repayment of the second mortgage were that it was a one-year note and that Mr. Abbott owed her one half of the note which was for \$60,000.
45. The first mortgage was held by Haymarket Cooperative Bank.
46. She does not know who drafted the trust documents.
47. Mr. Abbott made payments on the note in the form of reduction of the amount owed because of employment bonuses which were owed to him for two projects he worked on for her; these were deducted from the amount owed (instead of paying him directly). This amounted to \$10,000.
48. The one-year note was at 10%. Originally it was to be at no interest.
49. When Mr. Abbott and Mr. Balk purchased the property, there

were no tenants living there.

50. She did not arrange for the tenants to move out. They moved out voluntarily.

On further questioning by Mr. Butler, Ms. Rickard testified that:

1. Prior to his ownership Mr. Abbott had an opportunity to see all the units because of the carpentry and general contracting work that he was doing.
2. She did no work in the two units at 54 Fairmont St. while the tenants were living there.
3. Mr. Abbott did most of the work at 52 Fairmont St.
4. She does not know if Mr. Abbott took down the wall on the second floor.
5. At the time he was working for her, Mr. Abbott lived in Brighton.
6. She does not know the earliest date when Mr. Abbott did work at the property.
7. During the discussions about her selling the property, both Mr. Abbott and Mr. Balk expressed interest in purchasing the property.
8. She cannot recall exactly the conversations about the status of the property as to rent control, but the issues were known by Mr. Abbott and Mr. Balk.
9. They had an occasion to inspect the property before they purchased it.
10. She made the specific representation to them that it was a five-unit building according to Rent Control.
11. At the closing she was not asked about the rent-control status of the property.

Note: At this point, Ms. Rickard was shown a document which was marked as exhibit #2.

12. She recognizes the document. It is the purchase and sale agreement entered into with Mr. Abbott and Mr. Balk.

Note: At this point, Mr. Butler introduced a subpoena for Mr. Abbott which was marked as exhibit #3. Mr. Hayes objected to this being entered into evidence. Mr. Butler stated that his inability

to examine Mr. Abbott made his presentation of evidence difficult. He then showed Ms. Rickard a document which was marked as exhibit #4.

13. She recognizes the document as the deed to 52-54 Fairmont St. It is the deed by which she conveyed the property to Mr. Abbott and Mr. Balk.

Note: At this point, Mr. Hayes offer to stipulate that the property was in fact purchased by Mr. Abbott and Mr. Balk.

On questioning by the hearing examiner, John Puricelli testified that:

1. He is an assistant counsel with the Cambridge Rent Control Board.
2. He has obtained knowledge about the property at 52-54 Fairmont Street.
3. In October, 1988, the Rent Control Board received calls in which people complained that the property at 52-54 Fairmont Street which is listed with Rent Control as a five-unit building was being offered for sale as a two-unit building and that advertisements were placed in the Boston Globe claiming it to be a two-unit building.
4. Deputy Counsel Ken Moraff requested him to contact the realtor who was offering it for sale, Ellen Brockman with Hunneman Realty, to make an appointment to see the property.
5. On November 5, 1988, he met with Ms. Brockman at the property and she handed him a packet of information which included an offer sheet which described the property. (See Exhibit #5)
6. He went through the property at 52-54 Fairmont St. and found the following:
  - a. 52 Fairmont consists of three floors, one kitchen and two bathrooms. There is one stairway which leads from the first floor to the second floor and from the second floor to the third floor.
  - b. 54 Fairmont consists of two floors and three tenants were occupying the premises. There are two bathrooms and one kitchen, which is on the first floor.
7. He asked the realtor when the property was converted and she said in 1983 or 1984 by the previous owner.

Note: Mr. Butler objected to this hearsay testimony. The objection was overruled.

8. He was not told who the present owner was but Ms. Brockman referred to him as Arthur. She said the present owner occupied #52 for approximately two years.
9. 54 Fairmont St. is one unit which is two floors connected by an open stairway. There are three bedrooms on the second floor and a living room, kitchen/dining room with an island configuration, on the first floor.

On questioning by Mr. Hayes, Mr. Puricelli testified that:

1. When he spoke with Ellen Brockman, she did not tell him the name of the person who was the previous owner who converted the building in 1983 or 1984.
2. She did say the previous owner was a contractor.
3. She said it was the previous owner, not the present owner, who converted the property.

On questioning by Mr. Butler, Mr. Puricelli testified that:

1. He assumed she was referring to the conversion of both 52 and 54 Fairmont St., not just 52 Fairmont.
2. From his inspection it appeared to be two units not three units.
3. The second floor at 54 Fairmont St. did not appear to be a separate unit because there was no kitchen and there was an open stairway and no restricted entranceway. There were only three bedrooms and a bathroom.
4. He looked at the third floor at 52 Fairmont St. He gained access to it from one staircase. He is not sure if there was a bathroom on that floor; he thinks there was one. There was one very large master bedroom and the realtor said something about piping for a jacuzzi. The other room appeared to be a study.
5. The realtor did not tell him where she obtained her information about the conversion. She did tell him that the building was converted from a five-unit to a two-unit building by the prior owner and he believed she was talking about the entire building.
6. He assumed she meant Jackie Rickard and Richard Reavis.

Note: At this point, Mr. Butler requested that another hearing (after the Nov. 30, 1988, hearing) date be scheduled to have Ellen Brockman attend. I informed Mr. Butler that Ms. Brockman was sent

notice of the Nov. 30, 1988, hearing, and that she would be sent notices of any subsequent hearings.

7. The realtor told him the tenants were paying rent of \$700 for 54 Fairmont Street, and that they intend to vacate by December.
8. The realtor said she knew the property was listed with Rent Control and that it even says so on the offer sheet.
9. Ken Moraff appraised him of the suspected violations at the property and he did not check any rent control files pertaining to the property.
10. Ken Moraff did not appraise him of his (Ken Moraff's) source of knowledge other than his statement that the Board had received phone calls from people who made complaints.
11. He did not make a determination as to when the changes in the property might have occurred. He made no formal inspection to make such determinations.
12. He has no idea if an inspector from Rent Control is going to conduct such an inspection.

Note: At this point in the hearing, Mr. Abbott agreed to testify. Mr. Butler wished that Ms. Ninobla be sequestered from the hearing room because he intended to call her as a witness. Mr. Hayes objected to this. I did not allow the request for sequestration. Ms. Ninobla was not in the hearing room when Mr. Abbott commenced his testimony, but entered about ten minutes later.

Arthur Abbott testified that:

1. He lives at 52 Fairmont Street and has resided there since August, 1985.
2. He first became familiar with this property around November, 1983. He was hired to do some sheetrocking to finish off walls that had been insulated.
3. He was hired by Jackie Rickard and Richard Reavis who were the owners.
4. When he first went to the property, 52 Fairmont St., 1st floor, consisted of a living room, dining room, kitchen and a separate section in the back. There were stairs to the left off of the hallway.
5. The second floor at 52 Fairmont St. had a room which had been opened up from off of the stairs and a small bedroom in the far left. There was no kitchen and no bathroom.

6. The third floor at 52 Fairmont St. consisted of a small room at the top of the landing of the stairs from the second floor and an opening into a small room. There was a dormer in the back of the house which had been gutted. There was no kitchen and there was no toilet.
7. He had an opportunity to go to the second floor at 54 Fairmont St. because the old woman came down to tell him that the pipes had frozen. He went up to the apartment. It was a separate self-contained unit. There was a kitchen and two other closed doors which he assumed were a bedroom and a living area.
8. At the time of his purchase of the property 52 Fairmont St. had one unit and 54 Fairmont St. had the following:
  - a. three rooms upstairs and a decrepit bathroom.
  - b. two rooms and a kitchen and bathroom on the first floor.
  - c. there was only one kitchen at 54 Fairmont St.
9. He became interested in purchasing the property because he was working for Jackie Rickard at the time and he knew she was looking to sell it. He wanted to purchase the place with his brother. His brother was not interested.
10. Then Victor Balk said he wanted a piece of the property.
11. He was not represented by counsel at the purchase and sale or at the closing.
12. At the time, he lived at Vinal Street in Brighton, on the Brighton/Brookline border. He rented.
13. He never owned property before this and never owned property in Cambridge before this. He had no familiarity with Rent Control laws and no familiarity with the Removal Permit Ordinance.
14. When he was negotiating the sale of the property with Jackie Rickard she said it was a four-unit property with a possible illegal fifth unit.
15. He understood that it had been illegally converted by Jackie Rickard.
16. He was told that he could move in to one side of the property and that Victor Balk could move in to the other side and they could then sell the property later. The property was to be his nest-egg.
17. Jackie Rickard told him that she illegally converted the property. He is not sure if she said removed units; her

language was that she illegally converted.

18. When he worked for Jackie Rickard and did work at the property, the third floor at 52 Fairmont had already been gutted and there was no actual kitchen. He never saw a kitchen on the second floor.
19. He did work at 54 Fairmont St. for Jackie Rickard when she owned the property. He took out the sink and stove in the kitchen at 54 Fairmont St. #2 and built a sound-proof wall on the wall that 52 and 54 Fairmont share on the second floor. He did this sometime in the Fall of 1984 or Spring of 1985. The tenants were gone.
20. He saw the tenants at 54 Fairmont St. #2 around November or December, 1983. He did not see anybody on the first floor. He did not go into that apartment.
21. He did some work on 54 Fairmont on the first floor after he purchased the property.
22. He was not represented by counsel when he signed the purchase and sale agreement.
23. Jackie Rickard and Bill Walsh prepared the purchase and sale agreement.
24. He read the purchase and sale agreement and thought he understood it.
25. He was told that they would have to charge 10% interest on Jackie's note because it was required by state law. He thought that the note was to have no interest.
26. He was told he could sell the house within one year.
27. He paid \$176,000 for the property.
28. The first mortgage was with Haymarket Cooperative Bank for \$117,000. Jackie Rickard held back \$60,000.
29. He had no funds of his own at that time. He borrowed \$1,000 from his father.
30. The property was taken in the form of a trust with Victor Balk. The name of the trust is A and B Trust. This was done because Jackie and Victor recommended it be done that way.
31. He never was involved in a trust before. He understood it to be something like a partnership.
32. The terms of Jackie's note were one year to pay back \$60,000.

and after the year she had the option to extend the note for six months or she would take back the house. But that was not to be a problem because the plan was to sell the house after one year.

33. He received \$10,000 from bonuses for work he did at 1531 Cambridge Street and 73 Allston Street. He was paid wages of \$10/hour and his wife was paid wages of \$5/hour. They were to be paid the bonuses of \$5,000 for each job which was to be credited toward the note.
34. He took title to the property in October, 1985. He moved in in August, 1985.
35. He paid one month rent to Jackie Rickard and paid \$600.
36. His mortgage payments to Haymarket Bank vary between \$1,000 and \$1,200.
37. He did not have the income to carry the property. Victor Balk was renting out his half of the house.
38. The original agreement was that Victor Balk would move in to his side, renovate, and they would sell the property one year later.
39. Victor Balk rented his side (54 Fairmont) to students and established the rent.
40. Victor Balk would turn over the rent checks to him and he would pay the mortgage by sending the rent check and covering the balance with his check.
41. He also paid all the bills for the property.
42. From the time they purchased the property to the present, 54 Fairmont St. was never rented as more than a single unit. It was rented as one unit with three bedrooms.
43. Victor Balk decided to rent 54 Fairmont.
44. He (Arthur Abbott) did not know the legal maximum rents. He knew Rent Control set rents, but he did not know what they were.
45. He was not informed by Jackie Rickard what the rent control rents were. She also never told him the implications if they rented beyond the rent control rents.
46. He and his wife paid the cost of insurance, water, and taxes for the first two years.

47. They spent all their money repairing the house. They asked Victor Balk for his half of the money.
48. Victor Balk never lived there. He resides in Winthrop or East Boston. He owns a house in East Boston.
49. Victor Balk was involved with other rent-controlled properties with Jackie Rickard. The properties were 1531 Cambridge St., a place on Kinnaird St., 121 Trowbridge St., maybe 118 Trowbridge St., maybe Allston St., but he does not know if that is subject to rent control.
50. After he purchased the property he made repairs which totalled about \$15,000 and put in 1000 hours of labor. He lived at the property.
51. The first year he was in the property they did some work in the third floor at 52 Fairmont. He built a door to separate the bedroom and built a closet.
52. The third floor was rented to a friend in September or October, 1985.
53. His wife's brother lived on the second floor.
54. He thinks he rented the room on the third floor for \$100, but he is not sure. His wife did most of the bookkeeping.
55. His wife's brother paid rent. He is not sure how much.
56. Victor Balk rented out 54 Fairmont for \$50/person to three people for the first two months while work was going on.
57. Then he charged \$75/person.
58. To help with the mortgage payments, Victor charged \$600. It was Victor's decision to raise the rent.
59. He decided to sell the property in September, 1988.
60. At the time he was thinking about putting the property on the market he talked to Jackie Rickard about the rent control implications. She told him to ask Mel Gadd who told him it was a five-unit building. When he told Jackie Rickard this, she said, "Oh." This was in March, 1988.
61. He went to the Ferraro and Walsh office to see if he could subdivide the property. They said possibly, but that there would be rent control problems.
62. He told Victor Balk he wanted out of the property because he was losing money.

63. Their original plan was to sell the property within one year after they purchased it. Jackie told him that she would get in trouble because of the illegal conversion. She also told him that a bill was going to be passed within a year which would exempt owner-occupied four, five, and six unit buildings from rent control. She told him he and Victor could live there, and sell the building after one year. The bill never passed. She told him it would be legal to do so and that he would have a nest-egg after he sold the property.

64. Victor Balk and Jackie Rickard both told him this.

65. He has received two offers to purchase the property.

66. There is no signed purchase and sale agreement.

67. Victor Balk did not want to sell the property.

Note: At this point, he was shown a document signed by Jackie Rickard and Richard Reavis which was marked as exhibit #6.

68. This document is a receipt he received for the wages held back for the work he did at 1531 Cambridge St. and 73 Allston St. He received it in April, 1988.

69. He was supposed to be paid the bonus money but Victor Balk said that Jackie Rickard needed the mortgage note to be paid back. He asked for a receipt but never received one until a year later.

70. He alone cannot afford the mortgage payments on the property. That is why he is trying to sell the property. He is broke.

On questioning by Mr. Butler, Mr. Abbott testified that:

1. He did get credit for the bonus money which was applied to Jackie Rickard's note.
2. Jackie Rickard told him that the property was a four-unit building, possibly five units.
3. When he purchased the property there was no kitchen at 54 Fairmont #2. He was hired to take out the kitchen in the Fall of 1984 or Spring of 1985 by Jackie Rickard.
4. He moved into the property in August, 1985.
5. He did no work to combine the units at 54 Fairmont St.
6. He took out a wall on the first floor to enlarge the kitchen and the dining area so that it looked like the other side.

7. He did nothing to combine the two units. The second floor consisted only of three bedrooms and he redid the bathroom.
8. He did some work 54 Fairmont St. after it was vacated by the tenants when Jackie Rickard owned it.
9. He did some exterior and interior work at 52 Fairmont since he has owned the property.
10. The cost of the work was \$15,000 cash and credit. He used his personal savings and received credit from Somerville Lumber.
11. Victor Balk did not provide him with 50% of the expenses.
12. The first three months at the end of 1985 Victor paid him about \$6,000 or \$7,000, but that was the last of money.
13. He cannot afford the mortgage for the property.
14. He pays his 50% share of the mortgage to Haymarket Bank and Victor Balk pays his 50% share.
15. Victor Balk charges rent of \$700, but then one tenant moved out and now he charges \$500.
16. Victor Balk told the tenants to pay the rent to him (Arthur Abbott). He (Arthur Abbott) makes up the difference to pay the mortgage.
17. Victor Balk owes him money because he has not paid his half share of the bills.
18. He does not know the rents he charged for the tenants on the second and third floors at 52 Fairmont St.
19. He had no lawyer at the closing. Jackie Rickard told him Bill Walsh would take care of everything. She told him to be quiet because they were pulling a fast one. Bill Walsh was present at the closing.

Note: The purchase and sale agreement is dated July 19, 1985. The deed conveying the property to Arthur Abbott and Victor Balk is dated October 21, 1985. See exhibits #2 and #4.

20. Bill Walsh took care of the second mortgage to Jackie. He does not know any of the requirements for mortgages and Jackie and Bill took care of everything so that he could get the mortgages.
21. He took a mortgage of \$117,000 with the Haymarket Bank.

22. He filled out an application with Haymarket Bank and gave it to Bill. He said he would take care of everything and fill in everything that needed to be filled in.

Note: There is no date on the loan application. The letter from Haymarket Cooperative Bank is dated August 24, 1985. See exhibits #7 and #8.

23. He does not know what he filled in on the application. He remembers that he hand-wrote the application and that the final one is typewritten.
24. He remembers listing his two forms of income as being a carpenter and an acupuncturist. He listed his wife's occupation as a dietician.
25. He has no idea what Victor Balk declared as his sources of income. He did co-sign the mortgages with him.
26. He does not know if Victor Balk currently owns other property.
27. The original agreement with Victor Balk was that his (Arthur's) share of money would come from the wages in hourly work that he put into the property and that he would get money back when they sold the property a year later and split profits evenly.
28. The purchase price was \$167,000. He borrowed \$117,000 from Haymarket Bank. He does not know how much he expected to eventually sell the property for.
29. He was served with a subpoena and brought the documents which were submitted to Haymarket. He has no copy of the application; he gave everything to Bill Walsh.
30. Gregory Griffin of Ferraro and Walsh was also at the closing. The bank's attorney was also there; he does not know his name.

Note: At this point, Mr. Abbott was shown a residential loan application which was marked as exhibit #7.

31. He filled out an application by hand; this copy is typewritten and it is not his signature on this document. He does not know who signed it. He gave all the papers to Bill Walsh.
32. He does not know if it contains the same information which he furnished on the hand-written copy.
33. He does not know if he told the Haymarket Bank that the property was a two-family house. He was told that they would list the property as a two-family house to get the mortgage.

Jackie Rickard told him that.

34. He was never told specifically by Jackie Rickard that the property was a two-family house.
35. He did not declare to Haymarket Bank that the property was a two-family house. He did not take care of making up the mortgage application. Bill took care of it.
36. He does not know to what extent Victor Balk was involved in the mortgage application.
37. He recently spoke with Victor Balk about the mortgage payments. He told him that they had to extend the mortgage or else they would lose the house. This was last month.
38. He does not remember if he was told by the bank to do certain work before the approved the loan. He remembers something on the purchase and sale agreement.

Note: At this point, he was shown the purchase and sale agreement, exhibit #2.

39. He does not see anything on the purchase and sale agreement about that.
40. He signed a purchase and sale agreement that was handwritten. This one is typed. It is his signature on this one.
41. He signed one handwritten one and one typed one. He does not know if he compared the two documents. He is familiar with the handwritten one.
42. He does not know if Victor Balk was with him when he signed the purchase and sale agreement.
43. The property was vacant at the time of the sale. He does not know why it was vacant.
44. He never saw tenants at 54 Fairmont St. at the time the purchase and sale agreement was signed.
45. Jackie Rickard and Richard Reavis lived at 52 Fairmont at the time.

Note: At this point he was shown a mortgage loan commitment letter from the Haymarket Bank. It was marked as exhibit #8.

46. He recognizes the document. It is a mortgage loan commitment letter which he signed.
47. It requires certain work to be completed. Stair work, drain

work, and metering work had to be completed.

48. The metering was incorrect.
49. He does not know if the work was to make the house look like a two-family house. He knew that on paper the house had to be a two-family house to get the mortgage. He does not know what that entailed.
50. He knew it was a two-family house and was told that it would be decontrolled from a four-unit house to a two-unit house.
51. He does not know the name "Anastasi," or any law suit so named.
52. He made no effort to find out about the bill that was supposed to be passed which would allow this property to be exempted from Rent Control. Jackie and Victor told him that Bill Walsh was pushing for the bill and would have it pushed through.
53. He first discussed the rent control issues with Victor in March, 1988, when he decided he wanted to sell the property.
54. He has not talked to Victor in four months.
55. Victor currently lives in East Boston or Winthrop; he is not sure.
56. He knew that his wife was a beneficiary of the trust. He understood that to mean if he died his wife would get half of the property.
57. He did not talk to Victor about condo units. He talked about subdividing the property so he could sell. He wanted to get out.
58. He can no longer afford the mortgage payments. He originally could afford them but all his money went into the house.
59. He did not get a permit himself for the work he did when he removed the kitchen at 54 Fairmont #2 when Jackie owned the property. He assumed Jackie would pull all necessary permits.
60. Jackie and he talked to Ellen Brockman, the current real estate broker. Jackie said she would handle the selling of the house. He signed a listing agreement.
61. Ellen Brockman knew who did the prior conversion because she had been in the property before. He did tell her that the prior owner converted it as well.
62. He told her that he and Victor did some work at 54 Fairmont.

63. Victor did not want to sell the property and told him to hold on because the bill would pass.
64. He does not know if Victor Balk signed an agreement with the broker that this property could be listed and sold. All he knows is that Anita Cohen, a lawyer with Ferraro and Walsh, sent a letter to George [Gormley].

IV. Findings of Fact:

1. 52-54 Fairmont Street is registered with the Cambridge Rent Control Board (hereinafter, the Board) as a five-unit building. The legal maximum rents are as follows:

<u>Unit</u>	<u># of Rooms</u>	<u>Rent</u>	<u>Services Included</u>
52 Fairmont #1	3	\$261	Heat, Cooking Gas, Electricity, Hot Water.
52 Fairmont #2	3	\$245	Heat, Hot Water
52 Fairmont #3	3	\$226	Heat, Hot Water
54 Fairmont #1	3	\$286	Heat, Hot Water
54 Fairmont #2	3	\$226	Heat, Hot Water

2. The property is currently owned by A and B Trust. Arthur Abbott and Victor Balk are trustees and each have a 50% ownership interest in the property.
3. They have owned the property since October, 1985. They have not registered themselves as the owners of the property with the Board.
4. Arthur Abbott and Victor Balk purchased the property from Jacqueline Rickard and Richard Reavis.
5. Jacqueline Rickard and Richard Reavis owned the property from some time in 1983 until October, 1985. They each had a 50% ownership interest in the property. They did not register themselves as the owners of the property with the Board.
6. The property contained five units when Jacqueline Rickard and Richard Reavis purchased the property. They purchased the property from Francis Branley.
7. I find that Jacqueline Rickard knew that 52-54 Fairmont Street was subject to Rent Control and that she knew that her purchase of the property and her occupancy at 52 Fairmont St. #1 did not exempt the property from Rent Control.
8. I find that Jacqueline Rickard illegally removed kitchens at 52 Fairmont St. units #2 and #3.

9. I find that Jacqueline Rickard merged units #1, #2, and #3 at 52 Fairmont St. into one unit.
10. I find that the merger of units #1, #2, and #3 at 52 Fairmont St. resulted in the removal of units #2 and #3 from the rental market.
11. I find that Jacqueline Rickard did not obtain removal permits from the Board to remove controlled rental units #2 and #3 at 52 Fairmont St. from the market.
- X 12. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental units #2 and #3 at 52 Fairmont St.
13. I find that Arthur Abbott was hired by Jacqueline Rickard while she owned the property to remove the kitchen at 54 Fairmont St. #2.
14. I find that Jacqueline Rickard merged units #1 and #2 at 54 Fairmont Street into one unit.
15. I find that the merger of units #1 and #2 at 54 Fairmont St. resulted in the removal of unit #2 from the rental market.
16. I find that Jacqueline Rickard did not obtain a removal permit from the Board to remove controlled rental unit #2 at 54 Fairmont St.
- X 17. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental unit #2 at 54 Fairmont St. from the market.
18. I find that the residential loan application made by Arthur Abbott and Victor Balk lists 52-54 Fairmont St. as a two-family house.
19. I find that Arthur Abbott and Victor Balk knew before they purchased 52-54 Fairmont St. that the building had been illegally converted from a five-unit building to a two-unit building by Jacqueline Rickard.
20. I find that Arthur Abbott was told by Jacqueline Rickard that she illegally converted the property.
21. I find that Arthur Abbott and Victor Balk were aware of the illegal conversion of 52-54 Fairmont St. from a five-unit building to a two-unit building and that they were not subsequent innocent purchasers who purchased in good faith..
22. I find that Arthur Abbott and Victor Balk sought to benefit financially from the illegal conversion by planning to sell

the property within one year after they purchased it.

23. I find that Hunneman Realty is acting as the agent of Arthur Abbott and Victor Balk in the current listing and offering for sale of 52-54 Fairmont St.
24. I find that Hunneman Realty is informing prospective purchasers that 52-54 Fairmont St. is a two-family house.
25. I find that Hunneman Realty's offer sheet for 52-54 Fairmont St. states that the property is listed with the Board as having five units.
26. I make no findings as to whether tenants at 52-54 Fairmont St. have been charged more than the legal maximum rents.

V. Recommendations:

Section 1(c) of Ordinance 966 (the Removal Permit Ordinance) states that "no owner or other person shall remove from the market any controlled rental unit, unless the Board after a hearing grants a permit."

In this case, the evidence clearly establishes that 52-54 Fairmont St. was illegally converted from a five-unit building to a two-unit building. No removal permits were obtained from the Board to allow such conversion. The testimony of Jacqueline Rickard establishes that she removed units #2 and #3 at 52 Fairmont St. by merging them with 52 Fairmont St. #1 to create one unit. This is a clear violation of Ordinance 966 because no removal permits were obtained from the Board.

The evidence clearly establishes that unit #2 at 54 Fairmont St. was merged with 54 Fairmont St. #1 to create one unit and that no removal permit was obtained from the Board. However, the testimony of Jacqueline Rickard and the testimony of Arthur Abbott differ as to when units #1 and #2 at 54 Fairmont Street were merged into one unit and who merged the units. Jacqueline Rickard testified that she sold the property to Arthur Abbott and Victor Balk with 54 Fairmont St. having two separate units. Arthur Abbott testified that he purchased the property from Jacqueline Rickard and Richard Reavis with 54 Fairmont St. having only one unit and that the two separate units had already been merged by Jacqueline Rickard and Richard Reavis.

Jacqueline Rickard's testimony regarding 54 Fairmont St. is often vague. She testified that she rented the two units, but she is not sure of the tenants' names and when they vacated the premises. She also testified that she charged the tenants the legal maximum rent, but does not remember what the rents actually were. She testified that she does not know if she checked with Rent Control as to the legal maximum rent and that she does not

recall registering herself as the owner of the property with the Board. She also testified that the second floor unit was vacated approximately two or three months before she sold the property to Arthur Abbott and Victor Balk. She then testified that she did nothing to 54 Fairmont St. #2 other than sheetrocking, painting, and sanding floors and some spiffing up on a limited basis for six months to one year after the tenants at 54 Fairmont St. #2 had vacated. This testimony establishes that work was done over at least a six-month period while the unit was vacant.

I determined that such vague testimony makes the testimony of Jacqueline Rickard less credible than the testimony of Arthur Abbott. Mr. Abbott testified that he was hired to remove the kitchen at 54 Fairmont St. #2 by Jacqueline Rickard while she owned the property. He also testified that 54 Fairmont St. contained only one unit when he purchased the property. Additionally, the residential loan application of Arthur Abbott and Victor Balk (exhibit #7) lists the property as a two-family house.

Moreover, the evidence that Jacqueline Rickard merged the units at 52 Fairmont St. without a removal permit from the Board also makes her testimony less credible. She testified that she knew the property was not exempt from Rent Control and that she knew that her purchase and occupancy did not exempt the property from Rent Control. She merged units #1, #2, and #3 at 52 Fairmont St. without obtaining removal permits from the Board. Although this evidence does not go toward proving who merged the units at 54 Fairmont St., it does establish prior bad acts of Jacqueline Rickard, which does go toward determining her credibility.

Mr. Abbott's testimony establishes that he and Victor Balk knew the property had been illegally converted to a two-family house before they purchased it. Mr. Abbott was told by Jacqueline Rickard that she had illegally converted the building. Mr. Abbott's testimony establishes that he and Victor Balk purchased the property on the expectation of selling it one year later and receiving a "nest-egg." Although Mr. Abbot testified that he was misled in some matters by Jacqueline Rickard and others, he proceeded to purchase this property in hopes that his investment and speculation would generate a "nest-egg" within one year. Arthur Abbott and Victor Balk are not subsequent innocent purchasers who purchased in good faith. They were aware of the illegal conversion and sought to benefit financially from the illegal conversion.

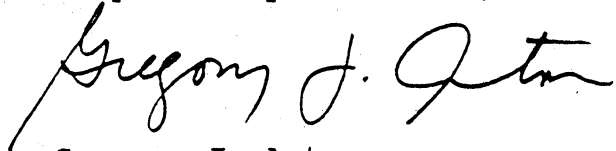
Section 1(c) of Ordinance 966 states that the Board may issue orders and promulgate regulations to effectuate the purpose of this section. Therefore, I recommend that the Board refer this case to its General Counsel for further criminal and civil proceedings. I specifically recommend that the Board:

1. seek the issuance of criminal complaints against

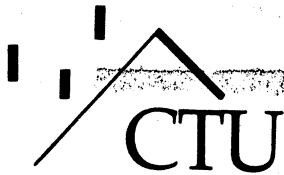
Jacqueline Rickard for illegally removing units #2 and #3 at 52 Fairmont St, and unit #2 at 54 Fairmont St in violation of Ordinance 966; and that the Board treat the illegal removal of each unit as a separate violation, pursuant to section 1(f) of Ordinance 966;

2. order Arthur Abbott and Victor Balk, the current owners, to restore the property to a five-unit building by July 1, 1989;
3. order Arthur Abbott and Victor Balk to obtain a contract to restore the property to a five-unit building by March 1, 1989, and order them to submit a copy of the contract to the Board by March 8, 1989;
4. order Arthur Abbott and Victor Balk to register themselves as the owners of 52-54 Fairmont St. with the Board by submitting a supplemental registration form by January 13, 1989;
5. order Arthur Abbott and Victor Balk to order their agent, Hunneman Realty, to stop representing the property as a two-unit building to prospective purchasers; and
6. order Arthur Abbott and Victor Balk to order their agent, Hunneman Realty, to inform prospective purchasers that the property at 52-54 Fairmont St. is a five-unit building subject to Rent Control and that the Board has ordered the current owners to restore it to five units.

Respectfully submitted,



Gregory J. Anton  
Assistant Counsel



CAMBRIDGE TENANTS UNION

January 26, 1989

Mr. Robert W. Healy  
City Manager  
City of Cambridge  
795 Massachusetts Avenue  
Cambridge, Mass. 02139

RECEIVED BY  
OFFICE OF CITY CLERK  
1989 JAN 26 PM 4:19  
CAMBRIDGE MA.

Dear Mr. Healy:

We wish to bring to your attention a matter of some urgency. In a rent-control proceeding regarding a property at 52-54 Fairmont Street, a hearing examiner wrote a report after two fact-finding sessions in which he found that Ms. Jacqueline Rickard had violated the city's removal ordinance. Ms. Rickard sits as an associate member of the Board of Zoning Appeals.

Among the findings made by the hearing examiner were:

- "12. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental units #2 and #3 at 52 Fairmont St." (p. 24 of hearing report)
- "17. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental unit #2 at 54 Fairmont St." (p. 24 of hearing report)

By regulation the hearing examiner is obliged to make recommendations to the Board based on the findings of fact. In this case the hearing examiner specifically recommended that the Board "seek the issuance of criminal complaints against Jacqueline Rickard for illegally removing units #2 and #3 at 52 Fairmont St, and unit #2 at 54 Fairmont St in violation of Ordinance 966; . . . ." (pp. 26-27 of hearing report)

The findings in turn are based on the evidence presented, the testimony offered, and the credibility of the witnesses. According to the summary of testimony provided in the hearing examiner's report, Mr. Arthur Abbott, one of Ms. Rickard's subcontractors to whom she sold the property in 1985, testified at the closing "She [Ms. Rickard] told him to be quiet because they were pulling a fast one." (p. 19 of hearing report)

When the Rent Board considered this case on January 11, 1989, it did not come to a final decision. Instead, the Board remanded the case to the hearing examiner for additional fact-finding.

Because of the gravity of the findings made by the hearing examiner and the recommendation based upon them, we urge you to require Ms. Rickard to refrain from sitting on any cases before the Board of Zoning Appeals until the Rent Board finally disposes of the matter. It should be noted that findings made after an adversarial hearing, as in this case, are far more serious than allegations of wrongdoing made to initiate a proceeding in assessing the conduct of a public official.

We also find troubling a pattern that has emerged over the last eight years whereby Ms. Rickard, in concert with Richard Reavis and often through a variety of trusts, acquires and moves into a rent-controlled property in Cambridge and decontrols it either prior to its subsequent sale or through the subsequent sale and then moves on to the next property. What follows is a list of Ms. Rickard's addresses in Cambridge since 1980 that we have gathered from public record and what subsequently happened to each property:

1. 44 Bigelow Street

Listed as a five-unit building for purposes of the August 1979 General Adjustment by the Rent Board.

Ms. Rickard filed an affidavit of owner-occupancy in June 1981 to exempt the property and claimed that it had two units. In July 1981 she filed a supplemental landlord's registration form and indicated that the property was exempt as a three-unit, owner-occupied structure.

In December 1981 a master deed was filed creating two condominiums at 44 Bigelow Street. First Unit A, then later, in 1983, Unit B was sold.

2. 52-54 Fairmont Street

Continues to be listed as a five-unit building under rent control at the Rent Board. Ms. Rickard acquired the property in December 1983. She never registered as the owner of the property with the Rent Board. According to the hearing examiner report cited above, the property was converted to a two-unit building by Ms. Rickard and sold to her subcontractor in October 1985.

3. 64 Inman Street

The 1985 Cambridge Phone Book lists Ms. Rickard as residing at 64 Inman Street. When first registered with the Rent Board in the 1970s, the property was listed as having three units. Ms. Rickard acquired the property in November 1984 for \$135,000. After the Rent Board sent out inquiries to her about failing to register as the owner of the property, she registered it with the Rent Board as a two-unit structure in January 1985. In June 1985 the property was sold for \$255,000 to owner-occupants who subsequently converted the property into two condominiums and remained in one of them. When she registered the property in 1985, Ms. Rickard gave her address as 52-54 Fairmont Street.

4. 147 Bishop Allen Drive

Had been listed as a two-unit building under rent control at the Rent Board. Ms. Rickard acquired the property in July 1985. She filed an affidavit of owner-occupancy with the Rent Board to exempt the property from rent control in July 1985. She sold the property to new owner-occupants in October 1986.

Her affidavit of owner-occupancy is on its face defective, for in it Ms. Rickard states that she has resided at 147 Bishop Allen Drive since July 29, 1985, yet her statement was notarized on July 24, 1985. Moreover, when she formed the RRB Trust on September 26, 1985, she gave her address as 52 Fairmont Street.

5. 1531 Cambridge Street

At the hearing on 52-54 Fairmont Street Ms. Rickard testified that she had lived at 1531 Cambridge Street (Summary of Testimony, p. 8 of hearing report). She acquired the property in October 1985, at which time it was listed with the Rent Board as having two controlled units and one exempt. She paid \$235,000 for the property. She never registered with the Board as the owner. In October 1986 she sold the property to the Erickson Center for \$401,000. The Erickson Center has used the property for institutional purposes only: that is, there are no apartments. An inquiry about the status of the property is currently underway at the Rent Board.

6. 26 Chatham Street

Had been listed as a three-unit, rent-controlled building in 1985. Ms. Rickard formed the 26 Chatham Street Trust on December 31, 1985, and gave 26 Chatham Street as her mailing address. Ms. Rickard acquired the property in January 1986 from an estate through an intermediate sale, that is, the property was "flipped". She never registered as the owner of the property with the Rent Board. Several months after acquiring the property she sold it to an individual who renovated the property, created three condominiums, and moved in.

7. 122 Trowbridge Street

Ms. Rickard acquired 122 Trowbridge Street in September 1986. It was listed at the time as a five-unit building under rent control at the Rent Board. Ms. Rickard did register as the owner of the property with the Rent Board, then proceeded to evict one of the tenants on the grounds that one of the new part-owners of the property, Mr. Bromley, needed that tenant's apartment for his own use. The Rent Board granted the eviction. Since the fall of 1986 Ms. Rickard has given her address as 122 Trowbridge Street.

We respectfully request that when you review Ms. Rickard's actions, you determine whether the pattern described above, or any other facts you may gather about it, should serve as a bar to Ms. Rickard from public service.

We believe her actions disqualify her from public service in Cambridge. The 52-54 Fairmont Street case raises outright serious questions of willful and illegal conduct on her part. The pattern described above suggests at the very least a deliberate and persistent effort on Ms. Rickard's part to circumvent the rent control law and the city's removal ordinance. Her selectivity in registering as the owner of various properties with the Rent Board must be seen as part of that effort at circumventing the law. Thus, we believe there is compelling reason at this time for you to require Ms. Rickard to step aside and not sit on any cases before the Board of Zoning Appeals until the Rent Board comes to a final decision in the 52-54 Fairmont Street case.

A copy of the hearing report for 52-54 Fairmont Street, without exhibits, is enclosed.

Respectfully submitted,

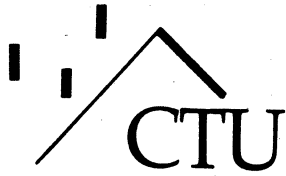
*Robert O. Edbrooke*

Robert O. Edbrooke,  
Co-chair  
Cambridge Tenants Union

*Michael Turk*

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cc: Cambridge City Council  
with copy of hearing report  
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CAMBRIDGE TENANTS UNION

January 26, 1989

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The findings in turn are based on the evidence presented, the testimony offered, and the credibility of the witnesses. According to the summary of testimony provided in the hearing examiner's report, Mr. Arthur Abbott, one of Ms. Rickard's subcontractors to whom she sold the property in 1985, testified at the closing "She [Ms. Rickard] told him to be quiet because they were pulling a fast one." (p. 19 of hearing report)

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Her affidavit of owner-occupancy is on its face defective, for in it Ms. Rickard states that she has resided at 147 Bishop Allen Drive since July 29, 1985, yet her statement was notarized on July 24, 1985. Moreover, when she formed the RRB Trust on September 26, 1985, she gave her address as 52 Fairmont Street.

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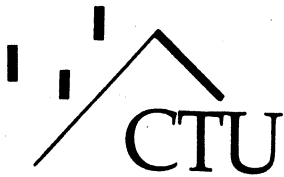
*Robert O. Edbrooke*

Robert O. Edbrooke,  
Co-chair  
Cambridge Tenants Union

*Michael Turk*

Michael Turk,  
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cc: Cambridge City Council  
with copy of hearing report  
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CAMBRIDGE TENANTS UNION

January 26, 1989

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Had been listed as a three-unit, rent-controlled building in 1985. Ms. Rickard formed the 26 Chatham Street Trust on December 31, 1985, and gave 26 Chatham Street as her mailing address. Ms. Rickard acquired the property in January 1986 from an estate through an intermediate sale, that is, the property was "flipped". She never registered as the owner of the property with the Rent Board. Several months after acquiring the property she sold it to an individual who renovated the property, created three condominiums, and moved in.

7. 122 Trowbridge Street

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We respectfully request that when you review Ms. Rickard's actions, you determine whether the pattern described above, or any other facts you may gather about it, should serve as a bar to Ms. Rickard from public service.

We believe her actions disqualify her from public service in Cambridge. The 52-54 Fairmont Street case raises outright serious questions of willful and illegal conduct on her part. The pattern described above suggests at the very least a deliberate and persistent effort on Ms. Rickard's part to circumvent the rent control law and the city's removal ordinance. Her selectivity in registering as the owner of various properties with the Rent Board must be seen as part of that effort at circumventing the law. Thus, we believe there is compelling reason at this time for you to require Ms. Rickard to step aside and not sit on any cases before the Board of Zoning Appeals until the Rent Board comes to a final decision in the 52-54 Fairmont Street case.

A copy of the hearing report for 52-54 Fairmont Street, without exhibits, is enclosed.

Respectfully submitted,

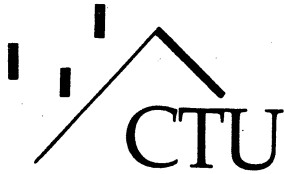
*Robert O. Edbrooke*

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Co-chair  
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cc: Cambridge City Council  
with copy of hearing report  
on file with City Clerk



CAMBRIDGE TENANTS UNION

January 26, 1989

Mr. Robert W. Healy  
City Manager  
City of Cambridge  
795 Massachusetts Avenue  
Cambridge, Mass. 02139

RECEIVED BY  
OFFICE OF CITY CLERK  
1989 JAN 26 PM 4: 18  
CAMBRIDGE MA.

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Among the findings made by the hearing examiner were:

- "12. Pursuant to Sec. 1(c) of Ordinance 966, I find that Jacqueline Rickard illegally removed controlled rental units #2 and #3 at 52 Fairmont St." (p. 24 of hearing report)
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Her affidavit of owner-occupancy is on its face defective, for in it Ms. Rickard states that she has resided at 147 Bishop Allen Drive since July 29, 1985, yet her statement was notarized on July 24, 1985. Moreover, when she formed the RRB Trust on September 26, 1985, she gave her address as 52 Fairmont Street.

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Respectfully submitted,

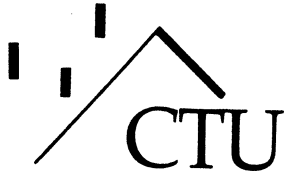
*Robert O. Edbrooke*

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cc: Cambridge City Council  
with copy of hearing report  
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CAMBRIDGE TENANTS UNION

January 26, 1989

Mr. Robert W. Healy  
City Manager  
City of Cambridge  
795 Massachusetts Avenue  
Cambridge, Mass. 02139

RECEIVED BY  
OFFICE OF CITY CLERK  
1989 JAN 26 PM 4:18  
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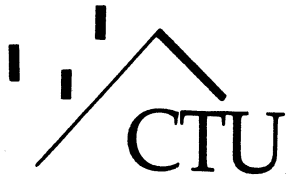
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cc: Cambridge City Council  
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CAMBRIDGE TENANTS UNION

January 26, 1989

Mr. Robert W. Healy  
City Manager  
City of Cambridge  
795 Massachusetts Avenue  
Cambridge, Mass. 02139

RECEIVED BY  
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1989 JAN 26 PM 5:41  
CAMBRIDGE MA

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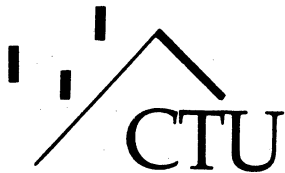
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January 26, 1989

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City Manager  
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Cambridge, Mass. 02139

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Her affidavit of owner-occupancy is on its face defective, for in it Ms. Rickard states that she has resided at 147 Bishop Allen Drive since July 29, 1985, yet her statement was notarized on July 24, 1985. Moreover, when she formed the RRB Trust on September 26, 1985, she gave her address as 52 Fairmont Street.

5. 1531 Cambridge Street

At the hearing on 52-54 Fairmont Street Ms. Rickard testified that she had lived at 1531 Cambridge Street (Summary of Testimony, p. 8 of hearing report). She acquired the property in October 1985, at which time it was listed with the Rent Board as having two controlled units and one exempt. She paid \$235,000 for the property. She never registered with the Board as the owner. In October 1986 she sold the property to the Erickson Center for \$401,000. The Erickson Center has used the property for institutional purposes only: that is, there are no apartments. An inquiry about the status of the property is currently underway at the Rent Board.

6. 26 Chatham Street

Had been listed as a three-unit, rent-controlled building in 1985. Ms. Rickard formed the 26 Chatham Street Trust on December 31, 1985, and gave 26 Chatham Street as her mailing address. Ms. Rickard acquired the property in January 1986 from an estate through an intermediate sale, that is, the property was "flipped". She never registered as the owner of the property with the Rent Board. Several months after acquiring the property she sold it to an individual who renovated the property, created three condominiums, and moved in.

7. 122 Trowbridge Street

Ms. Rickard acquired 122 Trowbridge Street in September 1986. It was listed at the time as a five-unit building under rent control at the Rent Board. Ms. Rickard did register as the owner of the property with the Rent Board, then proceeded to evict one of the tenants on the grounds that one of the new part-owners of the property, Mr. Bromley, needed that tenant's apartment for his own use. The Rent Board granted the eviction. Since the fall of 1986 Ms. Rickard has given her address as 122 Trowbridge Street.

We respectfully request that when you review Ms. Rickard's actions, you determine whether the pattern described above, or any other facts you may gather about it, should serve as a bar to Ms. Rickard from public service.

We believe her actions disqualify her from public service in Cambridge. The 52-54 Fairmont Street case raises outright serious questions of willful and illegal conduct on her part. The pattern described above suggests at the very least a deliberate and persistent effort on Ms. Rickard's part to circumvent the rent control law and the city's removal ordinance. Her selectivity in registering as the owner of various properties with the Rent Board must be seen as part of that effort at circumventing the law. Thus, we believe there is compelling reason at this time for you to require Ms. Rickard to step aside and not sit on any cases before the Board of Zoning Appeals until the Rent Board comes to a final decision in the 52-54 Fairmont Street case.

A copy of the hearing report for 52-54 Fairmont Street, without exhibits, is enclosed.

Respectfully submitted,

*Robert O. Edbrooke*

Robert O. Edbrooke,  
Co-chair  
Cambridge Tenants Union

*Michael Turk*

Michael Turk,  
Co-chair  
Cambridge Tenants Union

cc: Cambridge City Council  
with copy of hearing report  
on file with City Clerk

18. S-170

Comm. from Robert O. Edbrooke & Michael Turk, Co-Chairs, Cambridge Tenants Union  
Re: rent control proceeding on the premises numbered 52-54 Fairmont St., the findings of the hearing examiner & requesting that the actions of Jacqueline Rickard be reviewed.

In City Council,

January 30, 1989

1-30-89

Referred to the City Manager  
to investigate on Motion of  
C. D. Sullivan

Copy of communication + report sent to  
the City Manager 2/1/89 ulh