

Things are quiet these days at 1960 South Maple. The barn workshop is silent, the free-range chickens are gone, and the two-story house is empty of life. Looking through the windows, one can see an unplugged television set, a couple of empty cardboard boxes, and a freestanding woodstove. The only visible evidence that Peter Beal lived here for almost thirty years is the exquisitely carved wood trim inside the house. Beal is gone because a law that expired in 1999 was used to evict him for not paying taxes in 1995. But that wasn't the first time Beal got in trouble for not paying taxes. In fact, this isn't even the first time Beal has lost his house.

"In 1996 the IRS seized everything I owned except my underwear," says the earnest and affable woodworker. "Seized and sold my tools. Seized and sold my house. Sold it at an open auction. I went to it with my wife and daughter.

"A guy from Southfield bought the property-paid six thousand dollars. After he bought it, I approached the guy, introduced myself, and showed him around the property - and he was so appalled by what I showed him that he threatened to sue the IRS if they didn't rescind the sale. So they declared they shouldn't have seized the house because there was no equity in it and we were given back the house."

No wonder no one else wanted it. The circa-1870 house lacks central heat, and it's right next to the endless howling of I-94. The house has no real kitchen or completed bathroom, and its septic field regularly overflows.

"I tell people that essentially I'd been camping out there for thirty years," Beal says with a laugh.

Beal bought the wooded one-acre property in 1978, agreeing to pay the \$35,100 price on a land contract. Cut off from the rest of Maple Road when the freeway was built, it's reached today from Scio Church Road. Though

the home's terrible condition and the freeway noise contributed to both his divorces, 1960 South Maple suited Beal. No matter how much noise he made with his power tools in his barn workshop, no neighbor could hear him over the roar of the highway.

Seal is proud of his independence, and customers praise his craftsmanship. Yet he has never found the formula for making a consistent living as an artist. And as a result, he wound up at the mercy of the tax authorities. After 1993, Beal pretty much stopped paying his property taxes. He eventually paid his 1994 taxes in 1999 and his 1996 taxes in 2001, but that's all.

'Until 1999, state law provided that when an owner stopped paying property taxes, the county could sell the deed at public auction for the amount of the back taxes. If the original owner didn't redeem the deed by paying the taxes plus a 50 percent penalty, the new owner could foreclose.

By 2003, Beal owed the county \$23,798. And in October of that year a company named Destiny 98 notified him that it had bought his deed for \$2,104—the amount he owed for 1995. If he didn't pay that amount plus a 50 percent penalty by April 30, 2004, the company warned. It would foreclose and evict him under the provisions of the old state law.

"When other people bought the deed before, I'd always been able to scrape together the money and redeem it," Beal says. "But not this time."

What happened next is hard even for Seal to explain. Borrowing money from relatives, he paid almost all of the back taxes he owed from 1997 through 2002. But he inexplicably missed 1995—the year that mattered most. Destiny 98 foreclosed in May 2004, perfected its claim in June by paying the remaining outstanding 2002 and 2003 taxes, and moved to evict Beal in July. For a total of \$5,987, it had bought 1960 South Maple.

"I'd received all the proper notices by process servers," Beal acknowledges. "Deslinsky '98 did everything by the book." But Beal says he only "looked at" the notices: "[I] didn't read all the fine print on the back telling me they were foreclosing," •

The Taxing Tragedy of Peter Seaton

Beal says he didn't believe the county would cut him loose while he was paying off his back taxes. And he couldn't believe anyone else would really want 1960. "I know what that property's worth—about a hundred and thirty to a hundred and forty thousand—and I know that nobody who's serious about real estate would have bought it the way it is, because it can't be occupied the way it is."

"There's a big part of me that has never grown up"

Beal, sixty, was born in Uruguay—his father, a career diplomat, was stationed there. Later assignments took the family to Brazil, then Colombia, then Portugal. When it was time for Peter to go to high school, though, he was sent home to boarding school. The choice came down to an East Coast prep school or Cranbrook in Bloomfield Hills. Beal chose Cranbrook and went on to Antioch College in Ohio, where he completed a premedical program. Elliot Valenstein, now a professor emeritus of psychology at Michigan, first got to know Beal at Antioch in the early 1960s. "I was running a biomedical research facility, and Peter worked as a research assistant in my laboratory," he says. "He was the most reliable, dependable assistant we ever had."

He even learned to do some surgery on the brains of animals."

When the U-M hired Valenstein. Beal followed him back to Michigan. "[was working in the immunology department as a lab tech, trying to decide whether or not to stay in academics," Beal recalls. Beal applied to medical schools but none accepted him. As Valenstein remembers one interview, "Peter showed up in leather pants with a knife in his belt. He liked to whittle all the time. I warned him against doing it, but he did it anyway. Let's just say I don't think he had his heart set on getting in."

At that point, Beal says, "I decided to do something else. I've just always been good at doing things with my hands. At Antioch I was making dollhouses. and when I came to Ann Arbor, I kept making dollhouses. Then I started to make furniture for people. and they liked it and I liked it, and I decided not to go into a doctoral program."

Morry Nathan, formerly of Kerrytown's Smith & Nathan Furniture Makers, says he and his wife have known Beal since the late 1970s, when they hired him to put an addition on their home. Nathan says he was aware of Beal's tax problems: "He told me that more or less by accident he'd neglected to pay one year's taxes. He asked if he could borrow some money. He was trying to get a group of his friends together to bail him out. We couldn't contribute, and I don't know anyone who did.

"Peter was always on the edge financially.

He was late on paying bills and late on getting work done. What can r say? He's a very bright guy, a very nice nice guy, but he's a classic procrastinator."

Dave Childs recalls the time Bea1 built a difficult piece of furniture that Childs's wife had designed. "He's a very talented and a very underpaid craftsman," Childs says, "He charges a fair price, but being a craftsman, he puts way more work into whatever he does than he could possibly be compensated for." Child adds that Bea1 sometimes "has gotten screwed by people who didn't pay him on time."

Asked why his work pays so little, Beal replies, "I live on the steep side of the learning curve all the time. I make my guess as to what it'll take to make something, and if I'm wrong, I lose money."

But working independently is essential to him: "I couldn't imagine being an employee of an organization, even now. I just can't do it. You could say there's a big part of me that has never grown up."

"Mr. Seal is not a responsible citizen."

The old and new owners of 1960 South Maple finally met face to face in June 2004. Destiny 98 vice-president for operations Doug Gale "came to 1960 after foreclosing," recalls Beal, "and insisted that 1960 had 'commercial potential' and 'he could work with difficult properties' - unlike me.

"When I asked him what he would take as a settlement, he said he thought the place was worth three hundred thousand

doUars"-twic;e what Beal thought it was worth and fifty tiD'!-e5 what Destiny 98 paid for it. When he heard that, Beal says, "I prelly much just fell apart." But, though shattered, he refused to leave. "Twice over the phone Gale offered me a thousand dollars to hand over the keys and walk away," continues Beal. " Both times I told him that that wasn't what I was interested in. 1 asked what he thought would be fair, and he offered to accept fifty thousand dollars, which at the time seemed to me too much, so I countered with thirty-five thousand. 1 thought if I offered a significant chunk of money they'd,go away-[butJ they wouldn't," Five months after the foreclosure, Beal finally hired an anorney. Asserting Beal's "quiet tide" to the property, Scott Munzel argued that because the state changed the laws governing foreclosure in 1999, the statute of limitations had elapsed for Destiny 98's claim to Beal's 1995 tax deed. The courts didn't agree. In April 2006 circu it judge Donald Shelton decided in favor of Destiny 98. The Michigan Court of Appeals upheld the verdict two months later, and fmaHy. this July, the Michigan Supreme Court declined to review the mat-ler-and Peter Bears day in court was over. •

The new law is much simpler and much quicker." Munzel says. 'The county treasurer sends out three notices. Six months later, the treasurer goes to coun 10 have you evicted and then sells the lax deed at public auction. Peter's was onc of the very last ca-. . to be heard under the

old law-and when they [the state
supreme court] decided not to hear it. poor
Peter Seal just got shafted:'

Destiny 98's Doug Gille disagrees. "We
didn't, foreclose on him because we wanted
to, but because it was what had to happen,"
Gale says. "This guy is not the innocent he
proclaims himself to be. The fact of the
matter is; Mr. Seal is not a responsible citizen.
He may be a very good woodworker,
but he can't, legally pay for the place he's
lived in for thirty years."

Gale says that his company has bought
tens of thousands of tax-delinquent properties
across the country and that 97 to 98
percent of them have been redeemed by the
owners, "We're not in it for the foreclosing,"
he says, "It takes too long and costs
too much, We're in it for the interest. That's
where we make our money, not on foreclosing,
but when we have to do it, we do it."

Gale says Seal has had plenty of opportunities
to settle his debts. "Mr. Seal was given at
least two attempts to repurchase his property
for reasonable sums after the foreclosure.
While it is unfortunate that he never
took advantage of his many opportunities
to recoup his property, we hope that the
property will end up in the hands of responsible
owners who will care for its beauty
and be responsible for their obligations."

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Seal left 1960 South Maple in May. He
gave the chickens that had strutted around
the property to friends and Dawn Fann
and moved his woodworking studio to a

rented bam on Stein Road. "The woman who owns the property has a house there that's preuy much empty," he explains. "and she's rented me an apartment in the house. so I'm living where I work again." But even after losing his home. Beal's tax troubles aren't over. "In Mr. Bears case," Doug Gale says, "if we didn't foreclose, the IRS would have:' That's because Beal owes more than \$250,000 to the federal government.

Beal traces his income-tax trouble to a 1976 house renovation. "No job I shouldn't have ever touched." He and a crew of five worked on the property for two years, but finally, Beal says. "the job collapsed. The owner said he couldn't take it any more." By that time, Beal had fallen behind financially and crossed a tax collector far more merciless than Washlenaw County. Though he'd collected federal payroll taxes from his workers, he hadn't turned all that money over to the IRS.

When the job ended, Beal says, he was "more than five thousand and less than fifteen thousand {dollars} behind in payroll taxes. I'd get these notices and I'd call them, and they wouldn't cut a deal. I'd tell

them there's no way in hell I can pay that amount, and they'd tell me that that was the amount I had to pay.'

Finally, in 1986, Beal declared bankruptcy. "I couldn't pay off the land contract on 1960. Eventually I wound up making a deal with everybody but the IRS. And all the time the interest and penalties on the payroll taxes are growing and

growing and growing. They said that now
lowed them between a hundred and forty
thousand and two hundred and fifty thousand
dollars. And I couldn't possibly pay
that. How could I?

Eventually, in 1996, the IRS seized 1960
South Maple. BUI after the buyer from
Southfield backed out of the purchase,
Beal got it back. Beal says the IRS then
told him "I'd been ruled uncollectible.
They told me if I was a good boy and paid
roy income tax every year, the lien against
1960 would expire in 2002."

But Beal couldn't

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But Beal couldn't even do that. "After
my wife left me with my daughter, I just
didn't have any money," he says. "I filed
my taxes every year, but I wasn't able to
pay any. Then in 2002, when the lien
should have expired, the IRS rejuvenated it
for another ten years. And there was no
way I could deal with that."

The IRS is now garnishing every paycheck
Beal receives for teaching woodworking
at Washtenaw Community College.

"They've threatened to garnish up to
minimum wage," says Beal, "but I don't
know how they expect me to live if they
do that. I can't live on minimum wage."
On Stein Road, Beal is still woodworking,
though at a much slower pace.

"If things keep going this way, teaching
may become my main focus," he says. But
while he says he approaches teaching
"very seriously," his pride and independence
could jeopardize that job, too. "If I

don't like what's happening with the school," he warns, "if they do something I don't approve of-I'm bugging out."

After discussing his problems for a couple of hours, Beal breaks down. "How the fuck did I let this happen? I'm not stupid, and I just can't believe that I could be so totally self destructive. Sometimes I

thought I'd gone literally insane-that I'd really lost touch with reality. I can get myself into incredible trouble-but not like this! It's just nuts!"

Beal still has many friends and supporters. After the *Ann Arbor News* ran a story about his troubles last spring, they began collecting signatures on an open letter to Doug Gale, urging him to do so the property back to Beal. A large sign on Scio Church Road across from the property refers passersby to a website, supponbc.com, where Beal has posted a video telling his story. But with his legal options exhausted, it seems that Beal's only hope of returning to 1960 South Maple is to cut a deal with Doug Gale.

Beal says that he would move back to 1960 South Maple in a minute if the price were right, and that he's ready to pay "fair market value" for the property, but he doesn't expect that to happen. "The way Doug Gale operates," he predicts, "he'll try to sell it exactly the way it is with no improvements to somebody who'll flip it." That's exactly what Doug Gale intends to do-though that's not how he'd put it. Gale concedes the house itself can't be occupied

as is-"If it was mine, I'd learn it down" -but says the land alone is worth in excess of \$200,000. "It has faults. but those are tiny bubbles compared to what can be done with it. Located near two sports complexes and right across the bridge from Ann Arbor, in ten years, twenty years at the absolute outside, it'll be a commercial property."

Gale isn't pushing to sell right now, however: "Because of the publicity. we're letting everything die down. But we'll probably sell as is. probably in the next six months or so-and probably not back. to Beal unless he shows he has the money. Which. so far. he hasn't."

As the Observer was going to press. Beal wrote us one last email. "All of this has come to make me appreciate what I have jeopardized by being so careless with 1960," he wrote. "I've pissed away the 1001 I need to be able to do my best work." •