

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.

Comment [p1]: Picky point: there's no carved woodwork although it could be mistaken as such: it's all more or less standard turn of the century applied moldings.

"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 sixty-two 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.

Comment [p2]: Yeah, cause I took the furnace with me rather than leave it for Destiny-98...

Comment [p3]: This is a canard perpetuated by Destiny-98: it refers to the mis-identification of the sump pump outlet as a septic outlet. The details can be seen here:
http://www.supportbeal.com/Snarky_build/Inspectionsandappraisals/05_Sumppumpcitation.html

Beal bought the wooded one-acre property in 1978, agreeing to pay the \$35,000 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

Comment [p4]: FORMER terrible condition...I had made most of it quite livable within the first four years...

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.

Beal 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 Beal 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. "Destiny-98 did everything by the book." But Beal says he only "looked at" the notices: "didn't read all the fine print on the back telling me they were foreclosing."

Comment [p5]: I have found the formula. You mistook my comment about always being at risk on the steep side of the learning curve, something inevitable of you are doing one of a kind work. I've always taken this as your starting point in trying to find, with ONLY the facts at hand, an explanation of how I got myself so deeply in trouble.

Comment [p6]: This is the one truly unjustifiable leap in misunderstanding: although admittedly I practice a kind of subsistence woodworking, the conclusion that I wasn't making enough money to pay my taxes if circumstances had been normal is simply wrong. If I was so broke, how did ... [1]

Comment [p7]: A lien was sold, not the deed itself.

Comment [p8]: At the time that Destiny-98 foreclosed, I had paid off all but \$3883.61 of the back taxes, excluding the 1995 taxes they had paid.

Comment [p9]: While this is technically a statement that can be made, in actual fact, Destiny-98 had no correspondence with me except the absolute mini ... [2]

Comment [p10]: This phrase has a completely different color to it in light of the 339 fire generated payroll liens: I simply couldn't borrow from commercial sources.

Comment [p11]: This was actually something they did in March: the taxes had to be paid before they could foreclose.

Comment [p12]: The printed forms delivered had/have no information on the front filled in. They are essentially blank. On the reverse there is a large block of fine print boiler- ... [3]

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."

Comment [p13]: And that would be after work to bring it up to a marketable state. Yes, I do make a distinction between "ordinary marketable state" and a place being "comfortably livable".

"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.

Comment [p14]: I now understand that tax lien purchasers are not 'real' real estate people. Certainly not developers.

Comment [p15]: The word was marketed (in a conventional way). You misquoted me. It is not a trivial difference.

Comment [p16]: This was an unfortunate subheading to use: it begs the reader to fill in for themselves the picture of someone so irresponsible and careless as to get into this much trouble for no apparent reason except his own incompetence. This comment in reference to not being temperamentally suited to be part of a large organization.

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."

Comment [p17]: No "even" or "some" about it: people would come from outside labs to train with me.

When the U-M hired Valenstein, Beal followed him back to Michigan. "I 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."

Comment [p18]: Neurophysiology Dept. I was, at the same time, in the first year, PhD program, Dept of Immunology, U of M School of Public Health.

Comment [p19]: Makes it sound like I sat whittling while being interviewed by Wayne State...I DID go in leather pants.

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 doll

Comment [p20]: I was very naïve: I just thought you had to be excellent at what you did. I had no concept of the politics involved.

houses. 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 on 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 I say? He's a very bright guy, a very nice guy, but he's a classic procrastinator."

Dave Childs recalls the time Beal 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 Beal 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. Beal 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.

Comment [p21]: I wasn't raising money to pay the taxes - they were already paid - I had asked them if they would consider contributing to a fund that would help me re-purchase Maple Road. I didn't press them: I know Morry has to live carefully off his investments. At the same time, I was raising money to pay my bills while the legal question was still undecided. Many people contributed to this, over \$35,000, and this even before I started seriously trying to find sources for the buy-back money.

Comment [p22]: Again, a comment that invites the reader, unjustifiably, to paint a picture of a hopeless incompetent managing his affairs. There are very sound reasons for my work sometimes taking longer than expected and this comment disregards the FACT that the bulk of my work has been, and is, done in a timely manner. The screw-ups are the ones people remember, not the jobs that went smoothly.

Comment [p23]: Actually a set of 5 cabinets

Comment [p24]: This is unavoidable, something most people do not appreciate, if you are doing truly one of a kind work.

Comment [p25]: This is the standard way tax lien purchasers characterize their victims. You'll find this implication throughout the writings of the members of the NTLA. They always portray people who have gone delinquent as irresponsible, bad citizens. Their own practices expose them for the grotesque hypocrites they are.

"When I asked him what he would take as a settlement, he said he thought the place was worth three hundred thousand dollars"- twice what Beal thought it was worth and fifty times what Destiny 98 paid for it. When he heard that, Beal says, "I pretty much just fell apart." But, though shattered, he refused to leave.

Comment [p26]: Assuming it was put into a marketable condition. Zillow has pegged 1960 from a high of \$165K (Dec 08) to a current low of \$127K. There is a flag on the Zillow site stating their belief that there has been something atypical about the recorded sale of 1960 for \$80K. Zillow has no actual information about the real condition of 1960.

"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. I 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. I thought if I offered a significant chunk of money they'd, go away - [but] they wouldn't,"

Five months after the foreclosure, Beal finally hired an attorney. Asserting Beal's "quiet title" 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.

Comment [p27]: At which I could have bought it back...instead of being caught with no leverage while Destiny-98 insisted the property was worth far more than could ever be justified.

The courts didn't agree. In April 2006 circuit judge Donald Shelton decided in favor of Destiny-98. The Michigan Court of Appeals upheld the verdict two months later, and finally, this July, the Michigan Supreme Court declined to review the matter-and Peter Beal's day in court was over.

Comment [p28]: There was no requirement about it: Doug Gale simply wouldn't sell to me unless I was willing to pay an extortionate price. His final sale price (\$80K) to Don Reiff proves his distortions to me.

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 court to have you evicted and then sells the tax deed at public auction. Peter's was one of the very last cases to be heard under the old law - and when they (the State Supreme Court) decided not to hear it. poor Peter Beal just got shafted."

Comment [p29]: This is plain slander...over the years I was there I paid more in property taxes than I had paid for the property itself. In all, over the years, I paid over \$39,000 in property taxes. Gale is pretty free with his judgments of people's civil responsibility considering that he routinely abandons properties if he can't realize any profit from them. See http://supportbeal.com/Municipalities_and_liens/Reverted_properties.html

Destiny-98's Doug Gale 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. Beal 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."

Comment [p30]: Not individual properties, but the tax liens on them, mere pieces of paper.
Gale's real-estate expertise outside of his immediate geographical area is actually fairly limited. Here's how he and others in the business execute real estate sales at a distance:
<http://www.supportbeal.com/Reputation.html>

Gale says Beal has had plenty of chances to settle his debts. "Mr. Beal 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."

Comment [p31]: This is a simple lie, unless he considers two to three times the property's worth, "reasonable."

Comment [p32]: Here is how Dewstiny-98 cared for it:
http://supportbeal.com/Snarky_build/1960_Current_condition.html

"I just didn't have any money."

Beal left 1960 South Maple in May. He gave the chickens that had strutted around the property to friends and to Dawn Farm and moved his woodworking studio to a rented barn on Stein Road.

"The woman who owns the property has a house there that's pretty 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. Beal's 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.

Comment [p33]: This is simply a self-serving lie. The IRS had told me that they would NOT foreclose on 1960.
In the time since two things happened: first, the amount I owe the IRS was recognized to be only \$25,000 +/- which represented my current personal taxes due. Second, to date I have paid off all but \$7,000 of it.

Beal traces his income-tax troubles to a 1976 house renovation, "a 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 Washtenaw County. Though he'd collected federal payroll taxes from his workers, he hadn't turned all that money over to the IRS.

Comment [p34]: This is just wrong in the way it represents the history of the job and my execution of it.

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 - 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 I owed 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. But 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 my income tax every year, the lien against 1960 would expire in 2002."

Comment [p35]: Again, something that is technically correct but has nothing to do with a threat to my ownership of 1960: the 339 S Ashley liens had been supposedly defused (until the rejuvenation in 2002) and no collection action was being taken on my then current arrearage in personal taxes.

I was anticipating setting up a payment plan for those and the eventual tolling of the 339's to restore some normality to my finances.

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."

Comment [p36]: Because the Friend of the Court had ruled, with no justification in view of my income history, that I should pay child support based on a figure easily three times what I actually made.

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."

I'm not whining that I can't live on minimum wage, I do...but I can't have virtually all I make part time at WCC taken away in child support and IRS garnishment and survive. The only viable answer would have been quitting WCC and forcing everyone to take a more realistic payment.

Out 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!"

Comment [p37]: This comment was made ONLY in reference to my failing to pay the 1995 tax lien. Again, you invite the reader to apply it to the overall situation.

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 sell the property back to Beal. A large sign on Scio Church Road across from the property refers passersby to a website, SupportBeal.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."

Comment [p38]: Which in actual fact simply can't be done in a profitable manner to 1960

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 tear 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."

Comment [p39]: Again, his sale price of \$80,000 to Don Reiff only proves his BS. As I maintained in my letter to Hilton, Gale has NO real expertise in the Ann Arbor real estate market. Anyone looking closely at the property would realize that it has no high commercial value, if any, ever. Currently it is being used for all it can be: dead storage.

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."

Comment [p40]: I have good reason to believe that he had already agreed to sell it to Don Reiff. As far as the money I didn't have...he's right I didn't have twice what the property was worth to pay for it, as no one planning to eventually seek bank financing would either.

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 tool I

need to be able to do my best work."

Comment on the photograph used:

It should have been made clear that the shot of the hen house and barn were from circa 1980 and in no way represented the condition of 1960 during the bulk of time I was living there.

Additional Notes:

'339" refers to 339 S Ashley, Ann Arbor, MI, partially burned January 27, 1977. Further details can be seen at:

http://supportbeal.com/339_S_Ashley/The_Burnout.html

Remainder of shortened comments can be seen on the page below.

Page 2: [1] Comment [p6] pb 3/12/2010 8:03:00 PM

This is the one truly unjustifiable leap in misunderstanding: although admittedly I practice a kind of subsistence woodworking, the conclusion that I wasn't making enough money to pay my taxes if circumstances had been normal is simply wrong. If I was so broke, how did I pay off the land contract in a matter of a few years during the lull after my bankruptcy?

Page 2: [2] Comment [p9] pb 3/12/2010 11:23:00 AM

While this is technically a statement that can be made, in actual fact, Destiny-98 had no correspondence with me except the absolute minimum required by law until I began writing and calling them starting in July, '04. They deserve no credit for being forthcoming.

Page 2: [3] Comment [p12] pb 3/12/2010 5:51:00 PM

The printed forms delivered had/have no information on the front filled in. They are essentially blank. On the reverse there is a large block of fine print boilerplate. They were/are deliberately formatted to look un-important. I know better now.