

**Subject:** RE: Additional questions [refuting 3rd set of allegations against Veritas]  
**From:** Ron Heckmann  
**Date:** 5/15/2019, 2:22 PM  
**To:** Noah Arroyo <n.arroyo02@gmail.com>

Noah,

We have not spent the time to try to re-create whatever analysis you performed regarding the number of complaints for buildings involved in the Evander lawsuit because, frankly, it is based on **false assumptions and a false narrative**. While your narrative appears to have been ghost-written by counsel for plaintiffs, it appears that they left out two key points, fully undermining your premise:

First, the reason you may see a bump in the number of complaints is primarily because a combination of would-be plaintiffs, plaintiffs' counsel and activists encourage the filing of complaints with the City as part of their litigation strategy. As a result, there will be an increase in the number of complaints in order to try to "paper the record" for litigation. Papering of the record is a litigation tool, and does not reflect the actual quality of management services provided. To the contrary, such complaints are often made directly to the San Francisco Department of Building Inspection ("DBI") **without any prior notice** to Greentree as the property manager. That is strategic. Plaintiffs are concerned that, if Greentree were provided notice of the complaint, then Greentree would resolve the complaint—and then Plaintiffs could not build their misleading record of complaints to DBI. Remember that it is the tenants, not Greentree, who have the right to possession of the apartments, and it is only the tenants who have the knowledge of the problems in the first instance.

Second, we are performing work that is needed and are diligent in minimizing impact on residents. This work includes response to City of San Francisco ordinances instituted only in the past 2-5 years that all owners are still implementing: Soft Story earthquake retrofits, Fire Alarm Upgrade for fire-safety, and ADU development to increase the City's housing stock. Such work will sometimes result in complaints or NOVs, such as for not having a necessary permit. To the extent such issues arise, they are promptly addressed.

Complaints are frequently lacking in real substance, and, even if there is a bona fide issue to resolve, we are commonly not given notice of the problem as part of plaintiffs' litigation strategy of trying to make the landlord look bad, instead of working collaboratively to address real issues, as some examples show:

- At 57 Taylor, a tenant advocacy group told us it was filing a complaint with DBI, but then refused to disclose the unit number such that we weren't even given the opportunity to address the issue for the resident.
- At 1260 Broadway, several complaints were filed for working without a permit, but the work - recoating the roof - doesn't require a permit so the DBI inspector quickly dismissed the complaint after being summoned.
- At 698 Bush, complaints were filed for working without a permit, but, again, the work of refinishing a floor during a paint and clean did not require a permit so that the DBI inspector dismissed the complaint after being summoned.
- At 781 O'Farrell, complaints were likewise made about working without a permit when painting and cleaning were underway, and again an inspector was summoned who then dismissed the complaint.
- At 655 Stockton, a complaint filed for no heat, but an inspector found the radiator to be working and, again, the complaint was dismissed.
- At 381 Turk, a complaint was made about window replacement as "working without permit," but only the glass was being replaced so no permit was required. But an inspector was summoned, who then dismissed the complaint.
- At 1260 Broadway, the unit that was the source of bedbugs **did not report it at all**, but a neighbor who later saw a few bedbugs (as they started to spread from the apartment that was the source) advised us—in March. Upon learning of it, we responded quickly to eradicate the problem in cooperation with the Department of Public Health's exacting monitoring and requirements. We were scrupulous about addressing the problem, and the building is an attractive, well-maintained building.

You can see from such examples how activist groups, lawyers and tenants whose objective is to sue -- not resolve

problems -- can work to paper the record to create a misleading appearance about the actual quality of maintenance. That is a big part of what has been taking place. They are worried that, if they give us fair notice of an issue, we will promptly fix it. And then what happens to their media campaign and their lawsuits? When you drill down into the facts such as at 1260 Broadway, we are in the right.

Yet it goes still further, beyond just papering the record. Sometimes there is outright obstruction of our efforts to remediate a problem. A good example is 57 Taylor. There, more than one tenant either failed to cooperate with ongoing efforts to eradicate bedbugs or actively obstructed those efforts by refusing entry. In one instance, multiple demands, and even a formal legal notice threatening eviction, were required before Greentree was able to finally obtain access to the unit—even though the tenant in that unit was one of the plaintiffs in the Evander lawsuit and was suing based on the very bedbug problem that the tenant was substantially responsible for causing and perpetuating! That bedbug problem had its origins in conditions in tenants' units (uncleanliness, hoarding, etc.) that led to the problem and existed prior to our acquisition of the building. Photos are attached showing how we replaced, at our expense, the floor of the very tenant who was refusing access to the unit to treat for bedbugs. That is not the work of a landlord who neglects complaints.

You can see how the property manager is left between a rock and a hard place—threaten to evict the non-cooperative and obstructive tenants (who will then claim to be victimized) or allow the condition to persist and then be sued by those same tenants (and also earn the displeasure of other tenants who feel the effects). In the 57 Taylor example, Greentree worked very carefully to, on the one hand, avoid having to evict any tenant for breach of the tenant's duty to allow access while, on the other hand, still eventually gaining access (through persistence and patience) to treat the units and eliminate the bedbug issue in the building. Given the roadblocks thrown up by some tenants, this was a feat that Greentree accomplished.

In sum, litigation being what it is, there have been extensive efforts by a group of people with vested interests to try to generate as many complaints as possible to DBI without giving Greentree a fair opportunity to address the complaints. But you can also see that, once those complaints are filed with DBI and Greentree gets notice of the complaints, it responds aggressively to address the complaints. If the would-be plaintiffs, activists and lawyers would give fair notice of such complaints to Greentree, there would be no need to file any complaint with DBI.

We are realistic and understand that we do not live in such a world, but you should be realistic too and understand the games that are played in the build up to litigation.

-- Ron

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