

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK

Woods v. Claving Realty Corp.

77 F. Supp. 533 (S.D.N.Y. 1948) · Decided April 15, 1948

SUMMARY

The court held that a broker's commission paid by residential tenants constituted rent under the Emergency Price Control Act because it was consideration received in connection with the use or occupancy of housing accommodations. The broker and landlord were treated as liable parties under the Act, notwithstanding the broker's role in representing or assisting tenants. The court ordered refunds to affected tenants, double damages for the Government, and an injunction against the defendants.

CASE DETAILS

COURT	United States District Court for the Southern District of New York
WRITING FOR THE COURT	Ford, District Judge
JURISDICTION	New York
DECIDED	April 15, 1948
DISPOSITION	other
PROCEDURAL POSTURE	The Price Administrator brought an action under the Emergency Price Control Act and implementing rent regulations seeking injunctive relief, tenant refunds, and statutory damages based on alleged rent overcharges. After a bench trial, the court made findings of fact and entered judgment for the plaintiff.
STANDARD OF REVIEW	The court considered the evidence after trial and applied the governing statutory and regulatory definitions to its factual findings.
PRECEDENTIAL VALUE	Published federal district court opinion; persuasive authority outside the district and nonbinding on higher courts.

TOPICS

- real estate
- administrative law
- statutory interpretation
- equitable relief
- remedies

PRACTICE AREAS

- administrative law
- real estate law
- remedies
- statutory interpretation

QUESTIONS PRESENTED

1. Whether commissions collected from prospective tenants by the landlord's brokers constituted rent under the Emergency Price Control Act and its implementing regulations.
2. Whether the brokers and their agents were responsible as landlords under the Act because they received rent and participated in the rental transactions.
3. Whether the defendants were liable for rent-regulation evasion and subject to an injunction, tenant refunds, and double damages.

HOLDINGS

1. Payments collected by the brokers in an amount equal to the first month's rent constituted rent because they were consideration received in connection with the use or occupancy of housing accommodations.
2. The brokers and their corporate and individual agents qualified as landlords under the Act and regulations because they received rent and participated in the rental transactions, even though they did not own or manage the property.
3. All defendants were liable for evading the rent regulations, and the plaintiff was entitled to an injunction, tenant refunds, and double damages for the overcharges proved at trial.

KEY QUOTATIONS

“‘Rent’ means the consideration, including any bonus, benefit or gratuity demanded or received for or in connection with the use or occupancy of housing accommodations.” (534)

“It includes any other person who receives rent and any agent of such person who participates in the transaction.” (535)

“With those definitions controlling, my conclusion is that there has been shown here by the evidence an evasion of the rent regulations for which all defendants are liable.” (535)

FACTUAL BACKGROUND

Claving Realty Corporation acquired a New York City apartment building and authorized Harold C. Samuels and his corporation, licensed real estate brokers, to procure prospective tenants. The brokers showed apartments, prepared proposed rental contracts, collected the first month's rent for the landlord, and separately collected from each tenant an additional amount equal to the first month's rent as their compensation. The landlord accepted tenants procured by the brokers without paying them a commission, and the court found that the broker payments were made in connection with obtaining occupancy of the apartments.

PROCEDURAL HISTORY

Claving Realty Corporation owned the apartment building, and Harold C. Samuels and his corporation acted as brokers who procured tenants and collected payments equal to one month's rent. The district court concluded that those broker payments were rent under the governing statute and regulations, found all defendants liable for evasion of the rent regulations, ordered refunds to the affected tenants, awarded the Government double damages, and granted an injunction.

DISPOSITION

other

CASES CITED

- Bowles, Price Administrator v. Ruppel, 157 F.2d 944, 946 (3d Cir. 1946)

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