

*Chicago real estate is a world  
where predators rule—and the  
hungriest is a man named Wolf*

# THE WRECKER

I KNOCK AGAIN AND THE OLD DOOR RATTLES. I HEAR A MUFFLED sneeze, and then the sound of footsteps, but no one answers.

Inside is the office of Lou Wolf, one of the most powerful real-estate investors in the city, a man who controls so much property that city housing attorney Marc Gaynes calls him "the de facto head of the Department of Planning."

There is no title on his door, no name, just a number, 204, scribbled on a scrap of paper, held up with Scotch tape. The door once had a glass panel, but that was broken and replaced with thin plywood. Two peepholes are set in the frame: one slightly higher than my head, the other just below my chin.

I have the feeling I'm being watched.

Aldermen investigate him; neighborhood groups complain about him; warrant servers chase him all over town. But Lou Wolf remains a mystery. He has held land in the name of his sister, **by DAVID JACKSON** Sylvia Berke, and her son William.

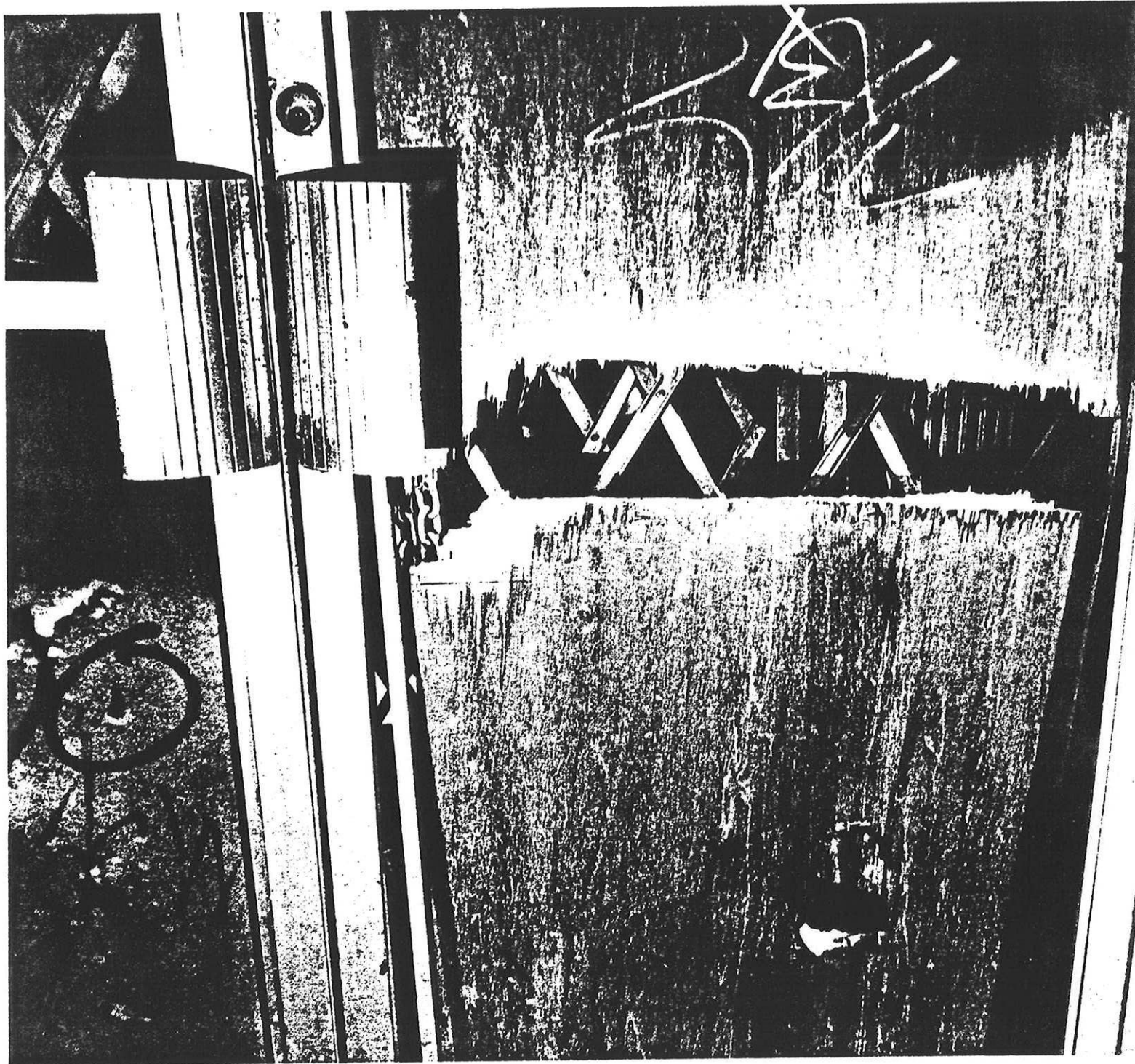
He has gone by the names George Laken and Gus Sierawski, which he made up, and used the names of his former employees Madge Powell and Rudy Siuszko or Cisco. A lawyer once asked him whether he used the name Wolf or Berke when executing leases. "It all depends on the property," Wolf said. He makes extensive use of blind trusts. He runs a dozen companies that aren't listed in the phone book or registered with the secretary of state. He usually pays cash.

No one knows how much of the city he owns. I've examined thousands of county records and court documents, and interviewed dozens of sources, trying to compile a list of properties that are under his control, or have been recently. I've counted proper-

*photography: ALICE Q. HARGRAVE*



Alderman Kathy Osterman: Her ward, the 48th, contains many properties owned by Lou Wolf. "He has a stranglehold on our main streets," Osterman says.



**"Boarded-up  
buildings say, 'No hope.' Any time you have  
a nightmare, Lou Wolf is behind it. He doesn't care  
what he does to a neighborhood."—Kathy Osterman**

ties on which he's been cited for building code violations or served with mechanic's liens, properties mentioned in lawsuits as belonging to him, and others for which there's anecdotal or other evidence of ownership. The resulting list is staggering. As near as I can tell, Wolf and his partner Ken Goldberg (also known as Ken Kennedy, Ken King, and Mr. Theolopoulos) control dozens of storefronts on North Broadway, Sheridan Road, and North Clark Street; the land beneath Coconuts, the AKA Lounge, Eddie Rockets, and P.O.E.T.S.; and properties scattered throughout the South and West sides. They own the International Amphitheatre; the Palacio, Devon, Uptown, and Riviera theatres; and the Embassy Ballroom.

His dealings reportedly extend to the South Loop, to the suburbs, and to California, Texas, and Nevada.

"He's destroyed whole neighborhoods," says 48th Ward alderman Kathy Osterman. "He has a stranglehold on our main streets."

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He was born in 1923, grew up on the West Side, and started selling used cars and trucks there after a stint in the army. By the 1950s, he was investing in slum properties. He was convicted in 1974 of burning down a tenement owned by a partner and trying to collect a \$34,000 fire insurance claim on the building. His rap sheet also includes arrests for deceptive practices and battery, none of which resulted in convictions. His first arrest, in 1958, was on a charge of "lewd act."

In the early 1960s, he bought property on Broadway near Diversey, then fanned out over the North Side. On commercial strips struggling to gentrify, he holds key buildings that sit empty and open to vandals. He rents to porno shops and bars that rankle neighborhood residents.

His latest construction project, on the glittering corner of State and Division streets, wasn't half up before the city filed a suit asking that it be demolished.

To study Lou Wolf's career is to realize how vulnerable the city is to a single man's actions. It is to see public officials helpless to act—or indifferent or even complaisant—as streets fall victim to blight. It is to learn that in matters of real estate, Illinois law is written to favor the predator, and we're all potentially the prey.

His office is on the second floor of a nearly deserted professional building owned by his brother-in-law, Joe Berke. The hallways are long and caked with dust, lined with empty offices.

I knock again, hard, and the door bursts open. A man sticks his head out; his hair is matted and charcoal gray, his face unshaven. He wears a neck brace and a leather jacket. His eyes come exactly to my chin. It's Melvin Glick, Wolf's office manager.

"What do you want?"

"I want to talk to Lou."

"He doesn't want to talk to you. What's this about?"

"I'm a reporter. I want to write a story about Lou."

Glick steps into the hall and slams the door behind him. "I wouldn't try that," he says. "He'll probably shoot you."

CLIMB INTO YOUR CAR AND TOUR WOLF'S HOLDINGS ON BROADWAY. You'll see what all the fuss is about.

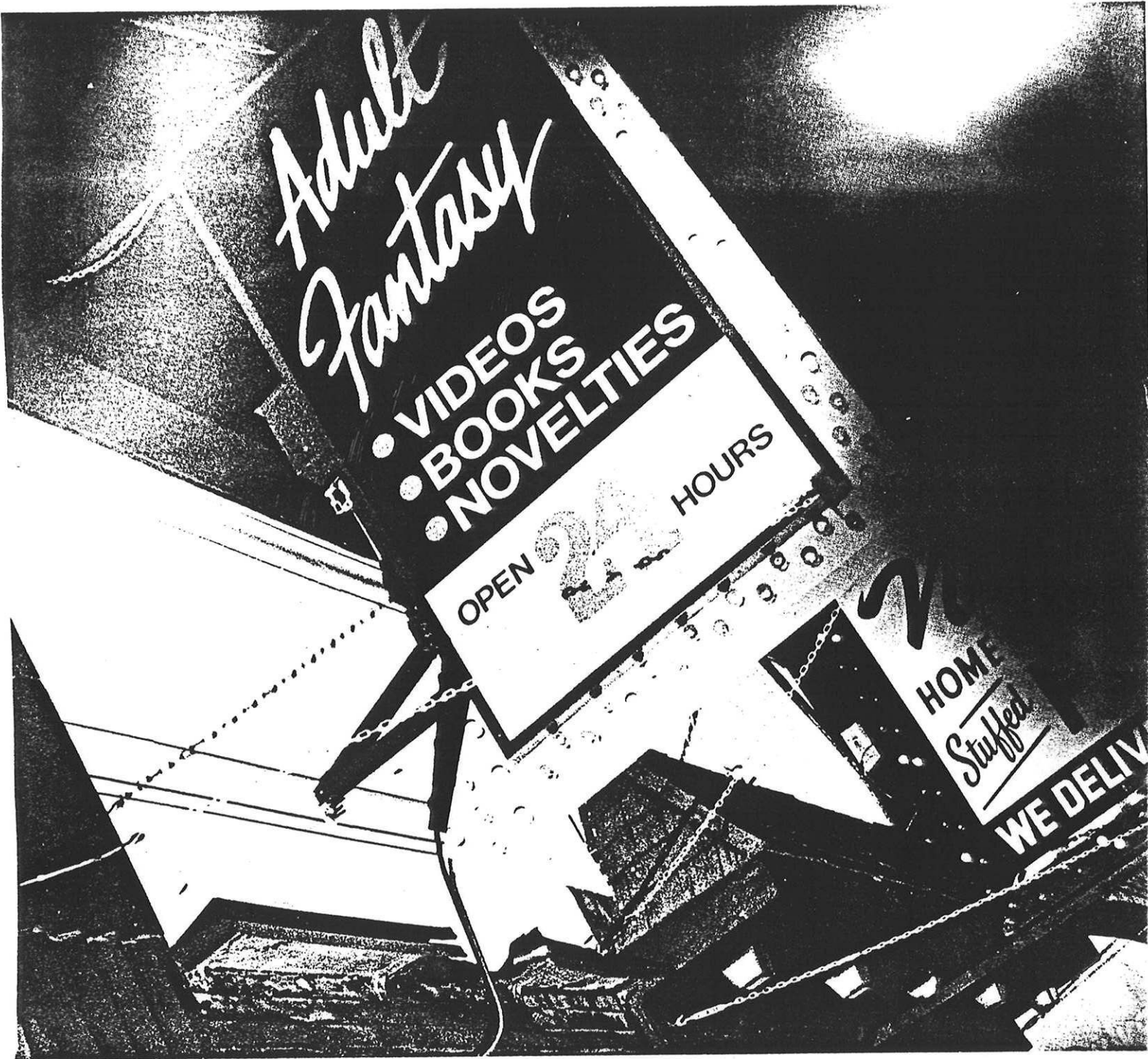
Start at the Loyola el stop and head south, taking in half a block of Sheridan Road first. On your left is a string of storefronts, many of them vacant and cluttered with debris. The city dragged Wolf and Goldberg into housing court for violations on them, including a rotting roof, accumulated junk on the premises, and stagnant



Bernard Hansen, alderman of the 44th Ward, has received campaign contributions from one of Wolf's real-estate companies.







**"Mr. Wolf**

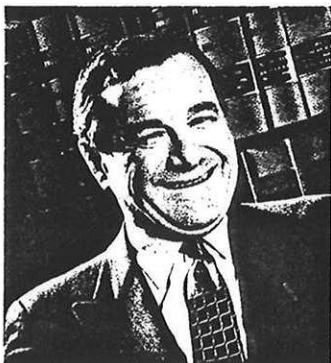
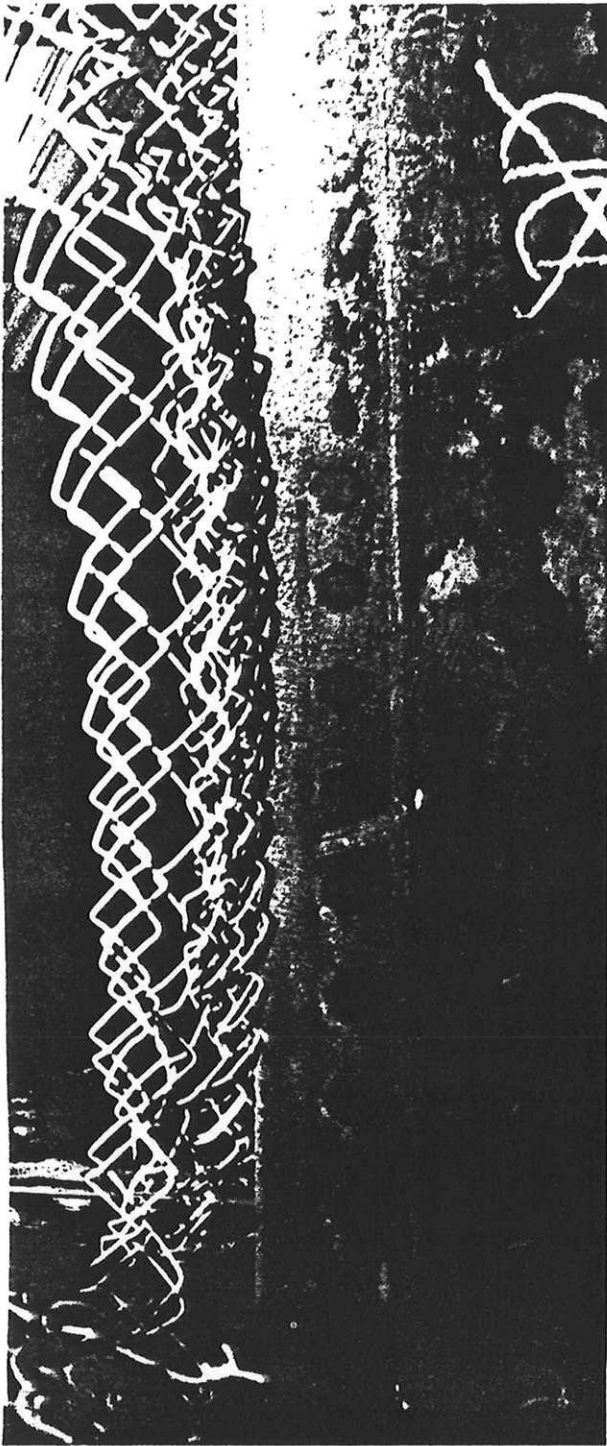
**can be a very charming guy at times. I don't have problems with him. Sometimes he does what he says, sometimes he doesn't."— Bernard Hansen**





**"Anybody  
that lives in the neighborhood calls the whole  
thing a disgrace, and they say that the alderman is  
incompetent."— Burton Natarus**





The 42nd Ward was remapped to the benefit of one of Wolf's tenants. Alderman Burton Natarus (left) says he doesn't know how it happened.

water in the basements, but later dismissed the cases.

The storefronts butt up against the Granada Theatre, a 63-year-old Spanish baroque entertainment palace, which Wolf and Goldberg held empty and unused for years. In 1987, after 46 housing code violations had been lodged against the building in the space of two years, city attorney Marc Gaynes obtained a warrant and a crowbar and broke into it. He found an eerie scene of ruin: Thick marble pillars rose from piles of loose plaster; old murals were shrouded in dust. Years of neglect, vandalism, and an unpatched roof had taken their toll. Wolf finally sold to a developer who plans to replace the Granada with a high-rise mixed-use development.

Wolf's strategy here is known as land banking. In a nutshell, it works this way: He picks up a troubled piece of commercial property in a critical and up-and-coming area—say, a building whose owner blew a tax bill or a bank loan. Once Wolf buys the parcel, he may lease it out, or he may sit on it, holding it boarded and vacant, until a buyer comes along with the right price.

It's a risky game. You need the instincts to size up a building's value and a neighborhood's potential at a glance, the nerve to get in when the going is rough, and deep enough pockets to hang on for years with little or no income.

For the surrounding community of merchants and residents, the land banker can be devastating. It can be harder to get fire insurance when you're doing business next to a vacant building, and harder to attract customers. Wolf "seriously impedes the underlying growth of the neighborhood," says Gaynes. "For the people around him, he becomes a hurdle to economic development."

Former 48th Ward alderman Marion Volini says, "We always dreaded that any of our great theatres or large buildings would come into his hands." She says, "There wasn't anybody worse. We just felt, if he got hold of something, it was a disaster."

But our tour has just begun. Kitty-corner from the Granada is Wolf's headquarters. A block south, on the corner of Rosemont Avenue and Broadway, is a yawning parking lot. Wolf and Goldberg once planned to lease it to Space Station 2001, a mega-video arcade. They ran into protests from neighborhood residents, 49th Ward alderman David Orr, and city attorneys who said in the course of a lawsuit that Space Station tried to "circumvent the clear meaning of the provisions in the ordinance" when they obtained their arcade license.

At the trial, local politico Sharon Rae Bender testified that she visited the site and was told by a worker that the arcade would feature an adult peep show. Judge James C. Murray ruled Bender's testimony inadmissible (it's hearsay, technically), but evidence was introduced that Space Station president Scott Kazan also runs an adults-only arcade at 1347 North Wells Street. After the long court fight, Space Station's license was revoked.

Across the street, Wolf has been cited for code violations on the AKA Lounge, the first bar in Chicago to lose its 4 a.m. license because of community petitioning. South of that is the Devon Cinema, once a comfortable neighborhood movie house. Goldberg shuttered it in 1985. The front doors have been destroyed. The entrance is sealed with a flimsy accordion gate. The lobby is musty, littered with garbage and leaves of paint. In the center of one pile of debris is a sagging old armchair with a soda-can ashtray perched on one arm: a hobo's throne.

Just off Broadway are a couple of vacant storefronts and a cavernous apartment building that Wolf and Goldberg apparently

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control. A few blocks south, at the corner of Thorndale Avenue and Broadway, are a shuttered Davidson's bakery and a string of storefronts apparently controlled by Wolf. The tenants include a bar that has been run by a variety of managements. Under most of them it's been "nothing but trouble," according to Osterman. Several stores sit vacant. The alderman has gone to the police to convey community complaints about alleged drug dealing on the property.

For Osterman, these buildings say two words: "They say, 'No hope.' If your commercial properties are boarded up, your whole business strip goes down. Nobody comes in. People move out of the neighborhood."

A little farther south is the nightclub Coconuts, which appears to be owned by Goldberg—although that is being disputed in heated circuit court litigation. City attorneys and nearby residents tried to revoke Coconuts' 4 a.m. license in 1987: Neighbors complained about rowdy patrons, and the city about lewd dancing by one of its eight hired dancers—the one in the G-string and black bra—but the club presently stays open into the wee hours.

On your right, you'll pass the shuttered Uptown Theatre. Its ornamental scrollwork is crumbling; its windows are cracked or covered with loose plywood; its majestic stone lions roar through veils of pigeon dung. The marquee lights are gray and broken, like an old man's teeth. Goldberg was cited for ten code violations on the building in 1987, but that case was dismissed.

At Lawrence Avenue and Broadway is the Riviera office building, empty except for a taco shop and a discount trinket store. The city fined Wolf and Goldberg for one code violation on the building in 1985, then cited Goldberg for 16 more in 1986. He was later held in contempt of court for refusing to let city inspectors inside the place.

Wolf bought the Riviera Theatre, next door, in 1983. The deal was an installment arrangement with the previous owners, who subsequently sued, charging that Wolf allowed taxes to fall delinquent, and has drawn lawsuits for code violations and mechanic's

liens. Goldberg has been in court with an insurance company since 1984, trying to collect \$360,000 for vandalism damages. The company says the damage was caused when Goldberg left the Riv vacant and unheated one winter, allowing the pipes to burst.

South of the Riv is a Goldblatt's department store, occupied on the first floor only. Community residents were outraged to learn in 1982 that Goldberg planned to convert the building into a men's transient hotel. Aldermen scuttled the plan.

Wolf appears to have some ownership interest in the building that houses the Melrose Restaurant, at 3229 North Broadway: He was named as a defendant when the place was cited for six code violations in 1986.

The alderman here, the 44th Ward's Bernard Hansen, has received numerous campaign contributions from Wolf's Park Lane Commercial company, and from his frequent nominee William Berke, as well as from companies running bars on property controlled by Wolf. "Mr. Wolf can be a very charming guy at times. I don't have problems with him," says Hansen. "He's a very nice, congenial, 'Yeah, yeah, yeah' kind of guy. Sometimes he does what he says, sometimes he doesn't."

At the southern end of the ward, on Broadway just north of Diversey Parkway, are a number of Wolf-controlled bars and storefronts. A current tenant is the Adult Fantasy 24 Hour bookstore. Records filed with the secretary of state show that Paula Lawrence was president of Adult Fantasy in 1984. In 1985, she was indicted for her part in allegedly concealing the profits of a multimillion-dollar pornography ring. That trial is set for June. Her codefendant Reuben Sturman has been described in the *Chicago Tribune* as "an associate of the Colombo [Mafia] family" of New York. Also on Wolf's property are the Times Square Video Arcade and Girlie's Adult Books.

It's a depressing collection. And there could be more. We know these properties are Wolf's, or under Wolf's control, only because they had code violations that caused the city to go behind the screen of blind-trust ownership, or because they be-

## The Wolf Pack

ALBERT EDWARD BERLAND, 63, A CHILDHOOD FRIEND OF LOU Wolf's, says in one deposition that he controlled about 300 properties in Lawndale in the 1960s. He favored aliases like Albert Edwards, Edward Albert, Fred Cooper, and Simon Zaritz. Another court document lists 33 of his buildings that had fires between 1965 and 1969, from which Berland collected some \$180,000 in insurance claims. In 1970, he was convicted of conspiracy in a scheme to forge Federal Housing Administration credit reports to get \$200,000 in government-insured mortgages for his contract buyers.

He lives today at 8912 North Kolmar Avenue, in Skokie. "You drop Al Berland in the jungle and say, 'Find your way out,' he's the kind of guy who would make it," says real-estate broker Mike Centanne. "He's a survivor."

Berland and Wolf recently sold the Marquette Theatre and a stretch of storefronts at 63rd and Kedzie Avenue—which had been cited for numerous building code violations under their ownership. They also sold the burned-out shell of the former Nagel Chase warehouse on Ashland Avenue just north of Diversey Parkway. When the warehouse burned in 1987, Wolf's insurance company refused to pay his claim, and Wolf sued. According to depositions, he and Berland put up about \$310,000 cash to buy the building in 1983 or 1984. The shell brought \$415,000.

JOSEPH D. BERKE GREW UP ON THE WEST SIDE, WENT TO DePaul Law School, but never passed the bar exam and was never licensed. In 1968, after his West Side real-estate office was picketed by angry black contract buyers, he started working out of his home and using a post office box. He married Wolf's sister Sylvia, who died in 1973.

Among his properties is the site of Chase Auto Brokers, a used-car lot in Palatine. Chase's articles of incorporation were drawn up by attorney Jack P. Cerone, son of twice-convicted mobster John P. "Jackie" Cerone, Anthony Accardo's former bodyguard. The younger Cerone has drawn publicity for being among the owners of a Du Page County country club frequented by mob figures. Although Chase's articles of incorporation were dissolved in 1982 for failure to file an annual report, the lot is still operating. Berke has had a number of cars titled to this address, according to records obtained from the secretary of state.

"He is just a real-estate business hustler," says Wolf in one deposition. (continued on page 164)



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came embroiled in lawsuits. (One of the most interesting is the suit brought by Wolf against his partner Ken Goldberg, charging that Goldberg misappropriated funds they held in common.) Most often, city lawyers, community groups, and elected officials are left guessing where Wolf's influence will be felt next.

"Any time you have a nightmare, Lou Wolf is behind it," says Kathy Osterman. "He doesn't care what he does to a neighborhood."

ONE OF CHICAGO'S MOST VIVID CIVIC NIGHTMARES, OF COURSE, IS the fall of Lawndale: the abrupt collapse of the real-estate market there, the rapid racial turnover, and the conversion of a solid working-class neighborhood into a ruin.

Wolf played a role there, too.

He wasn't alone. He learned the real-estate trade by working with a small group of West Side investors, who among them controlled more than 1,000 Lawndale properties during the 1950s and 1960s, according to the estimate of insurance lawyer Ed McCarthy.

They're all still thriving and still have links with Wolf (see sidebar on facing page). They include Albert Berland, Joe Berke, Gilbert Balin, and Moe Forman.

Because they held buildings in partnership, and made frequent use of aliases, nominees, unincorporated holding companies, and blind trusts, it wasn't until 1969 that their interrelated interests came to light. An investigator from Peoples Gas, who first discovered the link, charged that eight landlords, including Wolf and Balin, as well as Forman's F & F Investments, had bilked the gas company out of \$23,000 in the previous three years.

"No one realized it was just one group," city attorney Tim O'Hara told the *Tribune* in 1973. "They had the system figured out. It appeared to be diversified ownership. They were organized."

By 1973, of course, it was too late: Lawndale was destroyed; hundreds of buildings had been abandoned or burned. Overmortgaged slums had been dumped back on the neighborhood savings and loans, and a couple of banks had gone belly up. It was reported that the Federal Savings and Loan Insurance Corporation held \$756,920 in delinquent mortgages owed by Wolf's nominee William Berke in 1968, and another \$280,000 owed by Berland.

"These guys were turning over houses like used car salesmen," says neighborhood activist Lew Kreinberg. "They're geniuses, really: They figured out the tools."

Hardest hit were the black home buyers. Banks denied them traditional financing. The Lawndale dealers offered "contract purchases": The buyer would make a low down payment, then face unusually high interest rates, and wouldn't hold any equity until *all* his monthly payments were made. The contract buyers were ultimately joined in twin Federal class-action suits, alleging that they had been subjected to a de facto "race tax." They lost, but state laws were passed putting limitations on the use of contract sales.

During the late 1950s and early 1960s, Lawndale was a seller's market. In testimony at the contract buyers' trial, defendant Joe

Berke, Wolf's brother-in-law and frequent partner, said, "There was a lot of buyers for the buildings. The market, the competition was very fierce." And the slumlords seemed to have at least the benign acceptance of the Regular Democratic Organization: Powerful 24th Ward Democratic committeeman Arthur X. Elrod served as insurance broker on at least one fire insurance claim filed by Wolf's occasional partner and rent collector Florida Jenkins. And Le Roy Cross, the 29th Ward's alderman from 1973 to 1979, was a slumlord in his own right: A *Chicago Today* report identified him as operating property with Gilbert Balin. Cross had been handpicked for office by former state senator and 29th Ward Democratic committeeman Bernard Neistein.

Wolf frequently attends functions with Neistein these days. The usually garrulous pol thunders, "No comment!" when asked about Wolf, adding, "He gives to charity, so he can't be all bad." But on reconsideration, Neistein says he's kept his distance from Wolf: "He asked me to represent him on a land deal in Las Vegas, and on that arson thing," Neistein says, "but I turned him down both times. He's not with me."

"That arson thing" was a protracted court battle Wolf waged to try to overturn his 1974 conviction for arson and conspiracy.

On November 19, 1969, there was a fire in a partially occupied 36-flat tenement that had been owned by Wolf and Berland—or, more properly, by Wolf's nominee and Berland's alias. It was extremely convenient. Berland, who held title as of the date of the fire, had been unable to find a contract purchaser for the building, and the city was suing to demolish it. Several neighbors said they saw two white men lugging buckets full of liquid into the building shortly before it burst into flames.

One of the neighbors identified Wolf as one of the arsonists. He later said that he was threatened and told to forget what he saw. A fire department report said, "Mr. Berland has a history of fires at properties he owns and apparently has no thought of cooperating with the reporting detectives." But the state's attorney's office, run by Regular Democratic Organization stalwart Edward Hanrahan, did not bring an arson case. It wasn't until four years later, after Republican Bernard Carey took over the office, that Wolf and Berland were finally prosecuted.

Wolf sued Carey over the prosecution. He complained that the witnesses had been unreliable. Two, for instance, identified him as a bald man, and Wolf pointed out that he clearly had hair on his head. Yes, he had been bald at one point, he said, but the hair transplant that cured him had taken place in 1967, before the fire.

Wolf fought the charges against him all the way up to the Illinois Supreme Court, and lost. He and Berland served eight months in Joliet.

But by that time, fire insurance claims had helped fuel Wolf's real-estate expansion. The *Tribune* quoted an insurance investigator as joking that parcels on the 2800 block of North Broadway were his "piece of the Rock." And in a 1971 deposition, Wolf described how he churned one \$90,000 claim back into three new purchases. That fire was in a Broadway decorating (continued on page 160)

**Two  
men had been seen  
lugging buckets  
into the building  
before it burned.  
A witness said  
one was Lou Wolf.**

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continued from page 125

studio owned jointly with Berland, who took \$20,000 from the claim.

WOLF IS PRIMARILY A BUYER AND SELLER OF property, not a builder. I've discovered his name linked in the public record with a new construction project only once. But the story of that one project is a doozy. It has everything: broken contracts, deceptive plans, bamboozled city officials, and what most people regard as the most flagrant flouting of the city building code in years—all of it taking place not in an iffy, changing neighborhood, but in the heart of the Gold Coast, under the watchful eye of two of the most powerful politicians in town.

Maybe you've seen the lot in question. Alderman Burton Natarus (42nd) calls it "the most valuable piece of property around"—a plot, a little too wide to spit across, at State and Division. It used to hold three storefronts, including Papa Milano's, a restaurant frequented by mobster Anthony Accardo. These days it looks like an abandoned construction site: A stark steel frame rises 48 feet from the mud, looming over fashionable graystones and nightclubs. The site is unlit and poorly secured. Old paper plates and newspapers eddy in its open, windswept basement.

Wolf has controlled this property since 1975, and in that time, it's been the scene of a macabre civic comedy in three acts.

Act one has to do with Wolf's fight for control: In 1974, the owners of the land defaulted on a bank loan, and a man named Walter Bezin snapped it up at an auction for \$450,000. Bezin, whose wife was Wolf's cousin, was just a nominee for Wolf's brother-in-law Joe Berke, and Berke says in one deposition that Wolf managed the property. But just before they lost control of the land, the old owners outfoxed Wolf: They gave long-term leases on two of the storefronts to a fellow named Albert Brown.

Brown tried to evict Milano's—Wolf's partner Goldberg was arrested trying to stop a sheriff's deputy from serving the notice. Bezin fought Brown in court, but lost.

In 1975, one of the stores was damaged by fire, cause unknown. James Ginsburg, one of the old owners of the property, accused Wolf of setting the fire to collect the fire insurance proceeds, according to a slander suit Wolf brought against Ginsburg. Wolf protested that he was "a person of good name, fame, and reputation in and about the city . . . and deservedly enjoyed the esteem and good opinions of his neighbors and other worthy citizens." He eventu-

ally dropped the suit.

In 1978, all three buildings were torn down. A trial court decided that Bezin deliberately destroyed them in order to circumvent Brown's leases, and ordered Bezin to restore the buildings. But a higher court reversed that order, saying it was impracticable.

Eventually, Wolf settled his way out of the leases, and took possession of the land. He leased part of it to Philly's, a cheese-steak and beer vendor.

The strange fate of Philly's liquor license is the subject of act two. In the November 1982 election, the precinct that included Wolf's property was voted dry. Too bad for Wolf—until a bit of political good fortune came his way. In May 1984, the Chicago Board of Election Commissioners issued a new map of the 42nd Ward making one small adjustment: They moved one boundary of the "dry" precinct 100 feet to the east, so that it no longer included Wolf's property. No one seems willing or able to explain how or why.

Four days later, a petition suddenly appeared asking that the area be "wet" again, and the city issued Philly's a liquor license. When a neighborhood group protested—what do you know? The Board of Election Commissioners issued a *new* map restoring the original precinct border, and the liquor license was revoked. State statutes require a resident referendum or petition to restore the "dry" status, and none was ever taken. So what happened here?

"Well, there was a mistake and we changed it back," says Natarus.

A mistake? How did it happen?

"Well, I don't know and no one seems to know, and it was changed back, but that's not the real issue here."

But did Natarus talk to the Board of Elections about moving the boundary?

"I had nothing to do with that. I'm not the committeeman."

So it was 42nd Ward Democratic committeeman George Dunne who went to the board?

"Yes, he did, and—I don't know. I don't speak for him."

Dunne says, "I can tell you this, I don't recall it and I never did it."

Testifying before the Chicago Plan Commission on a slightly different aspect of the State and Division affair, Natarus said, "Anybody that lives in the neighborhood calls the whole thing a disgrace, and they say that the alderman is incompetent because of this situation."

It's probably the most charitable interpretation that could be put on his and Dunne's involvement.

Early in 1985, Wolf sued Philly's for nonpayment of rent, and the stand was torn down. The demolition, according to Bernard Heerey, who owns the property just south of Wolf's, damaged Heerey's building, which had already been damaged by construction of the stand. Heerey has a pending suit against Wolf.

Act three is the best of all. It concerns the new building Wolf is putting on the site:

In June 1985, Wolf's lawyer Bernard Allen Fried went before the Chicago Plan Commission and presented Wolf's plan for the site: a parking lot. The neighbors protested, saying it would make an already impassable street even more congested. So Wolf proposed a single three-story building for the site, but withdrew the application when he learned it didn't meet zoning requirements. Wolf came back with a plan to build three separate buildings with one facade. This time the Plan Commission went along with him.

Natarus said, "I get a very positive feeling about what's being built here. It's refreshing."

In March of 1986, Wolf submitted his architectural plans, and got a permit to begin excavation. The city immediately sued him, saying he was depositing "large amounts of dirt, brick, rubble, and other construction debris" on the public way. That suit was resolved and a building permit was soon issued.

Early in 1987, Wolf ordered his first shipment of steel from Metron Steel Corporation. Metron eventually filed a lien against the property saying Wolf owed them \$68,790 on the \$153,222 worth of steel they'd delivered. "Credit-wise, Wolf looked real good on paper," says Metron salesman Tom Zager. "But after dealing with him, he wasn't." Wolf paid after Metron sued.

That October, a city inspector noticed that Wolf wasn't building three small buildings, as he'd promised; he was putting up a single superstructure, and had already installed four floors. A city stop order was issued. Wolf has denied that he intended to build any higher, but he had done studies that indicated that the building could take another floor.

Meanwhile, after work was halted, Wolf's construction canopy began to sag into the street. In February of last year, the city filed suit, saying the canopy was in "imminent danger" of collapse, and adding

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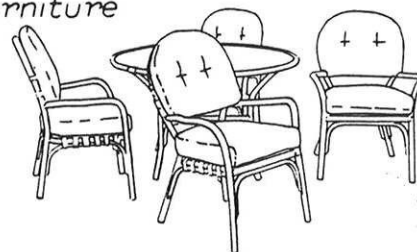
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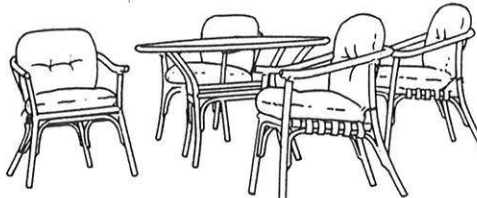


### "ALISON"

48" tempered glass table and 4 dining chairs; Alison is stocked in white with blue-white stripe cushions.

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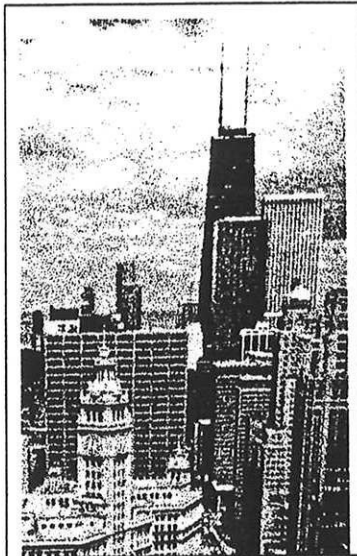
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## THE WRECKER

that several piles of debris, which were each several feet high, were left standing in the public way.

The city's lawsuit asked for demolition of the half-constructed building. City lawyers had never taken this drastic step before. Shortly afterward, an unidentified man made a number of calls to the city's lead attorney on the case, Marilyn Johnson. The caller, who wouldn't give his name, finally told Johnson's secretary, "Just let her know, I'm a friend of Lou Wolf's, and he's going to put a hit on her." Johnson was not impressed.

For a while the city seemed willing to let Wolf's building remain if he put in additional columns, making three separate structures within the one. Wolf tried to get the city to accept one building with party walls, but in a letter to his attorney, Johnson said the city's reluctance was "quite frankly, due to your client's extensive past history of flaunting [*sic*] the Chicago Building Code." Negotiations broke down, and as of this writing, the matter was scheduled to go to trial.

Natarus says, "I think the city's got to be tough and they've got to make him comply with the building code." He says, "I'm not soft on this case. But I'm getting blamed for it, unfortunately, and I'm not in charge of the prosecution."

Gaynes says, "People wonder why we're such a stickler for things like permits. There's a reason we have to make sure things are built right: After all, this whole city burned down once."

**CAN YOU KEEP LOU WOLF FROM YOUR DOOR?**  
Is there any way to stop a land banker with seemingly unlimited funds from exercising his constitutional right to hold property in your community?

Former 48th Ward alderman Marion Volini says the only way to stop Wolf is to find the vacant buildings before he does, and woo community-minded developers. "We just worked assiduously to keep property out of his hands," she says.

One judge says, "He's relatively immune to everything except pressure from the courts—and the community has to be vigilant to make that happen."

Activist Lew Kreinberg says, "The people who've invested in the economic future of the area have to make it clear to the banks and insurance companies who do business with Wolf that this guy is a risk."

In fact, insurance companies seem to be aware that Wolf is a risk. In a deposition

taken after one of his buildings burned and his insurance claim was denied, an insurance executive who did business with him said that Wolf's properties had experienced several policy cancellations or rejections in recent years because of their poor quality and lack of tenants, and because of "inconsistencies."

And of course, land banking is not illegal. "Buy low and sell high: It's the American way," says Gaynes.


It's not easy to look into the affairs of a man like Wolf. Illinois is one of just six states that permit the use of blind real-estate trusts, and Wolf's extensive use of such trusts, as well as aliases, title swapping, and unincorporated holding companies, protects him, even when someone at the state's attorney's office might have cause to take an interest in him.

What might catch a state's attorney's eye? For one thing, there's Wolf's use of county real-estate scavenger auctions, which sell off tax-delinquent property. Unscrupulous owners in the past have used the auctions to "launder" their own property back to themselves, wiping out their tax obligations. There's a case pending against Wolf's lawyer Bernard Allen Fried, for instance, for doing just that on one property in the last auction.

At that auction, which sold properties with unpaid taxes dating mostly from 1978 to 1985, Wolf was the successful bidder on 56 parcels, which he won in the name of B & W Investments, an unincorporated, unregistered company headquartered at his office. Gregory Berkowitz, who works at Wolf's office and serves as his agent on some legal matters, bid successfully on 27 parcels, using the names Power Construction, G & B Investments, and other shells headquartered at the same address.

On at least a dozen of those properties, the unpaid 1985 tax bills had been sent to holding shells like "See Management" and "Rachel 441" that were also headquartered at Wolf's office. I did a title search of them, and while in most cases the results were inconclusive, legal documents for two properties strengthen the impression that Wolf had an ownership interest in them prior to the auction.

But you just can't tell. A property owner can have his tax bills sent to anyone he chooses—I know of a number of cases in which Wolf and his associates had theirs sent to a variety of names and addresses. It's possible that Wolf was just a sort of mail drop for these properties, and that he's




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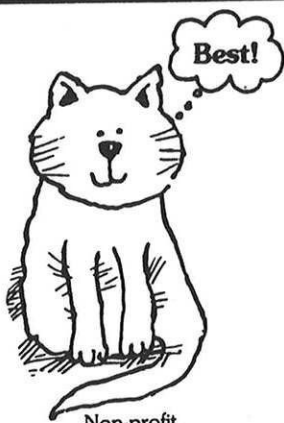
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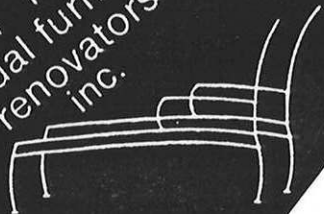
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## THE WRECKER

entitled to buy them out of tax delinquency legally. It's also possible he is eliminating tax obligations for chicken feed: The two properties linked to Wolf in legal documents owed the county \$190,787. The slate was wiped clean for \$13,990.

Did Wolf do it, or didn't he? That's not something we should have to guess at. Land banking is bad for neighborhoods, bad for the economic health of the city. And a land banker who can successfully evade taxes can afford to hold property longer, maintain it less, and rent it to worse tenants—in short, run it down more than he could if he had to pay his bills. A system that can't investigate a suspicious circumstance—an address shared by a delinquent taxpayer and a buyer of his property at a tax auction—can't adequately protect us.

Actually, the person who should have been blowing the whistle on Wolf's use of the tax sales is a worker who handles tax sale records in the office of county clerk Stanley J. Kusper.

But the workers there don't seem disposed to hassle Wolf. His associates are familiar figures at the clerk's office. Indeed, Wolf's brother-in-law and frequent partner Joe Berke, and his niece and partner Benitta Berke, spend so much time in there and in the scavenger auctions held in the hallways outside that any worker will find them for you on a moment's notice, if you simply ask.

Has familiarity bred cooperation? It would be in the city's interest to know that, as well. I can only offer an anecdote. I was at the clerk's office not long ago, putting through a Freedom of Information request that asked for records pertaining to some two dozen properties Wolf had won at the last scavenger sale. The worker said he'd have them in a week. When I went back, he said, "Just a minute; I have to get one more thing." Then he disappeared.

Into the office walked Benitta Berke. She eyeballed me, conducted some minor business, then left. It wasn't until she was gone that my helpful worker returned. ~

*David Jackson is a senior editor of Chicago.*

## THE WOLF PACK

*continued from page 124*

GILBERT BALIN WAS ONCE QUOTED AS TELLING investigators, "I don't want any buildings in my name because when I go to court I don't like them to know that I own them."



He was charged with attempted arson in 1973, but the state later dropped the case. In a 1970 deposition he said that there had been 30 to 40 fires in buildings he managed in the late 1960s.

Today, Balin is a major buyer at county scavenger sales. His ABC General Contractors has worked with Wolf as recently as 1983. The proof is in liens filed with the county alleging that Wolf stiffed him for \$32,603 on two remodeling jobs. Balin later dropped the case.

MOE F. FORMAN WEARS A LOT OF HATS. HIS name crops up in the records pertaining to Wolf, Balin, Berland, and Berke in a variety of contexts: bookkeeper, attorney, investor, adviser. He said in a 1971 deposition that he had "advanced" Wolf some \$150,000 to \$200,000. He said his clients sometimes held title to properties through trusts assigned to him. They sometimes paid their tax bills in his name. Property owners didn't want their names to appear on property records, he said, so they would show ownership "in my name as agent."

Forman talks about "selling paper," not houses where people live. In one deposition he said, of Wolf, "I was collecting as high as three and four thousand dollars a month out of his paper. It is shown on here. I am not a damn fool altogether."

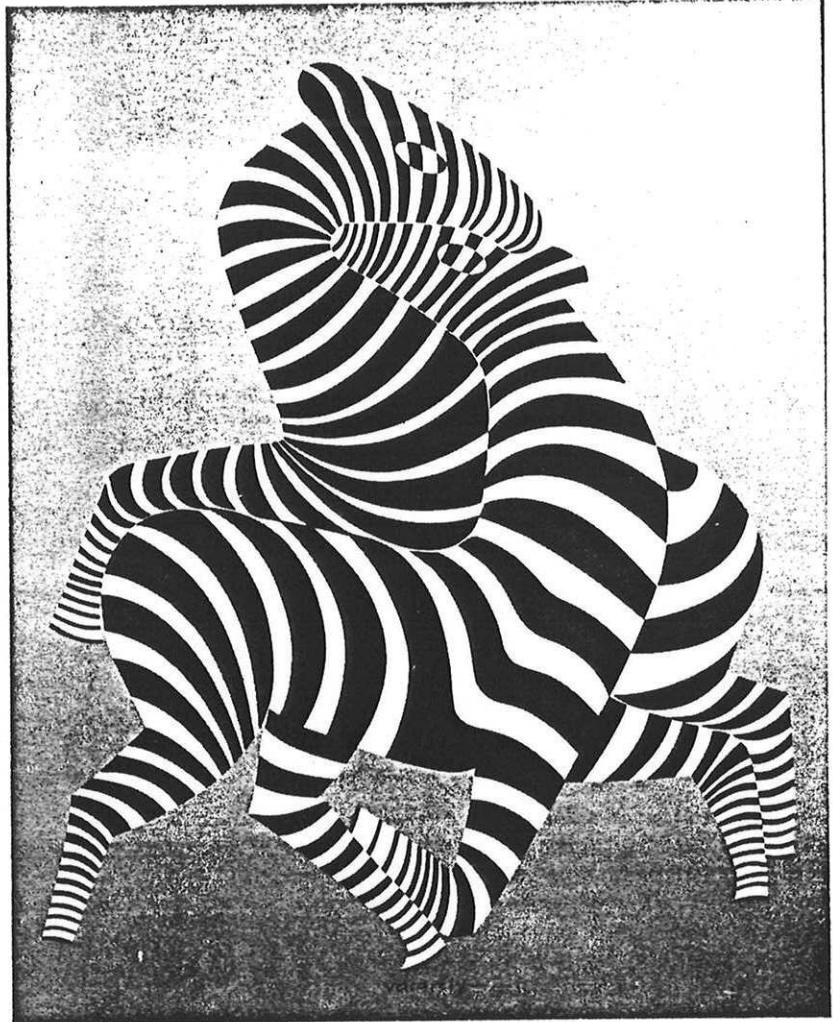
He said, "Anyone that I am handling, he can't do without me. I have all the records and all the papers. He can't complete a sale without me."

And what if Wolf were to sell a building without telling Forman? "Then he is through with me. He needs me more than I need him. All he's got to do is double-cross me once and he's through."

Records indicate that Forman served as Wolf's attorney on more than 250 separate building court cases and other property matters from 1960 through 1970. When the city sued to demolish one Wolf building, Forman said, he "made a deal" with Tom Foran, then city attorney in charge of land acquisition, giving Wolf a hefty \$33,067 for the land. In 1971, he fixed up housing court judge Franklin I. Kral with a discount on \$2,900 worth of supplies at Berland's paint store. Kral gave Forman \$2,000 cash in the judge's chambers.

The judge was suspended by the Illinois Courts Commission for two months. Apparently, no action was taken against Forman, who works today from an office at 105 West Madison Street, and has recently represented Wolf on key suits. *D. J.*

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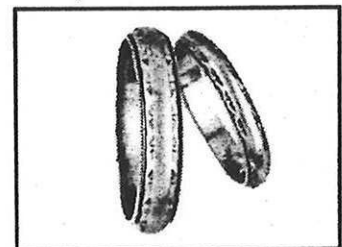
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