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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
CENTRAL DIVISION

CORNELIA MARTINEZ, an individual;  
ANA VELASQUEZ, an individual;  
CARINA FABIAN, an individual; HILDA  
DERAS, an individual; CARMEN CASTRO,  
an individual; DEMETRIUS ALLEN, an  
individual; MICHAEL PRUDHOMME, an  
individual; ARTHUR RIVERA, an  
individual; JAMARCUS REYNOLDS, an  
individual; PEDRO RAMOS, an individual;  
MARGARITA MECINAS, an individual;  
NICOLAS GREGORIO, an individual;  
CARLOS ESCAMILLA, an individual;  
FRANCESCA ESCAMILLA, an individual;  
POLONIA HERNANDEZ, an individual;  
SAJE, a 501(c)(3) non-profit organization;  
STEP UP ON SECOND STREET, INC., a  
501(c)(3) non-profit organization; on behalf  
of themselves and all others similarly  
situated,

Plaintiffs,

v.

(Caption continues on next page)

CASE NO.: 2:16-cv-8598

**COMPLAINT FOR  
DAMAGES, DECLARATORY  
AND INJUNCTIVE RELIEF**

**Jury Trial Demanded**

1 OPTIMUS PROPERTIES, LLC, a California  
limited liability company; ROXBURY  
2 VENTURES, LLC, a California limited  
liability company; SOUTH KENMORE  
3 PROPERTIES, LLC, a California limited  
liability company; SOUTH NORMANDIE  
4 PROPERTIES, LLC, a California limited  
liability company; NORMANDIE LINDEN,  
5 LLC, a California limited liability company;  
MAGNOLIA AVENUE PROPERTIES,  
6 LLC, a California limited liability company;  
MARIPOSA/8TH STREET PROPERTIES,  
7 LLC, a California limited liability company;  
and JEROME MICKELSON, an individual,

8  
9 Defendants.

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## **INTRODUCTION**

1  
2  
3 1. In blatant violation of federal and state anti-discrimination laws,  
4 Defendants have engaged in concerted and unlawful efforts to push out tenants  
5 whom they consider to be undesirable—tenants with mental disabilities and Latino  
6 tenants with children—in order to raise the rents on those units, market the units to  
7 childless, English speaking, non-disabled people of means, and increase their profits  
8 on the rapid resale of the apartment buildings that Plaintiffs call home. Defendants  
9 have made their discriminatory intent explicit. They have said, in so many words,  
10 that “regular tenants” should not have to live near tenants with mental disabilities  
11 with their “symptoms” and “issues”; that they will call immigration on Latino  
12 tenants who challenged eviction notices; that the smells of Latino cooking are  
13 “disgusting” and “foul”; and that families whose children use common areas will be  
14 evicted.

15 2. Against this backdrop of explicit discrimination and harassment,  
16 Defendants employ a number of pernicious, unlawful techniques to push out targeted  
17 tenants, as fully detailed below.

18 3. Defendants are not only violating well-established rights protected by  
19 federal and state law; to turn a profit, they are putting at risk of displacement and  
20 even homelessness some of the most vulnerable Los Angeles residents: low-income  
21 individuals with mental disabilities, former foster youth, the formerly homeless, and  
22 Latino families living on the edge of poverty.

23 4. The 15 individual Plaintiffs in this action are members of classes  
24 protected by the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*—Spanish-  
25 speaking Latino tenants, tenant families with children, mentally disabled tenants—  
26 and two non-profit organizations serving those tenants, Step Up on Second Street,  
27 Inc. (“Step Up”) and SAJE (“Strategic Alliance for a Just Economy”).  
28

1           5. By this action, Plaintiffs seek to hold the tenants' landlords and  
2 management, a network of investors, owners, and operators of apartment buildings in  
3 the Koreatown neighborhood of Los Angeles, liable for discrimination in violation of  
4 the FHA and related state and local laws.

5           6. Defendants are eight interrelated companies and individuals who have,  
6 since at least 2013, pursued what they have termed their "Koreatown Strategy"  
7 centered in Koreatown, a rapidly gentrifying neighborhood of Los Angeles. This  
8 strategy consists of purchasing occupied multiunit properties, instituting a  
9 discriminatory campaign to force out certain targeted tenants, renovating and re-  
10 renting vacated units, then selling or "flipping" the properties for a quick profit at the  
11 expense of the tenants they have ejected or sought to eject. The success of this  
12 scheme crucially depends on unlawfully displacing a significant number of the  
13 existing tenants of these properties.

14           7. To accomplish this objective, Defendants have engaged in a pattern and  
15 practice of discriminatory conduct targeting and imposing disparate harm on  
16 protected classes under the FHA, including Spanish-speaking Latino tenants, tenant  
17 families with children, and tenants with mental disabilities. As detailed more fully  
18 below, Defendants' discriminatory and unlawful practices in violation of the FHA  
19 have included, among other practices, (1) subjecting Plaintiffs and similarly situated  
20 residents to coercive, unlawful and/or misleading notices designed to intimidate them  
21 into leaving; (2) changing the rent payment terms in a manner that makes it more  
22 difficult for Plaintiffs and similarly situated residents to pay their rent; (3) interfering  
23 with tenants' enjoyment of their housing rights through harassing tactics that include  
24 derogatory comments about their disability status or national origin; (4) instituting  
25 rules that restrict children from making reasonable use of common areas; (5) failing  
26 to provide or delaying needed maintenance and repairs to Plaintiffs' units, or  
27 providing only substandard maintenance and repairs, while at the same time  
28 providing freshly renovated units in good condition to new tenants; and (6)

1 instituting baseless eviction proceedings against targeted tenants. Moreover,  
2 Defendants have subjected Plaintiffs who have opposed Defendants' conduct to  
3 retaliation, threats, and intimidation, also in violation of the FHA.

4 8. Defendants' conduct has caused profound injury to Plaintiffs. Plaintiffs  
5 have endured poor living conditions and humiliating treatment at the hands of  
6 Defendants' employees. Repeatedly, as a direct consequence of Defendants'  
7 persistent efforts to force them out, Plaintiffs have confronted the threat of losing  
8 their homes and becoming homeless. Plaintiffs with mental disabilities who have  
9 only recently achieved stability have been subjected to the stress of a difficult, high-  
10 stakes search for new housing in locations that would allow them to continue  
11 receiving essential services, before learning that the eviction threats were invalid. As  
12 a result, their symptoms were exacerbated. For many Plaintiffs, only the intervention  
13 of supportive non-profit organizations and pro bono counsel prevented them from  
14 losing their homes. As a direct result of Defendants' discriminatory and abusive  
15 actions, Plaintiffs have suffered significant anxiety, frustration, and fear, in addition  
16 to the violation of their civil rights.

17 9. Organizational Plaintiffs Step Up and SAJE have also been harmed by  
18 the discriminatory and abusive conduct of Defendants. The efforts of Defendants to  
19 force out protected classes of tenants have frustrated the organizations' missions and  
20 interfered with their efforts to support vulnerable tenants in achieving stable, healthy  
21 living conditions. Both organizations have been forced to divert scarce resources to  
22 protecting tenants from a variety of discriminatory practices, as detailed below.

23 10. Moreover, in retaliation for their efforts to assist tenants in exercising  
24 their housing rights, both organizations have encountered threats and intimidation  
25 from Defendants, as detailed below, in violation of the FHA.

26 11. Plaintiffs seek a declaratory judgment, permanent injunctive relief,  
27 compensatory and punitive damages, and restitution for Defendants' unlawful  
28 behavior. This action is brought under the Fair Housing Act of 1968, as amended, 42

1 U.S.C. § 3601 *et seq.*; the California Fair Housing and Employment Act, California  
2 Government Code §§ 12900-12996; the Unruh Civil Rights Act, California Civil  
3 Code § 51; California Civil Code §§ 1714, 1927, 1940.2, 1942.5, 3479; the  
4 California Unfair Competition Law, California Business and Professions Code §  
5 17200 *et seq.*; the Los Angeles Rent Stabilization Ordinance, L.A. Municipal Code §  
6 151.00 *et seq.*; and California common law.

### 7 **JURISDICTION AND VENUE**

8 12. This Court has jurisdiction pursuant to 28 U.S.C. § 1331 and § 1343.  
9 This action is authorized by 42 U.S.C. § 3613. Declaratory relief is authorized by 28  
10 U.S.C. § 2201 and § 2202. This Court has supplemental jurisdiction to consider state  
11 law claims pursuant to 28 U.S.C. § 1367.

12 13. Venue is appropriate in this judicial district under 28 U.S.C. § 1391(b)  
13 because (1) at least one Defendant is a resident of this judicial district and all  
14 Defendants are residents of the State of California, and (2) a substantial part of the  
15 events or omissions giving rise to the claims in this Complaint occurred in this  
16 judicial district.

### 17 **THE PARTIES**

#### 18 **I. The Individual Plaintiffs**

19 14. Plaintiff Cornelia Martinez, age 45, has been a resident of 1423 South  
20 Magnolia Avenue since 1999. She is Latina, her primary language is Spanish, and  
21 she has two minor children, ages 5 and 11, who live with her and her husband.

22 15. Plaintiff Ana Velasquez, age 41, has been a resident of 1423 South  
23 Magnolia Avenue since 2010. She is Latina, her primary language is Spanish, and  
24 she has two minor children, ages 1 and 7, who live with her and her husband.

25 16. Plaintiff Carina Fabian, age 29, has been a resident of 1423 South  
26 Magnolia Avenue since 2010. She is Latina, her primary language is Spanish, and  
27 she has one minor child, age 4, who lives with her, her husband, and her brother-in-  
28 law.



1           17. Plaintiff Hilda Deras, age 76, has been a resident of 1423 South  
2 Magnolia Avenue since 1977. She is Latina and her primary language is Spanish.

3           18. Plaintiff Carmen Castro, age 31, has been a resident of 1423 South  
4 Magnolia Avenue since 2011. She is Latina and lives with her husband and two  
5 minor children, ages 5 and 11.

6           19. Plaintiff Demetrius Allen, age 45, has been a resident of 837 South  
7 Normandie Avenue since 2012. Allen, an African American who receives  
8 Supplemental Security Income (“SSI”), is a person with a disability under the FHA,  
9 42 U.S.C. § 3602. Allen is a formerly chronically homeless individual under the  
10 Housing and Urban Development (“HUD”) Code, 24 C.F.R. § 91.5.

11           20. Plaintiff Michael Prudhomme, age 63, has been a resident of 837 South  
12 Normandie Avenue since 2008. Prudhomme is an SSI recipient and a person with a  
13 disability under the FHA, 42 U.S.C. § 3602.

14           21. Plaintiff Arthur Rivera, age 67, has been a resident of 238 South  
15 Mariposa Avenue since 2011. Rivera, an SSI recipient, is a person with a disability  
16 under the FHA, 42 U.S.C. § 3602. He is a formerly chronically homeless individual  
17 under the HUD Code, 24 C.F.R. § 91.5.

18           22. Plaintiff Jamarcus Reynolds, age 31, has been a resident of 238 South  
19 Mariposa Avenue since 2011. Reynolds is African-American, an SSI recipient, and a  
20 person with a disability under the FHA, 42 U.S.C. § 3602. He is a formerly  
21 chronically homeless individual under the HUD Code, 24 C.F.R. § 91.5.

22           23. Plaintiff Pedro Ramos, age 45, has been a resident of 756 South  
23 Normandie Avenue since 1997. He is Latino, his primary language is Spanish, and  
24 he lives with his wife and two children, ages 6 and 11.

25           24. Plaintiff Margarita Mecinas, age 34, has been a resident of 756 South  
26 Normandie Avenue since 2008. She is Latina, her primary language is Spanish, and  
27 she lives with her three minor children, ages 13, 16, and 17.

28



1           25. Plaintiff Nicolas Gregorio, age 37, has been a resident of 756 South  
2 Normandie Avenue since 2005. He is Latino, his primary language is Spanish, and  
3 he lives alone.

4           26. Plaintiff Carlos Escamilla, age 57, has been a resident of 250 South  
5 Kenmore Avenue since at least 1997. He is Latino, his primary language is Spanish,  
6 and he lives with his sister, Francesca, and elderly uncle, Juan.

7           27. Plaintiff Francesca Escamilla, age 63, has been a resident of 250 South  
8 Kenmore Avenue since at least 1997. She is Latina, her primary language is Spanish,  
9 and she lives with her brother, Carlos, and elderly uncle, Juan.

10           28. Plaintiff Polonia Hernandez, age 52, has been a resident of 250 South  
11 Kenmore Avenue since 1994. She is Latina and lives with her adult son.

12 **II. The Organizational Plaintiffs**

13           29. Organizational Plaintiff SAJE is a 501(c)(3) non-profit organization  
14 located at 152 W. 32nd Street, Los Angeles, California. It has been in operation since  
15 1996. SAJE educates tenants about their rights and works to enforce those rights.  
16 SAJE has been working with the tenants of 1423 South Magnolia Avenue for the  
17 past year and a half to address their housing-related issues. SAJE has had to divert  
18 significant resources, including staff time, to protect the tenants of 1423 South  
19 Magnolia Avenue from the Defendants' discrimination, including misleading  
20 notices, retaliatory evictions, and other forms of harassment.

21           30. Organizational Plaintiff Step Up is a 501(c)(3) non-profit organization  
22 headquartered at 1328 2nd Street, Santa Monica, California. It has been in operation  
23 since 1984. Step Up provides social services to individuals with mental disabilities.  
24 Step Up helps to place persons with mental disabilities, including the formerly  
25 homeless, in permanent supportive housing. Step Up's social workers provide  
26 assistance to their clients in managing aspects of daily life. Step Up serves a number  
27 of clients living at 238 South Mariposa Avenue, including Plaintiffs Arthur Rivera  
28 and Jamarcus Reynolds. Step Up has had to divert significant resources, including

1 staff time, to protect the tenants of 238 South Mariposa Avenue from the  
2 Defendants' discrimination, including misleading notices, threatened and attempted  
3 evictions, and other forms of harassment.

4 **III. The Defendants**

5 31. Defendant Optimus Properties, LLC ("Optimus"), a California limited  
6 liability company, is a privately held real estate investment company engaged in the  
7 acquisition, development, leasing and management, and sale of multi-family, retail  
8 and commercial real estate.

9 32. Defendant Roxbury Ventures, LLC ("Roxbury"), a California limited  
10 liability company, is a privately held real estate investment company engaged in the  
11 acquisition, development, leasing and management, and sale of multi-family real  
12 estate. It provides some of these services for the subject premises.

13 33. Defendant South Kenmore Properties, LLC, a California limited  
14 liability company, is the owner of 250 South Kenmore Avenue, having acquired the  
15 building in 2014.

16 34. Defendant South Normandie Properties, LLC, a California limited  
17 liability company, owned 756 South Normandie Avenue from approximately May  
18 2014 until approximately November 2016.

19 35. Defendant Normandie Linden, LLC, a California limited liability  
20 company, is the owner of 837 South Normandie Avenue, having acquired the  
21 building in 2015.

22 36. Defendant Magnolia Avenue Properties, LLC, a California limited  
23 liability company, owned 1423 South Magnolia Avenue from approximately March  
24 2015 until approximately September 2016.

25 37. Defendant Mariposa/8th Street Properties, LLC, a California limited  
26 liability company, is the owner of 238 South Mariposa Avenue, having acquired the  
27 building in 2014.

38. Defendant Jerome Mickelson is the Multi-Family Asset Manager/Director of Construction for Optimus. Mickelson is responsible for all housing policies for Defendants South Kenmore Properties, LLC, South Normandie Properties, LLC, Normandie Linden, LLC, Magnolia Avenue Properties, LLC, and Mariposa/8th Street Properties, LLC (together, the “Property Entities”) and for Defendant Optimus.

**IV. The Optimus Entities**

39. Optimus is a vehicle for identifying, assessing, and aggregating potential real estate investments. Optimus, for example, promotes on its website many Koreatown properties that it presents as being in its “portfolio” of investments.

40. Rather than own the properties outright, the properties in which Optimus invests are owned by companies controlled by Optimus’ principals. These companies include the Property Entities.

41. In order to manage the properties, Optimus and the Property Entities rely on the services of Roxbury. Notices to tenants are often on Roxbury stationery, for example.

42. Defendant Mickelson is a key figure in these efforts. Mickelson has authority over the relevant housing policies at the subject properties and oversees the related practices.

43. Each one of Defendants Optimus, Roxbury, and the Property Entities is an agent, servant, employer, partner, owner or subsidiary, alias, assignee, and/or alter-ego of the other remaining Defendants, is acting within the purpose or scope of such relationships and has acted within that purpose at all relevant times, and is engaged in a joint venture.

44. Roxbury and the Property Entities are mere instrumentalities of Optimus, and Optimus is involved in the day-to-day ownership and management of the subject properties.

1           45. Optimus does not respect the separate identities of Roxbury and the  
2 Property Entities. There is overwhelming overlap of employees, office space, and  
3 payment of salaries among the Defendants, including as follows:

4           (a) Mickelson serves as the Multi-Family Asset Manager/Director of  
5 Construction for the properties owned by the Property Entities. His employer is  
6 Optimus, and he is paid by Optimus.

7           (b) Optimus and Mickelson directly supervise the on-site managers of the  
8 relevant properties.

9           (c) Individuals performing work for the Property Entities and Roxbury use  
10 their Optimus email address and represent themselves as being from Optimus rather  
11 than the Property Entities or Roxbury.

12           (d) Individuals employed by Optimus send building management  
13 communications to tenants on Roxbury letterhead.

14           (e) The Property Entities send building management communications to  
15 tenants on Optimus letterhead.

16           (f) Optimus shares an office with Roxbury and the Property Entities. That  
17 shared office address is 1801 Century Park East, Suite 2100, Los Angeles, CA  
18 90067.

19           (g) Optimus shares its accounting department with the Property Entities,  
20 managing the receipt of payments and the disbursement of funds to its individual  
21 vendors and employees.

22           (h) Optimus represents itself on its webpage as owning the relevant  
23 properties, and also lists an Optimus email address as the contact for the individual  
24 properties.

25           (i) All of the entities list as their agent for service of process the same  
26 individual, Kamyar Shabani.

27           46. Mariposa/8th Street Properties, LLC, is undercapitalized. Mariposa/8th  
28 Street Properties, LLC, represented that it did not have the funds to pay \$3,881.25 in

1 discovery sanctions or to pay the regular expenses of the building at 238 South  
2 Mariposa Avenue.

3 47. Optimus employees, the Property Entities, and Roxbury act as agents  
4 for the principal, Optimus, when dealing with the relevant properties.

5 48. Optimus derives financial benefit from the Property Entities and  
6 Roxbury. It controls, ratifies, or approves the actions of those entities.

7 49. A joint venture exists between and among the Defendants. The  
8 Defendants have combined their property, skill, and knowledge with the intent to  
9 carry out a single business undertaking. To carry out the joint venture of acquiring,  
10 renovating, and managing properties, Optimus brings to the venture its access to  
11 capital, its market expertise, and its employees, including Mickelson. Roxbury brings  
12 its managerial expertise. The Property Entities bring to the venture the legal capacity  
13 to hold the relevant properties. These business entities and individuals together have  
14 a common business interest, the business of real property investment.

## 15 **FACTS**

### 16 **I. The “Koreatown Strategy”**

17 50. Since 2013, Defendants have pursued their so-called “Koreatown  
18 Strategy,” a complex scheme in the rapidly gentrifying Koreatown neighborhood of  
19 Los Angeles, to purchase buildings, displace the existing tenants, renovate vacated  
20 units, market the renovated units at much higher rents to young, childless, English-  
21 speaking professionals, and “flip” (as defined below) the buildings at a massive  
22 profit.

23 51. Koreatown is ripe for exploitation under Defendants’ “Koreatown  
24 Strategy.” Located near downtown, Mid-Wilshire, and Hollywood, the neighborhood  
25 has historically been characterized by dilapidated but architecturally distinct housing  
26 stock, relatively low rents affordable to the neighborhood’s working-class residents,  
27 and significant ethnic and racial diversity, with particularly high numbers of Asian  
28 American and Latino families. In recent years, because of the area’s proximity to job

1 centers, high quality public transit, vibrant culture and street life, comparatively low  
2 housing prices, and historical buildings of significant architectural value, Koreatown  
3 has attracted an influx of higher-income residents who are able to afford much higher  
4 rents.

5 52. Each building purchased by Defendants was, at the time of purchase,  
6 occupied by significant numbers of Spanish-speaking Latino tenants, families with  
7 children, and/or persons with mental disabilities. Each of these groups is a protected  
8 class under the FHA.

9 53. Under the protections of the Los Angeles Rent Stabilization Ordinance  
10 (“LARSO”), these preexisting tenants occupied rent-stabilized units, were protected  
11 from no-cause evictions, and paid below-market rents.

12 54. Plaintiffs allege, based on information and belief, that the extraordinary  
13 profits that Defendants achieved through their Koreatown Strategy were attained as a  
14 direct result of their willingness to evade and break the law. Law-abiding real estate  
15 investors in the multi-family residential sector have traditionally relied on  
16 renovations, improved management, and legal rent increases to increase rental  
17 income, which, in turn, increases property value over time. However, rather than  
18 hold a property on a long-term basis, Defendants quickly dispose of the property by  
19 implementing a “flip”: a short-term strategy that entails purchasing an apartment  
20 building and then rapidly taking steps to increase rents, followed by a sale shortly  
21 after the property is purchased.

22 55. Having changed the demographic served by the buildings, and made  
23 upgrades only to the units repopulated with more desirable tenants, Defendants are  
24 able to sell the buildings for a considerable profit.

25 56. For example, on December 31, 2014, Defendants announced the sale of  
26 3715 West First Street, a 55-unit property “in the gentrifying Los Angeles  
27 neighborhood of Koreatown” for \$7 million. Defendants stated that after updating  
28

1 only “[a]pproximately 36 percent of the units,” they were able to sell the property for  
2 a 70% return on the initial investment.

3 57. Plaintiffs allege, based on information and belief, that Defendants  
4 purchased other properties—including the properties identified in this Complaint—  
5 with the intent of effecting the same scheme and then “flipping” the properties at a  
6 substantial profit.

7 58. On March 18, 2015, Defendants announced their \$2.25 million  
8 acquisition of 1423 South Magnolia Avenue, a 24-unit property “situated between  
9 gentrifying Korea Town and the University of Southern California.” Defendants  
10 planned “extensive renovations,” but stated that individual units would only be  
11 renovated “as they become vacant.”

12 59. Similarly, Defendants announced on April 8, 2015 their \$2.2 million  
13 acquisition of 837 South Normandie Avenue, a 16-unit property in Koreatown.  
14 Defendants again planned “extensive renovations,” but said they would only  
15 renovate individual units “as they bec[a]me vacant.” Defendants stated that “[t]his  
16 asset fits nicely into our Koreatown Strategy.”

17 60. The steps Defendants take to increase the value of their new properties  
18 primarily involve efforts to drive out existing tenants who are members of protected  
19 classes under the FHA. Defendants have exhibited a clear pattern and practice of  
20 discriminatory, unlawful, and abusive treatment of these tenants, with the obvious  
21 goal of displacing them.

22 61. First, Defendants repeatedly present targeted tenants with notices of  
23 termination or stipulations of eviction that have no actual legal basis but that appear  
24 to non-lawyers—all the more so to those with mental disabilities or those with no or  
25 limited ability to read English—as legally binding. Having misrepresented eviction  
26 as a *fait accompli*, Defendants are able to achieve the removal of many of the  
27 targeted tenants. Only because of the intervention, sometimes belated, of advocates  
28 and attorneys did Plaintiffs learn that the notices were invalid and that they did not



1 need to find a new home. Defendants also invent pretextual reasons for eviction,  
2 such as the presence of a dog that had been permitted for years or decades before.

3 62. Second, Defendants make timely payment of rent increasingly difficult  
4 for targeted tenants, while also instituting draconian deadlines for receiving  
5 payments and then threatening eviction based on allegedly late payment of rent.  
6 Defendants achieve this in part by eliminating on-site payment options, including  
7 payment by drop-box or payment to an on-site manager, and instead requiring  
8 payment by mail, in person at Defendants' offices in Century City (approximately  
9 ten miles away), or through an online system. These new payment methods impose  
10 disproportionate hardship on Defendants' Latino tenants, tenant families with  
11 children, and disabled tenants, who commonly lack access to banks and to the  
12 internet and are therefore forced to rely on the more costly methods of personally  
13 traveling to Defendants' offices or obtaining money orders and purchasing mailing  
14 protections like certified and registered mail. Additionally, the strict policy requiring  
15 rent to be paid on the first of the month causes hardship to disabled tenants who rely  
16 on disability-related checks that typically arrive between the 1st and the 5th of the  
17 month.

18 63. Third, Defendants' property managers frequently engage in verbal  
19 harassment of Spanish-speaking tenants, tenants with disabilities, and families with  
20 children based on their protected status. For example, as described below,  
21 Defendants have told mentally disabled tenants and their social workers that they  
22 don't want to rent to people with mental disabilities, that they should move, and that  
23 they belong in group homes. Defendants have also told Latino tenants that their food  
24 smells "disgusting" and "foul" and that the tenants need to learn to read English  
25 since they are in America. In other cases, Defendants have threatened to evict tenants  
26 because their children spend time in common areas. All of these measures taken by  
27 Defendants have frightened and aggravated tenants, creating a hostile and  
28 threatening environment and increasing pressure on them to move.

1           64. Fourth, Defendants allow the units occupied by Spanish-speaking  
2 Latino tenants, tenant families with children, and mentally disabled tenants to remain  
3 in poor condition by refusing or delaying needed maintenance, or by providing  
4 substandard workmanship, fixtures, and repairs. Despite Plaintiffs' repeated requests,  
5 Defendants fail to correct, or unreasonably delay the correction of, deplorable  
6 conditions. At the same time, Defendants renovate newly empty units and advertise  
7 them on websites aimed at their target population: persons who are upwardly mobile,  
8 childless, English speaking, and without mental disabilities. The process of  
9 selectively upgrading the units contributes to Defendants' scheme to displace  
10 existing residents. As their buildings become long-term construction sites, life is  
11 made even more difficult for those tenants deemed undesirable, who experience none  
12 of the benefits from the constant work being performed to upgrade the other units.  
13 For example, frequent water shutoffs in many of the buildings, including as many as  
14 50 hours without water over a four-month period, aggravate the tenants' daily lives.

15           65. Fifth, Defendants impose invalid rent increases by raising rents in  
16 excess of the amount permitted by LARSO, violating the procedure for rent increases  
17 for Section 8 tenants, and unlawfully shifting the costs of utilities to tenants in  
18 violation of LARSO.

19           66. When these methods fail, Defendants resort to issuing repeated and  
20 baseless eviction notices for the sole purpose of harassing and intimidating tenants,  
21 and sometimes pursuing meritless and/or retaliatory unlawful detainer actions (*i.e.*,  
22 eviction proceedings), until the targeted tenants make a legal misstep or simply give  
23 up and leave.

24           67. Finally, part of Defendants' Koreatown Strategy is targeted marketing  
25 to tenants who are young, childless, English-speaking professionals without  
26 disabilities. Defendants market unlawfully vacated dwellings in a manner calculated  
27 to replace Latino families with children or persons with disabilities with nondisabled,  
28 single, young, English-speaking tenants. Through statements and marketing,

1 Defendants seek to induce new residents into (and dissuade former residents from)  
2 renting the newly vacated units by representations regarding the entry or prospective  
3 entry into the neighborhood of persons of a particular familial status, national origin,  
4 or disability-status.

5 68. Defendants advertise the newly vacated units through the internet. The  
6 principal websites used by Defendants are Radpad, Hotpads, and, to a lesser extent,  
7 Walk Score. Each website presents information solely in English, and each is  
8 carefully curated to target young, English-speaking, single, nondisabled persons.

9 Walk Score targets its marketing of multi-family dwelling units to millennials.

10 Radpad features testimonials from young, single persons who are overwhelmingly  
11 white.

## 12 **II. Federal, State, and Local Housing Laws That Protect Plaintiffs**

13 69. Defendants' practices violate federal, state and local housing laws.

14 70. The Fair Housing Act, 42 U.S.C. § 3601 *et seq.*, makes it unlawful to,  
15 *inter alia*, (1) deny rental housing or make rental housing unavailable to any person  
16 because of race, national origin, familial status, or disability status; (2) discriminate  
17 against any person in the terms, conditions, or privileges of a rental, or in the  
18 provision of housing services or facilities, because of race, national origin, familial  
19 status, or disability status; (3) for profit, to induce or attempt to induce any person to  
20 sell or rent any dwelling by representations regarding the entry or prospective entry  
21 into the neighborhood of a person or persons of a particular race, familial status,  
22 handicap, or national origin; or (4) coerce, intimidate, threaten, or interfere with any  
23 person in the exercise or enjoyment of the equal housing rights granted or protected  
24 by the FHA. 42 U.S.C. §§ 3604, 3617. The FHA also prohibits retaliation against  
25 persons who exercise their equal housing rights, or who aid or encourage others in  
26 exercising their equal housing rights.

27 71. Tenants are also protected from discrimination on the basis of race,  
28 national origin, disability status, and familial status by state statutes, including

1 California's Fair Employment and Housing Act (FEHA), Cal. Gov't Code § 12900 *et*  
 2 *seq.*, and the Unruh Civil Rights Act, Cal. Civ. Code § 51.

3 72. Tenants also enjoy robust tenant protections under local laws. Under  
 4 LARSO, the City of Los Angeles caps rental rate increases, proscribes changes in the  
 5 terms of tenancy, and limits the grounds on which a landlord is permitted to evict  
 6 existing tenants. L.A. Mun. Code §§ 151.01 – 151.30. Each of the buildings at issue  
 7 in this Complaint, which was purchased by Defendants as part of their Koreatown  
 8 Strategy, is subject to LARSO.

9 73. Further, California law secures tenants' rights to safe, habitable living  
 10 conditions and their ability to maintain their tenancies free from harassment, threats,  
 11 and unfair business practices. Tenants are protected by a statutory cause of action  
 12 that affords additional relief if the landlord fails to remedy substandard conditions  
 13 after receiving notice from a public official of the need to repair the substandard  
 14 conditions or abate the nuisance. Cal. Civ. Code § 1942.4. California law also  
 15 protects tenants against interference with the quiet enjoyment of their homes,  
 16 retaliatory evictions, and harassment intended to coerce and intimidate tenants into  
 17 vacating their homes. Cal. Civ. Code §§ 1927 (breach of quiet enjoyment), 1942.5  
 18 (retaliatory eviction), 1940.2 (anti-harassment statute), 52.1 (Bane Act, outlawing  
 19 coercion and intimidation). Finally, as consumers of housing, tenants are also  
 20 protected from illegal, unfair, and deceptive business practices causing economic  
 21 injury. Cal. Bus. & Prof. Code § 17200 *et seq.* (Unfair Competition Law).

22 74. Unscrupulous investors like Defendants, who are willing to break the  
 23 law, have lucrative opportunities to buy relatively low-priced, rent-stabilized  
 24 properties, unlawfully remove tenants, quickly raise rents, and achieve extraordinary  
 25 profits.

### 26 **III. 238 South Mariposa Avenue**

27 75. Since July 18, 2014, Defendant Mariposa/8th Street Properties, LLC has  
 28 owned the apartment building at 238 South Mariposa Avenue in Los Angeles (the

1 “Mariposa building”). Built in 1928, the Mariposa building is a four-story, 40-unit  
 2 structure consisting of 32 studio apartments and eight one-bedroom units. Defendant  
 3 Mariposa/8th Street Properties, LLC paid \$3,835,000 for the building. Defendant  
 4 Roxbury provides management services for the Mariposa building on behalf of  
 5 Defendant Mariposa/8th Street Properties, LLC, and Defendant Optimus.

6 76. After their purchase of the Mariposa building, Defendants<sup>1</sup> immediately  
 7 set to work increasing the value of the building so that they could flip it for a large  
 8 profit. In this building, Defendants focused their efforts on removing tenants with  
 9 mental disabilities.

10 77. At the Mariposa building, Defendants discriminated against Plaintiffs  
 11 primarily on the basis of their disability, explicitly telling Plaintiffs that individuals  
 12 with mental illness “sometimes hang out with a negative or lower class element of  
 13 people.” To push out Plaintiffs, Defendants used the following tactics, among others:  
 14 issuing repeated baseless eviction notices, making threatening and discriminatory  
 15 statements, and refusing reasonable accommodations. As a result of Defendants’  
 16 actions, Plaintiffs have suffered emotional distress, incurred additional costs to pay  
 17 their rent, and have had their ability to remain in their homes threatened.  
 18 Organizational Plaintiff Step Up has diverted scarce resources to defending against  
 19 these tactics.

20 78. In this property, Defendants have repeatedly engaged in unlawful  
 21 treatment of tenants with mental disabilities who are clients of Plaintiff Step Up.  
 22 With respect to three tenants—non-Plaintiff D. R. and Plaintiffs Jamarcus Reynolds  
 23 and Arthur Rivera—Defendants ignored or actively sought to undermine the  
 24 reasonable accommodations Step Up had obtained or requested for its disabled  
 25 clients. Defendants consistently and repeatedly ignore and fail to comply with

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26  
 27 <sup>1</sup> For purposes of this section regarding the Mariposa building, “Defendants” refers  
 28 to Defendant Optimus, Defendant Roxbury, Defendant Jerome Mickelson, and  
 Defendant Mariposa/8th Street Properties, LLC.

1 requests to contact Step Up caseworkers regarding any issues related to their clients’  
2 tenancies—even when those requests are clearly identified as reasonable  
3 accommodation requests under fair housing law. Instead, they direct misleading or  
4 harassing notices to Step Up’s mentally disabled clients. Defendants have even  
5 directed threats at a Step Up caseworker in retaliation for her advocacy for a client’s  
6 housing rights.

7       79. As described below, Defendants’ unlawful conduct at the Mariposa  
8 building has harmed Plaintiffs Reynolds and Rivera and has frustrated Step Up’s  
9 mission of securing stable housing and providing supportive services for their  
10 disabled, formerly homeless clients. As a result, Step Up’s caseworkers have been  
11 forced to divert significant time and resources to assist clients by communicating  
12 with building management, responding to Defendants’ unlawful attempts to  
13 terminate the clients’ tenancies, and asserting and reasserting their clients’ right to a  
14 reasonable accommodation for their disabilities.

15               *Step Up*

16       80. Step Up has been forced to divert significant time and resources to  
17 advocate for D. R., a nonparty mentally disabled individual and a formerly homeless  
18 youth who grew up in the foster care system.

19       81. D. R. has lived at the Mariposa building since February 2014.

20       82. After Defendant Mariposa/8th Street Properties, LLC purchased the  
21 Mariposa building in July 2014 and installed Briana Kelly as manager, Step Up  
22 caseworker Emily James contacted Kelly and introduced herself as D. R.’s  
23 caseworker. James informed Kelly that D. R. was part of Step Up’s program with the  
24 Department of Mental Health, gave Kelly her contact information, and told Kelly she  
25 was available to help resolve any issues or concerns with her tenancy.

26       83. In or around November 2014, D. R. received an eviction notice from  
27 Defendants that purported to terminate her Section 8 tenancy and to require her to  
28 vacate her unit within 90 days of receiving the notice (“Section 8 Termination

1 Notice”). Plaintiffs Jamarcus Reynolds and Arthur Rivera also received Section 8  
2 Termination Notices around the same time as D. R.

3 84. These Section 8 Termination Notices were illegal, as landlords are  
4 prohibited under LARSO from unilaterally terminating tenancies without legal  
5 cause, and from terminating participation in the Section 8 program without legal  
6 cause to evict a tenant relying on a Section 8 voucher. The Section 8 Termination  
7 Notices provided no cause for termination.

8 85. Defendants did not directly notify Step Up about the purported  
9 termination of its clients’ tenancies at the time the notices were served.

10 86. When James learned of D. R.’s Section 8 Termination Notice, she was  
11 forced to devote her time to communicating with Defendants and the Housing  
12 Authority of the City of Los Angeles (“HACLA”) in order to defend D. R.’s right to  
13 continue her tenancy. James assisted D. R. with sending a letter to Defendants, dated  
14 December 29, 2014, explaining that the Section 8 Termination Notice was unlawful.

15 87. Defendant Mickelson later explained to James that Defendants were  
16 terminating Section 8 tenancies because he believed these tenants were very difficult  
17 to work with due to substance abuse and/or mental health issues.

18 88. Undeterred, Defendants continued their efforts to remove D. R. from the  
19 Mariposa building. Over the next few weeks, Defendants tried to force D. R. to agree  
20 to move out and have an eviction judgment entered against her and falsely informed  
21 her that if she did not move out she would lose her Section 8 voucher.

22 89. In response to Step Up’s efforts to render assistance to D. R. and other  
23 tenants, on March 10, 2015, Defendant Mickelson made an angry and threatening  
24 phone call to James. On the call, Mickelson yelled at James, threatened to force out  
25 all of Step Up’s clients, stated that individuals with mental illness “sometimes hang  
26 out with a negative or lower class element of people,” and suggested that “regular  
27 tenants” should not be forced to live near tenants like Step Up’s clients. Mickelson  
28 also threatened to call James’ boss, to go to the buildings that Step Up manages to



1 “make a scene” and harass the tenants at those buildings to see how Step Up liked it,  
2 and to personally go to Step Up’s offices every day for a week.

3 90. On April 9, 2015, Defendant Mariposa/8th Street Properties, LLC  
4 served an eviction notice on D. R., citing an off-site behavioral incident that occurred  
5 on April 8, 2015. D. R.’s counsel sent a letter to Defendant Mariposa/8th Street  
6 Properties, LLC’s counsel requesting a reasonable accommodation based on D. R.’s  
7 disability in the form of rescission of the eviction notice. The request for  
8 accommodation was supported by a detailed letter from D. R.’s psychiatrist.

9 91. Defendant Mariposa/8th Street Properties, LLC refused to rescind the  
10 notice or to provide a reasonable accommodation, and instead immediately filed an  
11 unlawful detainer action against D. R.

12 92. On July 23, 2015, the Superior Court for the County of Los Angeles  
13 granted D. R.’s motion for summary judgment on the basis that Defendant  
14 Mariposa/8th Street Properties, LLC’s failed to engage in the interactive process  
15 with D. R. regarding her reasonable accommodation request—a process required by  
16 fair housing law.

17 93. In her work with D. R., James has observed that Defendants’ unlawful  
18 conduct has worsened D. R.’s mental condition, exacerbating her disability and  
19 reversing the progress she initially made upon securing housing at the Mariposa  
20 building.

21 94. If D. R. were to lose her housing at the Mariposa building, it would be  
22 extremely difficult for Step Up to locate and secure alternative housing accessible to  
23 Step Up’s offices, making it much harder for the organization to provide D. R. with  
24 the level of consistent support that she needs.

25 **Jamarcus Reynolds**

26 95. Plaintiff Jamarcus Reynolds has lived at the Mariposa building since  
27 November 2011. Reynolds, who has a mental disability, receives a monthly income  
28 of \$889.40 in SSI benefits and participates in the Section 8 program.

1        96. As detailed below, since Defendants took possession of the Mariposa  
2 building, they have served Reynolds with multiple intimidating and unlawful notices  
3 apparently designed to pressure him into vacating his unit, attempted to illegally  
4 raise his rent, and verbally sought to pressure him into leaving. Defendants also  
5 made humiliating and harassing remarks to Reynolds about his disability status, and  
6 they have ignored and failed to comply with his request for a reasonable  
7 accommodation of his disability.

8        97. Reynolds was chronically homeless from approximately 2005 to 2009.  
9 In 2009, after becoming a Step Up client, Reynolds was placed in transitional  
10 housing paid for by Step Up.

11        98. Reynolds has participated in Step Up's Full Service Partnership ("FSP")  
12 adult program since August 2011. This program is designed to assist adults who are  
13 or were once homeless, and who are affected by a serious mental health issue. As a  
14 member of the FSP program, Reynolds receives intensive case management through  
15 a team of professionals, including social workers, therapists, psychiatrists, and  
16 nurses.

17        99. Since moving into stable housing at the Mariposa building in November  
18 2011, Reynolds has experienced a marked improvement in his mental condition and  
19 in his ability to engage in treatment. Living at the Mariposa building has also  
20 provided Reynolds with a sense of safety that he never felt while homeless.

21        100. At the time he moved into the Mariposa building, Reynolds' Step Up  
22 social worker explained the Step Up program to the former landlord and asked that  
23 the landlord contact her directly if there were any issues with Reynolds' tenancy so  
24 that she could work to resolve these issues. For the first three years of Reynolds'  
25 tenancy, while the Mariposa building was owned and run by the former landlord and  
26 management, Step Up did not receive any major complaints or notices about  
27 Reynolds.  
28

1           101. Around September or October of 2014, two to three months after  
2 Defendant Mariposa/8th Street Properties, LLC acquired the Mariposa building,  
3 Reynolds' Step Up social worker introduced herself to Kelly, the new on-site  
4 manager, explained the FSP program, and told Kelly that she was available as  
5 needed to help resolve any issues or concerns that might arise during Reynolds'  
6 tenancy.

7           102. In or around November 2014, Reynolds received the same Section 8  
8 Termination Notice that D. R. received. Defendants did not inform Reynolds' social  
9 worker of this notice, nor had Step Up received any complaints about Reynolds from  
10 any of the Defendants prior to his receipt of the eviction notice.

11           103. Because she believed, at first, that the Section 8 Termination Notice was  
12 valid and legal, Reynolds' social worker worked with Reynolds to complete the steps  
13 required by HACLA to request a voucher allowing him to move. Once Reynolds  
14 received the new voucher, he had only two months to find a new apartment.  
15 Reynolds and his social worker struggled to find a new apartment in Koreatown or  
16 another neighborhood of Los Angeles that would allow Reynolds to stay connected  
17 to his case management team at Step Up. Reynolds obtained a 30-day extension from  
18 Defendants, but finding an apartment continued to prove very difficult.

19           104. The search for housing and the thought of becoming homeless as a  
20 result of being unable to find housing caused Reynolds tremendous anxiety and fears  
21 for his physical safety.

22           105. After learning in February 2015 that the Section 8 Termination Notice  
23 was, in fact, illegal, Reynolds sent Defendant Mariposa/8th Street Properties, LLC a  
24 letter explaining that the Section 8 Termination Notice from November 2014 was  
25 invalid and that he intended to protect his rights as a tenant.

26           106. Around late February or early March of 2015, Kelly told Reynolds that  
27 Defendants would give certain tenants money to help them move, and threatened  
28 Reynolds by falsely stating that if he did not move, he could lose his Section 8

1 voucher. On a separate occasion in March 2015, Kelly told Reynolds that Section 8  
2 tenants were “difficult” and “would not listen.”

3 107. Also in early 2015, Kelly told Reynolds that Defendants would no  
4 longer be renting to disabled persons.

5 108. On March 31, 2015, one of Reynolds’ attorneys sent Defendant  
6 Mariposa/8th Street Properties, LLC’s counsel a reasonable accommodation request  
7 based on Reynolds’ disability, asking that Defendant send all notices and letters  
8 given to or served on Reynolds to his social worker, and contact his social worker  
9 with any potential issues regarding Reynolds’ tenancy.

10 109. In April 2015, Kelly asked Reynolds whether he was moving out of the  
11 apartment. When Reynolds explained that he was staying in his apartment, Kelly told  
12 him that some tenants needed to leave because they had “symptoms” and “issues.”

13 110. On or around April 16, 2015, Defendants sent Reynolds an eviction  
14 notice premised on allegedly unpaid rent, even though Reynolds was current on his  
15 rent. In addition, despite his counsel’s reasonable accommodation request that  
16 Reynolds’ social worker receive all notices regarding Reynolds’ tenancy, Defendants  
17 did not provide a copy of this notice to his social worker or to anyone else at Step  
18 Up.

19 111. On or around April 27, 2015, Defendants sent Reynolds another  
20 notice—this time, a 30-day notice to change the terms of his rental agreement by  
21 increasing his monthly rent. Again, contrary to Reynolds’ reasonable  
22 accommodation request, Defendants did not provide a copy of this notice to  
23 Reynolds’ social worker. Moreover, his social worker verified that the rent increase  
24 had not been submitted to, much less approved by, HACLA, and that it was therefore  
25 invalid.

26 112. On or around May 5, 2015, Step Up received a letter from Francesca  
27 Carpello, a property manager for Optimus who at times represented herself as an  
28 employee for Roxbury, explaining that Reynolds’ rent check was being returned.

1 According to Carpello, because the check that Step Up had submitted covered rent  
2 for both Reynolds and a tenant who at the time was involved in an unlawful detainer  
3 proceeding, Defendants could not accept payment. In response to this letter,  
4 members of Step Up's money management program drafted another check solely for  
5 Reynolds' rent in the amount of \$250.61 that was mailed out on May 14, 2015.

6 113. On or around May 13, 2015, Reynolds received an eviction notice  
7 demanding that he pay a total sum of \$354.56 or be evicted from the property.  
8 Again, contrary to Reynolds' reasonable accommodation request, Defendants did not  
9 send a copy of this notice to his social worker or to anyone else at Step Up.  
10 Moreover, because the rent increase had not been submitted to or approved by  
11 HACLA, it was illegal.

12 114. On or around May 18, 2015, Reynolds' social worker emailed  
13 Defendant Mickelson, informing him that none of the notices Reynolds had received  
14 were in compliance with the reasonable accommodation request made at the end of  
15 March 2015. She also informed him that she had spoken with Reynolds' HACLA  
16 caseworker, who had told her that any rent increase was illegal.

17 115. From the time Defendant Mariposa/8th Street Properties, LLC took over  
18 the Mariposa building and began sending Reynolds threatening and illegal notices  
19 with the apparent purpose of forcing him out of the building, among other  
20 discriminatory practices, Reynolds' disabilities have been aggravated, causing him to  
21 suffer both physically and emotionally as a result of Defendants' actions.

22 116. Step Up has had to divert significant time, effort, and expense helping  
23 Reynolds combat Defendants' unlawful eviction notices and other discriminatory  
24 actions.

25 117. Given the difficulty of finding buildings that are willing to accept  
26 Section 8 vouchers, if Defendants' unlawful actions continue and Reynolds is forced  
27 out of the Mariposa building, it is extremely unlikely that Step Up will be able to  
28

1 find Reynolds another unit in a neighborhood in which he feels safe, and he might  
2 well become homeless again.

3 **Arthur Rivera**

4 118. Plaintiff Arthur Rivera has lived at the Mariposa building since  
5 December 16, 2011. He is mentally disabled and a longtime client of Step Up.

6 119. As detailed below, since Defendants took possession of the Mariposa  
7 building, they have served Rivera with a series of intimidating and unlawful notices,  
8 including multiple baseless eviction notices, apparently designed to pressure him into  
9 vacating his unit. They have also ignored and failed to comply with his requests for a  
10 reasonable accommodation of his disability, sought to impose an unlawful rent  
11 increase, and changed the rent payment terms in a manner that made it more difficult  
12 for him to pay rent.

13 120. Before moving to the Mariposa building, Rivera had been homeless  
14 since the 1970s.

15 121. In 2011, Step Up helped Rivera to obtain a Section 8 voucher, which  
16 allowed him to move into the Mariposa building. Rivera got along well with the  
17 management at the time he moved in.

18 122. In or around November 2014, Rivera received the same unlawful  
19 Section 8 Termination Notice that Reynolds and D. R. both received, purporting to  
20 terminate Rivera's Section 8 tenancy.

21 123. Sometime after receiving the Section 8 Termination Notice, Rivera  
22 received a coercive and misleading notice from Defendants stating, without legal  
23 basis, that he had a "move-out date" of January 9, 2015.

24 124. On February 3, 2015, Rivera received an eviction notice stating that he  
25 was being evicted because he had played music in the mid-afternoon on a small  
26 stereo with no external speakers. A neighbor from across the hallway has stated that  
27 the music was not loud.

1 125. The next day, on February 4, 2015, Rivera sent Defendant Mickelson a  
2 letter explaining that the Section 8 Termination Notice from November 2014 was  
3 invalid, and that he intended to protect his rights as a tenant.

4 126. In February 2015, one of Rivera's attorneys sent Defendant  
5 Mariposa/8th Street Properties, LLC's counsel a reasonable accommodation request  
6 based on Rivera's disability, asking that Defendant Mariposa/8th Street Properties,  
7 LLC send all notices and letters given to or served on Rivera to his attorneys as well.

8 127. On February 23, 2015, Rivera received a notice stating that the manager  
9 would no longer accept rent payments at the building and that tenants would be  
10 required to mail their rent or drop it off at Defendants' offices in Century City. This  
11 change forced Rivera to bear additional costs associated with mailing.

12 128. In or around April 2015, Defendant Mariposa/8th Street Properties,  
13 LLC increased Rivera's rent. As with Reynolds' rent increase, Rivera's rent increase  
14 was illegal because it was neither submitted to nor approved by HACLA.

15 129. On June 10, 2015, Rivera received a notice threatening eviction if he did  
16 not pay an unauthorized rent increase, \$51.75, plus a balance of \$3.60 from May  
17 2015, and Housing and Community Investment Department of Los Angeles  
18 ("HCIDLA") Systematic Code Enforcement Program ("SCEP") fees of \$15.86 from  
19 June 2015. Rivera paid the entire amount listed on the notice, \$71.21, and was never  
20 credited for the unauthorized rent increase. Because it was based upon the  
21 unauthorized rent increase, this notice was also illegal.

22 130. On July 13, 2015, Rivera received another notice threatening eviction if  
23 he did not pay the amount of the unauthorized rent increase, \$55.36, plus an SCEP  
24 fee of \$3.61. Because it was based upon the unauthorized rent increase, this notice  
25 was also illegal.

26 131. Later in July 2015, Rivera's attorneys sent a second reasonable  
27 accommodation request to Defendant Mariposa/8th Street Properties, LLC's counsel  
28 asking that Defendant Mariposa/8th Street Properties, LLC send all notices and



1 letters given to or served on Rivera to his social worker at Step Up in addition to his  
2 attorneys.

3 132. In August 2015, Rivera received a notice from Defendant Roxbury  
4 stating that Roxbury would be strictly enforcing its late clause fees and requesting  
5 that tenants mail in the rent prior to the first of the month.

6 133. On August 14, 2015, Rivera received a notice threatening eviction if he  
7 did not pay the amount of \$107.11, comprised of an unauthorized rent increase of  
8 \$51.75 as well as the remaining unpaid unauthorized rent increase and SCEP fee of  
9 \$55.36 from July. Because it was based upon the unauthorized rent increase, this  
10 notice was also illegal. Rivera filed a complaint with HACLA, after which  
11 Defendants rescinded the eviction notice.

12 134. On September 1, 2015, Rivera's counsel sent a reasonable  
13 accommodation request asking that Rivera be permitted to pay his rent on or after he  
14 has received his disability benefits on the first of the month, and reiterating his prior  
15 reasonable accommodation requests that all notices be sent or copied to his counsel.  
16 Defendants never responded to this reasonable accommodation request.

17 135. In May 2016, despite having paid his rent, Rivera received a notice  
18 threatening eviction for nonpayment of rent. Contrary to Rivera's reasonable  
19 accommodation requests, Defendants did not provide a copy of this notice either to  
20 Rivera's counsel or to Step Up. On May 25, 2016, Rivera's counsel filed a complaint  
21 with HCIDLA regarding Rivera's May 2016 eviction notice. Only after Rivera's  
22 counsel filed the complaint with HCIDLA did Defendant Roxbury acknowledge that  
23 Rivera was current on his rent and that the eviction notice should therefore be  
24 disregarded.

25 136. As a result of Defendants' discriminatory and abusive conduct, Rivera  
26 has suffered multiple threats to his ability to remain in his home, which he was able  
27 to stave off only through the assistance of Step Up and pro bono counsel, and he has  
28 been forced to incur additional costs due to the changes in rent payment terms.

Moreover, as a consequence of Defendants' actions, Rivera has experienced significant emotional distress, including anxiety, fear, and loss of sleep.

137. Step Up has had to divert significant time, effort, and expense to helping Rivera combat Defendants' unlawful notices and other discriminatory practices.

#### **IV. 1423 South Magnolia Avenue**

138. From March 13, 2015, until approximately September 2016, Defendant Magnolia Avenue Properties, LLC owned the Magnolia Apartments located at 1423 South Magnolia Avenue in Los Angeles (the "Magnolia building"). Built in 1913, the Magnolia building is a three-story, 24-unit structure consisting of 12 studio apartments and 12 one-bedroom apartments. Defendant Magnolia Avenue Properties, LLC paid \$2,250,000 for the Magnolia building. Defendant Roxbury provided management services for the Magnolia building on behalf of Defendant Magnolia Avenue Properties, LLC, and Defendant Optimus.

139. After the purchase of the Magnolia building, Defendants<sup>2</sup> immediately set to work increasing the value of the building so that it could be "flipped" for a large profit. Defendants focused their efforts on removing tenants who were working-class, Spanish-speaking Latino families with children.

140. At the Magnolia building, Defendants discriminated against Plaintiffs primarily on the basis of their national origin and familial status, explicitly telling Plaintiffs that they should "learn English," that their children cannot play or make noise in the hallway, and threatening to call immigration. To push out Plaintiffs, Defendants used the following tactics, among others, at the Magnolia building: issuing or threatening to issue baseless eviction notices, threatening to call immigration, reprimanding the Plaintiffs' minor children, and issuing excessive water shutoff notices. As a result, Plaintiffs have suffered emotional distress,

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<sup>2</sup> For purposes of this section regarding the Magnolia building, "Defendants" refers to Defendant Optimus, Defendant Roxbury, Defendant Jerome Mickelson, and Defendant Magnolia Avenue Properties, LLC.

1 experienced uninhabitable living conditions, and incurred additional costs to pay  
2 their rent. Organizational Plaintiff SAJE has diverted scarce resources to defending  
3 against these tactics.

4 **SAJE**

5 141. After Plaintiff Cornelia Martinez attended a tenant clinic run by SAJE  
6 in April 2015 and described some of the difficulties she had encountered with  
7 Defendants, SAJE began working with tenants at the Magnolia building, including  
8 Plaintiffs Cornelia Martinez, Ana Velasquez, Carina Fabian, Hilda Deras, and  
9 Carmen Castro.

10 142. SAJE organizers held a meeting for all tenants of the Magnolia building  
11 on April 12, 2015, to advise them of their rights under LARSO and to help them  
12 identify legal assistance they could turn to in the face of eviction threats and  
13 proceedings.

14 143. In subsequent meetings with Magnolia building tenants, SAJE  
15 organizers learned more about Defendants' abusive conduct towards long-term  
16 Spanish-speaking Latino tenants and tenant families with children. SAJE has been  
17 forced to divert significant resources to investigating and combatting Defendants'  
18 unlawful practices targeting Spanish-speaking Latino families with children,  
19 including illegal rent increases, discriminatory rules affecting families with children,  
20 and widespread health and safety concerns resulting from the poor condition of the  
21 targeted tenants' apartments.

22 144. For example, in December 2015, SAJE organizers conducted a meeting  
23 at the Magnolia building to assist tenants, including Martinez, with completing repair  
24 request forms. After those complaints were ignored by Defendants, SAJE organizer  
25 Favian Gonzalez filed complaints about the poor conditions on behalf of multiple  
26 Magnolia building tenants with the Department of Public Health and HCIDLA.  
27 Gonzalez subsequently coordinated the inspections, serving as the primary contact  
28 for the inspectors.

1        145. On February 1, 2016, Gonzalez received an email from Carmen Correa,  
2 who, along with her husband, Damian Correa, worked as Defendants' on-site  
3 manager at the Magnolia building. The email informed Gonzalez that there would be  
4 fumigations and HCIDLA inspections that week.

5        146. On February 3, 2016, Gonzalez went to the Magnolia building to be  
6 present for the HCIDLA inspections and to support tenants who were concerned  
7 about notices for fumigation. Gonzalez spoke with Ms. Correa about the requirement  
8 under California law that reasonable notice of 72 hours must be given prior to  
9 fumigations so that tenants can prepare. He also explained to Ms. Correa that some  
10 of the tenants, including Plaintiff Ana Velasquez, needed an alternative method to  
11 eradicate pests due to their children's asthma. Ms. Correa then became very upset  
12 with Gonzalez, told him that he was not allowed on the property, and proceeded to  
13 call the police. Gonzalez was on the property with the permission of tenants. The  
14 police never came.

15        147. Later that day, Gonzalez sent an email to Defendant Mickelson  
16 informing him of his interactions with Ms. Correa and explaining why some tenants  
17 needed an alternative method for eradicating pests.

18        148. Later that same day, Gonzalez received an email from Kamyar Shabani,  
19 who stated that he was legal counsel for Defendant Magnolia Avenue Properties,  
20 LLC. Shabani threatened that if any tenants refused to allow the pest control  
21 company or the on-site manager access to their apartments, Defendant Magnolia  
22 Avenue Properties, LLC would take legal action against them and against Gonzalez.

23        149. On February 4, 2016, Shabani sent another email to Gonzalez, alleging  
24 that Gonzalez had advised the tenants to deny access to their units. Shabani again  
25 threatened that if tenants continued to deny access, Defendants would file an  
26 "unlawful detainer against each and every tenant" who followed Gonzalez's advice.  
27 Gonzalez responded that he had never directed tenants to refuse access to the  
28

1 property and that he supported the inspections by the county. Gonzalez explained  
2 that he wanted to collaborate with the landlord and the management team.

3 150. On February 4, 2016, Gonzalez received a threatening phone call from  
4 Defendant Mickelson stating that Defendant Mickelson intended to go to the SAJE  
5 offices and meet with the executive director of SAJE. Gonzalez then emailed  
6 Defendant Mickelson to try to set up a time for him to meet with the executive  
7 director. Defendant Mickelson never responded.

8 151. Following this incident, Gonzalez began conducting weekly meetings at  
9 the Magnolia building to discuss notices received by the tenants, to advise them of  
10 their rights, and to strategize with them on how to defend their rights against  
11 Defendants' abusive practices.

12 152. Commencing in late March 2016, SAJE organizer Delia Ayala took  
13 over the weekly Magnolia building meetings. Ayala continued to investigate  
14 concerns tenants expressed regarding conditions at the Magnolia building, including  
15 water shutoffs, conditions in tenants' apartments, baseless eviction notices, and  
16 verbal harassment by managers. Ayala also continued to educate tenants on their  
17 rights and assist them in opposing Defendants' unlawful actions.

18 153. On April 5, 2016, Plaintiff Carina Fabian contacted Ayala asking her to  
19 come to the unit because work was being performed and she required assistance  
20 communicating with Defendants' maintenance workers.

21 154. Ayala arrived at the Magnolia building and noticed the low-quality and  
22 superficial repairs made by Defendants in units occupied by Fabian and similarly  
23 situated tenants. In the unit across the hall from Fabian's unit, the maintenance  
24 workers were attempting to replace an old kitchen counter with a dirty counter that  
25 was infested with spiders and roaches.

26 155. Ayala called Defendant Optimus' general property manager, Michael  
27 McCain, to explain that this "repair" was unacceptable.

28

1        156. On April 6, 2016, Ayala returned to the Magnolia building to continue  
2 assisting Fabian and other tenants in their communications with the maintenance  
3 workers. The maintenance workers informed Ayala that they were given specific  
4 orders by Defendants that if they performed repairs of greater quality than those  
5 authorized by Defendants, the maintenance workers would get in trouble.

6        157. As with Gonzalez, Defendants responded to Ayala's advocacy on behalf  
7 of the tenants with belligerence and intimidation.

8        158. In one incident that took place on May 5, 2016, Ayala accompanied  
9 Defendant Mickelson, Mr. and Ms. Correa, and a supervising contractor on a walk-  
10 through of the Magnolia building to view completed repairs. Throughout the walk-  
11 through, Defendant Mickelson was hostile to Ayala and the tenants. At the end of the  
12 walk-through, on seeing some of the tenants' children playing in the halls, Ms.  
13 Correa yelled at Ayala, telling her that she should tell the tenants to control their  
14 children.

15        159. When Ayala returned to the Magnolia building on May 19, 2016 for  
16 HCIDLA inspections, Defendant Mickelson informed her, in apparent retaliation for  
17 Ayala's advocacy on behalf of tenants, that if any of the tenants were not present she  
18 could not enter their units regardless of whether the tenants had given her permission  
19 to enter.

20        160. Another incident occurred after Plaintiffs Velasquez, Fabian, and Castro  
21 approached Ms. Correa about notices they had received threatening eviction based  
22 on their children's playing in the hallways in July 2016, which is fully described  
23 below. Ms. Correa became angry and threatened to call immigration, social services,  
24 and the police on all of them.

25        161. Velasquez and other tenants notified Ayala of this threatening  
26 interaction; Ayala emailed Defendant Mickelson about Ms. Correa's unacceptable  
27 conduct. After Ms. Correa denied the accusations, Defendant Mickelson responded  
28 by threatening Ayala. He told her, "Get the tenants under control or we will take

1 action,” and warned that Defendants would take the matter to court “if the damage  
2 and disruption doesn’t stop.”

3 **Cornelia Martinez**

4 162. Plaintiff Cornelia Martinez is a long-term tenant of the Magnolia  
5 building. Martinez is a Spanish-speaking Latina woman who lives with her two  
6 children and her husband.

7 163. As detailed below, during the time that Defendants owned and managed  
8 the Magnolia building, Martinez was subjected to many of their discriminatory and  
9 abusive practices. At Defendants’ hands, Martinez experienced unlawful threats of  
10 eviction, inadequate provision of maintenance services, derogatory and harassing  
11 statements on the basis of her national origin, a policy restricting her children’s right  
12 to use of the common areas, an illegal rent increase, and burdensome and  
13 discriminatory changes to Defendants’ rent payment policies. Defendants also  
14 retaliated against Martinez for her organizing activities and requests for repairs.

15 164. Due to Defendants’ failure to provide adequate repairs, Martinez and  
16 her family lived with a broken heater, plumbing issues, leaks, broken windows and  
17 peeling paint. Meanwhile, Defendants renovated and improved empty units in the  
18 building.

19 165. On April 1, 2015, Martinez submitted a request for repairs to the on-site  
20 manager regarding the heater, plumbing problems, broken windows, and peeling  
21 paint.

22 166. On April 2, 2015, after learning that Defendant Magnolia Avenue  
23 Properties, LLC was going to remove the screen doors from all of the units, Martinez  
24 created a petition asking them not to remove the screen doors. Many tenants of the  
25 Magnolia building signed the petition. The tenants wanted to keep the screen doors  
26 because during the summer the units, which lack air conditioning, get very hot and  
27 the screen doors enabled tenants to leave the doors to their units open to provide  
28



1 cross-ventilation. Defendants ignored the petition and all of the screen doors were  
2 removed.

3 167. In retaliation for her request for repairs and organizing activities,  
4 Defendant Magnolia Avenue Properties, LLC sent Martinez an eviction notice  
5 demanding payment of April's rent. The notice was dated April 2, 2015, even though  
6 Defendants had regularly accepted Martinez's rent during the first week of the  
7 month.

8 168. Martinez asked the on-site manager at the time, known only as Andrea,  
9 about the notice, and Andrea told Martinez that Defendants would eventually get rid  
10 of all the tenants.

11 169. Martinez attempted to pay rent on April 7, 2015, but Defendants refused  
12 to accept it.

13 170. Defendant Magnolia Avenue Properties, LLC filed an unlawful detainer  
14 action against Martinez on April 9, 2015.

15 171. That same day, Martinez attended the tenant clinic run by SAJE to seek  
16 advice. Between May and June 2015, Martinez was in continuous contact with  
17 organizers from SAJE regarding her unlawful detainer action and problems with her  
18 unit.

19 172. The unlawful detainer action against Martinez was dismissed on June  
20 25, 2015, when Martinez's counsel filed and argued a motion for summary judgment  
21 and counsel for Defendants failed to appear.

22 173. In April 2015, Andrea made discriminatory and derogatory remarks to  
23 Martinez. In one incident, Martinez was cooking Mexican food and Andrea went to  
24 Martinez's apartment to tell her that her food smelled disgusting and foul. On  
25 another occasion, Martinez asked Andrea to post notices in Spanish so she could  
26 understand them. Andrea refused to do so, telling Martinez that she was in America  
27 so she should learn to speak English.

28

1 174. In June 2015, Martinez was standing in her hallway talking to her  
2 neighbor while her daughters were playing in the hall. Andrea walked by and told  
3 Martinez that her daughters could not play in the hallway.

4 175. On June 24, 2015, SAJE organizers filed habitability complaints with  
5 the Department of Public Health on behalf of Martinez and other tenants in the  
6 building. The complaints were addressed with superficial repairs and Martinez  
7 continued to have habitability issues.

8 176. Beginning on October 1, 2015, Defendants eliminated the option of  
9 paying rent via the on-site drop box and directly to the manager and instead began  
10 requiring Martinez and other Magnolia building tenants to pay rent to their offices in  
11 Century City—miles away from the apartment building (“October 2015 Rent  
12 Payment Terms”). As a result of this change, Martinez had to purchase money orders  
13 and certificates of mailing from the post office to prove that she had actually mailed  
14 her rent on time.

15 177. On December 1, 2015, Martinez and other tenants received a 30-day  
16 notice that their rent would be increased. Martinez was given notice that her rent  
17 would increase by 4%, an amount above the legally permitted increase of 3% for  
18 Martinez’s unit.

19 178. Martinez’s counsel submitted a complaint to HCIDLA and the illegal  
20 increase was eventually rescinded in March 2016.

21 179. Despite the complaints to management and the Department of Public  
22 Health, in December 2015 Martinez continued to suffer severe problems with her  
23 unit, including infestations of rodents, roaches, and bedbugs. Martinez told Andrea  
24 about the pests plaguing her home, but, again, she was ignored by the Defendants.

25 180. On December 16, 2015, SAJE organizers conducted a meeting at the  
26 Magnolia building to assist Martinez and other tenants in completing repair request  
27 forms and to learn more about the issues the tenants were facing.

28

1 181. On January 5, 2016, after Defendants ignored the complaints,  
2 Martinez's counsel filed complaints with the Department of Public Health and  
3 HCIDLA.

4 182. On January 14, 2016, in retaliation for Martinez's complaints to  
5 Defendants and to the Department of Public Health and HCIDLA, Defendant  
6 Magnolia Avenue Properties, LLC issued Martinez an eviction notice alleging that  
7 she was delinquent in rent, despite the fact that Martinez had paid her rent ten days  
8 earlier.

9 183. On January 28, 2016, Martinez's counsel submitted a HCIDLA  
10 complaint on Martinez's behalf, charging that the rent increase was illegal.

11 184. The February 2016 inspections by the Department of Public Health  
12 uncovered violations in Martinez's unit, including cockroaches in multiple life stages  
13 and rodent feces.

14 185. During the spring of 2016, to appease the Department of Public Health  
15 and HCIDLA, Defendants made superficial and inadequate "repairs" to Martinez's  
16 unit.

17 186. On February 4, 2016, Defendants retaliated against Martinez for her  
18 complaints by issuing another eviction notice alleging she was delinquent in rent,  
19 even though she had already paid her rent.

20 187. On February 22, 2016, Martinez and other Magnolia building tenants  
21 received a notice from Defendant Magnolia Avenue Properties, LLC stating that an  
22 online property management system would be implemented by April 1, 2016, and  
23 would enable tenants to pay their rent online with a debit or credit card, review their  
24 ledger and submit maintenance requests. This notice requested that tenants provide  
25 their email addresses to the on-site manager.

26 188. Martinez and the other low-income Spanish-speaking Latino tenants of  
27 the Magnolia building were unable to take advantage of this new system because  
28

1 most of them did not have internet access, computers, email addresses, bank  
2 accounts, or credit cards.

3 189. This online property management system excluded Martinez and  
4 similarly situated tenants and catered to the new, younger, English-speaking tenants  
5 who were moving into the Magnolia building's renovated units.

6 190. In March 2016, after receiving eviction notices in January and February  
7 alleging that they were delinquent on rent payments they had, in fact, mailed,  
8 Martinez and Plaintiff Ana Velasquez decided to start personally delivering their rent  
9 to Defendants' office in Century City, which was approximately a ten-mile trip from  
10 the Magnolia building.

11 191. Other Magnolia building tenants joined Martinez and Velasquez in  
12 bringing their rent payments to Defendants' office in Century City.

13 192. On April 15, 2016, Martinez was served with yet another baseless  
14 eviction notice alleging that she was delinquent in rent. The April 15 eviction notice  
15 was signed by Michael McCain, Optimus' general property manager, despite the fact  
16 that, two weeks earlier, on April 1, 2016, McCain himself had signed and delivered  
17 Martinez a receipt for the rent she paid that day.

18 193. Martinez informed SAJE organizer Ayala about this notice.

19 194. Other tenants of the Magnolia building, including Plaintiffs Fabian and  
20 Velasquez, received similar notices during the same period.

21 195. On April 18, 2016, Ayala wrote McCain and Ms. Correa, explaining  
22 that the tenants were not delinquent in rent and asking what charges the eviction  
23 notices were based on. Ayala never received a response and the notices were never  
24 rescinded.

25 196. Between February and May 2016, Martinez and other Magnolia  
26 building tenants received at least ten notices stating that water would be shut off,  
27 representing over fifty hours without access to water. Water was shut off for multiple  
28 days in March 2016.

1 197. Martinez and other Magnolia building tenants who received these  
2 notices informed Ayala of the inconvenience of the water shutoffs.

3 198. Several of the tenants complained to Ms. Correa, but she did not  
4 respond.

5 199. On July 15, 2016, a notice, signed “Management,” was posted on  
6 Martinez’s door about her child playing in the hallway. The notice threatened that  
7 Martinez would be evicted if her children continued playing in the hallway.

8 200. Martinez suffered significant injury as a result of Defendants’  
9 discriminatory and abusive conduct. She and her family were forced to endure  
10 substandard and unhealthy living conditions for months on end. She experienced  
11 significant emotional distress as a result of Defendants’ many baseless threats of  
12 eviction, the harassing and humiliating comments directed at her by Defendants’  
13 employee, and the burdensome and discriminatory rules imposed by Defendants.

14 201. SAJE had to divert substantial resources, including significant amounts  
15 of staff time, to address Defendants’ discriminatory and unlawful treatment of  
16 Martinez.

17 **Ana Velasquez**

18 202. Plaintiff Ana Velasquez has been a tenant of the Magnolia building  
19 since December 2010. Velasquez is a Spanish-speaking Latina woman who lives  
20 with her husband and two minor children.

21 203. Like Martinez, Velasquez experienced many of Defendants’  
22 discriminatory and abusive practices during the time Defendants owned and  
23 managed the Magnolia building. As described below, Velasquez experienced  
24 unlawful threats of eviction, inadequate provision of maintenance services,  
25 derogatory and harassing statements on the basis of her national origin, a policy  
26 restricting her children’s right to use of the common areas, an illegal rent increase,  
27 burdensome and discriminatory changes to Defendants’ rent payment policies, and  
28 retaliatory threats and intimidation.

1       204. In April 2015, Velasquez was watching her daughter and other children  
2 play in the hallway outside her apartment. The on-site manager, Andrea, approached  
3 Velasquez and told her that her children were not allowed to play in the hallways.

4       205. Later that month, Velasquez received a notice in English from  
5 Defendant Magnolia Avenue Properties, LLC posted on her door.

6       206. Velasquez did not understand the notice because it was in English and  
7 asked Andrea, the manager, to translate it for her. Andrea refused, stating that  
8 Velasquez should learn English because she was in America.

9       207. After Defendants instituted the October 2015 Rent Payment Terms  
10 eliminating the on-site payment options, Velasquez faced additional costs and  
11 burdens in paying her rent. Velasquez was forced to bear the expenses of certified  
12 mailings and payment of her rent days in advance, or personally delivering the rent  
13 to Defendants' offices in Century City.

14       208. In December 2015, Velasquez received a 30-day notice that her rent  
15 would increase by 4%, an amount above the legally permitted increase of 3% for her  
16 unit.

17       209. Velasquez's counsel submitted a complaint to HCIDLA and the illegal  
18 increase was eventually rescinded in March 2016.

19       210. In January 2016, Velasquez's counsel submitted a HCIDLA complaint  
20 regarding habitability issues in Velasquez's unit, including a clogged bathtub, holes  
21 in the walls, and an open electrical socket.

22       211. Later that month, SAJE sent a request for repairs to Defendants on  
23 Velasquez's behalf. The request was ignored.

24       212. In February 2016, with SAJE's assistance, Velasquez requested that  
25 Defendants use a different pest removal procedure rather than fumigation as a  
26 reasonable accommodation for her child's asthma. Defendants subsequently denied  
27 her requested pest removal procedure, but agreed to provide additional notice prior to  
28 fumigating.

1           213. Shortly thereafter, Defendant Magnolia Avenue Properties, LLC  
2 retaliated against Velasquez for her complaints, requests for repairs, and request for  
3 reasonable accommodation by issuing a baseless eviction notice alleging that she  
4 was delinquent in her rent, despite the fact that she had already paid.

5           214. Defendant Magnolia Avenue Properties, LLC never instituted unlawful  
6 detainer proceedings on the basis of the eviction notice.

7           215. Following the February 2016 eviction notice, Velasquez, along with  
8 Martinez, decided that it was more reliable to personally deliver their rent payments  
9 each month to Defendants' Century City office. Velasquez began personally  
10 delivering hers and Martinez's rent payments in March 2016, taking buses to travel  
11 ten miles to Defendants' office. This trek took Velasquez over an hour each way.

12           216. Velasquez did not have the ability to access the online rent payment  
13 system that Defendants made available beginning in April 2016.

14           217. In mid-April 2016, Velasquez received another baseless eviction notice  
15 falsely alleging that she was delinquent in her rent.

16           218. Velasquez informed Ayala of this notice. As described above, Ayala  
17 wrote McCain and Ms. Correa on April 18, 2016, to explain that Velasquez and other  
18 tenants were not delinquent in rent. Ayala never received a response and the notices  
19 were never rescinded.

20           219. Between February and May 2016, Velasquez and other Magnolia  
21 building tenants received at least ten notices stating that water would be shut off,  
22 representing over fifty hours without access to water. Water was shut off for multiple  
23 days in March 2016.

24           220. On July 15, 2016, Defendant Magnolia Avenue Properties, LLC posted  
25 a notice on Velasquez's door regarding her child playing in the hallway. The notice  
26 threatened that she would receive an eviction notice if her children continued to play  
27 in the hallway.

28



1        221. On July 18, 2016, a second notice was posted on Velasquez's door  
2 threatening that she would receive an eviction notice if her children continued  
3 running and playing in the hallways. Plaintiffs Carina Fabian and Carmen Castro,  
4 and another tenant named Gloria Morales, received the same notice.

5        222. Following receipt of the July 18th notice, Velasquez, along with Fabian,  
6 Castro, and Morales, went to Mr. and Ms. Correa's apartment to inquire about the  
7 notices. Ms. Correa stated that she was under pressure from Defendants in the  
8 Century City office to resolve complaints about the children made by new tenants.  
9 Throughout the conversation, Ms. Correa became increasingly upset at Velasquez  
10 and the other tenants and threatened to call immigration, social services and the  
11 police on all of them.

12        223. In early August 2016, Velasquez received another notice from  
13 Defendant Magnolia Avenue Properties, LLC posted on her door, about children  
14 playing in the hallway. This notice similarly threatened an eviction if the children  
15 continued their activities in the hallways.

16        224. Velasquez suffered significant injury as a result of Defendants'  
17 discriminatory and abusive conduct. She and her family were forced to endure  
18 substandard and unhealthy living conditions. She experienced significant emotional  
19 distress as a result of Defendants' baseless threats of eviction, the harassing and  
20 humiliating comments directed at her by Defendants' employee, and the burdensome  
21 and discriminatory rules imposed by Defendants.

22        225. SAJE had to divert substantial resources, including significant amounts  
23 of staff time, to address Defendants' discriminatory and unlawful treatment of  
24 Velasquez.

25                    **Carina Fabian**

26        226. Plaintiff Carina Fabian has been a Magnolia building tenant since 2010.  
27 Fabian is a Spanish-speaking Latina woman who lives with her child, her husband,  
28 and her brother-in-law.

1           227. Like other Spanish-speaking Latino tenants and tenant families with  
2 children at the Magnolia building, Fabian experienced many of Defendants'  
3 discriminatory and abusive practices during the time Defendants owned and  
4 managed the Magnolia building. As detailed below, Velasquez experienced unlawful  
5 threats of eviction, inadequate provision of maintenance services, intimidating  
6 statements and threats from Defendants' employees, a policy restricting her child's  
7 right to use of the common areas, an illegal rent increase, and burdensome and  
8 discriminatory changes to Defendants' rent payment policies.

9           228. While they owned the property, Defendants failed to provide adequate  
10 repairs in Fabian's unit. Fabian's home became infested with pests, the pipes and  
11 drains began leaking, and the paint and drywall began to peel from lack of upkeep.  
12 Fabian complained to Defendants about the poor condition of her apartment and,  
13 with help from her attorneys, filed complaints with the Department of Public Health  
14 and HCIDLA. However, despite improving the building and units of other, newer  
15 tenants, Defendants neither updated nor adequately repaired Fabian's apartment.

16           229. As a result of the October 2015 Rent Payment Terms, by which  
17 Defendants stopped accepting rent on site, Fabian had to bear the expenses of  
18 certified mailing and pay her rent days in advance, or personally deliver the rent to  
19 Defendants' office.

20           230. In December 2015, Fabian received a 30-day notice that her rent would  
21 increase by 4%, an amount above the legally permitted increase of 3% for her unit.

22           231. Fabian informed SAJE organizers about this increase.

23           232. Fabian's counsel submitted a complaint to HCIDLA and the illegal  
24 increase was eventually rescinded in March 2016.

25           233. On January 14, 2016, the on-site manager at the time, Andrea, handed  
26 Fabian a move out stipulation agreement. Andrea told Fabian that if she signed the  
27 document she would have until April 30, 2016, to move out of the unit. Fabian  
28 refused to sign the document.

1        234. Later that same day, Fabian received a baseless eviction notice alleging  
2 that she was delinquent in rent for the month of January, even though Fabian had  
3 already paid her January rent.

4        235. On January 20, 2016, Fabian sent a letter to Defendant Magnolia  
5 Avenue Properties, LLC explaining that she had paid her rent as required and  
6 expressing her belief that the eviction notice was issued in retaliation for her  
7 complaints regarding the building's condition and her desire to remain in her home.

8        236. In January 2016, on Fabian's behalf, SAJE made a request for repairs to  
9 Defendants. This request concerned a leaking bathroom showerhead, peeling paint,  
10 roach infestation, and a warped floor.

11        237. On January 21, 2016, Fabian's counsel submitted complaints to the  
12 Department of Public Health and HCIDLA regarding her leaking bathroom  
13 showerhead, peeling paint, roach infestation, and warped floor.

14        238. In the middle of February 2016, Fabian was supervising her son and  
15 other children who were playing in the hallway. When Ms. Correa saw the children  
16 playing, she confronted Fabian and told her that children were not allowed to play in  
17 the hallways.

18        239. On February 23, 2016, HCIDLA issued a Notice and Order to Comply  
19 to Defendant Magnolia Avenue Properties, LLC, citing habitability issues in  
20 Fabian's unit.

21        240. The Order to Comply also cited an "unapproved unit" in Fabian's  
22 apartment because a wall in the unit was built without proper authorization. It also  
23 stated that, to comply, Defendant Magnolia Avenue Properties, LLC would have to  
24 remove the wall.

25        241. On April 1, 2016, with the assistance of SAJE organizer Ayala, Fabian  
26 drafted another repair form that she submitted to the on-site manager; the repair form  
27 concerned holes around the kitchen sink counter, leaks from the bathroom and  
28 kitchen sinks, mold on the bathroom ceiling, defective plumbing in the bathroom,

1 peeling paint in the bathroom and hallway, defective electricity in the kitchen,  
2 broken windows in the bedroom and hallway, defective lock in the bathroom, roach  
3 infestation in the kitchen, and defective smoke detectors.

4 242. On April 4, 2016, HCIDLA inspected Fabian's unit, Martinez's unit,  
5 and units of other Magnolia building tenants.

6 243. Ayala was present for these inspections, and the inspector informed  
7 Ayala that the Magnolia building continued to have violations. One of the violations  
8 included the unauthorized wall in Fabian's unit.

9 244. On March 2, 2016, Fabian received an eviction notice alleging that  
10 another person living in her unit drank alcohol and urinated on the fire escape. In  
11 April 2016, in retaliation for her complaints regarding her unit, Defendant Magnolia  
12 Avenue Properties, LLC filed an unlawful detainer action against Fabian based upon  
13 the March eviction notice.

14 245. Fabian called Ayala for assistance, and, on April 11, 2016, Ayala went  
15 to Fabian's unit to go over the documents Fabian had received.

16 246. Around April 14, 2016, Fabian spoke with Defendant Mickelson, as  
17 well as with Mr. and Ms. Correa about the unlawful detainer action. Defendant  
18 Mickelson was very aggressive towards Fabian and told her that even if she won in  
19 court, they would make sure she left the apartment by other means.

20 247. Fabian was very upset about this interaction and called Ayala to report  
21 what happened.

22 248. Defendant Magnolia Avenue Properties, LLC eventually withdrew the  
23 unlawful detainer action against Fabian after producing video footage of the alleged  
24 violation in discovery. Fabian did not know the person in the video.

25 249. On July 18, 2016, Defendant Magnolia Avenue Properties, LLC posted  
26 a notice on Fabian's door regarding her son playing in the hallway. The notice  
27 threatened Fabian with an eviction if her son continued to play in the hallway.  
28

1        250. Shortly after receiving the notice, Fabian went with Plaintiffs Velasquez  
2 and Castro, as well as with fellow tenant Gloria Morales, to Mr. and Ms. Correa's  
3 apartment to ask about the notice. As described above, Ms. Correa threatened to call  
4 immigration, social services, and the police on Fabian and the other tenants.

5        251. Fabian informed Ayala of this notice and of the incident with Ms.  
6 Correa.

7        252. As with Martinez and Velasquez, Fabian also received numerous  
8 notices stating that water would be shut off. Water was shut off for multiple days in  
9 March 2016.

10       253. Fabian suffered significant injury as a result of Defendants'  
11 discriminatory and abusive conduct. She and her family were forced to endure  
12 substandard and unhealthy living conditions. She experienced significant emotional  
13 distress as a result of Defendants' efforts to pressure her to leave, the threatening and  
14 intimidating comments directed at her by Defendants' employees, and the  
15 burdensome and discriminatory rules imposed by Defendants.

16       254. SAJE had to divert substantial resources, including significant amounts  
17 of staff time, to address Defendants' harassment of Fabian.

18                    **Hilda Deras**

19       255. Plaintiff Hilda Deras moved into her apartment in the Magnolia building  
20 in September 1977. Deras is a Spanish-speaking Latina woman.

21       256. During the period that Defendants owned and managed the Magnolia  
22 building, Deras experienced many of Defendants' discriminatory and abusive  
23 practices, including the inadequate provision of maintenance and repairs to her unit,  
24 a baseless and retaliatory attempt to evict her from her home of many years, and the  
25 burdensome rules imposed by Defendants.

26       257. Throughout her almost forty-year tenancy, Deras has witnessed the  
27 Magnolia building change ownership many times. Following Defendants' acquisition  
28

1 of the property, the harassment, intimidation, and hardships she experienced in her  
2 home of decades notably increased.

3 258. The October 2015 Rent Payment Terms, which eliminated on-site  
4 options for paying rent, created unnecessary hardship for Deras. Because Deras feels  
5 more secure if her rent is delivered to the office in person, she had to rely on an  
6 arrangement with a neighbor who physically took Deras' rent to Defendants'  
7 Century City office.

8 259. The online payment system Defendants instituted in April 2016  
9 excluded Deras from participating in the payment platform, as she does not have  
10 access to a computer, internet, or email. Instead, the online system caters to the new,  
11 younger, English-speaking tenants.

12 260. In December 2015, Defendant increased Deras' rent to an amount above  
13 the legally permitted increase. Deras and other tenants informed Ayala of this illegal  
14 increase. Deras' counsel filed a complaint with HACLA and the increase was  
15 eventually rescinded in March 2016.

16 261. Between March and May 2016, Deras received at least eight notices  
17 about water shutoffs, which totaled over fifty hours without water. Water was shut  
18 off for multiple days in March 2016.

19 262. Between February and June 2016, Deras received at least twenty notices  
20 from Defendants' management demanding access to her unit. The reasons given for  
21 the majority of these notices were fumigation and repairs, but during the same period  
22 between early to mid-2016, Defendants failed to address many outstanding problems  
23 in Deras' unit.

24 263. For example, Deras' carpet is old, dilapidated, and has holes. The  
25 building management has not replaced the carpet in over twenty years. She had leaks  
26 in her bathroom sink. She had a rodent infestation. With the help of Ayala from  
27 SAJE, Deras submitted a written complaint to Ms. Correa about many of these issues  
28 on April 6, 2016.

1           264. On April 15, 2016, less than two weeks after complaining about the  
2 problems in her unit, Deras received two different groundless eviction notices.

3           265. The first was an eviction notice demanding payment of April 2016 rent,  
4 even though Deras had paid her April 2016 rent in full.

5           266. The second eviction notice stated that she was required to get rid of her  
6 pets or vacate the premises. Deras has had various pets throughout her almost forty  
7 year tenancy. She has always had approval to have her pets and has never had an  
8 issue with having pets. Additionally, Defendants were well aware of Deras' pets due  
9 to their frequent inspections of her unit and the fact that she would walk her dog  
10 twice a day. Until Deras complained about the issues in her unit, Defendants had  
11 never said anything about her pets. Furthermore, others in the building, including on-  
12 site managers Mr. and Ms. Correa, had pets.

13           267. Deras notified Ayala about the notice and Ayala wrote to McCain on  
14 April 18, 2016, explaining that Deras has had pets for many years. Neither Ayala nor  
15 Deras received any response from Defendants.

16           268. On May 10, 2016, in retaliation for her complaints about her unit,  
17 Defendant Magnolia Avenue Properties, LLC filed an unlawful detainer action  
18 against Deras. After Deras' counsel moved for summary judgment, Defendants  
19 dismissed their case. But for the legal assistance she received, Defendants' meritless  
20 legal action would likely have terminated Deras' decades-long tenancy.

21           269. Defendants' discriminatory and abusive conduct towards Deras caused  
22 her great anxiety and has cost her financially and emotionally. She experienced  
23 substandard living conditions and endured the fear of homelessness due to  
24 Defendants' efforts to evict her. Additionally, she was forced to spend time and  
25 money to ensure that her rent was accepted by Defendants and to fight the baseless  
26 eviction proceedings.

27           270. SAJE had to divert substantial resources, including staff time, to address  
28 Defendants' unlawful and discriminatory treatment of Deras.



*Carmen Castro*

271. Plaintiff Carmen Castro has lived in the Magnolia building with her family since 2011. Castro is a Spanish-speaking Latina woman and lives with her husband and two minor children.

272. During the period that Defendants owned and managed the Magnolia building, Castro experienced many of the same discriminatory and unlawful practices as other Latino tenants and tenant families with children in the building, including legally baseless eviction threats, an illegal rent increase, burdensome and discriminatory rules, and threatening and intimidating statements from the building manager.

273. Like other long-term Magnolia building tenants, after the implementation of the October 2015 Rent Payment Terms, by which Defendants stopped accepting rent on site, Castro had to bear the expenses of mailing and paying her rent days in advance, or personally delivering the rent to the Defendants' office.

274. In December 2015, similar to other Magnolia building tenants, Castro received a 30-day notice that her rent would increase by 4%, an amount above the legally permitted increase for her unit. The illegal increase was eventually reversed in March 2016.

275. Castro also suffered due to Defendants' continual harassment and discrimination against her and her children during the period that Defendants owned and managed the Magnolia building.

276. Around March or April 2015, shortly after Defendants acquired the property, Castro was watching her children play in the hallway. She was approached by the resident manager at the time, Andrea, who told her that children were not allowed to play in the hallways.

277. In December 2015, Castro was preparing to take her children to the park and one of her children was waiting for her in the hallway with his scooter. Andrea

1 again confronted Castro and told her that children were not allowed to play in the  
2 hallways.

3 278. Between February and May 2016, Castro, along with other Magnolia  
4 building tenants, received at least ten notices stating that water would be shut off,  
5 representing over fifty hours without access to water. Water was shut off for multiple  
6 days in March 2016.

7 279. Sometime in late February or early March 2016, Castro was preparing  
8 dinner in her unit and had her front door open. She could hear her children in the  
9 hallway talking in normal voices. She then heard someone yell at them to be quiet.  
10 Her children ran back into the apartment and she learned that Mr. Correa told them  
11 to be quiet.

12 280. In mid-March 2016, Castro's older child was sitting on the stairs with a  
13 neighbor's child quietly playing games on a cell phone. Ms. Correa approached both  
14 the children and accused them of obstructing the stairs and told them that they were  
15 not allowed to play there.

16 281. In May 2016, Castro's oldest child was taking out the trash. He set the  
17 trash bag down on the floor momentarily while texting or chatting with a friend. Ms.  
18 Correa then told Castro that she had seen video footage of her child leaving a trash  
19 bag on the floor and that the next time it happened there would be consequences.  
20 Castro took this to mean that her family would be evicted.

21 282. In June 2016, one of Castro's children was playing on the first floor  
22 with the child of a neighbor. While he was playing, Ms. Correa scolded him and said  
23 that he did not listen and that he could not play in the hallways.

24 283. On July 8, 2016, Castro received an eviction notice demanding payment  
25 of rent, even though Castro had already paid her rent for the month.

26 284. In the afternoon of July 15, 2016, Castro was watching her younger  
27 child play tic-tac-toe in the hallway with a neighbor's child. Later that evening,  
28 Castro found a notice from Defendants' management posted on her door regarding

1 her children's play in the hallway and threatening that if this activity continued she  
2 would be served with a three-day eviction notice.

3 285. On July 18, 2016, Castro's child was playing in the hallways with a  
4 neighbor's child. Later that evening, Castro received another notice posted on her  
5 door, threatening that Castro would be served an eviction notice if her children  
6 continued to play in the hallway.

7 286. As described above, when Castro, Velasquez, Fabian, and Morales  
8 approached Ms. Correa about the notices, she threatened that she would call  
9 immigration, social services and the police on the four women.

10 287. On July 28, 2016, Castro received yet another notice from Defendants'  
11 management stating that her children were playing soccer on July 26 and 27, 2016,  
12 and that if they continued this activity, she would be served with an eviction notice.

13 288. On August 3, 2016, Castro received a fourth notice about her children  
14 playing in the hallway that threatened eviction.

15 289. On August 11, 2016, one of Castro's children was sitting in front of a  
16 friend's apartment playing games on a cell phone. Mr. Correa approached the  
17 children and told them to "shh" and to lower the volume on the phone.

18 290. Defendants' discriminatory and abusive treatment of Castro caused her  
19 financial and emotional injury. Castro was forced to incur additional costs to comply  
20 with the October 2015 Rent Payment Terms. Further, the constant harassment of  
21 Castro and her children, as well as the threats of eviction, greatly worried Castro and  
22 caused her and her family stress and anxiety.

23 291. SAJE had to divert substantial resources, including staff time, to address  
24 Defendants' unlawful and discriminatory treatment of Castro.

25 **V. 756 South Normandie Avenue**

26 292. From May 8, 2014, until approximately November 1, 2016, Defendant  
27 South Normandie Properties, LLC owned the South Normandie Apartments located  
28 at 756 South Normandie Avenue in Los Angeles (the "756 Normandie building").

1 Built in 1925, the 756 Normandie building is a three-story, 30-unit structure  
 2 consisting of 24 studio apartments and six one-bedroom apartments. Defendant  
 3 Roxbury provides management services for the 756 Normandie building on behalf of  
 4 Defendant South Normandie Properties, LLC, and Defendant Optimus.

5 293. After their purchase of the 756 Normandie building, Defendants<sup>3</sup>  
 6 immediately set to work on increasing the value of the building so that they could  
 7 flip it for a large profit. In this building, Defendants focused their efforts on  
 8 removing working-class, Spanish-speaking Latinos, including families with children.

9 294. At the 756 Normandie building, Defendants discriminated against  
 10 Plaintiffs primarily on the basis of their national origin and familial status, explicitly  
 11 telling Plaintiffs that they must show American photo identification when they are  
 12 locked out of their apartments and that they could not tell the difference between  
 13 Plaintiffs Ramos and Gregorio. To push out Plaintiffs, Defendants used the following  
 14 tactics, among others, at the 756 Normandie building: issuing baseless eviction  
 15 notices, delaying, refusing, or making shoddy repairs, and attempting to levy illegal  
 16 rent increases. As a result, Plaintiffs have suffered from uninhabitable living  
 17 conditions and emotional distress and have incurred additional costs to pay their rent.

18 *Nicolas Gregorio*

19 295. Plaintiff Nicolas Gregorio has been a tenant of the 756 Normandie  
 20 building since January 2005. Gregorio is a Spanish-speaking Latino man.

21 296. During the time that Defendants owned and managed the 756  
 22 Normandie building from 2014 to 2016, Gregorio was subjected to Defendants'  
 23 failure to provide needed maintenance and repairs as well as harassing and degrading  
 24 treatment by Defendants' employees.

25  
 26  
 27 <sup>3</sup> For purposes of this section regarding the 756 Normandie building, "Defendants"  
 28 refers to Defendant Optimus, Defendant Roxbury, Defendant Mickelson, and  
 Defendant South Normandie Properties, LLC.

1           297. Gregorio's unit suffers from leaks in the kitchen, leaks in the bathroom  
2 ceiling, a broken freezer, holes in the carpeting, bedbugs, holes in the walls, rodents,  
3 and cockroaches.

4           298. From November 2015 to the time that Defendants sold the 756  
5 Normandie building, Gregorio submitted numerous requests for repairs to  
6 Defendants.

7           299. Defendants either ignored Gregorio's requests or responded with poor  
8 quality and superficial partial repairs that have not fixed the conditions complained  
9 of. In many instances, Defendants unreasonably delayed repairs or service.

10           300. For example, Defendants did not respond to Gregorio's request to repair  
11 a broken sink for three weeks. The work, when it was finally completed, was poorly  
12 done, and the sink soon stopped working again.

13           301. In 2015, Defendants finally fumigated Gregorio's unit, after many  
14 requests for service to address the bedbug and cockroach infestation. The fumigation  
15 did not stem the bedbug or cockroach infestation.

16           302. Sometime around November 2015, a maintenance worker was at  
17 Gregorio's unit with Gregorio when a Latino couple interested in renting an  
18 apartment was walking through the building. The maintenance worker told Gregorio  
19 that the couple was wasting their time because the owners do not want to rent to  
20 Latinos.

21           303. Throughout 2015 and 2016, while Defendants were ignoring Gregorio's  
22 requests for repairs or addressing them with poor quality and superficial remedies,  
23 Defendants were conducting significant renovations and improvements to the  
24 recently vacated units in the 756 Normandie building.

25           304. On June 18, 2016, Gregorio's counsel filed complaints with the  
26 Department of Public Health and HCIDLA regarding the failure of Defendant South  
27 Normandie Properties, LLC, to properly perform the repairs in Gregorio's unit.

28

1           305. In or around July 2016, a maintenance worker changed the locks on  
2 Gregorio's front door. Gregorio, who was in his apartment at the time, was informed  
3 by the maintenance worker that she would get him the new key from on-site manager  
4 Brian Hart. The worker returned a few minutes later without the key and told  
5 Gregorio that he needed to speak to Hart himself. Gregorio went with the worker to  
6 knock on Hart's door but Hart did not respond. About ten minutes later, after the  
7 worker left the building, Gregorio knocked on Hart's door again. Finally, Hart  
8 answered and told Gregorio that he needed his identification before he would give  
9 him the key. Hart explained that he needed identification because he could not tell  
10 the difference between Gregorio and Plaintiff Ramos.

11           306. Following Hart's comment, Gregorio returned to his apartment to get  
12 his identification. On his way, Gregorio saw Plaintiff Ramos and his daughter. He  
13 told Ramos about the problem and all three of them returned to Hart's door with  
14 Gregorio's identification. Hart refused to open his door. Gregorio then called  
15 Defendants' office in Century City and spoke with manager McCain. McCain told  
16 Gregorio that Hart would not open his door because he was with Ramos and his  
17 daughter. Then McCain stated that Hart was calling the police and that when the  
18 police came he would leave the key with them.

19           307. The police arrived a short while later and asked Gregorio whether he  
20 lived in the unit and to see his identification. Gregorio gave the police his  
21 identification and a rental document with his name to prove he lived in the unit. The  
22 police and Gregorio then went to get the key from Hart. Hart still refused to give  
23 them the key and instead called the Century City office. Finally, after speaking with  
24 the Century City office, Hart gave Gregorio his key. This incident took place over  
25 the course of about five hours.

26           308. On July 11, 2016, HCIDLA inspected Gregorio's unit and found  
27 multiple violations in the unit.  
28

1           309. Sometime in July 2016, after the inspection took place, Defendant  
2 Mickelson went to Gregorio's unit to find out why he had filed complaints with the  
3 housing and health departments. Defendant Mickelson demanded Gregorio's  
4 identification, and when Gregorio only produced Mexican identification, Defendant  
5 Mickelson told him that it was unacceptable.

6           310. Gregorio suffered significant injury due to Defendants' unlawful and  
7 discriminatory conduct, including substandard and unhealthy living conditions,  
8 humiliating treatment at the hands of Defendants' employees, and emotional distress.

9                   **Pedro Ramos**

10           311. Plaintiff Pedro Ramos has been a tenant of the 756 Normandie building  
11 since at least 1997. Ramos is a Spanish-speaking Latino man who lives with his wife  
12 and two children.

13           312. During the time that Defendants owned and managed the 756  
14 Normandie building from 2014 to 2016, Ramos was subjected to Defendants' failure  
15 to provide needed maintenance and repairs, an illegal rent increase, and an  
16 unwarranted attempt to evict Ramos after he attempted to pay his rent.

17           313. Since 2015, Ramos' unit has had leaks in the bathtub, a broken window,  
18 holes in the walls, broken kitchen appliances, peeling and cracked paint, and  
19 infestations of bedbugs, cockroach, and rodents.

20           314. Ramos and his children have suffered poor health and bite marks from  
21 bedbugs and roaches.

22           315. Ramos' nephew, a toddler, impaled his foot on a nail protruding from  
23 the carpet.

24           316. Since April 2015 and up to the time that Defendants sold the 756  
25 Normandie building, Ramos made numerous written and oral requests to Defendants  
26 for repairs and fumigation.

27           317. Defendants either ignored Ramos' requests or responded with poor  
28 quality and superficial partial repairs that have not fixed the problems.



1           318. Defendants failed to properly fumigate Ramos' unit to eradicate the  
2 bedbug and cockroach infestation.

3           319. Defendants never refurbished Ramos' appliances or paint. However,  
4 Defendants renovated and improved empty units in the 756 Normandie building for  
5 rental to the types of tenants they preferred.

6           320. On August 14, 2015, Defendant Roxbury posted a notice that, beginning  
7 September 1, 2015, it would "be strictly enforcing the late fees clause" in leases.

8           321. Prior to this, it was the longstanding practice in the 756 Normandie  
9 building for rent to be accepted within a brief grace period after the due date.

10          322. On October 1, 2015, Defendant South Normandie Properties, LLC  
11 posted a 30-day notice that it would increase Ramos' rent by 4%, an increase in  
12 excess of the legally allowable limit.

13          323. On October 2, 2015, Ramos received a notice to pay rent or quit the  
14 premises. Ramos had withheld his rent because of his overwhelming habitability  
15 issues.

16          324. Ramos attempted to pay his October 2015 rent on October 12, 2015, but  
17 Defendants refused to accept it.

18          325. On October 13, 2015, Defendant South Normandie Properties, LLC  
19 initiated an unlawful detainer action against Ramos based on his purportedly late  
20 payment of rent. Defendants later withdrew the action.

21          326. On October 22, 2015, a Department of Public Health inspection of  
22 Ramos' unit revealed a cockroach infestation, bedbugs, deteriorated cabinets, a hole  
23 in the wall, peeling ceiling paint, an inoperable bathtub, and mold on the ceiling.

24          327. Despite the inspection and Ramos' numerous complaints, the poor  
25 living conditions in Ramos' unit persist to this day.

26          328. Around January 2016, a lock with a key code was added to the front  
27 gate so tenants could enter the building with a code and without a key. When Ramos'  
28 daughter requested the key code, the on-site manager at the time, Amelia Squires,

1 told her that she could not give her the code because “they”—which Ramos took to  
2 mean Latino tenants—let in too many people. Ramos was aware that Squires refused  
3 to give other Latino tenants the code, while new non-Latino tenants were given the  
4 code. Squires never gave Ramos the code, though he eventually received the code  
5 from another tenant.

6 329. Sometime around July 2016, Ramos met prospective tenants in the  
7 building. They had asked him if he knew whether there were vacant units, and he  
8 told them that he believed that there were some vacant units being renovated. The  
9 prospective tenants then proceeded to tell Ramos that the on-site manager of the 756  
10 Normandie building, Brian Hart, told them that he could not rent to families.

11 330. Ramos suffered serious injury due to Defendants’ discriminatory and  
12 unlawful conduct, including substandard and unhealthy living conditions, financial  
13 costs associated with the unlawful rent increase and the unlawful detainer action, and  
14 significant emotional distress.

15 **Margarita Mecinas**

16 331. Plaintiff Margarita Mecinas has been a tenant in the 756 Normandie  
17 building since 2008. Mecinas is a Spanish-speaking Latina woman who lives with  
18 her three children.

19 332. During the time that Defendants owned and managed the 756  
20 Normandie building from 2014 to 2016, Mecinas experienced inadequate provision  
21 of maintenance and repairs, an attempt to evict her from her longtime home, and the  
22 discriminatory refusal of Defendants’ employee to provide her with a standard  
23 housing service by assisting her in regaining entry to her apartment when she was  
24 locked out.

25 333. Mecinas’ unit has mold in the bathroom, a rotted wood floor, ceiling  
26 leaks, a rusted bathtub, a loose bathroom sink, a nonfunctional closet light, a broken  
27 door hinge, a leaky faucet, bedbugs, and cockroaches.

28

1 334. From 2015 to the time that Defendants sold the 756 Normandie  
2 building, Mecinas made numerous requests to Defendants for repairs and fumigation.

3 335. Defendants either ignored Mecinas' requests or responded with poor  
4 quality and superficial partial repairs that did not fix the problems.

5 336. On July 13, 2015, Defendants served Mecinas with a three-day notice to  
6 pay rent or quit. Mecinas withheld her rent for a brief period because of her  
7 overwhelming habitability issues.

8 337. On August 14, 2015, Defendant Roxbury posted a notice that, beginning  
9 September 1, 2015, it would "be strictly enforcing the late fees clause" in leases.

10 338. Prior to this, it was the longstanding practice in the 756 Normandie  
11 building for rent to be accepted within a brief grace period after the due date.

12 339. On September 18, 2015, Mecinas asked the on-site manager of the 756  
13 Normandie building if she could pay her rent on Monday, September 21, 2015.  
14 Permission was granted.

15 340. But, on September 21, 2015, when Mecinas attempted to pay her rent in  
16 person at Defendants' office in Century City, Defendants refused to accept payment.

17 341. In or around October 2015, Defendant South Normandie Properties,  
18 LLC filed an unlawful detainer action against Mecinas for failure to pay the rent that  
19 she attempted to pay in person on September 21. Defendants subsequently withdrew  
20 the unlawful detainer action on November 3, 2015.

21 342. In or around March 2016, Mecinas forgot her key to her apartment and  
22 was locked out of her unit. She saw Hart walking by and asked him to help her get  
23 into her unit. Hart told her that she needed to send him an email before he could help  
24 her. Mecinas does not have access to email. She was finally able to get into her unit  
25 hours later without assistance from Hart.

26 343. Defendants' conduct caused Mecinas significant injury, including  
27 emotional distress and the loss of use and enjoyment of her apartment.  
28

**VI. 250 South Kenmore Avenue**

344. Since July 9, 2014, Defendant South Kenmore Properties, LLC has owned the apartment building located at 250 South Kenmore Avenue in Los Angeles (the “Kenmore building”). Built in 1926, the Kenmore building is a four-story, 40-unit structure consisting of 34 studio apartments and six one-bedroom apartments. Defendant South Kenmore Properties, LLC paid \$3,862,500 for the Kenmore building. Defendant Roxbury provides management services for the Kenmore building on behalf of Defendant South Kenmore Properties, LLC and Defendant Optimus.

345. After their purchase of the Kenmore building, Defendants<sup>4</sup> immediately set to work increasing the value of the building so that it could be “flipped” for a large profit. In this building, Defendants focused their efforts on removing tenants who are working-class, Spanish-speaking Latinos.

346. At the Kenmore building, Defendants discriminated against Plaintiffs primarily on the basis of their national origin. To push out Plaintiffs at the Kenmore building, Defendants used the following tactics, among others: delaying, refusing, or poorly carrying out repairs, attempting to issue illegal rent increases in the form of utility charges, and treating Plaintiffs differently than the newer tenants in their rights to enjoy the property, including their rights to keep pets and method of paying rent. As a result, Plaintiffs have suffered from uninhabitable living conditions, delayed or shoddy repairs, and emotional distress, and have incurred additional costs to pay their rent.

**Carlos and Francesca Escamilla**

347. Plaintiffs Carlos and Francesca Escamilla have lived in the Kenmore building since 1997. The Escamillas are Spanish-speaking Latino siblings.

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<sup>4</sup> For purposes of this section regarding the Kenmore building, “Defendants” refers to Defendant Optimus, Defendant Roxbury, Defendant Jerome Mickelson, and Defendant South Kenmore Properties, LLC.

1           348. Since Defendants took over ownership and management of the  
2 Kenmore building in 2014, the Escamillas have experienced many of Defendants’  
3 discriminatory and abusive practices, including the failure to provide adequate  
4 maintenance and repair, the imposition of burdensome rent payment terms and  
5 invalid charges for utility fees, harassment, and a baseless eviction notice.

6           349. The Escamillas’ unit has mold, bedbugs, rats, cockroaches, a nail  
7 protruding from the carpet, and has been without hot water in the shower for multiple  
8 winter months.

9           350. Since 2015, the Escamillas have made repeated requests for repairs to  
10 Defendants.

11           351. Defendants have made no repairs to the Escamillas’ unit.

12           352. In fact, the on-site manager of the Kenmore building completely ignores  
13 Ms. Escamilla when she calls regarding repairs, even when the manager is home.

14           353. Eventually, Mr. Escamilla removed the moldy, bedbug-infested carpet  
15 in the unit himself.

16           354. On August 14, 2015, the Escamillas received a notice from Defendant  
17 Roxbury stating that Roxbury would be “strictly enforcing the late fees clause of  
18 [the] lease” and that tenants had to ensure their rent was received on time either by  
19 mailing it to Defendant’s Century City office prior to the first of the month or by  
20 using a service from a bank to mail check payments each month.

21           355. Prior to this notice, Mr. and Ms. Escamilla were able to submit their rent  
22 by placing it in a drop box in their building. The new rent payment terms forced the  
23 Escamillas to bear additional fees and created unnecessary hardship. Since the  
24 elimination of the on-site payment option, the Escamillas have routinely purchased  
25 money orders and certificates of mailing from the post office to prove that they  
26 mailed their rent on time.

27  
28

1        356. Like Plaintiffs in the Magnolia building, on January 10, 2016, the  
2 Escamillas received a notice from Defendant South Kenmore Properties, LLC stating  
3 that tenants could soon begin paying their rent online.

4        357. Sometime in July 2016, the Escamillas received an undated notice from  
5 Defendant Optimus explaining how to submit rent payments online through the  
6 website of Defendant Optimus.

7        358. The Escamillas were unable to take advantage of this new system,  
8 however, because they did not have a computer, email addresses, bank accounts or  
9 internet access. The online system excluded the Escamillas and catered to the new,  
10 younger English-speaking tenants moving into renovated units in the Kenmore  
11 building.

12        359. On July 8, 2016, the Escamillas received a notice from Defendants on  
13 Optimus letterhead regarding utility fees. The notice stated that beginning in August  
14 2016, the Escamillas would be receiving a monthly bill for water and waste services.  
15 Additionally, the notice stated that Defendants would be implementing a seven-  
16 dollar flat fee for trash collection.

17        360. Since they moved into the unit in 1997, the Escamillas had never paid  
18 for water or trash collection. Because the implementation of these new costs did not  
19 reduce the Escamillas' rent, the additional costs constituted invalid rent increases.

20        361. On August 1, 2016, the Escamillas received a notice from Defendant  
21 Roxbury regarding a new "Walk-in Payment System" program. This program was  
22 for tenants to pay rent in cash at various retail locations. This program included a  
23 three-dollar processing fee.

24        362. Mr. Escamilla used this payment method to pay his September 2016  
25 rent and paid the three-dollar processing fee.

26        363. The new tenants who are able to pay their rent using the online system  
27 are not required to pay this additional fee.  
28

1        364. Like other Plaintiffs, the Escamillas have suffered harassment by  
2 Defendants. On one occasion, Defendants' previous on-site manager of the Kenmore  
3 building, Brianna Kelly, called the police on Mr. Escamilla, stating that he was  
4 making a lot of noise. When the police arrived, Mr. Escamilla was sound asleep and  
5 silent.

6        365. Defendants' current on-site manager at the Kenmore building, Edith  
7 Dueñas, regularly complains about the Escamillas' two small dogs, but many of the  
8 newer tenants in the Kenmore building also have dogs and the manager does not  
9 complain about their dogs.

10        366. At the beginning of September 2016, Dueñas told Mr. Escamilla that he  
11 needed to pay \$250 for each dog.

12        367. As Defendants were aware, the Escamillas have had their dogs for  
13 approximately one year as of September 2016. Never before had any managers  
14 mentioned anything about their dogs.

15        368. On September 6, 2016, an eviction notice was posted on Mr. and Ms.  
16 Escamilla's door requiring them to remove their pets within three days or vacate the  
17 unit. Other tenants in the building have dogs and none of them received eviction  
18 notices. Attached to this notice was a lease application in English, with a "post-it"  
19 note stating, in Spanish, that they needed to apply immediately.

20        369. Defendants' unlawful and discriminatory conduct has created  
21 significant hardship for the Escamillas, imposing increased costs, unacceptable living  
22 conditions, anxiety and emotional distress.

23                    **Polonia Hernandez**

24        370. Plaintiff Polonia Hernandez has lived in the Kenmore building since  
25 1994. Hernandez is a Spanish-speaking Latina woman and lives with her adult son.

26        371. Since Defendants took over ownership and management of the  
27 Kenmore building in 2014, they have failed to provide adequate maintenance and  
28



1 repair services to remedy the serious problems in Hernandez's unit. Instead, they  
2 have imposed additional charges for utilities, constituting an invalid rent increase.

3 372. Since Defendants acquired the building, the conditions of Hernandez's  
4 unit have worsened, while the rest of the building is renovated for new, younger,  
5 English-speaking tenants.

6 373. Hernandez's unit is infested with cockroaches and rodents. Her kitchen  
7 sink is old and falling apart. The wood under her kitchen sink is rotten. Her cabinets  
8 are in bad condition. There is mildew in the bathroom, and there are cracks in the  
9 ceiling. The carpet in her unit has not been replaced in fifteen years.

10 374. On December 7, 2015, Hernandez submitted a request for repairs to  
11 Defendants regarding each of these issues. The sole maintenance provided by  
12 Defendants was to paint over the mildew. All of the other problems in the unit are  
13 outstanding.

14 375. Sometime in December 2015, the hot water stopped working in  
15 Hernandez's shower. Hernandez submitted another written complaint to Defendants.

16 376. Hernandez has received many notices from Defendants about shutting  
17 off the water in the building, however, the hot water in her shower has never been  
18 fixed.

19 377. On September 1, 2016, Hernandez received a bill from a utility  
20 company for \$63.28 to pay for water, sewer and trash for the month of July 2016.  
21 Hernandez has never paid for these utilities in her twenty-two years of tenancy at the  
22 Kenmore building. Hernandez never received a notice from Defendants warning her  
23 that she would have to pay for these utilities prior to receiving this bill. Defendants  
24 have not reduced her rent to account for these new charges. These additional costs  
25 are invalid rent increases.

26 378. Defendants' refusal to make repairs to Hernandez's unit while the  
27 building and many other units have gone through significant renovations has greatly  
28 inconvenienced Hernandez and caused her stress.

**VII. 837 South Normandie Avenue**

379. Since February 26, 2015, Defendant Normandie Linden, LLC has owned the apartment building located at 837 South Normandie Avenue in Los Angeles (the “837 Normandie building”). Built in 1925, the 837 Normandie building is a two-story, 16-unit structure consisting of 16 one-bedroom units. Defendant Normandie Linden, LLC paid \$2,200,000 for the 837 Normandie building. Defendant Roxbury provides management services for the 837 Normandie building on behalf of Defendant Normandie Linden, LLC and Defendant Optimus.

380. After their purchase of the 837 Normandie building, Defendants<sup>5</sup> immediately set to work increasing the value of the building so that they could flip it for a large profit. In this building, Defendants focused their efforts on removing tenants with apparent mental disabilities.

381. At the 837 Normandie building, Defendants discriminated against Plaintiffs primarily on the basis of their disability, explicitly telling Plaintiffs that Defendants planned to rid the building of persons with mental disabilities. To push out Plaintiffs at the 837 Normandie building, Defendants used the following tactics, among others: delaying or refusing repairs and maintenance services, issuing baseless eviction notices, attempting to illegally increase rent, and refusing reasonable accommodations. As a result, Plaintiffs have suffered from uninhabitable living conditions, threats to their ability to remain housed, and emotional distress.

**Demetrius Allen**

382. Plaintiff Demetrius Allen has been a tenant at the 837 Normandie building since 2012. Allen is an African-American man with a mental disability who receives a Section 8 housing subsidy.

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<sup>5</sup> For purposes of this section regarding the 837 Normandie building, “Defendants” refers to Defendant Optimus, Defendant Roxbury, Defendant Jerome Mickelson, and Defendant Normandie Linden, LLC.

1           383. Since Defendants took over ownership and management of the 837  
2 Normandie building in 2015, Allen experienced many of Defendants' discriminatory  
3 and unlawful practices, including the failure to provide needed maintenance to his  
4 unit, unlawful and baseless eviction threats, and invalid rent increases.

5           384. Allen had been chronically homeless prior to moving into the building.  
6 He then began receiving assistance from a caseworker at Ocean Park Community  
7 Center, who helped him obtain a Section 8 voucher. This allowed him to move into  
8 the 837 Normandie building.

9           385. In early 2015, shortly after Defendant Normandie Linden, LLC acquired  
10 the 837 Normandie building, it immediately began making major renovations to  
11 some of the units and common areas. These renovations made it very difficult for  
12 Allen to leave his apartment.

13           386. Shortly after Defendant Normandie Linden, LLC acquired the building,  
14 the on-site manager, known only as Amelia, told Allen and another tenant that  
15 Defendants planned to rid the building of persons with mental disabilities.

16           387. On May 13, 2015, Allen received a notice to pay rent or quit even  
17 though he had already paid his rent.

18           388. On June 4, 2015, Allen received a notice to pay rent or quit even though  
19 he had already paid his rent.

20           389. In June 2015, bedbugs infested Allen's apartment. Allen filed a  
21 complaint with Defendants but never received a response.

22           390. On June 23, 2015, Allen received a notice purporting to terminate his  
23 Section 8 subsidy, similar to the Section 8 Termination Notice received by Plaintiffs  
24 Reynolds and Rivera at the Mariposa building in November 2014. As outlined above  
25 with regard to tenants of the Mariposa building, the notice received by Allen was  
26 unlawful and invalid because a landlord may not terminate acceptance of a tenant's  
27 Section 8 subsidy without valid and independent legal cause to evict that tenant.  
28

1           391. Believing that he had to move, Allen sent a letter to Defendant  
2 Mickelson on June 24, 2015 stating that he would find a new apartment.

3           392. Allen subsequently met with legal counsel and learned that the eviction  
4 notice was invalid. Allen then sent another letter to Defendant Mickelson, rescinding  
5 his June 24, 2015 letter and explaining that the eviction notice was invalid.

6           393. On November 10, 2015, Allen received a notice to pay rent or quit even  
7 though he had already paid his rent.

8           394. On December 9, 2015, Defendant Normandie Linden, LLC sent Allen  
9 an eviction notice alleging that he owed an additional \$151.29, based on an apparent  
10 rent increase.

11           395. Because Allen is a recipient of Section 8 housing assistance, HACLA  
12 must first approve any rent increases. Defendant Normandie Linden, LLC neither  
13 sought nor obtained such approval.

14           396. On December 19, 2015, Allen sent Defendant Optimus' manager  
15 McCain a letter explaining that any rent increase not previously approved by  
16 HACLA was unlawful and failed to meet the requirements of his lease or of federal  
17 law. McCain neither responded to this letter nor rescinded the notice.

18           397. Defendant Normandie Linden, LLC continued sending Allen eviction  
19 notices even though he faithfully paid his rent each month and notified the managers  
20 that rent increases require HACLA approval.

21           398. On February 10, 2016, Defendant Normandie Linden, LLC sent Allen  
22 another eviction notice demanding payment of \$1,143.67 in rent, even though Allen  
23 and HACLA paid their respective portions of his February rent. McCain never  
24 rescinded the notice.

25           399. On February 22, 2016, Defendant Normandie Linden, LLC posted  
26 another eviction notice on Allen's door, stating that he was required to remove his  
27 dog from his unit or vacate.

28

1       400. On March 1, 2016, Allen responded to the notice in a letter to  
2 Defendant Normandie Linden, LLC. He expressed his belief that the February 22  
3 eviction notice was issued in retaliation for his assertion of his rights. He explained  
4 that a prior landlord had approved his dog and that during his time living in the  
5 building no manager has ever told him that he was not allowed to have a dog. Allen  
6 never received a response to his letter or a rescission of the notice.

7       401. On March 11, 2016, Defendant Normandie Linden, LLC sent Allen yet  
8 another eviction notice, this time demanding payment of \$515.36 in rent.

9       402. Five days later, Allen sent a letter, a copy of the money order he used to  
10 pay his rent, and an explanation that any attempt to increase his rent without HACLA  
11 approval is illegal and fails to meet the requirements of his lease or of federal law.  
12 Defendants neither responded to this communication nor rescinded the notice.

13       403. On April 15, 2016, Defendant Normandie Linden, LLC sent an eviction  
14 notice for \$275.05, and Allen responded with a letter and proof of mailing of his  
15 check. Again, Defendants neither responded nor rescinded the notice.

16       404. On May 13, 2016, Defendant Normandie Linden, LLC sent Allen  
17 another eviction notice demanding payment of rent, even though Allen had paid his  
18 rent that month.

19       405. On August 11, 2016, Defendant Normandie Linden, LLC sent Allen an  
20 eviction notice demanding payment of rent, although Allen had paid his rent for  
21 August.

22       406. On August 29, 2016, Defendant Normandie Linden, LLC sent Allen a  
23 notice on Optimus letterhead regarding utility fees. The notice stated that, beginning  
24 in November, Allen would receive a monthly bill for water and waste services.  
25 Additionally, the notice stated that Defendants would be implementing a ten-dollar  
26 flat fee for trash collection. Since moving into the unit, Allen has never paid for  
27 water or trash collection. Defendants have not reduced Allen's rent to reflect these  
28 changes. These additional costs are invalid rent increases.

1        407. On September 12, 2016, Defendant Normandie Linden, LLC posted an  
2 eviction notice on Allen's door stating that Allen violated his lease by having an  
3 unauthorized individual living in the unit. The notice also stated that Allen was  
4 required within three days to remove all pets from his unit or vacate.

5        408. The notice was unclear and confusing to Allen. Allen had already  
6 explained to Defendant Normandie Linden, LLC in March that the previous landlord  
7 approved him having a dog and never received a response. Furthermore, no one  
8 besides Allen lives in his unit.

9        409. Defendants' discriminatory and unlawful treatment of Allen through  
10 incessant eviction notices, invalid increases to his rent, and the failure to provide  
11 needed maintenance has caused Allen extreme stress and has exacerbated his  
12 disability. Without the support of pro bono counsel, Allen would likely have lost his  
13 housing, facing the risk of returning to homelessness.

14                    **Michael Prudhomme**

15        410. Plaintiff Michael Prudhomme has been a tenant of the 837 Normandie  
16 building since 2008. Prudhomme, who has a mental disability, receives a Section 8  
17 housing subsidy.

18        411. Since Defendants took over ownership and management of the 837  
19 Normandie building in 2015, Prudhomme experienced many of Defendants'  
20 discriminatory and unlawful practices, including the imposition of burdensome  
21 changes to rent payment terms, unlawful and baseless eviction threats, and invalid  
22 rent increases.

23        412. In early 2015, when Defendant Normandie Linden, LLC bought the 837  
24 Normandie building, it began to require that the rent be mailed or delivered to  
25 Defendants' Century City office. Defendant made clear that it would no longer  
26 accept payment of rent at the 837 Normandie building.

27        413. Worried about mailing his rent, Prudhomme has enlisted his caretaker to  
28 drop off the rent payment at the Century City office when he is able to do so.

1           414. On September 29, 2015, Prudhomme received a notice from Defendant  
2 Roxbury stating that they were working on developing a “convenient platform” for  
3 tenants to pay rent online. This notice stated that the system would enable tenants to  
4 pay their rent online with a debit or credit card, review their ledger and submit  
5 maintenance requests. The notice requested that tenants provide their email addresses  
6 to the on-site manager.

7           415. Prudhomme has been unable to take advantage of this new system  
8 because he does not have consistent access to a computer and the internet. The online  
9 system caters to the new, younger, non-disabled tenants who have moved into the  
10 837 Normandie building’s renovated units.

11           416. On December 9, 2015, Defendant Normandie Linden, LLC sent an  
12 eviction notice demanding Prudhomme pay an additional \$117.12 for December’s  
13 rent.

14           417. Like the notices sent to Allen, this notice constituted an unlawful  
15 attempt to circumvent the HACLA approval process for increasing rent. Prudhomme  
16 sent McCain a letter explaining the steps Defendants would have to take to increase  
17 his rent, but he received no response.

18           418. Prudhomme paid his February 2016 rent by sending a check in the mail,  
19 as his caretaker was unable to personally deliver the rent that month.

20           419. On February 10, 2016, Defendant Normandie Linden, LLC sent  
21 Prudhomme an eviction notice demanding \$238.61 for February rent.

22           420. Due to the notice, Prudhomme had to cancel the check and have his  
23 caretaker personally deliver another check to Defendants’ Century City office.

24           421. On May 13, 2016, Defendant Normandie Linden, LLC sent Prudhomme  
25 an eviction notice demanding payment of \$786.61 for May’s rent, even though  
26 Prudhomme had already paid his portion of rent for May.

27           422. Prudhomme’s counsel submitted a complaint to HCIDLA regarding the  
28 May eviction notice. Only after this complaint was submitted did Defendants



1 confirm that Prudhomme was current on his rent payments and state that the notice  
2 should be disregarded.

3 423. On August 29, 2016, Prudhomme received a notice from Defendants, on  
4 Optimus letterhead, regarding utility fees. The notice stated that, beginning in  
5 November 2016, Prudhomme would be receiving a monthly bill for water and waste  
6 services. Additionally, the notice stated that Defendants would be implementing a  
7 ten-dollar flat fee for trash collection.

8 424. Since moving into the unit, Prudhomme has never paid for water or  
9 trash collection. Even after the implementation of these new costs, Defendants did  
10 not reduce Prudhomme's rent to reflect the changes. These additional costs therefore  
11 constitute invalid rent increases.

12 425. Defendants' unlawful efforts to increase Prudhomme's rent and threaten  
13 him with eviction have caused Prudhomme extreme stress and have exacerbated his  
14 disability.

## 15 **LEGAL CLAIMS**

### 16 **FIRST CAUSE OF ACTION**

17 **(All Plaintiffs Against All Defendants for Violations of the Fair Housing Act, 42**  
18 **U.S.C. §§ 3601-3619; 24 C.F.R. §§ 100.60-100.85)**

19 426. Plaintiffs reallege and incorporate by reference each paragraph  
20 previously alleged in this Complaint.

21 427. The Individual Plaintiffs are all members of protected classes under the  
22 FHA. Plaintiffs Reynolds, Allen, Prudhomme, and Rivera are each persons with a  
23 disability. Plaintiffs Martinez, Velasquez, Fabian, Castro, Mecinas, and Ramos are  
24 Spanish-speaking Latino tenants with children. Plaintiffs Deras, Gregorio,  
25 Hernandez, and Francesca and Carlos Escamilla are Spanish-speaking Latino  
26 tenants. The Organizational Plaintiffs serve individuals who are members of these  
27 protected classes.

1        428. Based on Defendants' comments and actions herein alleged, Plaintiff  
2 tenants allege and believe Defendants' conduct is motivated by discriminatory intent  
3 based on the Individual Plaintiffs' membership in protected classes in contravention  
4 of 42 U.S.C. § 3604.

5        429. Defendants' actions in furtherance of their Koreatown Strategy herein  
6 alleged, if facially neutral, have had a discriminatory impact on Latino tenants,  
7 tenant families with children, and tenants with mental disabilities living in  
8 Defendants' buildings, and are not supported by any substantial and legitimate  
9 nondiscriminatory objectives, in contravention of 42 U.S.C. § 3604.

10        430. Defendants have sought to make housing unavailable to and have  
11 interfered with the exercise or enjoyment of housing rights by Plaintiffs Reynolds,  
12 Rivera, Martinez, Castro, Deras, Velasquez, Fabian, Ramos, Mecinas, Carlos and  
13 Francesca Escamilla, Allen, and Prudhomme by serving them with baseless or  
14 unwarranted eviction notices and other notices or documents designed to pressure  
15 them to move, and by making other threats of eviction, because of race, national  
16 origin, familial status, and/or disability status in violation of 42 U.S.C. §§ 3604(a),  
17 3604(f)(1), 3617, and 24 C.F.R. § 100.60(b)(5). By these same actions, Defendants  
18 have discriminated against Plaintiffs Reynolds, Rivera, Martinez, Castro, Deras,  
19 Velasquez, Fabian, Ramos, Mecinas, Carlos and Francesca Escamilla, Allen, and  
20 Prudhomme in the terms and conditions of their tenancy because of race, national  
21 origin, familial status, and/or disability status in violation of 42 U.S.C. §§ 3604(b)  
22 and 3604(f)(2).

23        431. Defendants have discriminated against Plaintiffs Martinez, Velasquez,  
24 Fabian, Deras, Castro, Gregorio, Ramos, Mecinas, Carlos and Francesca Escamilla,  
25 Hernandez, and Allen in the terms and conditions of their tenancy and the provision  
26 of facilities or services in connection therewith because of race, national origin,  
27 familial status, and/or disability status by denying or delaying maintenance services  
28 and repairs or providing substandard workmanship, fixtures, and repairs, to those

1 tenants' units while providing freshly renovated units in good and sanitary condition  
2 to new tenants who are English-speaking, childless, and without mental disabilities,  
3 in violation of 42 U.S.C. §§ 3604(b), 3604(f)(2), and 24 C.F.R. § 100.65(b)(2).

4 432. Defendants have subjected all Plaintiff tenants to harassment that has  
5 the effect of imposing different terms, conditions, or privileges relating to the rental  
6 of a dwelling or denying or limiting services in connection therewith on the basis of  
7 race, national origin, familial status, and/or disability status in violation of 42 U.S.C.  
8 § 3604(b), and/or constitutes unwelcome conduct that is sufficiently severe or  
9 pervasive as to interfere with the use or enjoyment of Plaintiff tenants' rental  
10 dwellings and the terms, conditions, and privileges thereof, in violation of 24 C.F.R.  
11 § 100.65(b)(4). This harassment has included derogatory comments based on  
12 Plaintiff tenants' disability status or national origin, coercive and threatening conduct  
13 or notices designed to intimidate Plaintiff tenants, and the imposition of substandard  
14 living conditions and unduly oppressive and burdensome rules.

15 433. Defendants Optimus, Roxbury, and Magnolia Avenue Properties, LLC  
16 subjected Plaintiffs Martinez, Velasquez, Fabian, and Castro to discrimination in the  
17 terms, conditions, or privileges of their tenancy and the provision of facilities in  
18 connection therewith on the basis of familial status by prohibiting children from  
19 reasonable use of the common areas in violation of 42 U.S.C. § 3604(b). Moreover,  
20 Defendants responded with threats and intimidation targeted at Plaintiffs Martinez,  
21 Velasquez, Fabian, and Castro based on their children's use of common areas and  
22 their own opposition to Defendants' discriminatory policy, in violation of 42 U.S.C.  
23 § 3617.

24 434. Defendants have injured Plaintiffs Rivera, Martinez, Velasquez, Fabian,  
25 Deras, Castro, Ramos, Carlos and Francesca Escamilla, and Prudhomme by  
26 imposing unduly oppressive changes in the terms of their tenancy related to rent  
27 collection that have a discriminatory impact on Latino tenants and tenants with  
28

1 mental disabilities living in Defendants' buildings, in violation of 42 U.S.C. §§  
2 3604(b) and 3604(f)(2).

3 435. Defendants have discriminated against Latino tenants in the terms,  
4 conditions, and privileges of their tenancy or the provision of services and facilities  
5 in connection therewith on the basis of national origin by unreasonably refusing to  
6 post or explain notices in Spanish, in violation of 42 U.S.C. § 3604(b).

7 436. Defendants have, for profit, induced or attempted to induce any person  
8 to sell or rent any dwelling by representations regarding the entry or prospective  
9 entry into the neighborhood of a person or persons of a particular race, disability,  
10 familial status, or national origin, in violation of 42 U.S.C. § 3604(e) and 24 C.F.R.  
11 §§ 100.70-100.85.

12 437. Defendants have indicated a preference for limiting the rental of  
13 dwellings on the basis of race, national origin, familial status and disability,  
14 including but not limited to discriminatory statements to tenants, including Plaintiffs,  
15 and selection of media for advertising the rental of dwellings which deny particular  
16 segments of the housing market information about housing opportunities based on  
17 race, national origin, familial status or disability in violation of 42 U.S.C. § 3604(c)  
18 and 24 C.F.R. §§ 100.70-100.85.

19 438. Defendants have implemented practices that have the effect of limiting  
20 or denying access to their rental dwellings based on race, national origin, familial  
21 status or disability pursuant to their Koreatown Strategy.

22 439. Defendants Optimus, Roxbury, and Mariposa/8th Street Properties, LLC  
23 refused to respond to or consistently comply with Plaintiffs Reynolds and Rivera's  
24 requests for reasonable accommodation in violation of 42 U.S.C. § 3604(f)(3)(B).

25 440. Defendants Optimus, Roxbury, and Magnolia Avenue Properties, LLC  
26 retaliated against Plaintiffs Martinez, Fabian, Deras, Ramos, and Mecinas by  
27 instituting unlawful detainer actions against those Plaintiffs after they engaged in  
28 activity protected by the FHA in violation of 42 U.S.C. § 3617.

441. The abusive and discriminatory practices of Defendants Optimus, Roxbury, and Mariposa/8th Street Properties, LLC described above have frustrated Step Up's mission to secure permanent housing and provide supportive services for individuals with mental disabilities, including the formerly homeless. Step Up has been forced to divert its scarce resources to protect its clients from the illegal and discriminatory conduct.

442. The abusive and discriminatory practices of Defendants Optimus, Roxbury, and Magnolia Avenue Properties, LLC described above frustrated SAJE's mission of building leadership and changing corporate policy, including by enforcing tenant rights and assisting tenants in achieving healthy living conditions. SAJE was forced to divert its scarce resources to investigating the mistreatment of Latino tenants and tenant families with children at the Magnolia building, and to assisting tenants in opposing the illegal and discriminatory conduct.

443. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

## **SECOND CAUSE OF ACTION**

### **(All Plaintiffs Against All Defendants for Violations of the California Fair Employment and Housing Act, Cal. Gov't Code §§ 12900-12996)**

444. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

445. Based on Defendants' comments and actions herein alleged, Plaintiff tenants allege and believe Defendants' conduct is motivated by discriminatory intent based on Plaintiffs' membership in protected classes in contravention of Cal. Gov't Code §§ 12955(a), (d) & (k) & 12955.8(a).

446. Defendants' actions in furtherance of their Koreatown Strategy herein alleged, if facially neutral, have had a discriminatory impact on Latino tenants, tenant families with children, and tenants with mental disabilities living in Defendants' buildings, and are not supported by any substantial and legitimate

1 nondiscriminatory objectives, in contravention of Cal. Gov't Code §§ 12955(a), (d)  
2 & (k) & 12955.8(b).

3 447. Defendants have sought to make housing unavailable to and have  
4 interfered with the exercise or enjoyment of housing rights by Plaintiffs Reynolds,  
5 Rivera, Martinez, Castro, Deras, Velasquez, Fabian, Allen, and Prudhomme by  
6 serving them with baseless or unwarranted eviction notices that were not served in  
7 good faith or in anticipation of litigation that was seriously contemplated at the time,  
8 and/or other notices or documents designed to pressure them to move, and by  
9 making other threats of eviction, because of race, national origin, familial status,  
10 and/or disability status in violation of Cal. Gov't Code § 12955.7. By these same  
11 actions, Defendants have discriminated against Plaintiffs Reynolds, Rivera,  
12 Martinez, Castro, Deras, Velasquez, Fabian, Allen, and Prudhomme in the terms and  
13 conditions of their tenancy because of race, national origin, familial status, and/or  
14 disability status in violation of Cal. Gov't Code § 12955(a), (d) & (k).

15 448. Defendants have discriminated against Plaintiffs Martinez, Velasquez,  
16 Fabian, Deras, Castro, Gregorio, Ramos, Mecinas, Carlos and Francesca Escamilla,  
17 Hernandez, and Allen in the terms and conditions of their tenancy and the provision  
18 of facilities or services in connection therewith because of race, national origin,  
19 familial status, and/or disability status by denying or delaying maintenance services  
20 and repairs, or providing substandard workmanship, fixtures, and repairs, to those  
21 tenants' units while providing freshly renovated units in good and sanitary condition  
22 to new tenants who are English-speaking, childless, and without mental disabilities,  
23 in violation of Cal. Gov't Code § 12955(a), (d) & (k).

24 449. Defendants have subjected all Plaintiff tenants to harassment that has  
25 the effect of imposing different terms, conditions, or privileges relating to the rental  
26 of a dwelling or denying or limiting services in connection therewith on the basis of  
27 race, national origin, familial status, and/or disability status in violation of Cal. Gov't  
28 Code § 12955(a), (d) & (k), and/or constitutes unwelcome conduct that is sufficiently

1 severe or pervasive as to interfere with the use or enjoyment of Plaintiff tenants'  
2 rental dwellings and the terms, conditions, or privileges thereof, in violation of Cal.  
3 Gov't Code § 12955(a), (d) & (k). This harassment has included derogatory  
4 comments based on Plaintiff tenants' disability status or national origin, coercive and  
5 threatening conduct or notices designed to intimidate Plaintiff tenants, and the  
6 imposition of substandard living conditions and unduly oppressive and burdensome  
7 rules.

8 450. Defendants Optimus, Roxbury, and Magnolia Avenue Properties, LLC  
9 subjected Plaintiffs Martinez, Velasquez, Fabian, and Castro to discrimination in the  
10 terms, conditions, or privileges of their tenancy and the provision of facilities in  
11 connection therewith on the basis of familial status by prohibiting children from  
12 reasonable use of the common areas in violation of Cal. Gov't Code § 12955(a).  
13 Moreover, Defendants responded with threats and intimidation targeted at Plaintiffs  
14 Martinez, Velasquez, Fabian, and Castro based on their children's use of common  
15 areas and their own opposition to Defendants' discriminatory policy, in violation of  
16 Cal. Gov't Code § 12955(a), (d) & (k).

17 451. Defendants have injured Plaintiffs Rivera, Martinez, Velasquez, Fabian,  
18 Deras, Castro, Ramos, Carlos and Francesca Escamilla, and Prudhomme by  
19 imposing unduly oppressive changes in the terms of their tenancy related to rent  
20 collection that have a discriminatory impact on Latino tenants and tenants with  
21 mental disabilities living in Defendants' buildings, in violation of Cal. Gov't Code  
22 § 12955(a), (d) & (k).

23 452. Defendants have discriminated against Latino tenants in the terms,  
24 conditions, and privileges of their tenancy or the provision of services and facilities  
25 in connection therewith on the basis of national origin by unreasonably refusing to  
26 post or explain notices in Spanish, in violation of Cal. Gov't Code § 12955(a), (d) &  
27 (k), causing them economic damages and emotional distress.

28



1           453. Defendants Optimus, Roxbury, and Mariposa/8th Street Properties, LLC  
2 refused to respond to or consistently comply with Plaintiffs Reynolds and Rivera's  
3 requests for reasonable accommodation in violation of Cal. Gov't Code § 12955(a),  
4 (d) & (k).

5           454. Defendants Optimus, Roxbury, and Magnolia Avenue Properties, LLC  
6 retaliated against Plaintiffs Martinez, Fabian, Deras, Ramos, and Mecinas by  
7 instituting unlawful detainer actions against those Plaintiffs after they engaged in  
8 activity protected by the FEHA in violation of Cal. Gov't Code §§ 12955(f) and  
9 12955.7.

10           455. The abusive and discriminatory practices of Defendants Optimus,  
11 Roxbury, and Mariposa/8th Street Properties, LLC described above have frustrated  
12 Step Up's mission to secure permanent housing and provide supportive services for  
13 individuals with mental disabilities, including the formerly homeless. Step Up has  
14 been forced to divert its scarce resources to protect its clients from the illegal and  
15 discriminatory conduct.

16           456. The abusive and discriminatory practices of Defendants Optimus,  
17 Roxbury, and Magnolia Avenue Properties, LLC described above frustrated SAJE's  
18 mission of building leadership and changing corporate policy, including by enforcing  
19 tenant rights and assisting tenants in achieving healthy living conditions. SAJE was  
20 forced to divert its scarce resources to investigating the mistreatment of Latino  
21 tenants and tenant families with children at the Magnolia building, and to assisting  
22 tenants in opposing the illegal and discriminatory conduct, causing them damages in  
23 an amount to be determined.

24           457. Defendants made, printed, or published, or caused to be made, printed,  
25 or published, notices, statements, or advertisements, with respect to the sale or rental  
26 of housing accommodations, that indicated a preference, limitation, or discrimination  
27 based on race, color, marital status, national origin, ancestry, familial status, source  
28

1 of income, or disability or an intention to make that preference, limitation, or  
2 discrimination in violation of Cal. Gov't Code § 12955(c).

3 458. Defendants, for profit, induced persons to rent dwellings by  
4 representations regarding the entry or prospective entry into the neighborhood of a  
5 person or persons of a particular race, color, marital status, ancestry, disability,  
6 source of income, familial status, or national origin in violation of Cal. Gov't Code §  
7 12955(h).

8 459. Defendants aided, abetted, incited, compelled, or coerced the conduct  
9 described herein, or attempted to do so, in violation of Cal. Gov't Code § 12955(g).

10 460. Defendants' conduct was intentional, willful, and made in reckless  
11 disregard of the known rights of others.

12 **THIRD CAUSE OF ACTION**

13 **(Individual Plaintiffs Against All Defendants for Violations of the Unruh Civil**  
14 **Rights Act, Cal. Civ. Code § 51)**

15 461. Plaintiffs reallege and incorporate by reference each paragraph  
16 previously alleged in this Complaint.

17 462. Defendants Normandie Linden, LLC, Mickelson, Optimus, and  
18 Roxbury injured Plaintiff Allen in violation of the Unruh Civil Rights Act, Cal. Civ.  
19 Code § 51. Specifically, (1) Plaintiff Allen is a person with a disability who receives  
20 Section 8 housing subsidies; (2) Defendants denied Allen equal accommodations,  
21 advantages, facilities, privileges, or services by threatening him with baseless  
22 eviction notices that were not served in good faith or in anticipation of litigation that  
23 was seriously contemplated at the time, making discriminatory statements and threats  
24 of eviction, failing to maintain his unit in habitable condition, imposing unduly  
25 oppressive changes in the terms of his tenancy, and enforcing policies in a  
26 discriminatory fashion; (3) Allen's disability was a substantial motivating reason for  
27 Defendants' conduct; (4) Allen has suffered harm; and (5) Defendants' conduct was  
28 a substantial factor in causing the harm suffered by Allen.

1           463. Defendants Mariposa/8th Street Properties, LLC, Normandie Linden,  
2 LLC, Mickelson, Optimus, and Roxbury injured Plaintiffs Prudhomme, Reynolds,  
3 and Rivera in violation of the Unruh Civil Rights Act, Cal. Civ. Code § 51.  
4 Specifically, (1) Plaintiffs Prudhomme, Reynolds, and Rivera are all persons with  
5 disabilities who receive Section 8 housing subsidies; (2) Defendants denied  
6 Prudhomme, Reynolds, and Rivera equal accommodations, advantages, facilities,  
7 privileges, or services by threatening them with baseless eviction notices that were  
8 not served in good faith or in anticipation of litigation that was seriously  
9 contemplated at the time, making discriminatory statements and threats of eviction,  
10 imposing unduly oppressive changes in the terms of their tenancies, and enforcing  
11 policies in a discriminatory fashion; (3) Prudhomme's, Reynolds's, and Rivera's  
12 disabilities were substantial motivating reasons for Defendants' conduct; (4)  
13 Prudhomme, Reynolds, and Rivera have suffered harm; and (5) Defendants' conduct  
14 was a substantial factor in causing the harm suffered by Prudhomme, Reynolds, and  
15 Rivera.

16           464. Defendants Magnolia Avenue Properties, LLC, Mickelson, Optimus,  
17 and Roxbury injured Plaintiff Martinez in violation of the Unruh Civil Rights Act,  
18 Cal. Civ. Code § 51. Specifically, (1) Plaintiff Martinez is a Spanish-speaking Latina  
19 woman who lives with her minor children; (2) Defendants denied Martinez equal  
20 accommodations, advantages, facilities, privileges, or services by threatening her  
21 with baseless eviction notices that were not served in good faith or in anticipation of  
22 litigation that was seriously contemplated at the time, making discriminatory  
23 statements and threats of eviction, failing to maintain her unit in habitable condition,  
24 imposing unduly oppressive changes in the terms of her tenancy, and enforcing  
25 policies in a discriminatory fashion; (3) the Latina background, primary language,  
26 and familial status of Martinez were substantial motivating reasons for Defendants'  
27 conduct; (4) Martinez has suffered harm; and (5) Defendants' conduct was a  
28 substantial factor in causing the harm suffered by Martinez.

1           465. Defendants Magnolia Avenue Properties, LLC, South Normandie  
2 Properties, LLC, Mickelson, Optimus, and Roxbury injured Plaintiffs Castro, Fabian,  
3 Mecinas, Ramos, and Velasquez in violation of the Unruh Civil Rights Act, Cal. Civ.  
4 Code § 51. Specifically, (1) Plaintiffs Castro, Fabian, Mecinas, Ramos, and  
5 Velasquez are all Spanish-speaking Latino individuals who live with their minor  
6 children; (2) Defendants denied Castro, Fabian, Mecinas, Ramos, and Velasquez full  
7 and equal accommodations, advantages, facilities, privileges, or services by making  
8 discriminatory statements and threats of eviction, failing to maintain their units in  
9 habitable condition, imposing unduly oppressive changes in the terms of their  
10 tenancies, and enforcing policies in a discriminatory fashion; (3) the Latino  
11 background, primary language, and familial status of Castro, Fabian, Mecinas,  
12 Ramos, and Velasquez were substantial motivating reasons for Defendants' conduct;  
13 (4) Castro, Fabian, Mecinas, Ramos, and Velasquez have suffered harm; and (5)  
14 Defendants' conduct was a substantial factor in causing the harm suffered by Castro,  
15 Fabian, Mecinas, Ramos, and Velasquez.

16           466. Defendants Magnolia Avenue Properties, LLC, Mickelson, Optimus,  
17 and Roxbury injured Plaintiff Deras in violation of the Unruh Civil Rights Act, Cal.  
18 Civ. Code § 51. Specifically, (1) Plaintiff Deras is a Spanish-speaking Latina  
19 woman; (2) Defendants denied Deras full and equal accommodations, advantages,  
20 facilities, privileges, or services by threatening her with a baseless eviction notice  
21 that was not served in good faith or in anticipation of litigation that was seriously  
22 contemplated at the time, failing to maintain her unit in habitable condition,  
23 imposing unduly oppressive changes in the terms of her tenancy, and enforcing  
24 policies in a discriminatory fashion; (3) the Latina background and primary language  
25 of Deras were substantial motivating reasons for Defendants' conduct; (4) Deras has  
26 suffered harm; and (5) Defendants' conduct was a substantial factor in causing the  
27 harm suffered by Deras.

28

467. Defendants South Kenmore Properties, LLC, South Normandie Properties, LLC, Mickelson, Optimus, and Roxbury injured Plaintiffs Carlos and Francesca Escamilla, Gregorio, and Hernandez in violation of the Unruh Civil Rights Act, Cal. Civ. Code § 51. Specifically, (1) Plaintiffs Carlos and Francesca Escamilla, Gregorio, and Hernandez are Spanish-speaking Latino individuals; (2) Defendants denied Deras, Carlos and Francesca Escamilla, Gregorio, and Hernandez full and equal accommodations, advantages, facilities, privileges, or services by failing to maintain their units in habitable condition, imposing unduly oppressive changes in the terms of their tenancies, and enforcing policies in a discriminatory fashion; (3) the Latino background and primary language of Carlos and Francesca Escamilla, Gregorio, and Hernandez were substantial motivating reasons for Defendants' conduct; (4) Carlos and Francesca Escamilla, Gregorio, and Hernandez have suffered harm; and (5) Defendants' conduct was a substantial factor in causing the harm suffered by Carlos and Francesca Escamilla, Gregorio, and Hernandez.

#### **FOURTH CAUSE OF ACTION**

**(Plaintiffs Allen, Castro, Deras, Carlos Escamilla, Francesca Escamilla, Fabian, Gregorio, Hernandez, Martinez, Mecinas, Ramos, and Velasquez Against Defendants Magnolia Avenue Properties, LLC, Normandie Linden, LLC, South Kenmore Properties, LLC, South Normandie Properties, LLC, Mickelson, Optimus, and Roxbury for Statutory Habitability Claims, Cal. Civ. Code § 1941.1; Cal. Health and Safety Code § 17920.3)**

468. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

469. Defendants Magnolia Avenue Properties, LLC, Normandie Linden, LLC, South Kenmore Properties, LLC, South Normandie Properties, LLC, Mickelson, Optimus, and Roxbury injured Plaintiffs Allen, Castro, Deras, Carlos Escamilla, Francesca Escamilla, Fabian, Gregorio, Hernandez, Martinez, Mecinas,

1 Ramos, and Velasquez by breaching the warranty of habitability in violation of Cal.  
2 Civ. Code § 1941.1 and Cal. Health and Safety Code § 17920.3.

3 470. Defendants failed to maintain Plaintiffs' units in habitable condition by,  
4 among other things, failing to substantially meet the standards set forth in Cal. Civ.  
5 Code § 1941.1 and Cal. Health and Safety Code § 17920.3. For example, Defendants  
6 failed to keep Plaintiffs' units free of infestations of bedbugs, cockroaches, and  
7 rodents; failed to provide Plaintiffs with hot and/or cold water for long periods of  
8 time; failed to provide plumbing facilities that were in good working order; failed to  
9 repair leaks in ceilings, holes in walls, and broken windows and doors; failed to  
10 maintain electrical equipment, including lighting and smoke detectors, in good  
11 working order; and failed to keep the premises sanitary and free of dangerous  
12 conditions like mold, peeling paint, protruding nails, and warped floors. Plaintiffs did  
13 not contribute substantially to these defective conditions.

14 471. Defendants should have discovered these defective conditions through  
15 reasonable inspections. Moreover, Plaintiffs also repeatedly notified Defendants of  
16 these defective conditions through numerous written and oral requests for repairs  
17 made to Defendants and their agents. In fact, many Plaintiffs also filed numerous  
18 complaints with the Department of Public Health and HCIDLA, which conducted  
19 many inspections of Defendants' properties.

20 472. Despite being on actual and constructive notice of the defective  
21 conditions in Plaintiffs' units, Defendants frequently made no attempt to repair those  
22 conditions. When Defendants did attempt to make repairs, their repairs were  
23 inadequate and did not remedy the defective conditions.

24 473. As a result of Defendants' failure to maintain Plaintiffs' units in  
25 habitable condition, Plaintiffs have suffered both emotional distress and economic  
26 loss.

**FIFTH CAUSE OF ACTION**

**(Individual Plaintiffs Against All Defendants for Breaches of Quiet Enjoyment,  
Cal. Civ. Code § 1927)**

474. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

475. Defendants injured the Individual Plaintiffs by depriving Plaintiffs of the beneficial enjoyment of the premises or rendering the premises unfit for the purposes for which they are let, in violation of California Civil Code § 1927.

476. Specifically, Defendants have substantially interfered with Plaintiffs' right to use the premises leased from Defendants by, among other things, (1) threatening Plaintiffs with baseless eviction notices that were not served in good faith or in anticipation of litigation that was seriously contemplated at the time; (2) failing to maintain Plaintiffs' units in habitable condition; (3) making false, threatening, and derogatory statements to Plaintiffs; and (4) imposing unduly oppressive changes in the terms of Plaintiffs' tenancies, including unlawful rent increases, changes in the way rent was to be paid, and other policies that created difficulty for Plaintiffs.

477. Plaintiffs have suffered harm as a result of Defendants' breach of the covenant of quiet enjoyment.

**SIXTH CAUSE OF ACTION**

**(Individual Plaintiffs Against All Defendants for Private Nuisance, Cal. Civ.  
Code § 3479)**

478. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

479. Defendants injured the Individual Plaintiffs by interfering with Plaintiffs' use and enjoyment of their leased residential units, constituting a private nuisance in violation of California Civil Code § 3479.



1        480. Defendants, by acting or failing to act, created conditions or permitted  
 2 conditions to exist that are harmful to health, indecent and offensive to the senses,  
 3 and are an obstruction to the free use of property, so as to interfere with comfortable  
 4 enjoyment of life or property. Specifically, Defendants have created such conditions  
 5 by, among other things, (1) failing to maintain Plaintiffs' units in habitable  
 6 condition; (2) making false, threatening, and derogatory statements to Plaintiffs; and  
 7 (3) imposing unduly oppressive changes in the terms of Plaintiffs' tenancies,  
 8 including unlawful rent increases, changes in the way rent was to be paid, and other  
 9 policies that created difficulty for Plaintiffs.

10        481. These conditions have interfered with Plaintiffs' use and enjoyment of  
 11 their units, and Plaintiffs did not consent to Defendants' conduct. Moreover, an  
 12 ordinary person would be reasonably annoyed or disturbed by Defendants' conduct.

13        482. As a result of Defendants' conduct, Plaintiffs have suffered harm, and  
 14 the seriousness of that harm outweighs the public benefit of Defendants' conduct.  
 15 Indeed, there is no social value to Defendants' unlawful actions.

### 16        **SEVENTH CAUSE OF ACTION**

#### 17        **(Individual Plaintiffs Against All Defendants for Negligence, Cal. Civ. Code** 18        **§ 1714)**

19        483. Plaintiffs reallege and incorporate by reference each paragraph  
 20 previously alleged in this Complaint.

21        484. Defendants injured the Individual Plaintiffs by want of ordinary care or  
 22 skill in the ownership or management of their property, person, or agents in violation  
 23 of Cal. Civ. Code § 1714.

24        485. Defendants were negligent because, as stated above, (1) Defendants  
 25 violated the FHA, 42 U.S.C. §§ 3601-3619 & 24 C.F.R. §§ 100.60-100.85; the  
 26 FEHA, Cal. Gov't Code §§ 12900-12996; and the Unruh Civil Rights Act, Cal. Civ.  
 27 Code § 51; (2) Defendants' statutory violations were a substantial factor in bringing  
 28 about the harm suffered by Plaintiffs, including both economic loss and emotional

1 distress; (3) the FHA, FEHA, and Unruh Civil Rights Act were intended to prevent  
2 actions like those of Defendants; and (4) the FHA, FEHA, and Unruh Civil Rights  
3 Act were intended to protect persons like the Individual Plaintiffs.

4 486. Defendants also were negligent because, as stated above, (1) they failed  
5 to exercise ordinary skill or care to prevent or remedy the defective conditions that  
6 rendered Plaintiffs' units uninhabitable, including failing to substantially meet the  
7 standards set forth in Cal. Civ. Code § 1941.1 and Cal. Health and Safety Code §  
8 17920.3; and (2) Defendants' failure to exercise ordinary skill or care was a  
9 substantial factor in bringing about the harm suffered by Plaintiffs, including both  
10 economic loss and emotional distress.

11 **EIGHTH CAUSE OF ACTION**

12 **(Plaintiffs Martinez, Velasquez, Fabian, Ramos, Reynolds, Rivera, Deras,**  
13 **Castro, Carlos Escamilla, Francesca Escamilla, Hernandez, Allen, and**  
14 **Prudhomme Against All Defendants for Charging LARSO Excessive Rent, L.A.**  
15 **Mun. Code § 151.10(A))**

16 487. Plaintiffs reallege and incorporate by reference each paragraph  
17 previously alleged in this Complaint.

18 488. As stated above, Defendants demanded payment of rent in excess of the  
19 maximum rent or maximum adjusted rent in violation of the provisions of the Los  
20 Angeles Rent Stabilization Ordinance, or any regulations or orders promulgated  
21 hereunder. Defendants sent notices of illegal rent increases, and/or additional charges  
22 for water/trash collection to Plaintiffs Martinez, Velasquez, Fabian, Ramos,  
23 Reynolds, Rivera, Deras, Castro, Carlos and Francesca Escamilla, Hernandez, Allen,  
24 and Prudhomme.

**NINTH CAUSE OF ACTION**

**(Individual Plaintiffs Against All Defendants for Violations of the California Anti-Harassment Statute, Cal. Civ. Code § 1940.2)**

489. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

490. As stated above, Defendants have used threats of eviction, given certain Plaintiffs unlawful eviction notices that were not served in good faith or in anticipation of litigation that was seriously contemplated at the time, made menacing comments (such as threats to call immigration and social services), and participated in menacing conduct (such as refusing to provide reasonable accommodations and refusing to permit entry for locked-out tenants).

491. Defendants' actions were menacing and have deprived the Individual Plaintiffs of the quiet enjoyment of their homes and caused Plaintiffs stress, instability, and in some cases worsened health.

492. Defendants' actions were conducted in an effort to effectuate their "Koreatown Strategy", and Defendants therefore sought to disrupt Plaintiffs' tenancies and influence Plaintiffs to vacate their homes in order to make a greater profit on their properties.

**TENTH CAUSE OF ACTION**

**(Individual Plaintiffs Against All Defendants for Retaliation, Cal. Civ. Code § 1942.5(c))**

493. Plaintiffs reallege and incorporate by reference each paragraph previously alleged in this Complaint.

494. Defendants, who are lessors under the law, retaliated against the Individual Plaintiffs by, among other things, increasing rent, decreasing services (including forcing Plaintiffs to physically travel to pay rent, charging trash and water fees, failing to maintain units in habitable condition, and refusing to permit pets), and

1 by giving certain Plaintiffs baseless eviction notices that were not served in good  
2 faith or in anticipation of litigation that was seriously contemplated at the time.

3 495. Defendants so acted for the purpose of retaliation, and Defendants'  
4 actions were intended as punishment for Plaintiffs exercising their legal rights by  
5 complaining about the condition of their rental units, after Plaintiffs caused the  
6 Department of Public Health and HCIDLA to inspect their rental units, and after  
7 Plaintiffs sought reasonable accommodations for their disabilities or on behalf of  
8 their children. Each of the Plaintiffs exercised his or her rights in complaining to  
9 Defendants to secure quiet enjoyment of his or her rental properties.

10 496. Plaintiffs' protected actions occurred within six months of Defendants'  
11 retaliatory reactions.

12 **ELEVENTH CAUSE OF ACTION**

13 **(All Plaintiffs Against All Defendants for Unfair Competition, Cal. Bus. & Prof.**  
14 **Code §§ 17200-17210)**

15 497. Plaintiffs reallege and incorporate by reference each paragraph  
16 previously alleged in this Complaint.

17 498. Defendants have engaged in unlawful business practices by employing  
18 menacing conduct in an effort to remove Plaintiffs from their rental homes through  
19 harassment, by distributing unlawful eviction notices and threats in violation of FHA  
20 and FEHA, and by violating state and local laws requiring that Defendants meet  
21 habitability requirements and permit Plaintiffs quiet enjoyment of their rental  
22 properties.

23 499. Defendants have additionally engaged in an unfair business practice by  
24 issuing to Plaintiffs Allen, Deras, Martinez, Prudhomme, Reynolds, Rivera, and  
25 Velasquez baseless eviction notices that were not served in good faith or in  
26 anticipation of litigation that was seriously contemplated at the time.

27 500. Defendants engaged in unlawful, unfair, and deceptive business  
28 practices by serving Plaintiff tenants with notices that purported to effect changes

1 that were not permitted by law, including the termination of Section 8 subsidies, the  
2 application of “move-out dates” notwithstanding Plaintiffs’ continuing right to  
3 remain in their units, and the imposition of invalid rent increases or additional  
4 charges for utility services.

5 501. Defendants engaged in a further unfair business practice by imposing  
6 unconscionable changes to the rent collection terms in each of their buildings.  
7 Defendants imposed these rent collection terms without negotiation, through the  
8 exercise of their superior bargaining power, and in a context where Plaintiff tenants,  
9 locked into a landlord-tenant relationship with Defendants, had no meaningful  
10 choice. Further, by breaking with long-established practice and lacking in reasonable  
11 justification, the changed rent collection terms fell outside of Plaintiff tenants’  
12 reasonable expectations. By requiring Plaintiff tenants to incur additional costs to  
13 comply with the new terms, on the pain of facing eviction, the new rent collection  
14 terms unfairly placed the risk of loss on Plaintiff tenants.

15 502. Defendants’ conduct is immoral, unethical, unscrupulous, and  
16 substantially injurious to consumers, and the harm to Plaintiffs outweighs any  
17 conceivable utility from Defendants’ actions. Moreover, because Plaintiffs live in  
18 buildings currently or formerly owned and managed by Defendants, and because  
19 Plaintiffs were not at fault or responsible for the oppressive practices described  
20 herein, Plaintiffs could not have reasonably avoided the injury caused by  
21 Defendants’ unfair business practices.

22 503. Defendants’ unlawful actions have caused economic injuries to  
23 Plaintiffs, including requiring them to make unnecessary travel to Century City,  
24 forcing them to incur unlawful costs (including the cost of certified mailing, repairs,  
25 and unlawful water and trash collection fees), causing them a loss of use and  
26 enjoyment of their rental property, and resulting in the payment of excess rent in  
27 light of the substandard and uninhabitable conditions of Plaintiffs’ units.

28

504. Defendants' unlawful and unfair business practices, including discriminating against SAJE members and giving SAJE members misleading notices and seeking retaliatory evictions, have caused SAJE to lose significant economic resources, including staff time, to protect the tenants of the Magnolia building, constituting economic injury.

505. Defendants' unlawful and unfair business practices, including discrimination and harassment against Step Up clients Rivera and Reynolds, and refusing to provide Step Up with information that Step Up requires to complete its mission, have caused Step Up economic injury, including lost staff time and lost organizational resources.

### **RELIEF SOUGHT**

506. Plaintiffs seek an order from the Court:

- (a) Issuing a declaratory judgment in favor of Plaintiffs;
- (b) Granting permanent injunctive relief enjoining Defendants from taking further actions which will displace or harm Plaintiffs;
- (c) Awarding damages to Plaintiffs, including compensatory damages to organizational Plaintiffs SAJE and Step Up equal to the diversion of organizational resources and frustration of mission damages incurred as a result of Defendants' actions;
- (d) Awarding restitution of excess rent paid by Plaintiff tenants pursuant to Cal. Bus. & Prof. Code § 17200 *et seq.*;
- (e) Awarding punitive and exemplary damages to Plaintiffs pursuant to 42 U.S.C. § 3613(c) and Cal. Civ. Code §§ 1942.5(f) and 3294(a).
- (f) Awarding costs and attorney fees to Plaintiffs pursuant to 42 U.S.C. § 3613, Cal. Civ. Proc. Code § 1021.5, Cal. Civ. Code §§ 1717, 1942.5(h), and any other relevant law authorizing such relief; and
- (g) Granting such further relief as the Court may deem just.

**JURY TRIAL DEMANDED**

507. Plaintiffs demand a jury on all issues so triable.

All signatories listed, and on whose behalf the filing is submitted, concur in the filing's content and have authorized the filing.

Respectfully submitted,

Dated: November 17, 2016

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/s/ Anne P. Bellows

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