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6 Attorney(s) for Plaintiff (*Continued on Next Page*)
7

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES**

10 _____)
11 STRATEGIC ACTIONS FOR A JUST)
ECONOMY, a California non-profit corporation,)

12 Plaintiff,

13 vs.

14 5959 FRANKLIN BLISS, LLC, a Delaware)
15 limited liability company; VILLA CARLOTTA)
16 BLISS, LLC, a Delaware limited liability)
17 company; KASO, LLC, a Delaware limited)
18 liability company; 600 N SOTO, LLC, a California)
19 limited liability company; DND APARTMENTS,)
LLC, a California limited liability company; NEW)
LEAF PROPERTY MANAGEMENT, a California)
corporation; DOES 1-20, inclusive,)

20 Defendants.)
21 _____)

Case No.:

25STCV04985

**COMPLAINT FOR INJUNCTIVE AND
DECLARATORY RELIEF AND
RESTITUTION (CALIFORNIA UNFAIR
COMPETITION LAW, BUS. & PROF.
CODE §§ 17200, ET SEQ.)**

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1 **INTRODUCTION**

2 1. The Palisades and Eaton fires are two of the deadliest and most destructive wildfires
3 in California history. These wildfires have resulted in 29 deaths, over 200,000 people evacuated,
4 and over 16,000 structures destroyed or damaged.

5 2. On January 7, 2025, California Governor Gavin Newsom proclaimed a State of
6 Emergency for Los Angeles and Ventura Counties. The Governor’s emergency proclamation
7 triggered California’s Anti-Price Gouging Law, Penal Code § 396, which limits rent increases to
8 no more than 10% of their pre-emergency price to protect residents from economic exploitation in
9 the wake of the wildfires.

10 3. Defendants—owners, leasing agents, and property managers of residential
11 apartments throughout Los Angeles County—exploited this tragedy by dramatically raising rental
12 prices; ranging from 25% to nearly 50% increases on rents. In doing so, Defendants violated
13 California’s Anti-Price Gouging Law and Unfair Competition Law (“UCL”), Bus. & Prof. Code
14 §§ 17200 *et seq.*

15 4. Plaintiff Strategic Actions for a Just Community (“SAJE”), a non-profit whose
16 mission entails advocating for affordable housing and securing limits on rent increases for tenants
17 in Los Angeles, brings this action against Defendants for injunctive and declaratory relief.

18 **JURISDICTION AND VENUE**

19 5. This Court is a court of general jurisdiction and therefore has jurisdiction over the
20 matter. The events material to this Complaint took place within the County of Los Angeles within
21 the past two years.

22 6. Venue is proper in this district because the events and the real property which are
23 the subject of this Complaint are within the County of Los Angeles.

24 **PARTIES**

25 7. Plaintiff SAJE is a private, non-profit organization formed under the laws of the
26 State of California with its principal place of business in Los Angeles, California. SAJE is a
27 “person” within the meaning of Bus. & Prof. Code § 17201.

1 8. Defendant 5959 Franklin Bliss, LLC is a Delaware limited liability company. Its
2 principal place of business is in Los Angeles, California. 5959 Franklin Bliss, LLC owns 5959
3 Franklin Ave., Los Angeles, California 90028 (“5959 Franklin Ave.”), a 50-unit apartment
4 building. 5959 Franklin Bliss, LLC is a business subject to Bus. & Prof. Code § 17200.

5 9. Defendant Villa Carlotta Bliss, LLC is a Delaware limited liability company. Its
6 principal place of business is in Los Angeles, California. On information and belief, Villa Carlotta
7 Bliss, LLC manages 5959 Franklin Ave. It is an agent of 5959 Franklin Bliss, LLC, and had control
8 and decision-making authority with respect to 5959 Franklin Ave. at all times relevant to this
9 action. It exercised real or apparent authority regarding 5959 Franklin Ave. on behalf of 5959
10 Franklin Bliss, LLC. At all times relevant to this action, Villa Carlotta Bliss, LLC was responsible
11 for the day-to-day management and leasing of units at 5959 Franklin Ave., including the listing
12 and offering of units for rent. Villa Carlotta Bliss, LLC is a business subject to Bus. & Prof. Code
13 § 17200.

14 10. Defendant Kaso, LLC is a Delaware limited liability company. Its principal place
15 of business is in Los Angeles, California. It owns 832 Fedora St., Los Angeles, California 90005
16 (“832 Fedora St.”), a 24-unit apartment building. Kaso, LLC is a business subject to Bus. & Prof.
17 Code § 17200.

18 11. Defendant 600 N Soto, LLC is a California limited liability company. Its principal
19 place of business is in Encino, California. It owns 600 N. Soto St., Los Angeles, California 90033
20 (“600 N. Soto St.”), a 16-unit apartment building. 600 N Soto, LLC is a business subject to Bus.
21 & Prof. Code § 17200.

22 12. Defendant DND Apartments, LLC is a California limited liability company. Its
23 principal place of business is in Glendale, California. It owns 11710 S. Budlong Ave., Los Angeles,
24 California 90044 (“11710 S. Budlong Ave.”), a 16-unit apartment building. DND Apartments,
25 LLC is a business subject to Bus. & Prof. Code § 17200.

26 13. Defendant New Leaf Property Management is a California corporation. Its
27 principal place of business is in Claremont, California. On information and belief, New Leaf
28 Property Management manages 11710 S. Budlong Ave. It is an agent of DND Apartments, LLC,

1 and had control of, and decision-making authority with respect to 11710 S. Budlong Ave. at all
2 times relevant to this action. It exercised real or apparent authority regarding 11710 S. Budlong
3 Ave. on behalf of DND Apartments, LLC. At all times relevant to this action, New Leaf Property
4 Management was responsible for the day-to-day management and leasing of units at 11710 S.
5 Budlong Ave., including the listing and offering of units for rent. New Leaf Property Management
6 is a business within the meaning of the Bus. & Prof. Code § 17200.

7 14. Plaintiff is unaware of the true names and capacities of Defendants Does 1 through
8 20, inclusive, and they are therefore sued by such fictitious names pursuant to Civ. Proc. Code
9 § 474. Plaintiff alleges on information and belief that each such fictitiously named Defendant is
10 responsible or liable in some manner for the events and happenings referred to herein, and Plaintiff
11 will seek leave to amend this Complaint to allege their true names and capacities after the same
12 have been ascertained. Defendants 5959 FRANKLIN BLISS, LLC, VILLA CARLOTTA BLISS,
13 LLC, KASO, LLC, 600 N SOTO, LLC, DND APARTMENTS, LLC, NEW LEAF PROPERTY
14 MANAGEMENT and DOES 1 through 20 are referred to collectively herein as “Defendants.”

15 **FACTUAL ALLEGATIONS**

16 15. The Palisades and Eaton wildfires began in Los Angeles County on January 7,
17 2025. Respectively, these fires are estimated to be the fourth and second most destructive fires in
18 California history.¹ As of the date of this filing, these fires (along with other, smaller wildfires)
19 have resulted in 29 deaths, 31 missing individuals, 205,000 people evacuated, and over 16,000
20 structures destroyed or damaged.

21 16. The destruction from the Palisades fire is concentrated in the communities of
22 Pacific Palisades, Malibu, and Topanga.

23 17. The Eaton fire destroyed considerable portions of Altadena, a racially diverse
24 unincorporated area of Los Angeles County with a large historically Black population. Between
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27 ¹ Karina Tsui, *Eaton and Palisades Fires likely the second and fourth most destructive in California history,*
28 *fire official says*, CNN (Jan. 12, 2025, 9:22 PM), <https://www.cnn.com/weather/live-news/los-angeles-wildfires-palisades-eaton-california-01-12-25#cm5uhlalp00003b6n5nzzyjky>.

1 1960 and 1980, Altadena’s population went from 95% White to 43% Black.² Altadena has a Black
2 homeownership rate of more than 80%, double the national average,³ which allowed many of
3 Altadena’s Black families to pass their homes down from parents to children, helping to create
4 generational wealth.⁴

5 18. These wildfires had and will continue to have a devastating impact on housing
6 prices generally, and renters in particular, throughout Los Angeles County—an area already
7 experiencing a severe housing crisis that makes it one of the least affordable metropolitan areas
8 in the United States.

9 19. According to a study, in the weeks after the fires began, rents increased by 20%
10 across Los Angeles County generally and by 130% in some neighborhoods.⁵ Another study
11 estimates that landlords have been overcharging renters by over \$7,000,000 per month since the
12 fires started.⁶

13 20. Such rent increase further strain renters in Los Angeles County, who already
14 experience severe rent burdens, with a significant portion paying over 30% of their income
15 towards housing.

16 21. As a result, these increases are exacerbating Los Angeles’s housing crisis with the
17 heaviest burden falling on low-income families who were already struggling to afford housing.

18 **CALIFORNIA’S ANTI-PRICE GOUGING LAW AND UNFAIR COMPETITION LAW**

19 22. California’s Anti-Price Gouging Law makes it unlawful for a person or business to
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21 ² Emily Witt, *Will L.A. ’s fires permanently disperse the Black families of Altadena?* The New Yorker, (Jan. 17,
22 2025), [https://www.newyorker.com/news/dispatch/will-las-fires-permanently-disperse-the-black-families-of-](https://www.newyorker.com/news/dispatch/will-las-fires-permanently-disperse-the-black-families-of-altadena)
altadena

23 ³ Curtis Bunn, et al., *L.A. County wildfires leave diverse and historic Altadena in ashes and rubble*, NBC News
24 (Jan. 13, 2025, 3:27 PM), [https://www.nbcnews.com/news/nbcblk/1-wildfires-leave-diverse-historic-altadena-ashes-](https://www.nbcnews.com/news/nbcblk/1-wildfires-leave-diverse-historic-altadena-ashes-rubble-rcna187065)
rubble-rcna187065.

25 ⁴ Corina Knoll, *Shattered in the Fire: A Historic Black Haven*, N.Y. Times (Jan. 14, 2025),
<https://www.nytimes.com/2025/01/14/us/la-fires-altadena-historic-black-community.html>

26 ⁵ Rachel Siegel et al., *Rent rose by 20 percent across L.A. County after fires. That’s illegal.*, Wash. Post (Jan.
27 25, 2025), <https://www.washingtonpost.com/business/2025/01/25/la-county-rent-gouging-wildfires/>.

28 ⁶ The Rent Brigade, *After the LA Fires: Rent-Gouging in the Wake of Disaster* (Jan. 2025),
<https://www.rentbrigade.org/report>.

1 charge an existing or prospective tenant a rental price that is more than 10% of the pre-emergency
2 price, for 30 days following an emergency declaration or for any time period the emergency
3 declaration is extended. Penal Code §§ 396(b), (e), (f).

4 23. When the President, Governor, or a local official declares a State of Emergency in
5 a city or county, Penal Code § 396(b) makes it unlawful to sell or offer to sell any rental housing
6 at a price more than 10% higher than the price previously offered immediately before the
7 emergency declaration. *Id.* § 396(b); *see also id.* § 396(j)(10) (defining housing as “any rental
8 housing with an initial lease term of no longer than one year or less”). Subsection (e) also prohibits
9 rent increases exceeding 10% during a State of Emergency.

10 24. For housing rented within one year before the emergency declaration, the baseline
11 rental amount used to determine the 10% increase is the actual rental price paid by the tenant. *Id.*
12 § 396(j)(11)(A).

13 25. For housing not rented at the time of the emergency declaration, but either
14 previously rented or listed for rent in the year prior to the declaration, the baseline rental amount
15 used to determine the 10% increase is the most recent rental price offered prior to the declaration.
16 *Id.*

17 26. If a business offers a unit that was previously unfurnished but is now furnished after
18 the emergency declaration, the rental price can be increased by an additional 5%. *Id.*

19 27. A violation of the Anti-Price Gouging Law constitutes an unlawful business
20 practice and an act of unfair competition within the meaning of the UCL. *Id.* § 396(i).

21 28. On January 7, 2025, the same day the fires started, Governor Gavin Newsom
22 issued a proclamation declaring a State of Emergency in Los Angeles and Ventura Counties.⁷

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⁷ Exec. Dep’t, Proclamation of a State of Emergency (Jan. 7, 2025), https://www.gov.ca.gov/wp-content/uploads/2025/01/SOE_Palisades-Fire_1-7-25_Formatted.pdf.

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1 overwhelming that SAJE’s Policy Director organized a group of volunteers to assist with
2 identifying, tracking, and mapping price-gouging properties and agents.

3 35. Because of these complaints and reports of rampant price gouging across Los
4 Angeles County, SAJE’s Policy Director was forced to spend over 40 hours identifying and
5 tracking price-gouging properties, managing a database of these properties, overseeing a group of
6 volunteers to help identify and track these properties, and engaging in public education regarding
7 price-gouging by these properties.

8 36. As a result, Defendants diverted SAJE’s Policy Director from the Director’s usual
9 activities of collecting information about land use policy and building codes; producing curriculum
10 on tenant organizing for SAJE membership; developing policy options and campaigns regarding
11 tenant organizing and limits on rent increases; mentoring policy and research staff; supervising
12 staff and interns including work-planning, evaluations, and professional development; and
13 engaging in coalition building with other organizational directors to develop tenant organizing and
14 limits on rent increases campaigns.

15 37. Additionally, SAJE’s Assistant Director of Policy Director & Research (“Assistant
16 Policy Director”) separately spent over 20 hours identifying and tracking price-gouging properties
17 and helping manage a database of these properties.

18 38. As a result, Defendants diverted SAJE’s Assistant Policy Director from the
19 Assistant Policy Director’s usual activities of coordinating work on an environmental
20 decarbonization campaign, conducting research on building decarbonization policy, and creating
21 presentation materials for SAJE’s public education events and teach-ins.

22 39. Also at this time, SAJE’s Director of Advocacy and Organizing separately spent at
23 least 8 hours identifying and tracking price-gouging properties and helping manage a database of
24 these properties.

25 40. As a result, Defendants diverted SAJE’s Director of Advocacy and Organizing
26 from the Director’s usual activities of coordinating advocacy campaigns focused on housing
27 justice, developing community outreach programs regarding tenant’s rights and tenant organizing,
28 and organizational fundraising efforts and grant reporting.

1 offered a unit at the property for a rental price of \$1,828 per month. Following the emergency
2 declaration, however, on January 21, 2025, Defendant 600 N Soto, LLC increased the price to
3 \$2,700 per month—a 47.7% increase from the baseline amount.

4 47. Defendant DND Apartments LLC owns 11710 S. Budlong Ave., a 16-unit
5 apartment building in South Central Los Angeles. On December 16, 2024, prior to the emergency
6 declaration, Defendant DND Apartments LLC, through its agent Defendant New Leaf Property
7 Management, offered a unit at the property for a rental price of \$1,800 per month. Following the
8 emergency declaration, however, on January 19, 2025, Defendant DND Apartments LLC, through
9 its agent Defendant New Leaf Property Management, increased the price to \$2,250 per month—a
10 25% increase from the baseline amount.

11 INJURIES

12 48. As a proximate result of Defendants’ illegal price-gouging, SAJE suffered money
13 injury.

14 49. SAJE received numerous complaints from people about price-gouging in the wake
15 of the wildfires. As a result, SAJE has been forced to expend substantial resources and hours to
16 determine whether Defendants violated the Anti-Price Gouging Law.

17 50. Defendants’ illegal practices have injured SAJE by: (a) undermining its education,
18 counseling, and training programs designed to promote affordable housing and limits on rent
19 increases; (b) requiring it to divert scarce resources away from its usual activities and instead to
20 devote substantial time and resources to identifying and counteracting Defendants’ illegal conduct;
21 (c) frustrating its mission of increasing access to affordable housing and limiting rent increases;
22 and (d) harming the communities that it serves.

23 51. By requiring SAJE to expend substantial time and resources identifying and
24 counteracting Defendants’ unlawful conduct, Defendants have harmed SAJE monetarily by
25 forcing it to divert scarce resources away from its usual education, training, counseling and
26 capacity-building programs and activities to programs and activities to identify and counteract
27 Defendants’ illegal conduct, including investigating price-gouging at each Defendant property.
28 Because SAJE has limited resources, the time and resources it has spent to identify and counteract

1 Defendants' practices means that it had fewer resources to devote to its usual education, training,
2 counseling and capacity-building programs and activities.

3 52. Because of the measures SAJE was forced to undertake to identify and counteract
4 Defendants' illegal conduct, SAJE was forced to delay, suspend, or forgo other existing and
5 planned programs or projects. Defendants' illegal conduct has caused SAJE to forgo opportunities
6 including collecting information about SAJE's work areas such as land use policy and building
7 codes; producing curriculum for SAJE membership on tenant organizing; developing policy
8 options and campaigns regarding tenant organizing and limits on rent increases; mentoring policy
9 and research staff; supervising staff and interns including work-planning, evaluations, and
10 professional development; and engaging in coalition building with other organizations to develop
11 tenant organizing and limits on rent increases campaigns.

12 53. Defendants forced SAJE to spend additional time designing and preparing
13 counteractive strategies specifically targeted toward addressing the impact of Defendants'
14 unlawful behavior. Despite the impact on SAJE's other programs and services, SAJE nevertheless
15 devoted resources to the counteractive measures because, if left unaddressed, Defendants' illegal
16 conduct would continue to have a significant harmful effect on SAJE's mission, its programs and
17 activities, and the communities and constituents it serves.

18 54. To counteract the effects of Defendants' unlawful conduct, SAJE engaged in, and
19 will engage in, new and additional community outreach and public efforts to raise awareness of
20 illegal price-gouging in Los Angeles and Ventura Counties.

21 55. Until remedied, Defendants' unlawful actions will continue to injure SAJE by,
22 among other things:

23 a. directly interfering with its core business activities of securing affordable
24 housing and limits on rent increases;

25 b. requiring the commitment of scarce resources, including substantial staff
26 time and resources, to counteract Defendants' unlawful conduct, thus
27 diverting resources away from SAJE's usual programs and activities,
28

1 frustrating SAJE's mission and purpose of promoting secure and
2 affordable housing to all persons without regard to their class, race, gender,
3 or any social privileges; and

4 c. frustrating SAJE's mission and purpose of promoting limits on rent
5 increases.

6 56. There now exists an actual controversy among the parties regarding Defendants'
7 duties under state laws. Accordingly, SAJE is entitled to declaratory relief.

8 57. Unless enjoined, Defendants will continue to engage in the unlawful acts described
9 in this Complaint. SAJE has no adequate remedy at law. SAJE is now suffering and will continue
10 to suffer irreparable injury from Defendants' unlawful price gouging unless this Court provides
11 relief. Accordingly, SAJE is entitled to injunctive relief.

12 **CAUSES OF ACTION**

13 **FIRST CAUSE OF ACTION**

14 [California Unfair Competition Law]

15 *Bus. & Prof. Code §§ 17200 et seq.*

16 Against All Defendants

17 58. Plaintiff herein realleges and incorporates by reference all the preceding paragraphs
18 of this Complaint.

19 59. The rental of an apartment building is a "business act or practice" subject to Bus.
20 & Prof. Code § 17200.

21 60. Defendants, and each of them, injured Plaintiff by causing a loss of money or
22 property or both in violation of the Unfair Competition Law. Defendants committed the following
23 unfair or unlawful business practices in violation of Bus. & Prof. Code § 17200:

24 a. Unfair or unlawful practices, including, but not limited to, violations of
25 Penal Code §§ 396 (b) and (e) by raising rental rates by more than 10% of
26 their pre-emergency price.

27 b. Unfair or misleading advertisement, as alleged herein.

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Demand for jury trial

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Plaintiff hereby demands a trial by jury on all causes of action.

Dated February 13, 2025



**RODNEY J. LEGGETT
ZACHARY FREDERICK
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Attorneys for Plaintiff