

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

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Case Number: CGC-15-548551

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COMPLAINT

CITY AND COUNTY OF SAN FRANCISCO ET AL VS. CHUCK M. POST ET AL

001C05123361

Instructions:

Please place this sheet on top of the document to be scanned.

44

**SUMMONS
(CITACION JUDICIAL)**

SUM-100

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

NOTICE TO DEFENDANT: CHUCK M. POST, individually and d/b/a
(AVISO AL DEMANDADO): APARTMENTSINSF.COM; LEM-RAY
PROPERTIES I DE, LLC; and DOE ONE through DOE FIFTY

YOU ARE BEING SUED BY PLAINTIFF: CITY AND COUNTY OF SAN
(LO ESTÁ DEMANDANDO EL DEMANDANTE): FRANCISCO, a Municipal
Corporation, and the PEOPLE OF THE STATE OF CALIFORNIA, by and
through DENNIS J. HERRERA, City Attorney for the City and County of San
Francisco

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

Superior Court of California, County of San Francisco
400 McAllister Street
San Francisco, CA 94102-4514

CASE NUMBER:
(Número de Caso) **000-15-548551**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

DENNIS J. HERRERA, State Bar #139669 City Attorney (415)554-3800
YVONNE R. MERÉ, State Bar #173594, Complex & Affirmative Litigation Team Leader
BRADLEY A. RUSSI, State Bar #256993; SARA J. EISENBERG, State Bar #269303 Deputy City Attorneys
1390 Market Street, 7th Floor, San Francisco, CA 94102-5408

DATE: **OCT 21 2015**
(Fecha)

CLERK OF THE COURT

Clerk, by Arlene Ramos, Deputy
(Secretario) **ARLENE RAMOS** (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
 2. as the person sued under the fictitious name of (specify):
 3. on behalf of (specify):
- under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):

4. by personal delivery on (date):



1 DENNIS J. HERRERA, State Bar #139669
City Attorney
2 YVONNE R. MERÉ, State Bar #173594
Complex & Affirmative Litigation Team Leader
3 BRADLEY A. RUSSI, State Bar #256993
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Telephone: (415) 554-3800
6 Facsimile: (415) 554-3985
E-Mail: sara.eisenberg@sfgov.org
7 E-Mail: brad.russi@sfgov.org

8 Attorneys for Plaintiffs
CITY AND COUNTY OF SAN FRANCISCO AND
9 PEOPLE OF THE STATE OF CALIFORNIA

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN FRANCISCO

12 UNLIMITED JURISDICTION

13 CITY AND COUNTY OF SAN
FRANCISCO, a Municipal Corporation, and
14 the PEOPLE OF THE STATE OF
CALIFORNIA, by and through DENNIS J.
15 HERRERA, City Attorney for the City and
County of San Francisco,

16 Plaintiffs,

17 vs.

18 CHUCK M. POST, individually and d/b/a
19 APARTMENTSINSF.COM; LEM-RAY
PROPERTIES I DE, LLC; and DOE ONE
20 through DOE FIFTY,

21 Defendants.

Case No.

CGC-15-548551

COMPLAINT FOR INJUNCTIVE AND OTHER
RELIEF

ATTACHMENTS: Exhibit A

22
23 Plaintiffs, the City and County of San Francisco and the People of the State of California,
24 acting by and through San Francisco City Attorney Dennis Herrera, hereby allege as follows:

25 **INTRODUCTION**

26 1. The City and County of San Francisco ("San Francisco" or the "City") faces one of the
27 tightest rental housing markets in the country, which is plagued by exceptionally low vacancy rates
28 and skyrocketing rental rates.

FILED
Superior Court of California
County of San Francisco
OCT 21 2015
CLERK OF THE COURT
BY: *Adriana Ramon*
Deputy Clerk

1 2. San Francisco lawmakers have implemented a comprehensive scheme of housing
2 regulations, including rent control measures, tenants' rights protections, and the administration of
3 housing subsidies. Critical to the success of these regulatory efforts are federally funded housing
4 vouchers, which are provided by the Housing Choice Voucher Program, also known as Section 8 of
5 the Federal Housing Act. This program is administered locally by the San Francisco Housing
6 Authority. "Section 8 vouchers" allow qualifying low-income families to secure housing in the private
7 rental market. A qualifying family is required to pay thirty percent of its income toward rent, while the
8 voucher covers the remainder of the rental costs.

9 3. In 1998, San Francisco amended its Police Code Section 3304 to make it unlawful for
10 property owners and real estate agents to refuse to accept federal, state, or local housing subsidies as a
11 form of rental payment, to require different terms for such tenants, or to falsely represent that a rental
12 unit is not available based on a person's use of a housing subsidy. The amendment also made it
13 unlawful for property owners and real estate agents to indicate in housing advertisements that housing
14 subsidies would not be accepted as rental payment or that recipients of housing subsidies would be
15 ineligible for tenancy.

16 4. Section 3304 remains a critical element of San Francisco's system of housing
17 regulation, helping to protect the ability of Section 8 voucher holders to continue in their tenancies or
18 find housing in San Francisco. The law ensures that landlords and their agents do not discriminate
19 against tenants for paying with Section 8 vouchers, do not advertise that Section 8 tenants are
20 unwelcome, and do not incorrectly state that it is legally permissible to refuse a tenancy based on
21 payment with Section 8 vouchers.

22 5. Despite the clear and express terms of Section 3304, Defendants Chuck Post and Lem-
23 Ray Properties have a business practice of refusing to accept Section 8 vouchers as rental payment
24 from prospective tenants and have explicitly stated their intention to refuse Section 8 vouchers in
25 property advertisements and through oral representations to persons inquiring as to available rental
26 units. Defendant Chuck Post is a real estate broker who has used Craigslist.org and his website,
27 ApartmentsinSf.com, to post rental advertisements indicating that Section 8 vouchers will not be
28 accepted as payment for advertised units. Defendant Lem-Ray is the owner of some of the properties

1 that Defendant Chuck Post has marketed as unavailable to Section 8 tenants. As the owner of the
2 rental properties, Defendant Lem-Ray caused its agent, Defendant Chuck Post, to unlawfully
3 disseminate these advertisements. Defendants Lem-Ray and Chuck Post have overtly violated Section
4 3304 through these advertisements and through their business practice of refusing to accept Section 8
5 vouchers as payment for rental units in San Francisco. Defendants have been engaged in this conduct
6 for at least one year and likely much longer.

7 6. This is not the first time Defendant Lem-Ray has conducted its rental business in
8 blatant disregard of the law, nor is it the first time San Francisco has attempted to hold Defendant
9 Lem-Ray accountable for its unlawful actions. In fact, Defendant Lem-Ray is a serial violator of local
10 and state housing regulations and is currently bound by the terms of a 2011 stipulated injunction,
11 which was entered as a result of Defendant Lem-Ray's prior unlawful activity. In 2006, San Francisco,
12 acting on behalf of the People, brought suit against Defendant Lem-Ray as a result of its unlawful
13 business practices. The suit brought to light a host of local and state housing law violations, including
14 the unlawful dispossession of tenants of rent-controlled housing units.

15 7. In 2011, as a result of San Francisco's suit, Defendant Lem-Ray was ordered subject to
16 the terms of a stipulated injunction, approved by San Francisco Superior Court Judge John E. Munter.
17 The injunction placed a number of strict limitations on Defendant Lem-Ray's future activity and
18 restrained and enjoined Defendant Lem-Ray from engaging in unlawful and unfair conduct in
19 violation of the Unfair Competition Law ("UCL"), California Business Code Sections 17200-17210.
20 Defendant Lem-Ray was further restrained and enjoined from operating its properties in such a
21 manner as to constitute violations of any local or state law. Defendant Lem-Ray has now run afoul of
22 these terms with the unlawful activity alleged herein.

23 8. Defendant Lem-Ray's actions and those of its agent, Defendant Chuck Post, violated
24 and continue to violate San Francisco housing law and constitute unlawful, unfair and fraudulent
25 business practices. Defendant Lem-Ray, in particular, has made clear its intent to continue to violate
26 state and local housing regulations, despite the previous court order enjoining its unlawful activity. As
27 a result, it has seriously undermined San Francisco's efforts to ensure the availability of affordable
28 housing for all residents.

1 9. This Court should enter an injunction to enjoin these practices and should order
2 Defendants to pay civil penalties for their past acts of unfair competition. With respect to Defendant
3 Lem-Ray, this Court should additionally impose the proscribed penalties for Defendant's willful
4 violation of the previous stipulated injunction.

5 **PARTIES**

6 10. Plaintiff City and County of San Francisco is a municipal corporation organized and
7 existing under and by virtue of the laws of the State of California, and is a city and county.

8 11. The City brings this action under the provisions of San Francisco Police Code Chapter
9 33.

10 12. Plaintiff the People of the State of California, by and through San Francisco City
11 Attorney Dennis J. Herrera, prosecutes this action pursuant to California Business and Professions
12 Code Section 17200 *et seq.*

13 13. Defendant Chuck Post d/b/a ApartmentsInSf.com ("Chuck Post") is a real estate broker
14 licensed by the California Department of Real Estate (License # 01421132), with his principal office
15 in San Francisco, California.

16 14. Defendant Lem-Ray Properties I DE, LLC ("Lem-Ray") is a Delaware Limited
17 Liability Company that owns several apartment buildings in San Francisco, including the buildings
18 commonly known as 81 Ninth Street and 935 Geary Street.

19 15. Defendants Doe One through Doe Fifty are sued herein under fictitious names.
20 Plaintiffs do not at this time know the true names or capacities of said defendants, but pray that the
21 same may be inserted herein when ascertained.

22 16. At all times herein mentioned, each Defendant was an agent, servant, employee,
23 partner, franchisee, joint venturer, and co-conspirator of each other defendant and at all times was
24 acting within the course and scope of said agency, service, employment, partnership, franchise, joint
25 venture, and conspiracy.

26 **JURISDICTION AND VENUE**

27 17. The Superior Court has jurisdiction over this action. Defendants Chuck Post and Lem-
28 Ray are conducting unlawful, unfair and/or deceptive business practices in California and are acting in

1 violation of the San Francisco Police Code, and the City Attorney has the right and authority to
2 prosecute these cases on behalf of the City and the People.

3 18. Venue is proper in this Court because Defendants Chuck Post and Lem-Ray transact
4 business in the City and County of San Francisco ("San Francisco") and because the acts complained
5 of occurred in San Francisco and/or caused injury to citizens of San Francisco.

6 **FACTUAL ALLEGATIONS**

7 19. Acting on behalf of Defendant Lem-Ray, Defendant Chuck Post, a licensed real estate
8 broker doing business as ApartmentsInSf.com, has advertised that "[n]o Section 8 or [s]ubsidy
9 [v]ouchers [will be] [a]ccepted" as payment for rental units owned by Defendant Lem-Ray at 81 Ninth
10 Street and 935 Geary Street. Advertisements containing this statement featured prominently both on
11 Defendant Chuck Post's website, ApartmentsInSf.com, and on Craigslist.com. Defendant Chuck Post
12 engaged in this practice for at least one year, from May 2013 to May 2014. Defendant Chuck Post has
13 also advertised the refusal to accept Section 8 or other subsidy vouchers in listings for other rental
14 properties, including but not limited to, 1501 Lincoln Way.

15 20. Defendant Chuck Post's advertisements violate Section 3304 of the San Francisco
16 Police Code. Section 3304(a)(5) prohibits "any person" in San Francisco from advertising or
17 disseminating information with regard to rental transactions in real property in a manner that indicates
18 preferences or discriminates based on source of income. "Source of income" is defined to include "all
19 lawful sources of income or rental assistance from any federal, State, local, or nonprofit-administered
20 benefit or subsidy program," such as Section 8 vouchers. Defendant Chuck Post's advertisements on
21 ApartmentsinSF.com are in clear violation of Section 3304(a)(5).

22 21. In an advertisement available on ApartmentsinSf.com on May 8, 2013, Defendant
23 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,250 per month. According
24 to the advertisement, Section 8 or other subsidy vouchers would not be accepted as payment for the
25 unit.

26 22. In an advertisement available on ApartmentsinSf.com on August 21, 2013, Defendant
27 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,095 per month. According
28 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the

1 unit.

2 23. In an advertisement available on ApartmentsinSf.com on February 17, 2014, Defendant
3 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,195 per month. According
4 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the
5 unit.

6 24. In an advertisement available on ApartmentsinSf.com on February 17, 2014, Defendant
7 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,350 per month. According
8 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the
9 unit.

10 25. In an advertisement available on ApartmentsinSf.com on May 15, 2014, Defendant
11 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,095 per month. According
12 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the
13 unit.

14 26. In an advertisement available on ApartmentsinSf.com on May 15, 2014, Defendant
15 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,195 per month. According
16 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the
17 unit.

18 27. In an advertisement available on ApartmentsinSf.com on May 15, 2014, Defendant
19 Chuck Post listed an efficiency studio apartment at 935 Geary Street for \$1,295 per month. According
20 to the advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the
21 unit.

22 28. Defendant Chuck Post also violated California Police Code Section 3304 through his
23 use of advertisements on Craigslist.org.

24 29. In an advertisement available on sfbay.craigslist.org on February 13, 2014, Defendant
25 Chuck Post listed an efficiency studio at 935 Geary Street for \$1,195 per month. According to the
26 advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the unit.

27 30. In an advertisement available on sfbay.craigslist.org on February 13, 2014, Defendant
28 Chuck Post listed an efficiency studio at 935 Geary Street for \$1,250 per month. According to the

1 advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the unit.

2 31. In an advertisement available on sfbay.craigslist.org on February 17, 2014, Defendant
3 Chuck Post advertised a studio apartment at 81 9th Street for \$1,425 per month. According to the
4 advertisement, no Section 8 or other subsidy vouchers would be accepted as payment for the unit.

5 32. As recently as September 2015, Defendant Chuck Post personally stated to an
6 individual inquiring as to available apartments that Section 8 vouchers are not an acceptable form of
7 payment for rental units at 935 Geary Street.

8 33. Defendant Chuck Post's advertisements and personal statement informing the public
9 that Section 8 or other subsidy vouchers will not be accepted as payment for rental units incorrectly—
10 and illegally—informed prospective tenants that it is permissible for a landlord to reject payment by
11 Section 8 voucher. This misinformation has the likely effect of leading prospective tenants and other
12 landlords to believe this is a legal practice in San Francisco.

13 34. Defendant Chuck Post is an agent of Defendant Lem-Ray. Defendant Lem-Ray has
14 violated Section 3304(b)(5) each time it has "cause[d] to be made" Defendant Chuck Post's unlawful
15 advertisements and statements notifying the public that no Section 8 or other subsidies will be
16 accepted as payment for Lem-Ray rental units.

17 35. Defendant Lem-Ray has a business practice of refusing to accept "Section 8 or subsidy
18 vouchers" as payment for its rental units. This policy violates Section 3304(a)(1) of the San Francisco
19 Police Code. Section 3304(a)(1) prohibits a landlord from using "source of income"—such as Section
20 8 or other subsidies—to discriminate against prospective tenants. Indeed, it is unlawful under Section
21 3304 to "refuse to initiate or conduct any transaction in real property, including but limited to the
22 rental thereof" based on "source of income." Defendant Lem-Ray's business practice of refusing to
23 accept Section 8 vouchers or other housing subsidies is in clear violation of Section 3304(a)(1).

24 36. As recently as December 2014, employees and/or agents of Defendant Lem-Ray
25 working at 81 Ninth Street and 935 Geary Street have stated to persons inquiring as to available rental
26 units that Section 8 vouchers are not an acceptable form of payment for rental units in those buildings.

27 37. Defendant Lem-Ray's refusal to accept Section 8 vouchers as rental payment
28 discourages and wholly prevents Section 8 recipients from commencing the application process for a

1 rental unit. Removing these units from the pool of available rental housing for Section 8 voucher-
2 holders makes it more difficult for individuals in this vulnerable community to find housing in San
3 Francisco.

4 38. This is not the first time that Defendant Lem-Ray has faced legal action for violating
5 local and state housing law. In 2006, San Francisco brought a suit on behalf of the People against
6 Defendant Lem-Ray, alleging an array of unlawful business and tenant harassment practices, including
7 the systematic and unlawful dispossession of long-term tenants of rent-controlled apartments in
8 violation of state and local law.

9 39. As a result of the 2006 lawsuit, Defendant Lem-Ray was ordered subject to the terms of
10 a stipulated injunction, which was entered by San Francisco Superior Court Judge John E. Munter on
11 March 29, 2011 (the "Injunction"). The Injunction remains in effect. A copy of the Injunction is
12 attached hereto as Exhibit A.

13 40. The Injunction imposes a number of conditions and restrictions on Defendant Lem-
14 Ray's activities, at least two of which have been violated here. First, Defendant Lem-Ray is restrained
15 and enjoined from operating any of its properties in such a manner as to constitute "an unfair and/or
16 unlawful business act or practice as described by California Business and Professions Code Section
17 17200-171210." Second, Defendant Lem-Ray is restrained and enjoined from operating any of its
18 properties in such a manner as to constitute "violations of any provision of municipal or state law."

19 41. The Injunction provides that Defendant Lem-Ray's violation of any of its provisions
20 "may constitute contempt of court" and that if the Court determines that the terms have been willfully
21 violated, Defendant Lem-Ray "shall be liable for civil penalties of no less than \$2,500 and no more
22 than \$6,000 for each violation."

23 42. As alleged herein, Defendant Lem-Ray's violations of local law constitute a flagrant
24 violation of the Injunction.

25 **FIRST CAUSE OF ACTION**
26 **VIOLATION OF SAN FRANCISCO POLICE CODE SECTION 3304**
27 **(By Plaintiff City Against Defendant Chuck Post)**

28 43. The City realleges and incorporates by reference paragraphs 1 through 42 inclusive.

1 44. As alleged herein, Defendant Chuck Post has violated Section 3304 of the San
2 Francisco Police Code by posting “advertisement[s] with respect to a transaction or proposed
3 transaction in real property . . . which unlawfully indicate[] preference, limitation or discrimination
4 based on . . . source of income” and by refusing to accept “Section 8 or subsidy vouchers” as payment
5 for rental units that he advertises.

6 45. Defendant Chuck Post has demonstrated an outright refusal to do business with Section
7 8 voucher holders. Defendant Chuck Post’s business practice of refusing to accept Section 8 or other
8 vouchers as rental payment violates Section 3304.

9 46. Plaintiff City has no adequate remedy at law in that damages are insufficient to protect
10 the public from the present danger and harm caused by the actions described herein. Injunctive relief is
11 therefore appropriate and provided for by Section 3307 of the Police Code.

12 **SECOND CAUSE OF ACTION**
13 **VIOLATION OF SAN FRANCISCO POLICE CODE SECTION 3304**
14 **(By Plaintiff City Against Defendant Lem-Ray)**

15 47. The City realleges and incorporates by reference paragraphs 1 through 46 inclusive.

16 48. As alleged herein, Defendant Lem-Ray has violated Section 3304 of the San Francisco
17 Police Code by posting “advertisement[s] with respect to a transaction or proposed transaction in real
18 property . . . which unlawfully indicate[] preference, limitation or discrimination based on . . . source
19 of income” and by refusing to accept “Section 8 or subsidy vouchers” as payment for its rental units.

20 49. Defendant Lem-Ray has demonstrated an outright refusal to do business with Section 8
21 voucher holders. Defendant Lem-Ray’s business practice of refusing to accept Section 8 or other
22 vouchers as rental payment violates Section 3304(a)(1).

23 50. Plaintiff City has no adequate remedy at law in that damages are insufficient to protect
24 the public from the present danger and harm caused by the actions described herein. Injunctive relief is
25 therefore appropriate and provided for by Section 3307 of the Police Code.

THIRD CAUSE OF ACTION

**VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200 et seq.
(Plaintiff People of the State of California Against Defendant Chuck Post)**

51. The People reallege and incorporate by reference paragraphs 1 through 50 inclusive.

52. The People bring this cause of action in the public interest in the name of the People of the State of California, pursuant to Business and Professions Code Section 17200 *et seq.* in order to protect residents of San Francisco from the unlawful, unfair, and fraudulent business acts and practices committed by Defendant Chuck Post within the City and County of San Francisco, State of California.

53. The actions of Defendant Chuck Post are in violation of the laws and public policies of the City and County of San Francisco and the State of California, and are inimical to the rights and interest of the general public.

54. Defendant Chuck Post is now engaging in and, for a considerable period of time and at all times pertinent to the allegations of this Complaint, has engaged in unlawful, unfair, and fraudulent business acts and practices in violation of Section 17200 *et seq.* in the following manner:

a. By violating Section 3304(a)(5), which states that it shall be unlawful to “make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published . . . any notice, statement or advertisement . . . which unlawfully indicates preference, limitation or discrimination based on . . . source of income.”

b. By refusing to accept Section 8 or other vouchers as rental payment in violation of Section 3304(a)(1);

c. By violating the provisions of and public policy animating Police Code Section 3304;

d. By causing tenants seeking residential apartment housing to believe it is legal for a landlord to refuse to accept rental payments made with Section 8 vouchers;

e. By publicly disseminating misinformation stating and leading members of the public to believe that it is legally permissible for a landlord to refuse to rent to a tenant on the basis of the tenant’s payment of rent with a Section 8 voucher or other subsidy.

FOURTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200 *et seq.*
(Plaintiff People of the State of California Against Defendant Lem-Ray)

55. The People reallege and incorporate by reference paragraphs 1 through 54 inclusive.

56. The People bring this cause of action in the public interest in the name of the People of the State of California, pursuant to Business and Professions Code Section 17200 *et seq.* in order to protect residents of San Francisco from the unlawful, unfair, and fraudulent acts and practices committed by Defendant Lem-Ray within the City and County of San Francisco, State of California.

57. The actions of Defendant Lem-Ray are in violation of the laws and public policies of the City and County of San Francisco and the State of California, and are inimical to the rights and interest of the general public.

58. Defendant Lem-Ray is now engaging in and, for a considerable period of time and at all times pertinent to the allegations of this Complaint, has engaged in unlawful, unfair and fraudulent business acts and practices in violation of Section 17200 *et seq.* in the following manner:

a. By violating Section 3304(a)(5), which states that it shall be unlawful to “make, print, publish, advertise or disseminate in any way, or cause to be made, printed or published . . . any notice, statement or advertisement . . . which unlawfully indicates preference, limitation or discrimination based on . . . source of income.”

b. By refusing to accept Section 8 or other vouchers as rental payment in violation of Section 3304(a)(1);

c. By violating the provisions of and public policy animating Police Code Section 3304;

d. By causing tenants seeking residential apartment housing to believe it is legal for a landlord to refuse to accept rental payments made with Section 8 vouchers;

e. By publicly disseminating misinformation stating and leading members of the public to believe that it is legally permissible for a landlord to refuse to rent to a tenant on the basis of the tenant’s payment of rent with a Section 8 voucher or other subsidy.

FIFTH CAUSE OF ACTION
VIOLATION OF INJUNCTION PROHIBITING UNFAIR COMPETITION
(Plaintiff People of the State of California Against Defendant Lem-Ray)

1
2
3 59. The People incorporate by reference paragraphs 1 through 58 inclusive.

4 60. Defendant Lem-Ray is subject to an injunction prohibiting unfair competition entered
5 pursuant to Business and Professions Code Section 17203, as further alleged above. The Injunction
6 restrains and enjoins Lem-Ray from operating any of its properties in such a manner as to constitute
7 “an unfair and/or unlawful business act or practice as described by California Business and
8 Professions Code Section 17200-17210.”

9 61. Defendant Lem-Ray has openly and willfully violated the express terms of the
10 Injunction, which was entered as a result of Defendant Lem-Ray’s previous violations of local and
11 state housing laws, as well as the UCL.

12 62. Defendant Lem-Ray willfully violated this provision of the Injunction when it, through
13 its agent Defendant Chuck Post, advertised that it would not accept Section 8 vouchers as rental
14 payment. This activity qualifies as an indication of “a preference, limitation or discrimination based on
15 . . . source of income,” which is expressly prohibited by San Francisco Police Code, Section 3304.
16 These violations of municipal law constitute unlawful business practices under California Business
17 and Professional Code Section 17200 *et seq.* and clearly run afoul of the terms of the Injunction.

18 63. The Injunction further restrains and enjoins Lem-Ray Properties from operating any of
19 its properties in such a manner as to constitute “violations of any provision of municipal or state law.”
20 Defendant Lem-Ray willfully violated this provision of the Injunction when it, through its agent
21 Defendant Chuck Post, advertised that it would not accept Section 8 vouchers as rental payment. This
22 activity qualifies as an indication of “a preference, limitation or discrimination based on . . . source of
23 income,” which is expressly prohibited by San Francisco Police Code Section 3304. These acts
24 constitute violations of municipal law and run afoul of the terms of the Injunction.

25 64. Defendant Lem-Ray’s willful violations of the Injunction constitute a violation of
26 Business and Professions Code Section 17207 and require the imposition of mandatory civil penalties
27 of no less than \$2,500 and no more than \$6,000 for each violation.
28

PRAYER FOR RELIEF

1
2 Plaintiffs therefore pray that the Court:

- 3 1. Enjoin Defendant Chuck Post and Defendant Lem-Ray from performing or proposing
4 to perform any acts in violation of the San Francisco Municipal Code;
- 5 2. Enjoin Defendant Chuck Post and Defendant Lem-Ray from performing or proposing
6 to perform any acts in violation of the Unfair Competition Law, California Business and Professions
7 Code Sections 17200 through 17210;
- 8 3. Order Defendant Chuck Post and Defendant Lem-Ray to pay \$2,500 in civil penalties
9 for each unlawful or unfair act, pursuant to Business and Professions Code Section 17206;
- 10 4. Order Defendant Lem-Ray to pay civil penalties of no less than \$2,500 and no more
11 than \$6,000 for each violation of the Injunction, pursuant to Business and Professions Code Section
12 17207;
- 13 5. Order Defendant Chuck Post and Defendant Lem-Ray to pay a penalty in the amount of
14 three times the amount of one month's rent that the landlord charges for any unit for which Defendants
15 violated Section 3304 of the Police Code, pursuant to Police Code Section 3306;
- 16 6. Order Defendants to pay punitive damages and the City's reasonable attorneys' fees
17 and costs, pursuant to Police Code Section 3306;
- 18 7. Order Defendants to pay the costs of suit as otherwise provide by law; and
- 19 8. Provide such further and additional relief as the Court deems proper.

20 Dated: October 21, 2015

21 DENNIS J. HERRERA
City Attorney
22 YVONNE MERE
BRADLEY A. RUSSI
23 SARA J. EISENBERG
Deputy City Attorneys

24
25 By: 

SARA J. EISENBERG

Attorneys for Plaintiff

26
27 PEOPLE OF THE STATE OF CALIFORNIA AND THE
28 CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT A

FILED
Superior Court of California
County of San Francisco

MAR 29 2011

CLERK OF THE COURT
BY: Craig Blackstone
Deputy Clerk

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9 CITY AND COUNTY OF SAN FRANCISCO and
PEOPLE OF THE STATE OF CALIFORNIA
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SAN FRANCISCO
13 UNLIMITED JURISDICTION

14 CITY AND COUNTY OF SAN
FRANCISCO, a Municipal Corporation, and
15 the PEOPLE OF THE STATE OF
CALIFORNIA, by and through DENNIS J.
16 HERRERA, City Attorney for the City and
County of San Francisco,

17 Plaintiffs,

18 vs.

19 SKYLINE REALTY INC.,
20 CITIAPARTMENTS INC., GAYLORD
HOTEL LLC, TROPHY PROPERTIES V
21 LLC, TROPHY PROPERTIES V DE
LLC, PRIME APARTMENT
22 PROPERTIES LLC, LSL PROPERTY
HOLDINGS II DE LLC, 737 PINE DE
23 LLC, TROPHY PROPERTIES VI LLC,
TROPHY PROPERTIES IV DE LLC,
24 NOB HILL TOWER DE LLC, AND DOE
ONE THROUGH DOE FIFTY

25 Defendants.
26
27
28

Case No. CGC 06-455-241

STIPULATED INJUNCTION

Date Action Filed: August 16, 2006
Trial Date: Not Yet Set

Attachments: Exhibits A-C

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INTRODUCTION

This Stipulated Injunction ("Injunction") was presented before the above-captioned Court, the Honorable JOHN E. MUNTER, presiding. Plaintiffs CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, and the PEOPLE OF THE STATE OF CALIFORNIA ("Plaintiffs" or the "City"), were represented by their attorney, DENNIS J. HERRERA, City Attorney, appearing through JENNIFER E. CHOI and YVONNE R. MERÉ, Deputy City Attorneys. Defendants SKYLINE REALTY INC., CITIAPARTMENTS INC., CITI FUNDING GROUP INC., CITISUITES LLC, LEMBI GROUP INC., LEMBI GROUP PARTNERS, LLC, FRANK LEMBI, WALTER LEMBI, DAVID RAYNAL, FRANK LEMBI as TRUSTEE of the FRANK E. LEMBI SURVIVOR'S TRUST dated February 17, 1984, as restated on June 2, 1999, FRANK LEMBI, as TRUSTEE of the OLGA LEMBI RESIDUAL TRUST created under the provisions of Part Three of the LEMBI FAMILY TRUST dated February 17, 1984, WALTER LEMBI, as TRUSTEE of the WALTER AND LINDA LEMBI FAMILY TRUST dated June 30, 2004, DAVID RAYNAL, as TRUSTEE of the DAVID M. RAYNAL REVOCABLE TRUST dated May 9, 2002, 737 PINE DE LLC, 737 PINE B10 DE, LLC, 737 PINE B10 MEZZ DE, LLC, 1155 LLC, THE GAYLORD HOTEL, LLC, LSL PROPERTIES B14 DE LLC, LSL PROPERTY HOLDINGS II DE, LLC, LSL PROPERTY HOLDINGS II MEZZ, LLC, NOB HILL TOWER DE, LLC, NOB HILL TOWER MEZZ DE, LLC, PRIME APARTMENT PROPERTIES, LLC, PRIME APARTMENT PROPERTIES B10 DE, LLC, PRIME APARTMENT PROPERTIES B10 MEZZ DE, LLC, TROPHY PROPERTIES B10 DE, LLC, TROPHY PROPERTIES IV DE, LLC, TROPHY PROPERTIES IV B8A, LLC, TROPHY PROPERTIES IV MEZZ DE, LLC, TROPHY PROPERTIES V, LLC, TROPHY PROPERTIES V DE, LLC, TROPHY PROPERTIES VI, LLC, TROPHY PROPERTIES IV B8A MANAGER, LLC and FIRST APARTMENT RENTALS, INC., 1100 PARK LANE ASSOCIATES DE, LLC, 124 MASON DE, LLC, 2238 HYDE B10 DE, LLC, 500 BARTLETT DE, LLC, 500 LARKIN B8A, LLC, 950 B14 DE, LLC, BAY CITI PROPERTIES DE, LLC, CITI PROPERTIES DE, LLC, CITI PROPERTIES I DE, LLC, FEL PROPERTIES B14 DE, LLC, FRANKLIN /SUTTER

1 DE, LLC, GOUGH HEIGHTS DE, LLC, LEM/RAY PROPERTIES, LLC, LEM/RAY
2 PROPERTIES I DE, LLC, LOMBARD PLACE DE, LLC, LOMBARD PLACE I DE LLC, LRL
3 CITIGROUP PROPERTIES DE, LLC, LSL PROPERTY HOLDINGS V DE, LLC, LSL
4 PROPERTY HOLDINGS VI DE, LLC, LSL PROPERTIES B14 DE, LLC, PACIFIC PRESTIGE
5 PROPERTIES I DE, LLC, RITZ APARTMENTS DE, LLC, RMSV BAY CITI PROPERTIES I
6 DE, LLC, RMSV BAY CITI PROPERTIES B10 DE, LLC, SKYLINE ENTERPRISES, LLC,
7 SKYLINE ENTERPRISES DE, LLC, SKYLINE INVESTMENTS, LLC, SRV BAY CITI
8 PROPERTIES DE, LLC, TROPHY PROPERTIES DE, LLC, TROPHY PROPERTIES II, LLC,
9 TROPHY PROPERTIES III DE, LLC, TROPHY PROPERTIES VIII, LLC, and TROPHY
10 PROPERTIES XV, LLC ("DEFENDANTS") were represented by their attorneys EDWARD C.
11 SINGER, JR. and EARL BOHACHEK, as to DAVID RAYNAL and his trust only.

12 Walter Lembi is deceased and no successor trustee has been named as Trustee of the
13 Walter and Linda Lembi Family Trust dated June 30, 2004.

14 Plaintiffs and DEFENDANTS (collectively, the "Parties") consent to entry of this
15 Stipulated Injunction as an Order by this Court without a noticed motion, hearing or trial.

16 The Parties having stipulated to the provisions set forth herein, the Court having reviewed
17 the provisions, the Parties having agreed to the issuance of this Order, and good cause appearing
18 therefore,

19 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:**

20
21 **GENERAL PROVISIONS**

22 Plaintiffs brought this action pursuant to various provisions of state and local law including
23 California Business and Professions Code Sections 17200-17210, California Civil Code Sections
24 3479, 3480, 3491, and 3494, California Code of Civil Procedure Section 731, California Health
25 and Safety Code Sections 17910 et seq., and the San Francisco Housing, Building, Plumbing,
26 Electrical, and Administrative Codes.

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I. JURISDICTION

This Court has jurisdiction over the subject matter and each of the Parties in this action. The Court issues this Order pursuant to its authority under California Business and Professions Code Section 17203, Civil Code Sections 3491, 3494, and Code of Civil Procedure Section 731. The Court expressly retains jurisdiction to interpret and enforce this Injunction. The Court may hear and decide issues regarding the scope and effect of the injunctive provisions. Any party to this Injunction or entity bound by this Injunction may apply to the Court at any time, after making a reasonable effort to meet and confer with the other Parties, for further orders and directions as may be necessary or appropriate for the construction, application, carrying out or enforcement of the injunctive provisions. The Court may modify any of the injunctive provisions and take such further action as may be necessary or appropriate to enforce the injunctive provisions, and to punish any violations. The Parties agree that the obligations arising out of this Injunction shall rest with all DEFENDANTS and/or FUTURE ENTITIES, as defined herein, jointly and severally, except as otherwise specifically provided.

II. AUTHORITY

Plaintiffs have the authority under California law to maintain this action to protect the People of the State of California.

III. APPLICATION

In the Action, Plaintiffs allege that DEFENDANTS' employed a business model that systematically and unlawfully dispossessed long-term residential tenants of their rent-controlled apartments, leaving DEFENDANTS free to make significant unpermitted renovations and to re-rent those newly renovated units to new tenants at dramatically increased market rates. These business practices violated various provisions of state and local law including California Business and Professions Code Sections 17200-17210, California Civil Code Sections 3479, 3480, 3491, and 3494, California Code of Civil Procedure Section 731, California Health and Safety Code

1 Sections 17910 et seq., and the San Francisco Housing, Building, Plumbing, Electrical, and
2 Administrative Codes. Plaintiffs further allege that the business entity DEFENDANTS were
3 organized and operated in such way that they were the alter egos of DEFENDANTS FRANK
4 LEMBI, WALTER LEMBI, and DAVID RAYNAL.

5 DEFENDANTS dispute Plaintiffs' claims, allegations and alter ego theories of liability and
6 deny the violations Plaintiffs allege.

7 In an effort to come to a negotiated resolution of all of the claims that have arisen in this
8 action, the Parties are executing three separate settlement documents: this Injunction, a Settlement
9 Agreement, and a Stipulated Judgment and Order for Monetary Penalties. By reaching a
10 settlement and agreeing to injunctive terms and payment of civil penalties, DEFENDANTS are not
11 admitting any wrongdoing or making any admission of liability.

12
13 **A. DEFINITIONS**

- 14 1. "BONA FIDE THIRD PARTY" is any entity or individual except the
15 following: 1) an individual or entity who is a DEFENDANT, FUTURE
16 ENTITY and/or RELATED PARTY including any trust created by or for
17 the benefit of the foregoing.
- 18 2. "BONA FIDE THIRD PARTY LENDER/S" shall include the following: a
19 savings bank, a savings and loan association, a commercial bank or trust
20 company, an insurance company, a governmental agency, an investment
21 bank, a merchant bank, a brokerage firm, or an entity or individual that
22 lends money and that in each instance is not a RELATED PARTY.
- 23 3. "CORPORATE AND ENTITY DEFENDANTS" includes the following
24 DEFENDANTS: SKYLINE REALTY INC., CITIAPARTMENTS INC.,
25 CITI FUNDING GROUP INC., CITISUITES LLC, LEMBI GROUP INC.,
26 LEMBI GROUP PARTNERS LLC, 737 PINE DE LLC, 737 PINE B10 DE,
27 LLC, 737 PINE B10 MEZZ DE LLC, 1155 LLC, THE GAYLORD

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HOTEL, LLC, LSL PROPERTIES B14 DE, LLC, LSL PROPERTY HOLDINGS II DE, LLC, LSL PROPERTY HOLDINGS II MEZZ, LLC, NOB HILL TOWER DE, LLC, NOB HILL TOWER MEZZ DE, LLC, PRIME APARTMENT PROPERTIES, LLC, PRIME APARTMENT PROPERTIES B10 DE, LLC, PRIME APARTMENT PROPERTIES B10 MEZZ DE, LLC, TROPHY PROPERTIES B10 DE, LLC, TROPHY PROPERTIES IV DE, LLC, TROPHY PROPERTIES IV B8A, LLC, TROPHY PROPERTIES IV MEZZ DE, LLC, TROPHY PROPERTIES V, LLC, TROPHY PROPERTIES V DE, LLC, TROPHY PROPERTIES VI, LLC, TROPHY PROPERTIES IV B8A MANAGER, LLC, FIRST APARTMENT RENTALS INC., 1100 PARK LANE ASSOCIATES DE, LLC, 124 MASON DE, LLC, 2238 HYDE B10 DE, LLC, 500 BARTLETT DE, LLC, 500 LARKIN B8A, LLC, 950 B14 DE, LLC, BAY CITI PROPERTIES DE, LLC, CITI PROPERTIES DE, LLC, CITI PROPERTIES I DE, LLC, FEL PROPERTIES B14 DE, LLC, FRANKLIN /SUTTER DE, LLC, GOUGH HEIGHTS DE, LLC, LEM/RAY PROPERTIES, LLC, LEM/RAY PROPERTIES I DE, LLC, LOMBARD PLACE DE, LLC, LOMBARD PLACE I DE, LLC, LRL CITIGROUP PROPERTIES DE, LLC, LSL PROPERTY HOLDINGS V DE, LLC, LSL PROPERTY HOLDINGS VI DE, LLC, LSL PROPERTIES B14 DE, LLC, PACIFIC PRESTIGE PROPERTIES I DE, LLC, RITZ APARTMENTS DE, LLC, RMSV BAY CITI PROPERTIES I DE, LLC, RMSV BAY CITI PROPERTIES B10 DE, LLC, SKYLINE ENTERPRISES, LLC, SKYLINE ENTERPRISES DE, LLC, SKYLINE INVESTMENTS, LLC, SRV BAY CITI PROPERTIES DE, LLC, TROPHY PROPERTIES DE, LLC, TROPHY PROPERTIES II, LLC, TROPHY PROPERTIES III DE, LLC,

1 TROPHY PROPERTIES VIII, LLC, and TROPHY PROPERTIES XV,
2 LLC.

3 4. "FUTURE ENTITY/IES" means any entity (including, without limitation,
4 any partnership, corporation, limited liability company, joint stock
5 company, trust, unincorporated association, joint venture or any other entity
6 or association) currently in existence or formed during the effective period
7 of the Agreement, where a MAJORITY INTEREST exists or is obtained
8 during the effective period of this Agreement.

9 5. "MAJORITY INTEREST" is an ownership interest in a business entity or
10 PROPERTY, where DEFENDANTS or FUTURE ENTITIES, alone, or in
11 combination with one another, or in combination with a RELATED
12 PARTY, directly or indirectly, possess more than a 50% share.

13 6. "PROPERTY/IES" includes any real property (i) identified in Exhibit A
14 which is managed and/or owned by DEFENDANTS and/or FUTURE
15 ENTITIES or (ii) located within the City and County of San Francisco that
16 contains, or may contain, residential rental units where DEFENDANTS,
17 and/or FUTURE ENTITIES, possess a MAJORITY INTEREST or is
18 managed, operated, or maintained in whole or in part by DEFENDANTS,
19 and/or FUTURE ENTITIES.

20 7. "RELATED PARTY/IES" means (i) any person at any time related by
21 blood, marriage, or civil union to any individual DEFENDANT, or (ii) any
22 entity that is affiliated with any DEFENDANT or FUTURE ENTITY. For
23 purposes of this Injunction, "affiliated" means an entity that directly or
24 indirectly controls, is controlled by or is under common control with,
25 another entity, and for purposes of the foregoing, "control" means the power
26 to direct the affairs or management of another entity, whether by contract,
27 operation of law or otherwise.

1 8. "TRANSFER" means to sell, convey, assign, transfer, alienate or otherwise
2 dispose (directly or indirectly, by one or more transactions, and by operation
3 of law or otherwise) of all or any interest, rights, or responsibilities
4 regarding any PROPERTY.
5

6 **B. PARTIES, ENTITIES, AND PROPERTIES BOUND BY THIS INJUNCTION**

7 The Court and the Parties agree to submit to this Court's jurisdiction, and agree, in writing,
8 to be bound by the terms of this Injunction's terms, without limitation or restriction. The
9 provisions of this Injunction will apply to all of the following: all DEFENDANTS, including all
10 CORPORATE AND ENTITY DEFENDANTS and FUTURE ENTITIES. For purposes of this
11 Injunction, all DEFENDANTS, including all CORPORATE AND ENTITY DEFENDANTS and
12 FUTURE ENTITIES shall be bound by the actions of their agents, assignees, board members,
13 officers, employees, successors in interest, and all persons who are acting in concert, on behalf of,
14 or in participation with any of them in connection with the PROPERTIES.
15

16 **C. NOTIFICATION REGARDING ACQUISITION OF NEW PROPERTIES
17 OR FORMATION OF NEW ENTITIES**

18 If during the duration of this Injunction DEFENDANTS, and/or FUTURE ENTITIES
19 acquire by TRANSFER any additional residential rental property in the City and County of San
20 Francisco or create or acquire a MAJORITY INTEREST in PROPERTIES, then they shall comply
21 with all of the following:

- 22 1. Within 30 days of the closing of the TRANSFER, notify the San Francisco
23 City Attorney's Office in writing of the address of the new property, the
24 date of said TRANSFER and the identity(ies) of the transferee(or);
- 25 2. DEFENDANTS agree not to form, acquire in whole or part, or participate
26 in the ownership, operation, oversight, or management, of any FUTURE
27 ENTITY unless that entity agrees to be bound by the terms of this
28

1 Injunction. Within 30 days after forming a FUTURE ENTITY notify the
2 San Francisco City Attorney's Office in writing of the name of the entity,
3 the name of the entity's authorized representative; serve the entity with
4 copies of this Injunction; and require the entity's authorized representative
5 to sign this Injunction and agree to be bound by its terms without
6 limitation, by completing and endorsing the Addendum attached to this
7 Order. *See* Exhibit B.

8
9 **D. NOTIFICATION REGARDING THE SALE OR TRANSFER OF NEW**
10 **PROPERTIES OR FORMATION OF NEW ENTITIES**

11 If DEFENDANTS or FUTURE ENTITIES TRANSFER all or part of any PROPERTY
12 during the term of this Injunction, they shall do the following:

- 13 1. Within 30 days after the closing of any such TRANSFER, notify the San
14 Francisco City Attorney's Office in writing of the address of the
15 PROPERTY and a written declaration signed under penalty of perjury
16 from the entity transferring ownership that the successor owner, operator,
17 manager, or maintainer is a BONA FIDE THIRD PARTY and that a
18 material purpose of that TRANSFER is not to avoid the provisions or the
19 spirit of the Injunction and/or Agreement; and
- 20 2. If the TRANSFER is to a BONA FIDE THIRD PARTY, then the terms of
21 this Injunction shall not apply to the BONA FIDE THIRD PARTY.
22 Notwithstanding any TRANSFER to a BONA FIDE THIRD PARTY, any
23 DEFENDANT or FUTURE ENTITY who performs residential rental
24 management services for a BONA FIDE THIRD PARTY owner of
25 residential rental property in the City and County of San Francisco is
26 bound by the terms of the Injunction entitled "Tenant Issues" and "Lawful
27 Remodeling" below.

1
2 **IV. NECESSITY FOR INJUNCTION**

3 This Court finds that this Injunction is necessary in the interest of the health, safety, and
4 welfare of the residents of the City and County of San Francisco and the citizens of the State of
5 California and to ensure that DEFENDANTS and any FUTURE ENTITIES comply with all
6 applicable laws in the ownership, operation, management or maintenance of PROPERTIES.

7
8 **INJUNCTIVE TERMS**

9 **I. TERMS**

10 **A. TENANT ISSUES**

11 IT IS HEREBY ORDERED that DEFENDANTS and any FUTURE ENTITIES subject to
12 this Injunction, are hereby enjoined and restrained from:

- 13 1. Audiotaping tenants without their written permission (exclusive of voice
14 mail messages left by tenants) or unlawfully videotaping or photographing
15 tenants or the interior of their units without their written permission;
- 16 2. Entering tenant units without giving any necessary notice as set forth in
17 Civil Code Section 1954;
- 18 3. Entering tenant units except in accordance with the procedures as set forth
19 in Civil Code Section 1954;
- 20 4. Preventing or interfering with the entry of non-building resident caregivers
21 or other non-resident guests who provide assistance to seniors and disabled
22 residents and who agree they are not attempting to establish building
23 residence by their caregiver status and agree to comply with any applicable
24 SRO visitor policy;
- 25 5. Requesting information regarding the nationality and immigration status of
26 non-employee tenant residents except as required by law;
- 27 6. Retaliating through the legal or administrative process by initiating or
28 pursuing administrative actions against tenants for any exercise of their
lawful rights, including requesting repairs; and
7. Threatening to evict or evicting any tenant without lawful justification.

24 IT IS HEREBY ORDERED that DEFENDANTS and any FUTURE ENTITIES subject to
25 this Injunction must comply with all of the following:
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1. Respond to tenants' requests for repairs for which property owners are responsible by law or agreement within 72 hours of a request or complaint. Such response shall include the approximate date and time of repair.
2. Establish a protocol for non-emergency situations regarding the changing of locks in a building and the dispensation of keys as follows:
 - a. Provide written notice to each affected tenant at least 5 days in advance of changing the locks to any individual or common area doors;
 - b. In addition to such individual notice, post a notice on each floor and in the lobby of each affected building at least 5 days in advance of changing the locks to any individual or common area doors;
 - c. All notices related to changing the locks to any individual or common area doors, shall state a specific date when the locks are scheduled to -be changed; and
 - d. New keys will be delivered on or before the time of lock change and shall be furnished to any lawful occupant without regard to whether their name appears on the lease. DEFENDANTS and the FUTURE ENTITIES may ask to review but not copy, a valid form of identification, but may not ask for immigration documents.
3. Provide all buildings with a residential "caretaker" as required in San Francisco Housing Code Section 1311.
4. Establish a protocol for contacting tenants regarding relocation, which will adhere to all of the following:
 - a. Communicate any initial relocation or buy-out offer in writing. That communication shall include the following: language explaining a tenant's right to reject the offer and to place the household on a "No Contact" list regarding buy-out offers; a "No Contact" form for tenants to fill out and fax or mail back stating a household's desire not to be contacted in the future regarding buy-out offers; the amount of the initial buyout offer; and a proposed surrender or buyout agreement.
 - b. The "No Contact" list referenced above will be maintained by DEFENDANTS and any FUTURE ENTITIES and will preclude those entities from making any additional and future buy-out or relocation offers to any household that returns the "No Contact" form or otherwise requests to not to be contacted regarding buyout offers for a six month period after such form or request is received, unless the tenant specifically requests contact regarding buy-out offers.
 - c. If that household has not sent in a "No Contact" form within thirty days of mailing of the written communication, DEFENDANTS and any FUTURE ENTITIES may call or write the household regarding buy-out offers to follow-up but must again inform the household regarding its right to be placed on the "No Contact" list. DEFENDANTS and any FUTURE ENTITIES shall maintain a list of all contacts and correspondence sent to a particular household regarding buyout offers.
 - d. If the household expresses interest in the relocation offer,

1 DEFENDANTS and any FUTURE ENTITIES shall give the
2 household at least five business days from the date the written
3 buyout offer was provided to the household to consider the offer
4 and shall not contact the household about the buyout offer during
5 that period.

6 e. The full balance of the buy-out amount shall be paid to the
7 household on or before the tender of the keys and possession of the
8 unit. No buy-out monies shall be used to pay for any damage, past
9 due rent, or other charges that are due and owing pursuant to Civil
10 Code Section 1950.5.

11 f. The household shall have the right to rescind any and all terms of
12 the buy-out/relocation agreement up to and including the date of
13 the tenants' receipt of the buy-out amount. Notwithstanding the
14 household's right to rescind, DEFENDANTS shall retain all legal
15 rights to seek return of buy-out monies tendered to a household
16 that subsequently rescinds the buy-out/relocation agreement.

17 g. Nothing in this Injunction shall interfere with a tenants' ability to
18 contact DEFENDANTS and any FUTURE ENTITIES to initiate
19 or resume buyout or relocation discussions.

20 **B. LAWFUL REMODELING AND CONSTRUCTION WORK**

21 IT IS HEREBY ORDERED that DEFENDANTS and any FUTURE ENTITIES subject to
22 this Injunction, are hereby enjoined and restrained from:

- 23 1. Altering, remodeling, or constructing any portion of a building without first
24 obtaining all building, electrical, plumbing and/or mechanical permits
25 required by law.
- 26 2. Exceeding the scope or character of work as permitted under a permit;
- 27 3. Failing to give 48-hour written notice to tenants in advance of any planned
28 non-emergency utility interruption or elevator stoppage;
- 1 4. Permitting a planned non-emergency utility interruption or elevator
2 stoppage to persist longer than four hours in any given week, absent good
3 cause;
- 4 5. Giving tenants less than 10 days written notice in advance of commencing
5 any planned non-emergency construction and/or remodeling work anywhere
6 in the building; and
- 7 6. Failing to confine non-emergency construction and/or remodeling work to
8 the hours of 7:00 a.m. to 8:00 p.m.

9 **C. VIOLATIONS OF MUNICIPAL HOUSING, BUILDING, PLUMBING,
10 ELECTRICAL AND/OR PLUMBING CODES**

11 **1. Past Code Violations**

12 The Parties acknowledge that DEFENDANTS and any FUTURE ENTITIES are
13 responsible for ensuring that the PROPERTIES must be kept in a healthy and safe manner and in
14 compliance with all applicable local and state laws. In order to ensure that each PROPERTY is so
15

1 maintained, Plaintiffs have agreed to give DEFENDANTS as well as any FUTURE ENTITIES,
2 the opportunity to cure certain violations present at the PROPERTIES. For purposes of this
3 Paragraph, these violations are limited to kitchen and bathroom remodels within the individual
4 units at the Properties that were performed without proper Building, Plumbing and/or Electrical
5 permits (hereinafter, "Remodel Code Violations").

6 a. **Voluntary Disclosure**

7 The Parties agree that DEFENDANTS and any FUTURE ENTITIES have one year from
8 the date of entry of this Order to identify and disclose any Remodel Code Violations to the
9 Department of Building Inspection ("DBI") and not be subjected to additional penalties or fees.
10 After such Remodel Code Violations are disclosed to DBI, the DEFENDANTS and any FUTURE
11 ENTITIES shall abate the Remodel Code Violations, including paying any assessment fees to DBI
12 and obtaining all appropriate sign-offs from DBI either: 1) within the one-year time period for
13 disclosure of the Remodel Code Violations; or 2) within any time period determined by DBI,
14 whichever time period is longer. If these violations are timely disclosed, and subsequently abated
15 pursuant to the aforementioned, the Parties agree that those Remodel Code Violations will not
16 constitute a violation of this Injunction.

17 b. **Involuntary Disclosure**

18 During this one year period for disclosure of Remodel Code Violations, if DBI
19 independently discovers Remodel Code Violations, DEFENDANTS, and any FUTURE
20 ENTITIES must abate those violations within the time period determined by DBI.

21 At the expiration of the year period, any Remodel Code Violations discovered and
22 confirmed by Plaintiffs at any PROPERTY may constitute a violation of this Injunction, as well as
23 any applicable law, and DEFENDANTS and any FUTURE ENTITIES may be subject to civil
24 penalties and attorneys' fees as described in Section F below, as well as any other penalty or relief
25 prescribed by law.

2. **Outstanding Code Violations**

DEFENDANTS acknowledge that one or more PROPERTIES have current and open citations, notices of violation, and orders of abatement (hereinafter "outstanding DBI enforcement actions") for both Remodel Code Violations as well as other Building, Housing, Plumbing, Electrical and/or Mechanical Code violations issued by DBI.

IT IS HEREBY ORDERED that DEFENDANTS as well as any FUTURE ENTITIES must comply with all of the following:

- a. For outstanding DBI enforcement actions with open deadlines, DEFENDANTS as well as any FUTURE ENTITIES, must abate the violations (including paying all assessments to DBI and obtaining all necessary sign-offs from DBI) within the time period determined by DBI in the enforcement action, or other deadlines or extensions approved by DBI;
- b. For outstanding DBI enforcement actions in which deadlines are now past due, DEFENDANTS as well as any FUTURE ENTITIES must abate the outstanding violations (including paying all assessments to DBI and obtaining all necessary sign-offs from DBI) within 30 calendar days of execution of this Injunction; and
- c. At all times, DEFENDANTS as well as any FUTURE ENTITIES must maintain the PROPERTIES in such a manner and condition as to not constitute a public nuisance, including, but not limited to, keeping the PROPERTIES properly secured, and cured of all municipal and state code violations, including, but not limited to, those related to public health and safety.

3. **Future Code Violations**

If DEFENDANTS as well as any FUTURE ENTITIES receive any Notices of Violation, Citations, Orders of Abatement or any other administrative notices or orders (hereinafter

1 "administrative action") from DBI regarding the PROPERTIES after the execution of this
2 Injunction, regardless of when those violations occurred, IT IS HEREBY ORDERED that
3 DEFENDANTS as well as any FUTURE ENTITIES subject to this Injunction must comply with
4 all of the following:

- 5 a. Notify the City Attorney's Office, Code Enforcement Division
6 within 5 days of the issuance of the administrative action; and
7
8 b. Abate the code violations within the time specified by DBI in its
9 enforcement action, and secure proper permits, if required.

10 4. **Department Of Building Inspection Administrative and Assessment Fees**

11 For all Building, Housing, Plumbing and/or Electrical Code violations described in
12 Paragraphs C(1)-(3), pages 12-15, DEFENDANTS and any FUTURE ENTITIES responsible for
13 such PROPERTIES shall be liable and separately pay DBI for its inspection, investigation and
14 assessment fees. The payment of assessment fees shall be made directly to DBI upon demand,
15 including all outstanding fees and all fees incurred during the pendency of this Injunction. Any
16 monies paid pursuant to this Injunction or Agreement are separate from any Administrative
17 Assessment Fees assessed by DBI. Any monies owing pursuant to this Injunction or Agreement
18 are the obligations of the DEFENDANTS or FUTURE ENTITIES responsible for committing the
19 violations.

20
21 **D. UNFAIR AND UNLAWFUL BUSINESS PRACTICES.**

22 IT IS HEREBY ORDERED that DEFENDANTS, as well as any FUTURE ENTITIES
23 subject to this Injunction, are hereby restrained and enjoined from engaging in the following
24 unlawful and unfair conduct:

- 25 1. Maintaining, operating, occupying or using any PROPERTIES in such a
26 manner as to constitute a public nuisance;
27

- 1 2. Maintaining, operating, occupying or using any PROPERTIES in such a
2 manner as to constitute an unfair and/or unlawful business act or practice as
3 described by California Business and Professions Code Sections 17200-
4 17210; or
5 3. Maintaining, operating, occupying or using any PROPERTIES in such a
6 manner as to constitute violations of any provision of municipal or state law

7 **E. FEES, COSTS, AND PENALTIES.**

8 The Parties have come to a monetary resolution of this matter that involves three separate
9 payment provisions that are described in greater detail in the Settlement Agreement filed
10 concurrently. The provisions for payment of monetary civil penalties set forth in paragraph D of
11 the Settlement Agreement are incorporated by reference here. Any failure to make payments
12 pursuant to the Settlement Agreement shall be deemed a violation of this Injunction, subjecting the
13 applicable DEFENDANT(s) to any and all penalties described in this Injunction.

14
15 **F. ENFORCEMENT.**

16 1. **Declaration of Compliance**

- 17 a. In order to monitor and enforce this Order, DEFENDANTS and
18 FUTURE ENTITIES owning, managing, operating, or maintaining
19 any of the PROPERTIES must provide Plaintiffs a Declaration of
20 Compliance signed by all DEFENDANTS under penalty of perjury,
21 detailing DEFENDANTS' efforts to comply with the provisions of
22 this Order with respect to all DEFENDANTS and PROPERTIES
23 governed by this Injunction. A copy of a blank Declaration of
24 Compliance is attached hereto as Exhibit C.
25 b. These Declarations of Compliance shall be due on or before each
26 January 1, April 1, July 1, and October 1 during the effective period
27 of this Order.

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c. Upon receipt of a Declaration of Compliance, Plaintiffs have the right to examine DEFENDANTS and/or FUTURE ENTITIES and request additional information and/or documents to substantiate DEFENDANTS' and/or FUTURE ENTITIES' claims. Plaintiffs will submit such a request in writing to DEFENDANTS' and/or FUTURE ENTITIES' counsel and DEFENDANTS and/or FUTURE ENTITIES shall have no more than 15 calendar days from the date of the request to provide additional information and documents responsive to Plaintiffs' requests. DEFENDANTS' and/or FUTURE ENTITIES' failure to timely respond or to provide Plaintiffs with additional information relating to compliance with this Injunction shall constitute a violation of this Injunction and be subject to the enforcement provisions and penalties detailed below.

d. Failure to timely submit a Declaration of Compliance or submission of a Declaration of Compliance containing inaccurate or misleading information shall constitute a violation of this Injunction and be subject to the enforcement provisions and penalties detailed below.

e. In addition to the information contained in Exhibit C, the Initial Declaration of Compliance shall also include the following three documents:

- i. a list of all units where there is an outstanding Notice of Violation issued by any division of DBI for either work performed without requisite permits or work performed that exceeds the scope of a permit;
- ii. a list of all units where there is an outstanding Notice of Violation issued by any division of DBI; and

- 1 iii. a list of all units renovated from August 2002 to the present
2 where the value of the renovation work performed was \$500
3 or more.

4 2. **Penalties and Fees**

- 5 a. Violation of any provision of this Injunction may constitute
6 contempt of court as described in California Code of Civil Procedure
7 section 1218, et seq. In the event that the Court determines after
8 hearing that DEFENDANTS as well as any FUTURE ENTITIES
9 have willfully violated any of the terms of this Injunction, the
10 applicable DEFENDANT or FUTURE ENTITY shall be liable for
11 civil penalties of no less than \$2,500 and no more than \$6,000 for
12 each violation of this Injunction pursuant to Business and
13 Professions Code Sections 17206 and 17207.
14 b. Should the Court determine after hearing that any DEFENDANT or
15 FUTURE ENTITY willfully violated any terms of this Injunction,
16 Plaintiffs shall have the right to recover all reasonable attorneys' fees
17 and costs incurred in enforcing said violation as determined by the
18 Court against the responsible DEFENDANT or FUTURE ENTITY.
19 c. Any fines, penalties, or other monetary relief specified in this
20 Injunction shall be in addition to any other relief or sanctions that the
21 Court may order as a matter of law or equity.
22 d. Any fines, penalties, or other monetary relief specified in this
23 Injunction shall not preclude Plaintiffs from obtaining other penalties
24 or relief prescribed by law.
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28

1 **G. **JURISDICTION AND JUDICIAL ENFORCEMENT OF THIS****
2 **INJUNCTION.**

3 The Court expressly reserves jurisdiction to take such further action as may be necessary or
4 appropriate to enforce the provisions of this Injunction, and to order all appropriate relief under the
5 law. For the duration of the injunctive period, all disputes arising or hearings required regarding
6 compliance with this Injunction shall be brought to the Honorable John E. Munter, Judge of the
7 San Francisco Superior Court, for resolution. If Judge John E. Munter is not available, any dispute
8 may be brought before any Judge of the San Francisco Superior Court.

9 **H. **EFFECTIVE DATE AND TERM OF INJUNCTION.****

10 Unless otherwise stated, DEFENDANTS and any FUTURE ENTITIES shall comply with
11 the terms of this Injunction upon entry by the Court. The terms of this Injunction shall be in effect
12 for 5 years from the date of entry. For good cause shown, Plaintiffs may ask the Court to extend
13 the term of this Injunction.

14 **I. **RECORDATION.****

15 This Injunction shall be filed with this Court and recorded at the San Francisco Assessor's
16 Office. Plaintiffs agree that this Injunction is binding only on the DEFENDANTS and FUTURE
17 ENTITIES. If requested by any BONA FIDE THIRD PARTY LENDER, Plaintiffs agree to
18 subordinate this Injunction upon receiving notice and verifiable written documentation that a
19 PROPERTY is being refinanced by a BONA FIDE THIRD PARTY LENDER. Upon the sale to
20 any BONA FIDE THIRD PARTY purchaser, Plaintiffs agree, upon receiving notice and verifiable
21 written documentation that a PROPERTY is being sold to a BONA FIDE THIRD PARTY
22 purchaser, to withdraw this Injunction.

23 **J. **DISMISSAL OR SATISFACTION OF INJUNCTION.**** At the expiration of the
24 term of this Injunction Plaintiffs will dismiss this action with prejudice and withdraw this
25 Injunction. DEFENDANTS and any FUTURE ENTITIES shall not be deemed "prevailing
26 parties" under Code of Civil Procedure Section 1032 as a consequence of dismissal as herein
27 contemplated.
28

1 **K. NO WAIVER OF RIGHT TO ENFORCE.** The failure of Plaintiffs to enforce
2 any such provision shall not preclude Plaintiffs from later enforcing the same or any other
3 provision of this Injunction; nor shall such failure be deemed a waiver of such provision or in any
4 way affect the validity of this Injunction. No oral advice, guidance, suggestion or comments by
5 Plaintiffs' employees or officials regarding matters covered in this Injunction shall be construed to
6 relieve DEFENDANTS and any FUTURE ENTITIES of their obligations hereunder.

7 **L. PUBLICATION AND DISSEMINATION OF INJUNCTION**

8 The Parties agree that a copy of this Injunction shall be posted in a prominent and public
9 place on each floor of each PROPERTY. DEFENDANTS further agree to require that all
10 FUTURE ENTITIES post a copy of the Injunction in a prominent and public place on each floor
11 of each PROPERTY owned, managed, operated or maintained by such FUTURE ENTITY.

12 **SO STIPULATED:**

13 **DATED:**

Alex G. Tse
Yvonne R. Mere
Jennifer Choi
Jill Cannon
Deputy City Attorneys

17 _____
Attorney for Plaintiffs
CITY AND COUNTY OF SAN
FRANCISCO and PEOPLE OF THE
STATE OF CALIFORNIA

21 _____
Earl Bohachek
Attorney for DEFENDANTS
DAVID RAYNAL individually and as
TRUSTEE of the DAVID M. RAYNAL
REVOCABLE TRUST dated May 9, 2002

24 _____
Edward Singer
Attorney for all other DEFENDANTS

1 K. **NO WAIVER OF RIGHT TO ENFORCE.** The failure of Plaintiffs to enforce
2 any such provision shall not preclude Plaintiffs from later enforcing the same or any other
3 provision of this Injunction; nor shall such failure be deemed a waiver of such provision or in any
4 way affect the validity of this Injunction. No oral advice, guidance, suggestion or comments by
5 Plaintiffs' employees or officials regarding matters covered in this Injunction shall be construed to
6 relieve DEFENDANTS and any FUTURE ENTITIES of their obligations hereunder.


7 L. **PUBLICATION AND DISSEMINATION OF INJUNCTION**

8 The Parties agree that a copy of this Injunction shall be posted in a prominent and public
9 place on each floor of each PROPERTY. DEFENDANTS further agree to require that all
10 FUTURE ENTITIES post a copy of the Injunction in a prominent and public place on each floor
11 of each PROPERTY owned, managed, operated or maintained by such FUTURE ENTITY.


12 SO STIPULATED:

13 DATED: 3/29/11

Alex G. Tse
Yvonne R. Mere
Jennifer Choi
Jill Cannon
Deputy City Attorneys

14
15
16
17 
18 Attorney for Plaintiffs
CITY AND COUNTY OF SAN
FRANCISCO and PEOPLE OF THE
STATE OF CALIFORNIA

19
20 3/24/11
21 Earl Bohachek
22 Attorney for DEFENDANTS
23 DAVID RAYNAL individually and as
24 TRUSTEE of the DAVID M. RAYNAL
25 REVOCABLE TRUST dated May 9, 2002

26 
27 Edward Singer
28 Attorney for all other DEFENDANTS

IT IS SO ORDERED:


DATED:


SEE PAGE 26
JUDGE OF THE SUPERIOR COURT


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FRANK LEMBI

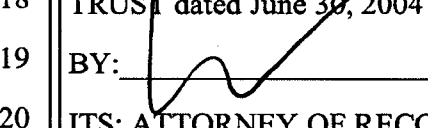

DAVID RAYNAL


FRANK LEMBI as TRUSTEE of the FRANK
E. LEMBI SURVIVOR'S TRUST dated
February 17, 1984, as restated on June 2, 1999


FRANK LEMBI, as TRUSTEE of the OLGA
LEMBI RESIDUAL TRUST created under the
provisions of Part Three of the LEMBI
FAMILY TRUST dated February 17, 1984


DAVID RAYNAL, as TRUSTEE of the
DAVID M. RAYNAL REVOCABLE TRUST
dated May 9, 2002

WALTER LEMBI, as TRUSTEE of the
WALTER AND LINDA LEMBI FAMILY
TRUST dated June 30, 2004

BY: 

ITS: ATTORNEY OF RECORD


SKYLINE REALTY INC.

BY: 


ITS: AUTHORIZED SIGNATOR

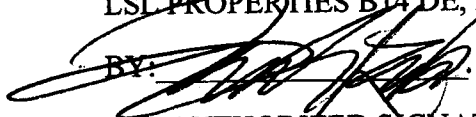
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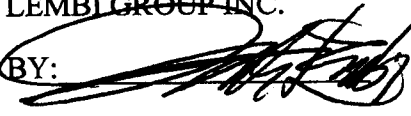
City and County of San Francisco
and the People of the State of California

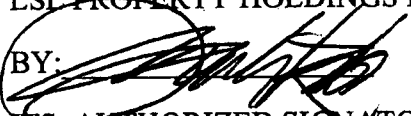
BY: 

ITS: AUTHORIZED SIGNATOR

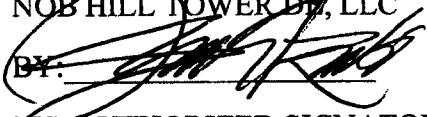
1 CITIAPARTMENTS INC.
2 BY: 
3 ITS: AUTHORIZED SIGNATOR

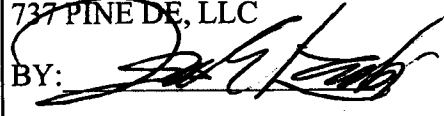
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BY: 
ITS: AUTHORIZED SIGNATOR

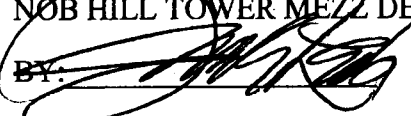
4 LEMBI GROUP INC.
5 BY: 
6 ITS: AUTHORIZED SIGNATOR

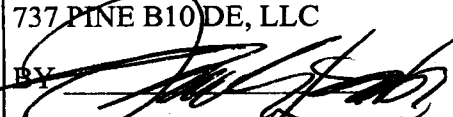
LSI PROPERTY HOLDINGS II MEZZ, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

7 LEMBI GROUP PARTNERS, LLC
8 BY: 
9 ITS: AUTHORIZED SIGNATOR
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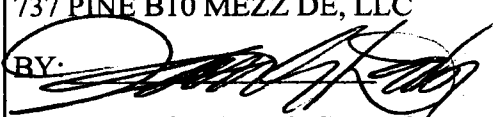
NOB HILL TOWER DE, LLC
BY: 
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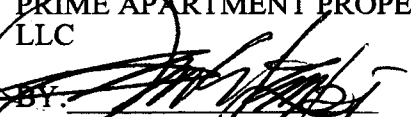
11 737 PINE DE, LLC
12 BY: 
13 ITS: AUTHORIZED SIGNATOR

NOB HILL TOWER MEZZ DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR


14 737 PINE B10 DE, LLC
15 BY: 
16 ITS: AUTHORIZED SIGNATOR
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PRIME APARTMENT PROPERTIES, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

18 737 PINE B10 MEZZ DE, LLC
19 BY: 
20 ITS: AUTHORIZED SIGNATOR

PRIME APARTMENT PROPERTIES B10 DE
LLC
BY: 
ITS: AUTHORIZED SIGNATOR

21 1155, LLC
22 BY: 
23 ITS: AUTHORIZED SIGNATOR

PRIME APARTMENT PROPERTIES B10
MEZZ DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

24 THE GAYLORD HOTEL, LLC
25 BY: 
26 ITS: AUTHORIZED SIGNATOR
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1 TROPHY PROPERTIES B10 DE, LLC

2 BY: 

3 ITS: AUTHORIZED SIGNATOR

4 TROPHY PROPERTIES IV DE, LLC

5 BY: 


6 ITS: AUTHORIZED SIGNATOR

7 TROPHY PROPERTIES IV B8A, LLC

8 BY: 

9 ITS: AUTHORIZED SIGNATOR

10 TROPHY PROPERTIES IV MEZZ DE, LLC

11 BY: 

12 ITS: AUTHORIZED SIGNATOR

13 TROPHY PROPERTIES V, LLC

14 BY: 

15 ITS: AUTHORIZED SIGNATOR

16 TROPHY PROPERTIES V DE, LLC

17 BY: 

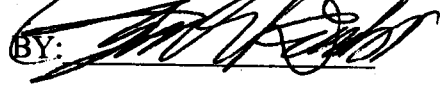
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19 TROPHY PROPERTIES VI, LLC

20 BY: 

21 ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES IV B8A MANAGER, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

FIRST APARTMENT RENTALS INC.

BY: 

ITS: AUTHORIZED SIGNATOR

124 MASON DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

2238 HYDE B10 DE, LLC

BY: 

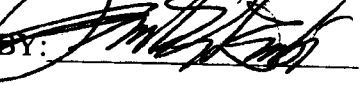
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500 BARTLETT DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

500 LARKIN B8A, LLC

BY: 


ITS: AUTHORIZED SIGNATOR

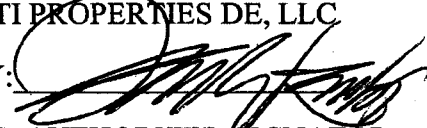
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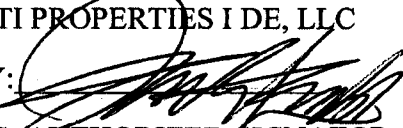
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ITS: AUTHORIZED SIGNATOR


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BAY CITI PROPERTIES DE, LLC
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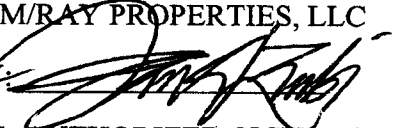
CITI PROPERNES DE, LLC
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CITI PROPERTIES I DE, LLC
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ITS: AUTHORIZED SIGNATOR

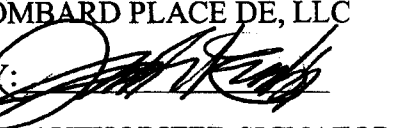
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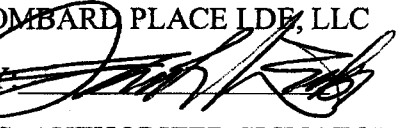
FRANKLIN /SUTTER DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

GOUGH HEIGHTS DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LEM/RAY PROPERTIES, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

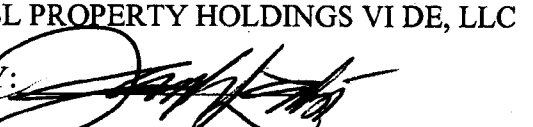
LEM/RAY PROPERTIES I DE, LLC
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ITS: AUTHORIZED SIGNATOR


LOMBARD PLACE DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LOMBARD PLACE I DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LRL CITIGROUP PROPERTIES DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LSL PROPERTY HOLDINGS V DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LSL PROPERTY HOLDINGS VI DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

LSL PROPERTIES B14 DE, LLC
BY: 
ITS: AUTHORIZED SIGNATOR

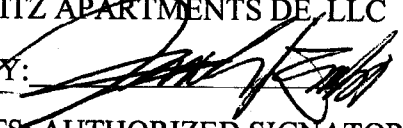
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PACIFIC PRESTIGE PROPERTIES I DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

RITZ APARTMENTS DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

RMSV BAY CITI PROPERTIES I DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

RMSV BAY CITI PROPERTIES B10 DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

SKYLINE ENTERPRISES, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

SKYLINE ENTERPRISES DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

SKYLINE INVESTMENTS, LLC

BY: 

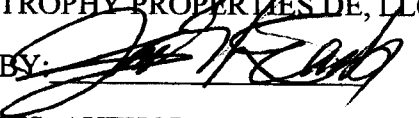
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SRV BAY CITI PROPERTIES DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES DE, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES II, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES III DE, LLC

BY: 


ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES VIII, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

TROPHY PROPERTIES XV, LLC

BY: 

ITS: AUTHORIZED SIGNATOR

1 IT IS SO ORDERED:

2 DATED: *March 29, 2011*

John E. Meente

JUDGE OF THE SUPERIOR COURT

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FOR COURT USE ONLY

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):

DENNIS J. HERRERA, State Bar #139669, City Attorney
YVONNE R. MERÉ, State Bar #173594, Complex & Affirmative Litigation Team Leader
BRADLEY A. RUSSI, State Bar #256993; SARA J. EISENBERG, State Bar #269303
Deputy City Attorneys
1390 Market Street, 7th Fl.; San Francisco, CA 94102
TELEPHONE NO.: (415)554-3800 FAX NO.: (415)437-4644

ATTORNEY FOR (Name): Plaintiffs City and County of San Francisco and People of the State of California

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO

STREET ADDRESS: 400 McAllister Street

MAILING ADDRESS:

CITY AND ZIP CODE: San Francisco, CA 94102-4514

BRANCH NAME:

CASE NAME: City and County of San Francisco v. CHUCK M. POST, individually and d/b/a
APARTMENTSINSF.COM; LEM-RAY PROPERTIES I DE, LLC; and DOE ONE through DOE FIFTY

FILED
Superior Court of California
County of San Francisco

OCT 21 2015

CLERK OF THE COURT

By: [Signature] Deputy Clerk

CGC NUMBER 15-548551

JUDGE:

DEPT:

CIVIL CASE COVER SHEET
[X] Unlimited (Amount demanded exceeds \$25,000)
[] Limited (Amount demanded is \$25,000 or less)

Complex Case Designation
[] Counter [] Joinder
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort

- [] Auto (22)
[] Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- [] Asbestos (04)
[] Product liability (24)
[] Medical malpractice (45)
[] Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

- [X] Business tort/unfair business practice (07)
[] Civil rights (08)
[] Defamation (13)
[] Fraud (16)
[] Intellectual property (19)
[] Professional negligence (25)
[] Other non-PI/PD/WD tort (35)

Employment

- [] Wrongful termination (36)
[] Other employment (15)

Contract

- [] Breach of contract/warranty (06)
[] Rule 3.740 collections (09)
[] Other collections (09)
[] Insurance coverage (18)
[] Other contract (37)

Real Property

- [] Eminent domain/Inverse condemnation (14)
[] Wrongful eviction (33)
[] Other real property (26)

Unlawful Detainer

- [] Commercial (31)
[] Residential (32)
[] Drugs (38)

Judicial Review

- [] Asset forfeiture (05)
[] Petition re: arbitration award (11)
[] Writ of mandate (02)
[] Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)

- [] Antitrust/Trade regulation (03)
[] Construction defect (10)
[] Mass tort (40)
[] Securities litigation (28)
[] Environmental/Toxic tort (30)
[] Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment

- [] Enforcement of judgment (20)

Miscellaneous Civil Complaint

- [] RICO (27)
[] Other complaint (not specified above) (42)

Miscellaneous Civil Petition

- [] Partnership and corporate governance (21)
[] Other petition (not specified above) (43)

2. This case [] is [X] is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

- a. [] Large number of separately represented parties d. [] Large number of witnesses
b. [] Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. [] Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. [] Substantial amount of documentary evidence f. [] Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. [X] monetary b. [X] nonmonetary; declaratory or injunctive relief c. [] punitive

4. Number of causes of action (specify): Five (5)

5. This case [] is [X] is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: October 21, 2015

SARA J. EISENBERG

(TYPE OR PRINT NAME)

[Signature] (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
• File this cover sheet in addition to any cover sheet required by local court rule.
• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
• Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.