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**Exempt from Filing Fees
 [Cal. Gov. Code § 6103]**

14
 15 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
 16 COUNTY OF LOS ANGELES – WEST DISTRICT

17 **CITY OF SANTA MONICA; PEOPLE**
 18 **OF THE STATE OF CALIFORNIA;**
 19 **AND THE SANTA MONICA RENT**
CONTROL BOARD,

20 Plaintiffs,

21 vs.

22 **1238 10TH STREET, LLC; WNMS**
 23 **COMMUNITIES, LLC; NMS**
 24 **PROPERTIES, INC; NMS**
 25 **RESIDENTIAL, LLC; MY SUITE,**
 26 **LLC; SCOTT WALTER; ADAM**
 27 **SHEKHTER; and DOES 1 THROUGH**
 28 **10,**

Defendants.

) **CASE NO.: 21SMCV01585**

) Unlimited Jurisdiction

) **COMPLAINT FOR INJUNCTIVE AND**
) **OTHER RELIEF**

) [Not verified per Cal. Civ. Proc. Code § 446]

1 Plaintiffs, the City of Santa Monica and the People of the State of California, appearing
2 through their attorneys George Cardona, Interim City Attorney, Eda Suh, Chief Deputy City
3 Attorney, and Andrew Braver, Deputy City Attorney; and the Santa Monica Rent Control
4 Board, appearing through its attorneys Alison Regan, General Counsel, and Rebecca F.
5 Sherman, Senior Litigation Attorney, allege the following:

6 **INTRODUCTION**

7 1. The City of Santa Monica is confronting an affordable housing crisis. In
8 response to this crisis, the City has enacted multiple laws to promote affordable housing and
9 protect tenants' rights. These laws allow tenants to remain in their homes over longer periods,
10 which in turn reduces homelessness and creates a more stable, healthy, and economically
11 diverse community. When a landlord violates these laws, the landlord harms individual
12 households and exacerbates the affordable housing crisis in Santa Monica.

13 2. The Santa Monica Rent Control Law, codified as Santa Monica City Charter
14 Article XVIII, provides rent control for certain units and just-cause eviction protections for
15 tenants in rent-controlled units, among other provisions.

16 3. The Santa Monica Tenant Harassment Ordinance, codified as Santa Monica
17 Municipal Code section 4.56, prohibits a landlord from harassing a tenant by engaging in
18 various types of harassing conduct.

19 4. The Santa Monica Home-Sharing and Vacation Rental Ordinance, codified as
20 Santa Monica Municipal Code Chapter 6.20, as well as the Santa Monica Zoning Ordinance,
21 codified as Santa Monica Municipal Code Article 9, prohibit all vacation rentals but permit
22 home-sharing if authorized by a home-sharing permit and a business license, and the rental
23 complies with Chapter 6.20. A vacation rental is a rental of 30 consecutive days or less for
24 exclusive transient use, which means that no eligible resident lives on site throughout the
25 visitor's stay. A home-share, on the other hand, is a rental for 30 consecutive days or less in the
26 host's primary residence while the host lives on site throughout the visitor's stay.

27 5. Defendants are sophisticated property developers who own and operate, among
28 other holdings, multifamily residential rental properties in Santa Monica. Through various

1 LLC's set up as holding companies, the properties are centrally controlled and managed by
2 NMS Properties, Inc. Neil Shekhter is the founder and CEO of NMS Properties. His company
3 targets what he describes as "poorly performing multi-family assets" and acquires them in order
4 to "create strong asset returns" and "enjoy dramatic increases in net operating income."¹ Mr.
5 Shekhter maintains tight control over every aspect of his business, "from acquisitions to
6 development to the construction of his property, while maintaining the day-to-day operation of
7 his existing portfolio."²

8 6. What NMS Properties characterizes as "poorly performing multi-family assets"
9 are rent-controlled properties with long-term Santa Monica residents, many of whom have lived
10 in their homes for decades. Mr. Shekhter sees opportunity in these "assets" to purchase them,
11 and uses various means to drive existing tenants out, evade rent control, and "create strong asset
12 returns" for his investors.

13 7. In June 2015, NMS Properties purchased 1238 10th Street and 1242 10th Street,
14 Santa Monica, California, 90401: two 10-unit buildings with a common courtyard, through its
15 holding company, 1238 10th Street, LLC. This company is owned by WNMS Communities,
16 LLC. The tenants at the properties, many of whom had lived there for over a decade, were soon
17 subjected to an onslaught of property-wide construction so extensive and dangerous that they
18 were forced to be relocated. Several tenants, worn down by the continuous disruptions to their
19 homes, agreed to be bought out of their tenancies.

20 8. At 1242 10th Street, the subject of this action, Defendants used the Ellis Act,
21 California Government Code section 7060 *et seq.*, to get rid of the remaining three tenants who
22 refused to be bought out. The Ellis Act protects the right of a property owner to withdraw all
23 accommodations at a property from residential rent or lease, and allows a landlord to evict
24 residential tenants, even those tenants protected by rent control, if the landlord intends to leave
25 the residential rental market. The intent of the Ellis Act is to permit a landlord to go out of the
26 residential rental business, not as a means to evade rent control and other laws in order to

27
28 ¹ <https://www.nmsproperties.com/aboutus>

² *Id.*

1 command higher rents. A landlord who evicts tenants under the Ellis Act cannot re-rent units
2 for up to 10 years without adhering to the restrictions and obligations of the Act.

3 9. Defendants, determined to ensure “strong asset returns,” ignored those
4 prohibitions by continuing to offer the accommodations for residential rent or lease. Defendants
5 also violated municipal laws by offering short-term vacation rentals in some of the units.³

6 10. Because of Defendants’ unlawful conduct, what had once been an affordable 10-
7 unit multi-family residential apartment building with stable, long-term tenants, is now used as
8 an unlawful vacation rental for transient occupancy and an unlawful residential housing
9 operation. Defendants’ conduct exacerbates the existing affordable housing crisis and is in
10 violation of the laws designed to remedy these problems.

11 JURISDICTION AND VENUE

12 11. As authorized by Santa Monica City Charter section 1811, Plaintiff Santa
13 Monica Rent Control Board brings this action to enjoin Defendants from violating the Santa
14 Monica City Charter’s provisions requiring rent-controlled units to be rented for permanent
15 residence and the Board’s regulations governing the re-rental of units previously withdrawn
16 from the rental housing market under the Ellis Act.

17 12. As authorized by Santa Monica City Charter section 2308 and Santa Monica
18 Municipal Code sections 4.56.040, 6.20.100, Plaintiff the City of Santa Monica brings this
19 action for damages and injunctive relief.

20 13. As authorized by Business and Professions Code section 17204 the Santa Monica
21 City Attorney’s Office, with the consent of the Los Angeles County District Attorney’s Office,
22 has the right and authority to bring this action on behalf of the People of the State of California,
23 for acts and practices that constitute unfair competition as defined in Business and Professions
24 Code section 17200. This Court has subject matter jurisdiction pursuant to Business and
25 Professions Code sections 17203, 17204, 17206, 17535, and 17536.

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28 ³ Santa Monica Municipal Code section 6.20.010(m) defines a vacation rental, in relevant part, as “Renting for a period of thirty consecutive days or less any dwelling unit, in whole or in part, for exclusive transient use.”

1 22. Defendant NMS Properties, Inc. is a corporation doing business in the City of
2 Santa Monica, and owns and operates residential rental properties in Santa Monica and greater
3 Los Angeles County. On information and belief, NMS Properties owns, manages or otherwise
4 controls 1238 10th Street, LLC and NMS Residential LLC.

5 23. Defendant Scott Walter, an individual, is the managing member of WNMS
6 Communities, LLC and an employee of NMS Properties, Inc. Scott Walter is sued in his
7 capacity as an owner, operator, manager of the subject property, or the agent of the owners of
8 the subject property, and as the person committing the acts alleged in this complaint, or the
9 person allowing or directing the commission of the acts alleged in this complaint.

10 24. Defendant Adam Shekhter, an individual, is an agent of NMS Properties, Inc.
11 and the managing member of My Suite LLC. Adam Shekhter is sued in his capacity as an
12 owner, operator, or manager of the subject property, or the agent of the owners of the subject
13 property, and as the person committing the acts alleged in this complaint, or the person allowing
14 or directing the commission of the acts alleged in this complaint.

15 25. Defendant Does 1 through 10, inclusive, are sued under fictitious names, under
16 California Code of Civil Procedure section 474 because their true names and capacities are
17 currently unknown to Plaintiffs. Plaintiffs are informed and believe, and thereon allege, that
18 Does 1 through 10 are each in some manner responsible for conducting, maintaining, or directly
19 or indirectly permitting the unlawful acts or omissions alleged in this complaint. Plaintiffs will
20 ask leave of the Court to amend this complaint to substitute in lieu of the fictitious names the
21 true names and capacities of Does 1 through 10 when they are ascertained.

22 26. At all times relevant to this complaint, Defendants were the agents, principals,
23 servants, lessors, employees, partners, associates and/or joint venturers, as well as alter egos, of
24 each other, and at all times were acting within the course, purpose, and scope of that relationship
25 and with the authorization or consent of each of their co-defendants.

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1 **FACTUAL ALLEGATIONS**

2 **BACKGROUND**

3 27. 1242 10th Street is a 10-unit apartment building owned by 1238 10th Street, LLC,
4 which purchased the property on June 8, 2015. On or about this time, 1238 10th Street, LLC also
5 purchased the adjacent property, 1238 10th Street. The managing member of 1238 10th Street,
6 LLC is a separate limited liability company named WNMS Communities, LLC, of which Scott
7 Walter is listed as the only member. The registered agent for 1238 10th Street, LLC is NMS
8 Properties, Inc. On information and belief NMS are the initials of Neil and Margot Shekhter,
9 who own and manage multiple residential rental properties in the City of Santa Monica.

10 28. Shortly after purchasing the property, in or around February 2016, renovations
11 began at both the 1238 and 1242 properties, which share a courtyard. On information and
12 belief, these renovations had two purposes: 1) to make conditions at the property so onerous and
13 disruptive that tenants would be compelled to accept buy-out offers; and 2) to upgrade the units
14 for future market-rate and short-term rentals once the current tenants had been forced out. The
15 owner’s plan was remarkably successful. When Defendants first purchased the properties, both
16 10-unit buildings were almost fully occupied; by July 2018, only three tenants remained.

17 29. Defendants have engaged in a pattern of violating the City’s laws in their
18 operation of 1238 10th Street and 1242 10th Street and in their efforts to drive tenants out.
19 Initial construction first began in February 2016 to remove asbestos in both buildings and in
20 some vacant units. Construction resumed in August 2016, but was halted shortly thereafter due
21 to Defendants’ violations, which resulted in the following orders:

- 22 • August 9, 2016 – Stop Work Order and citation for construction notice violations issued
- 23 by the City;
- 24 • August 23, 2016 – Notice to Comply for failure to test for asbestos issued by AQMD;
- 25 • September 12, 2016 – Stop Work Order for presence of asbestos issued by the City;
- 26 • September 19 and 20, 2016 – Relocation Order issued by the City;
- 27 • November 23, 2016 – Relocation Order issued by the City;
- 28 • December 22, 2016 – Relocation Order issued by the City.

1 30. By May 2017 the impacts of the construction were so severe that the remaining
2 tenants were ordered to be relocated by a City building official because their units had become
3 uninhabitable. At that point only three tenants remained in 1242 10th Street, and the owner
4 continued to attempt to buy them out. The tenants alleged that, among other things, the owner
5 deliberately delayed the completion of construction to persuade them to accept the buyout
6 offers. In September 2017, 1238 10th Street, LLC entered into a settlement agreement with the
7 City to settle allegations that it violated the City's buyout ordinance, Santa Monica Municipal
8 Code section 4.56.050. In addition, tenants petitioned the Rent Control Board and were
9 awarded rent reductions due to the severity of the construction impacts. The hearing examiner
10 summarized the testimony of the building official, Jack Leonard, as follows:

11 [T]he construction made the property hazardous for tenants in many respects,
12 stating that there was no way for the tenants to safely reside at the building with
13 this scope of work. There were problems with fire protection, seismic safety,
14 falling construction materials and tools, hot electrical wires, unstable balcony
rails, uneven walking surfaces, and so forth. Mr. Leonard testified that the level
of construction activity far exceeded the standard for tenants to be able to reside
at the property.⁴

15 31. The hearing examiner also concluded the following based on the evidence
16 presented:

17 It is common to refresh units before they are re-rented, by repainting, changing
18 flooring, and making other cosmetic improvements. There is no dispute that this
19 is an older building, constructed in 1956, and the plumbing, electrical and other
20 systems probably could have used some updating. However, there was no
evidence presented to establish that total demolition and extensive remodeling
were necessary to repair or maintain the units. In fact, the property was at almost
21 full occupancy when NMS purchased it. The evidence showed that the owner's
objective was to buy out all the tenants, remodel the buildings to more upscale
22 standards, and then re-rent the units at very high rates once the work is
completed. Although there is nothing in the record to indicate the types of
23 features and finishes that will be used in the vacant units, the significant expense
the owner is going to, plus the addition of high-end amenities such as air
24 conditioning and in-unit laundry, indicate that a luxury level is the anticipated
outcome.⁵

25 The hearing examiner continued:

26 In order to make the buildings' exteriors and common areas more modern and consistent
27 with the unit amenities (and the rents they expect to command), the entire property is

28 ⁴ Decision on Petition U-0084 et. al., Aug. 16, 2017, p. 14.

⁵ Decision on Petition U-0084 et. al., Aug. 16, 2017, p. 21.

being updated and enhanced.⁶

32. When it became clear that the three remaining tenants planned to exercise their legal rights under state and local law, on July 25, 2018, Scott Walter, on behalf of 1238 10th Street, LLC and WNMS Communities, LLC, filed notice with the Rent Control Board of the owner's "Intention to Withdraw Accommodations from Rent or Lease" under California Government Code section 7060 *et. seq.* (commonly known as the Ellis Act) and Santa Monica City Charter section 1806(a)(10) and its accompanying regulations. In this notice, which was signed under penalty of perjury, the owner attested that the future use of the property will not include "rental housing use."

33. At the time the eviction notices were served, the three tenants remaining at the property lived in Units 7, 8, and 9. All three tenants notified the owner of their interest in re-renting should the units again be used as rental housing. These tenants had resided in their units for 13 years (since 2005), 23 years (since 1996), and 6 years (since 2013), respectively. At the time they were evicted, their rents were \$1,510 per month, \$1,238 per month, and \$1,616 per month, respectively. Pursuant to this notice, the tenants were entitled to relocation fees and the right to return to their homes if the units are re-rented. Moreover, an Ellis Act eviction restricts the future use of the property, with the owner subject to penalties, including punitive damages, if the units are used unlawfully within certain time periods. The owner was aware of these restrictions and was sent recorded restrictions following the property's withdrawal.

34. The tenants vacated their units per the termination notice. Based on the notice filed by the owner, the units were considered withdrawn from the rental market on November 22, 2018 per the Ellis Act. Shortly after the tenants vacated, the renovation work to upgrade the

⁶ This is part of NMS's core strategy. From their website: "Neil Shekhter founded NMS in 1988 on the principle of creating strong asset returns through superior management and investing in core locations with long-term growth. On these principles NMS began building its portfolio of properties by *acquiring and repositioning poorly performing multi-family assets. Through hands-on management and capital improvements, these properties now enjoy dramatic increases in net operating income* along with high occupancy rates." (Emphasis added.) <http://www.nmsproperties.com/our-staff>. Their motto is "Modern Luxury Redefined." <http://www.nmsproperties.com/>. Their other buildings in Santa Monica advertise "all of the amenities that you've come to expect from an NMS building." These include in-unit washer and dryer, modern kitchens featuring stainless steel appliances, beautifully detailed finishes such as granite countertops and hardwood-style flooring, and central AC/heat. <http://www.nmsproperties.com/luxe1548-luxury-apartments-santa-monica>.

1 units, which had begun years earlier, was completed. Among the improvements were modern
2 kitchen appliances, in-unit washer/dryers, smart home technologies, and more. An investigator
3 for the Rent Control Board visited the property on December 28, 2018 and noted that the units
4 had been “recently renovated and staged for occupancy.” Soon after, ads were placed on rental
5 sites such as apartments.com, westsiderentals.com, and mysuite.com, which advertised the units
6 as fully furnished and available for rent.

7 35. Contrary to the notice filed with the Rent Control Board in July 2018 and signed
8 under penalty of perjury, Defendants continued to offer the property as rental housing. By
9 December 2018, they had even given the property a new name: NMS Swell. Mysuite LLC was
10 one of the vehicles by which Defendants were renting out rooms at the property. On December
11 4, 2018 Defendants posted a notice on the premises of 1242 10th Street from “MySuite
12 Management” regarding “after hour emergencies” (sic) and referring to tenants as “Swell
13 residents.” An NMS website displays a photograph of the companion properties (both 1238 10th
14 Street and 1242 10th Street) promoting them as “Luxury Santa Monica Apartments” and offering
15 “Up to 8-weeks of Free Rent!”⁷ In August 2019, Defendants also advertised the property on
16 Instagram with the profiles “nmsresidential” and “mysuiteliving” (shown below).



28 ⁷ See https://www.nms123810.com/?utm_source=NMS-Google-business&utm_medium=business-listing&utm_campaign=website-button (accessed September 21, 2021).



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36. In October 2019, the Rent Control Board learned that the units were being offered for rent in violation of the Rent Control Law and the Ellis Act, and notified the owners of the violations.

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37. Below is a true and correct copy of a print-to-PDF of an advertisement from October 2019 for Unit 1 at 1242 10th Street.

10/22/2019 1242 10th St, Unit 1 - Apartments in Santa Monica, CA | Westside Rentals

Add a Listing (/landlords/signup.cfm) Sign Up (/secure/signup.cfm) Sign In (/login/)

About Us (/about_westsiderentals/) Popular Areas ▾ ()

(https://www.westsiderentals.com)
 Apartments • Condos • Houses • Townhomes



Home (https://www.westsiderentals.com) » Santa Monica
 (https://www.westsiderentals.com/apartments/santa-monica-apartments/) » 1242 10th St

1 Bedroom, 1 Bathroom

1242 10th St, Santa Monica, CA 90401

1 Bedroom \$2,995

Updated 1 Week Ago

| Bed x Bath | Rent | SqFt | Deposit | Available |
|-----------------------|---------|------|---------|-----------|
| 1 BD x 1 BA Unit 1 | \$2,995 | 220 | \$1,000 | Now |

Prices and availability subject to change without notice.

Description

https://www.westsiderentals.com/santa-monica-ca/1242-10th-st-unit-1-2179321 1/4

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1 38. Below is a true and correct copy of a print-to-PDF of an advertisement from
2 October 2019 for Unit 2 at 1242 10th Street.

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10/8/2019 1242 10th St Unit 2, Santa Monica, CA 90401 - Apartment for Rent in Santa Monica, CA | Apartments.com

1242 10th St Unit 2
Santa Monica, CA 90401 – Mid-City Santa Monica

Home / California / Santa Monica / 1242 10th St Unit 2 C 2 Weeks Ago



| Beds | Baths | Rent | Deposit | Unit # | Sq Ft | Lease Length | Available |
|------|-------|---------|---------|--------|-----------|---------------|---------------|
| 1 BR | 1 BA | \$2,895 | \$1,000 | 2 | 250 Sq Ft | 6 Month Lease | Available Now |

<https://www.apartments.com/1242-10th-st-santa-monica-ca-unit-2/p8hncps/> 1/3

20 39. The City issued a Notice of Violation on October 23, 2019. The owners
21 acknowledged the ads, but they claimed the ads were a mistake and that they were applying for
22 an occupancy permit so that friends could stay in some of the units for free. They claimed that
23 the ads had been taken down and that no one staying in the units was paying to do so. On
24 information and belief, these statements were false and submitted to conceal the owners' illegal
25 activity.

26 **UNITS 2, 3, 6, AND 10**

27 40. On November 1, 2019, Scott Walter, on behalf of Defendants, obtained an
28 occupancy permit for Units 2, 3, 6 and 10, and claimed these units would be occupied by non-

1 rent paying acquaintances of the owners. A copy of Scott Walter's occupancy permit
2 application is attached hereto as Exhibit A. These four units were to be occupied as follows:
3 Unit 2 – James Smith; Unit 3 – Doug Holmes; Unit 6 – Patrick Kudej; Unit 10 – Sam Walfish.
4 But contrary to the Defendants' representations to the Rent Control Board, these individuals are
5 not acquaintances; they are employees/contractors of Mr. Neil Shekhter, each of whom have
6 residences elsewhere in the Los Angeles area.

7 41. On information and belief, James Smith owns MAS Construction Group, which
8 was contracted to do the renovations at 1238 10th Street and 1242 10th Street. Those renovations
9 were completed in late 2018. On information and belief, Mr. Smith never occupied Unit 2
10 despite his signature on the permit application indicating that he would.

11 42. Doug Holmes is the president of MAS Construction Group with a permanent
12 residence in Long Beach, CA. On information and belief, he never occupied Unit 3. Instead,
13 Unit 3 was advertised on Airbnb in or around July 27, 2020 at a rate of \$53 per night.

14 43. Patrick Kudej also has a permanent residence in Los Angeles. On information
15 and belief, he occupied Unit 6 from February 2020 to in or around July 23, 2020. Thereafter, on
16 information and belief, the unit has been used as a short-term rental—that is, a rental of thirty
17 days or less. The unit is currently occupied by Rahman Bello and a rotating list of roommates.

18 44. Sam Walfish is an employee of defendant NMS Properties. He also has a
19 permanent residence in Los Angeles and on information and belief never occupied Unit 10.
20 Instead, Unit 10 was occupied by Sabrina Zaks, Neil Shekhter's niece, who on information and
21 belief was collecting rent for Neil Shekhter from various roommates, including Natalie Trono.

22 45. Neither Defendants nor any other person obtained a City home-sharing permit for
23 Units 2, 3, 6, or 10.

24 **UNITS 1, 4, 5, 7, AND 9**

25 46. In March 2020, less than four months after receiving the initial occupancy
26 permit, Scott Walter, on behalf of Defendants, applied for an occupancy permit for five of the
27 remaining units: units 1, 4, 5, 7, and 9, a copy of which is attached hereto at Exhibit B.

28 Defendants claimed that these units would also be occupied by individuals who would not be

1 paying rent or otherwise compensating the owner. These units were to be occupied as follows:
2 Unit 1 – Katherine Laprell; Unit 4 – Zackery Kohon; Unit 5 – Pranav Patel; Unit 7 – Lauren
3 Cynkar; Unit 9 – Dino Ciarmoli.

4 47. Katherine Laprell stayed in Unit 1 until February 2021 when, on information and
5 belief, she began occupying a unit in another property owned by NMS properties.

6 48. Zackery Kohon has a permanent residence in New Jersey and works as a
7 journeyman lineman apprentice. On information and belief, he stayed in a different NMS
8 property in July and November of 2019 but has never occupied Unit 4. Instead, on information
9 and belief, the unit was occupied by Dana Basiliades and Nicole Jacoby between January and
10 July 2020. Following their departure, on information and belief, there have been multiple short-
11 term renters, including Ryan Ascensio. On or around March 7, 2021, Erica Anderman rented
12 Unit 4 for approximately \$3,000 per month. Defendants allowed her to rent about two months.
13 Ms. Anderman moved out in or around May 2021 and was replaced by Francois Reihani, the
14 current tenant.

15 49. On information and belief, Pranav Patel occupied Unit 5 until in or around June
16 2021.

17 50. Lauren Cynkar, who is listed as the occupant in Unit 7, is the wife of Steve
18 Williford, General Counsel and Vice-President for NMS Properties. They live in Malibu,
19 California. On information and belief Ms. Cynkar has never occupied Unit 7. Instead, Unit 7
20 has been used primarily as a short-term vacation rental, listed on Airbnb, mysuite.com and other
21 vacation websites. The Airbnb “host” is Karen Alfaro who, with her husband Michael J.
22 Kawwa, supervise the unit’s rental and occasionally stay in the unit.

23 51. Dino Ciarmoli, who is listed on the occupancy permit as the occupant in Unit 9,
24 is an Executive Vice-President at NMS and resides, on information and belief, in Carlsbad,
25 California. He has never occupied Unit 9. Instead, on information and belief, Unit 9 was rented
26 by Jarrett Tryon and Brandyn McDade. Starting in or about November or December 2020,
27 Adam Shekhter and Brandyn McDade rented the unit to Sharon Harris for over 30 nights
28 pursuant to an unwritten lease at a rate of \$150 per night. Ms. Harris paid rent to Adam

1 Shekhter through Brandyn McDade’s brother, William McDade. On information and belief,
2 Mr. Shekhter was collecting rent for some or all of Defendants. On or about April 1, 2021,
3 “Will” McDade informed Ms. Harris that she needed to immediately move out of the unit, and
4 offered Harris other living arrangements in Marina Del Rey; Ms. Harris rejected that offer and
5 continued to pay her rent for Unit 9. Sometime after Ms. Harris was told to move out by Will,
6 “Adam” showed up to her unit and told her that she needed to leave because another person was
7 supposed to be moving into the unit. “Adam” offered her another furnished unit located
8 somewhere on Manchester Boulevard, but Ms. Harris rejected that offer. A few days later
9 Defendants, or their agents, subjected Ms. Harris to tenant harassment by unlawfully locking her
10 out of the gate that leads to the building, entering her unit and changing the locks to her door,
11 locking her out of her mailbox, permitting a car to be parked in her space, abusing the landlord’s
12 right of access, and using other unlawful means to oust her from the unit. On or about April 17,
13 2021 Defendants served a 30-day notice to quit on Sharon Harris and Raeshawn Ray.

14 52. Neither Defendants nor any other person obtained a City home-sharing permit for
15 Units 1, 4, 5, or 9.

16 **UNIT 8**

17 53. Defendants claim that Unit 8 has never been occupied. This unit had been the
18 home of Gert Basson, who had lived there for 23 years before Defendants evicted him.

19 54. Neither Defendants nor any other person obtained a City home-sharing permit for
20 Unit 8.

21 **OVERVIEW OF OPERATIONS AT 1242 10TH STREET**

22 55. Most of the individuals listed on the occupancy permits are employees or
23 contractors of NMS Properties and WS Communities who, on information and belief, were
24 instructed to sign the occupancy permit but who never actually occupied the units. The few
25 individuals listed on the occupancy permits who did stay there did so temporarily, paid rent in
26 the form of services, and provided cover for the unlawful activity of using the units as short-
27 term vacation rentals. In addition, individuals not listed on the occupancy permit stayed there as
28 rent-paying tenants.

1 56. These units were fully furnished and advertised on vacation sites such as Airbnb,
2 VRBO, mysuite.com and business sites for corporate housing. None of the people who signed
3 the permit application as occupants currently live on-site in any of the units. The units are being
4 rented by a revolving door of vacationers and rent-paying tenants.

5 57. This scheme to evade rent control and turn the units into temporary housing was
6 carried out deliberately and in blatant disregard of the City's laws. In fact, on information and
7 belief, Defendants actively discouraged tenants from speaking to City officials; Defendants told
8 tenants to conceal from City officials the fact that they were paying rent or using the units as
9 hotel rooms and not as permanent residences.

10 58. At no time have Defendants offered the prior tenants the right to return to the
11 units from which they were evicted.

12 **FIRST CAUSE OF ACTION**
13 **BROUGHT BY PLAINTIFF SANTA MONICA RENT CONTROL BOARD**
14 **AGAINST ALL DEFENDANTS**

15 Violation of Gov't Code § 7060, *et seq.*
16 (the Ellis Act);
17 Santa Monica Rent Control Board Regulations, Chapter 16
18 (Withdrawal of Accommodations)

19 59. Plaintiff Santa Monica Rent Control Board (Board) incorporates by reference all
20 allegations in the above paragraphs of this complaint as though fully set forth here in their
21 entirety.

22 60. The Ellis Act, codified in Government Code section 7060, *et seq.*, allows owners
23 of rental property to terminate tenancies in order to exit the rental business. It also provides
24 detailed conditions that owners must meet to accomplish the withdrawal and requirements that
25 apply if the owner returns the property to the rental housing market. Under the Ellis Act, local
26 governments may regulate the manner in which rental units are withdrawn from or returned to
27 the housing market to mitigate the adverse impact on persons displaced by the withdrawal and
28 to prevent abuse of the right to evict tenants.

61. Pursuant to the authority granted by the Ellis Act in Government Code sections
7060.2, 7060.4 and 7060.5, the Board enacted regulations governing withdrawals from and

1 returns to the rental housing market. The Board regulations governing this subject are contained
2 in Chapter 16.

3 62. All of the rental units at 1242 10th Street were rent-controlled rental units subject
4 to the Rent Control Law when Defendants notified the Board of its intent to leave the rental
5 business. Defendants filed a Notice of Intention to Withdraw Accommodations from Rent or
6 Lease with the Board on July 25, 2018. Based on this notice, the units were considered
7 withdrawn from the rental market on November 22, 2018.

8 63. Tenants were evicted from Units 7, 8, and 9 at 1242 10th Street pursuant to a
9 notice to terminate tenancies. All three displaced tenants indicated their interest in re-renting
10 the units if the accommodations were once again offered for rent and served the necessary
11 documents in a timely manner.

12 64. Units offered for residential rent within two years of withdrawal must be first
13 offered to tenants displaced by the withdrawal with the opportunity to reinstate their tenancies.
14 Board regs. 1621, 1625, 1629(d), 1630(b). Defendants have failed to re-offer the units to the
15 displaced tenants in violation of the Ellis Act and the Board regulations.

16 65. Defendants offered withdrawn units for residential rental prior to November 22,
17 2020 in violation of Board regulations. By offering the withdrawn units for residential rental
18 within two years, Defendants are liable to the Board for exemplary damages. Board regs. 1620,
19 1629(c).

20 66. Defendants violated the Ellis Act and Board regulations by offering withdrawn
21 units for residential rental without first notifying the Board of its intent to re-rent.

22 67. No use of the withdrawn units may be made without first obtaining all necessary
23 permits from appropriate agencies of the State of California, the City of Santa Monica, and the
24 Santa Monica Rent Control Board. Gov't Code §§ 7060.1(b) and 7060.7.

25 68. Defendants offered the withdrawn units for residential rental use without first
26 seeking the required occupancy permits from the City of Santa Monica.

27 69. Absent the relief requested by Plaintiff the Board, Defendants will continue to
28 violate Board regulations and the Board will be irreparably harmed in that it will have no other

1 remedy to enforce compliance with its laws. Indeed, absent relief, all tenants and the citizens of
2 the City of Santa Monica will be irreparably harmed because, unless a property owner can be
3 prevented from violating the law, the mitigating protections established in the Ellis Act and the
4 rent control law will be rendered meaningless.

5 70. Injunctive relief is expressly authorized by Santa Monica City Charter section
6 1811.

7 **SECOND CAUSE OF ACTION**
8 **BROUGHT BY PLAINTIFF SANTA MONICA RENT CONTROL BOARD**
9 **AGAINST ALL DEFENDANTS**

10 Violation of Santa Monica City Charter § 1803(q)
11 (Rent Control Law's Registration Requirement);
12 Santa Monica Rent Control Board Regulation 13001(g)
13 (Registration for New Tenancy)

14 71. Plaintiff Santa Monica Rent Control Board incorporates by reference all
15 allegations in the above paragraphs of this complaint as though fully set forth here in their
16 entirety.

17 72. Santa Monica City Charter section 1803(q) requires the registration of all
18 controlled rental units.

19 73. Under Board regulation 13001(g), when a new base rent is established for a new
20 tenancy, the landlord must file a vacancy registration form within 30 days of the establishment
21 of the new base rent.

22 74. Defendants rented units at the property beginning on or around December 2018
23 to short and longer-term tenants and did not file any vacancy registration forms with the Board
24 in violation of Board regulation 13001(g).

25 75. Defendants failed to register the units as required by the Rent Control Law.

26 ///

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**THIRD CAUSE OF ACTION
BROUGHT BY PLAINTIFF THE CITY OF SANTA MONICA
AGAINST ALL DEFENDANTS**

Violation of Santa Monica Municipal Code § 4.56
(Tenant Harassment)

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5 76. The City incorporates and realleges the allegations of the above paragraphs of
6 this complaint as though fully set forth here in their entirety.

7 77. The acts of Defendants with respect to Sharon Harris in Unit 9, described above,
8 constitute violations of the City's Tenant Harassment Ordinance as follows:

- 9 a. Defendants locked Ms. Harris out of the gate that leads to the building,
10 locked her out of her unit, locked her out of her mailbox, and permitted a car
11 to be parked in her space. Defendants thereby interrupted, terminated, or
12 failed to provide housing services required by law or contract, in violation of
13 Santa Monica Municipal Code section 4.56.020(a).
- 14 b. Defendants, or their agents, entered into Ms. Harris's unit without proper
15 notice and changed the locks to her door. Defendants thereby abused the
16 landlord's right of access into a rental housing unit as that right is specified in
17 California Civil Code section 1954, in violation of Santa Monica Municipal
18 Code section 4.56.020(d).
- 19 c. Defendants informed Ms. Harris that she had to leave because a lease had
20 expired, when in fact State and local law provide for just-cause protections
21 such that a tenant is not required to vacate once a lease 'expires.' Defendants
22 thereby influenced or attempted to influence the tenants to vacate a rental
23 housing unit through fraud, intimidation, or coercion, in violation of Santa
24 Monica Municipal Code section 4.56.020(f).
- 25 d. By committed the acts described above, among others, Defendants interfered
26 with the tenants' right to quiet use and enjoyment of a rental housing unit,
27 Santa Monica Municipal Code section 4.56.020(j).
- 28

1 78. For each separate act, Defendants are liable for all remedies in Santa Monica
2 Municipal Code section 4.56.040.

3 79. Defendants have committed acts that violate Santa Monica Municipal Code
4 section 4.56.020. Unless Defendants are enjoined from engaging in similar misconduct, current
5 and future tenants at the property are likely to suffer irreparable injury in the loss of their legal
6 rights. Injunctive relief is expressly authorized by Santa Monica Municipal Code section
7 4.56.040(c).

8 80. Defendants are jointly and severally liable for the actual damages suffered or for
9 statutory damages and for the City’s attorneys’ fees and costs, pursuant to Santa Monica
10 Municipal Code section 4.56.040(d) and any applicable orders of the Director of Emergency
11 Services.

12 **FOURTH CAUSE OF ACTION**
13 **BROUGHT BY PLAINTIFF THE CITY OF SANTA MONICA**
14 **AGAINST ALL DEFENDANTS**

15 Violation of Santa Monica Municipal Code § 6.20
 (Home-Sharing and Vacation Rentals)

16 81. The City incorporates and realleges the allegations of the above paragraphs of
17 this complaint as though fully set forth here in their entirety.

18 82. The acts of Defendants described above constitute violations of the City’s Home-
19 Sharing and Vacation Rentals Ordinance as follows:

- 20 a. Defendants offered for rent and rented units at 1242 10th Street, including
21 without limitation Unit 7, as vacation rentals by renting them out for 30
22 consecutive days or less without living on site. Defendants thereby operated
23 an illegal vacation rental.
- 24 b. Insofar as Defendants purport to operate a home-share at 1242 10th Street,
25 Defendants failed to obtain and maintain a home-sharing permit and operated
26 without meeting the required permit conditions and thereby operated an
27 illegal home-share.

1 c. Defendants failed to collect and remit Transient Occupancy Tax (“TOT”) to
2 the City and comply with all City TOT requirements with respect to their
3 operations at 1242 10th Street.

4 d. Defendants undertook, maintained, authorized, aided, facilitated or advertised
5 a vacation rental or home-share at 1242 10th Street that does not comply with
6 the City’s home-share and vacation rental law.

7 83. For each separate act Defendants are liable for all remedies in Santa Monica
8 Municipal Code section 6.20.100.

9 84. Defendants have committed acts that violate Santa Monica Municipal Code
10 sections 6.20.020, 6.20.021, and 6.20.030. Unless Defendants are enjoined from engaging in
11 similar misconduct, current and future tenants at the property are likely to suffer irreparable
12 injury in the loss of their legal rights. Injunctive relief is expressly authorized by Santa Monica
13 Municipal Code section 6.20.100(d).

14 85. The Defendants are jointly and severally liable for violating the City’s home-
15 share and vacation rental ordinance.

16 **FIFTH CAUSE OF ACTION**
17 **BROUGHT BY PLAINTIFF THE PEOPLE OF CALIFORNIA**
18 **AGAINST ALL DEFENDANTS**

19 Violation of the Unfair Competition Law, Bus. & Prof. Code § 17200, *et seq.*
(Unlawful, Unfair, and/or Fraudulent Business Practices)

20 86. The People incorporate by reference all allegations in the above paragraphs of
21 this complaint as though fully set forth here in their entirety.

22 87. Beginning on or about July 25, 2018, when Defendants filed the Notice of
23 Intention to Withdraw Accommodations from Rent or Lease under the Ellis Act and continuing
24 to the present, Defendants, and each of them, with each other or other unknown persons,
25 engaged in and continue to engage in acts or practices that constitute unfair competition as
26 defined by Business and Professions Code section 17200, including unlawful, unfair, and
27 fraudulent business acts and practices, and unfair, deceptive, untrue and misleading advertising.
28 Such acts or practices include, but are not limited to the following:

- 1 a. Defendants' *unlawful* and unfair business acts and practices, as described
2 above, as well as similar conduct, include the following practices in
3 violation of law:
- 4 i. Violations of Government Code section 7060, *et. seq.* (the Ellis Act)
5 and Santa Monica Rent Board Regulations, Chapter 16 (Withdrawal
6 Accommodations) by offering units previously-withdrawn from the
7 rental market, for residential rental without first notifying the Board
8 of its intent to re-rent; by using the withdrawn units without first
9 obtaining all necessary permits from appropriate agencies of the State
10 of California, the City of Santa Monica, and the Santa Monica Rent
11 Control Board, including an occupancy permit from the City of Santa
12 Monica; and by offering the withdrawn rental units for residential
13 rental within two years of having withdrawn them under the Ellis Act,
14 without first offering them to the tenants displaced by the withdrawal
15 with the opportunity to reinstate their tenancies;
- 16 ii. Violations of Santa Monica City Charter section 1803(q) and Santa
17 Monica Rent Control Board Regulation 13001(g), by failing to file
18 any vacancy registration forms with the Board and by failing to
19 register the units for the new tenancies upon re-renting the units
20 following the withdrawal of the units under the Ellis Act;
- 21 iii. Violations of Santa Monica Municipal Code section 6.20 (Home-
22 Sharing and Vacation Rentals), through various individuals, by
23 undertaking, maintaining, authorizing, aiding, facilitating or
24 advertising vacation rentals and any home-sharing that do not comply
25 with Chapter 6.20 of the Santa Monica Municipal Code, and doing so
26 without the required home-sharing permit and business license;
- 27 iv. Violations of Santa Monica Municipal Code section 4.56 (Tenant
28 Harassment), with respect to Sharon Harris in Unit 9, by locking her

1 out of the gate that leads to the building, locking her out of her unit
2 and mailbox, permitting a car to be parked in Ms. Harris's space,
3 entering her unit without proper notice, changing the locks to her
4 door, and misinforming Ms. Harris that she had to leave because the
5 lease had expired.

6 b. Defendants' *fraudulent* business acts and practices which were likely to
7 deceive members of the public, as described above, as well as similar
8 conduct, include:

9 i. Defendants invoked the Ellis Act and used it as a legal mechanism to
10 displace three long-term tenants from their units at the property (Units
11 7, 8 and 9), with no intent of leaving the rental business. While
12 representing to the Board that the property will no longer be used as
13 residential rental accommodations, Defendants were in fact upgrading
14 and preparing the units for residential rental use;

15 ii. After invoking the Ellis Act to displace the long-term tenants and to
16 withdraw the units from future "rental housing use," Defendants
17 advertised and made available for rent units without complying with
18 the City's and Board's rules and regulations that apply to withdrawn
19 units, and did so while attempting to conceal the rental activity from
20 the City and Board;

21 iii. When City staff confronted Defendants with ads of the previously-
22 withdrawn units on rental sites that advertised the units as fully
23 furnished and available for rent, Defendants claimed that the ads were
24 a mistake, that the ads had been taken down, and that no one staying
25 in the units was paying to do so. These statements were false and
26 made to City staff to conceal Defendants' unauthorized rental activity;

27 iv. When City staff confronted Defendants with ads of the previously
28 withdrawn units on rental sites that advertised the units as available

1 for rent, Defendants submitted and then secured two City permits
2 under false pretenses. They sought and obtained occupancy permits
3 from the City based on the commitment that such occupancy would
4 be for “non-rental” purposes. Nine individuals certified, under penalty
5 of perjury, that they would not pay rent for the units. The persons
6 named as occupants in fact did not occupy the units; or they were
7 renters paying rent; or they were occupants who with Defendants,
8 engaged in unpermitted vacation rental or home-sharing activities.
9 Defendants used the units as in a manner to obtain greater profits than
10 what would be available in the rent-controlled regulated market.

11 c. Defendants engaged in acts of unfair competition in violation of Business
12 and Professions section 17200 by making or disseminating *unfair, deceptive,*
13 *untrue or misleading advertising*, as described above, as well as similar
14 conduct. Defendants’ representations were untrue or misleading when made
15 and were likely to mislead the general public, and include:

16 i. On or around October 2019, and continuing thereafter, Defendants
17 placed ads on rental sites such as apartments.com,
18 westsiderentals.com, and mysuite.com, which advertised the units at
19 the property as fully furnished and available for rent. Defendants
20 advertised the units as available for rent when they had been
21 withdrawn from the rental market under the Ellis Act, and were not
22 legally available for rent;

23 ii. Defendants submitted false or misleading information on their
24 occupancy permit applications in November 2019 (for Units 2, 3, 6,
25 and 10) and March 2020 (for Units 1, 4, 5, 7, and 9), which included
26 names of people who will occupy the units without paying rent. The
27 lists of non-rent paying occupants on the applications were in fact
28 *unfair, deceptive, untrue or misleading*, as the persons named on the

1 applications did not occupy the units; or they were renters paying
2 rent; or, they were occupants who with Defendants, engaged in
3 unpermitted vacation rental or home-sharing activities. As provided
4 for in Section 4.27.040 of the Santa Monica Municipal Code, an
5 occupancy permit application is reviewed by the City's Planning
6 Director who is then required to make a written report to the Planning
7 Commission and the City Council approving or denying the
8 occupancy permit application. Any false or misleading information
9 on an occupancy permit application is incorporated into the Planning
10 Director's written report, and shared with City staff, Planning
11 Commission, City Council, and subject to discussion and review by
12 the public. Here Defendants' *unfair, deceptive, untrue or misleading*
13 statements in their occupancy permit applications, submitted to the
14 City, were relied upon and incorporated in written reports that were
15 shared with the Planning Commission, City Council, and the public,
16 to determine whether the City should approve or deny the occupancy
17 permit applications.

18 88. The Defendants' unlawful, unfair, fraudulent and deceptive business practices
19 are likely to continue and therefore will continue to mislead the public as described above and
20 present a continuing threat to the public. Unless enjoined and restrained by an order of this
21 Court, Defendants will continue to engage in the unlawful, fraudulent, and misleading acts and
22 course of conduct described herein.

23 89. As a direct and proximate result of Defendants' conduct, Defendants have
24 received and continue to receive ill-gotten gains that rightfully belong to members of general
25 public who have been adversely affected by Defendants' conduct.

26 90. The People have no adequate remedy at law in that damages are insufficient to
27 protect the public from the present danger and harm caused by the conditions described in this
28 complaint.

1 91. Unless injunctive relief is granted to enjoin the Defendants' unfair and unlawful
2 business practices, the People will suffer irreparable injury and damage.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiffs pray for judgment against Defendants, as follows:

5 1. A declaration that Defendants violated the rent control law by failing to register
6 new tenancies pursuant to Santa Monica City Charter section 1803(q) and Board regulation
7 13001(g);

8 2. A declaration that Defendants violated the Ellis Act and the Board's
9 implementing regulations in Chapter 16 by failing to notify the Board of an intention to re-rent
10 withdrawn units, by re-renting units within two years of the withdrawal date, and by failing to
11 offer the units to displaced tenants;

12 3. A declaration that Defendants violated Business and Professions Code section
13 17200;

14 4. A permanent injunction pursuant to Santa Monica City Charter section 1811 to
15 enforce the Rent Control Law and restrain Defendants from continuing to violate the Rent
16 Control Law as set forth above;

17 5. During the pendency of this action, a preliminary injunction issued pursuant to
18 Santa Monica City Charter section 1811 to enjoin and restrain Defendants from continuing to
19 violate the Rent Control Law as set forth above;

20 6. Exemplary damages pursuant to Government Code section 7060.2(a)(3) and
21 Board regulations 1620 and 1629(c);

22 7. A preliminary and permanent injunction pursuant to Business and Professions
23 Code section 17203 and the Court's equitable powers, restraining and enjoining Defendants
24 from continuing the acts of unfair competition set forth above, and other such orders as may be
25 necessary to prevent future acts of unfair competition by the Defendants;

26 8. Defendants be ordered to restore to the public all funds acquired by the acts of
27 unfair competition set forth above pursuant to Business and Professions Code section 17203 and
28 the Court's equitable powers;

1 9. Defendants be ordered to pay, pursuant to Business and Professions Code section
2 17206, a civil penalty of \$2,500 for each violation of Business and Professions Code section
3 17200;

4 10. Defendants be ordered to pay additional civil penalties of \$2,500.00 for each act
5 of unfair competition committed against a senior citizen, pursuant to California Business and
6 Professions Code section 17206.1(a)(1);

7 11. Defendants be ordered to reimburse the City their full investigative costs, pay all
8 back transient occupancy tax, and remit all illegally obtained rental revenue to the City,
9 pursuant to Santa Monica Municipal Code section 6.20.100(b);

10 12. Injunctive relief, including without limitation:

- 11 a. Defendants will be prohibited from engaging in any future acts that
12 violate the Tenant Harassment Ordinance;
- 13 b. Defendants will be prohibited from wrongfully evicting or wrongfully
14 terminating any tenancy in Santa Monica;
- 15 c. Defendants will be required to register all current tenancies at the
16 property;
- 17 d. Defendants will re-offer units to the tenants who were displaced pursuant
18 to the Ellis Act notice;
- 19 e. Defendants will be prohibited from engaging in any future acts that
20 violate the City's residential leasing requirements;
- 21 f. Defendants will be prohibited from engaging in any future acts that
22 violate the City's home-sharing and vacation rental ordinance.

23 13. Actual damages suffered by the tenants according to proof or statutory damages,
24 pursuant to Santa Monica Municipal Code section 4.56.040(d);

25 14. Punitive damages, pursuant to Santa Monica Municipal Code section
26 4.56.040(d);

27 15. Attorneys' fees, pursuant to Santa Monica Municipal Code section 4.56.040(d)
28 and 6.20.100(d) and any other applicable laws;

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- 16. For costs of suit incurred herein; and
- 17. For such other relief as the Court deems just and equitable.

Dated: September 28, 2021

ALISON REGAN
General Counsel

/s/ Rebecca F. Sherman
REBECCA F. SHERMAN
Senior Litigation Attorney

Attorneys for Plaintiff,
Santa Monica Rent Control Board

GEORGE S. CARDONA
Interim City Attorney

EDA SUH
Chief Deputy City Attorney

/s/ Andrew Braver
ANDREW BRAVER
Deputy City Attorney

Attorneys for Plaintiff,
City of Santa Monica and
People of the State of California

EXHIBIT A

CITY OF SANTA MONICA – CITY PLANNING DIVISION
**OCCUPANCY PERMIT APPLICATION
FOR OCCUPANCY OF PROPERTY FOLLOWING
WITHDRAWAL PURSUANT TO THE ELLIS ACT**

Santa Monica

This part to be completed by City staff

Application Number(s)
RENT-0362

Filing Date: 9/26/19
Fee: \$ 2789.23
Receipt#: _____
Received by: S. Albright

Once a property has been withdrawn from the rental market under the procedures set forth in Government Code Sections 7060 et seq. there are specific requirements that must be met in order for the property to be subsequently occupied. The Planning Division is responsible for reviewing and acting upon occupancy applications. Any interested party can appeal the Planning Division's decision to the Planning Commission and then to the City Council, in accordance with Subchapter 9.04.20 Part 9.04.20.24 of the Santa Monica Zoning Ordinance. Appeal forms can be obtained at the City Planning counter.

****REQUIRED FILING MATERIAL. PROVIDE A COPY OF THE GRANT DEED FOR SUBJECT PROPERTY****

PART 1 GENERAL INFORMATION

PROPERTY ADDRESS: 1242 10th Street, Santa Monica, CA 90401

Land Use Element District: _____ Zoning District: Medium Density Residential, R3
Lot 1 of Tract 51124 in the City of Santa Monica as
Legal Description (Lot Block, Tract) per map book 1200, Page(s) 15, 16, & 17 of maps

APPLICANT
Name: 1238 10th Street, LLC
Address: 1831 Stanford Street, Suite 121, Santa Monica CA 90404 Phone: _____
Email: project@123810thstreet.com

PROPERTY OWNER
Name: 1238 10th Street, LLC
Address: 1831 Stanford Street, Suite 121, Santa Monica CA 90404 Phone: _____
Email: project@123810thstreet.com

ATTORNEY
Name: Rosario Perry
Address: 312 Pico Blvd Santa Monica, CA 90405 Phone: 310-394-9831
Email: Rosario@oceanlaw.com

**PART 2 WITHDRAWAL COMPLETE
RENT CONTROL BOARD CERTIFICATION (staff use only)**

1242 1-10
Unit identification

11/22/18
Date of withdrawal

[Signature]
Rent Control Signature

Staff Attorney
Title

10/31/19
Date Signed

PART 3 SITE CHARACTERISTICS

| | | | | |
|---|--|-----------|----------|--|
| Number of Existing Units: 10 | Number of Units at site prior to exercise of Ellis Act: 10 | | | |
| Number of Studio Units: 0 | 1-BR Units: 4 | | | |
| 2-BR Units: 3 | 3-BR Units: 3 | | | |
| 4-BR Units: 0 | 5+BR Units: 0 | | | |
| Number of Units at site to remain if intended use is approved: 10 | | | | |
| List unit size(s): 500-850 sf | | | | |
| Number of Parking Spaces: 8 | | | | |
| Existing 8 | Standard 8 | Compact 0 | Tandem 0 | |
| Proposed 8 | Standard 8 | Compact 0 | Tandem 0 | |

Description of all intended on-site uses. Include description of any units to remain vacant:
Residential non-rental use

If the existing structure(s) will be altered significantly, please specify proposed alterations:
Not Applicable

PART 4 INTENDED OCCUPANCY CHARACTERISTICS

To be filled in if this application is for residential occupancy

Applicants who wish to use the property for residential purposes must complete the following:

1. a.) Will a unit be occupied by the owner? Yes No
- b.) Which unit will be so occupied _____ unit #
- c.) Owner's name _____
- d.) Will any of the other units be occupied? Yes No
- e.) List the name(s) of the person(s) other than owner who will be occupying the units and which units will be so occupied:

| Name | Unit No. |
|---------------|----------|
| James Smith | 2 |
| Doug Holmes | 3 |
| Patrick Kudej | 6 |
| Sam Walfish | 10 |

No more than one unit may be occupied by an owner of the property. The owner can have other persons living in the other units, provided those persons do not have any ownership interest in the property and do not pay rent.

2. Will the property be returned to use as multi-family rental housing? _____ No
If yes, then the Rent Control Certification below must be completed.
3. Will the property be used as a Cooperative Apartment? _____ No
If Cooperative is proposed for the property, Subdivision Map and Conditional Use Permit are also required in addition to this application (see below).

**FOR MULT-FAMILY RENTAL HOUSING – RETURN WITHDRAWN UNITS TO RENTAL MARKET
RENT CONTROL BOARD CERTIFICATION (to be completed by Board Staff Member)**

The applicant has complied with requirements set forth in the Government Code Sections 7060.2 and 7060.4 and with applicable regulation promulgated by the Rent Control Board.

Name _____ Date _____
Title _____

Not applicable per application. JMM 10/31/11

FOR COOPERATIVE APARTMENTS ONLY:

Has a subdivision map been obtained in accordance with Chapter 3 of Article IX of the Santa Monica Municipal Code? Yes No

Please provide the Tentative Tract Map (TTM) or Parcel Map number and the date of its approval:

Date of Approval _____ TTM No. or Parcel Map No. _____

Date of approval for the Final Tract Map: _____

PART 5 CERTIFICATION

OWNER:

I CERTIFY UNDER PENALTY OF PERJURY that the information contained in this application is correct.

S. WA

Owner's Signature

Date

B5189280

1/15/22

Driver's License Number and State of Issuance

Expiration Date

OCCUPANT/S

With this signature, I declare I will not transfer money, provide services, or offer other forms of compensation to the owner in exchange for residency within the subject property.

Pauline Holman
Occupant's Signature

Date

9/4/2019

[Signature]
Occupant's Signature

Date

9-4-2019

[Signature]
Occupant's Signature

Date

9/5/2019

[Signature]
Occupant's Signature

Date

9/5/2019

Occupant's Signature

Date

EXHIBIT B



CITY OF SANTA MONICA – CITY PLANNING DIVISION
**OCCUPANCY PERMIT APPLICATION
FOR OCCUPANCY OF PROPERTY FOLLOWING
WITHDRAWAL PURSUANT TO THE ELLIS ACT**

This part to be completed by City staff

Application Number(s) 20FNT-0067

Filing Date: 3-3-2020
Fee: \$ _____
Receipt#: _____
Received by: Ly Bai-EP

Once a property has been withdrawn from the rental market under the procedures set forth in Government Code Sections 7060 et seq., there are specific requirements that must be met in order for the property to be subsequently occupied. The Planning Division is responsible for reviewing and acting upon occupancy applications. Any interested party can appeal the Planning Division's decision to the Planning Commission, and then to the City Council, in accordance with Subchapter 9.04.20 Part 9.04.20.24 of the Santa Monica Zoning Ordinance. Appeal forms can be obtained at the City Planning counter.

****REQUIRED FILING MATERIAL: PROVIDE A COPY OF THE GRANT DEED FOR SUBJECT PROPERTY****

PART 1 GENERAL INFORMATION

PROPERTY ADDRESS: 1242 10th Street, Santa Monica, CA 90401

Land Use Element District: _____ Zoning District: Medium Density Residential, R3

Legal Description (Lot, Block, Tract) Lot 1 of Tract 51124 in the City of Santa Monica as per map book 1200, Page(s) 15, 16, & 17 of maps

APPLICANT Name: 1238 10th Street, LLC

Address: 1831 Stanford Street, Suite 121, Santa Monica CA 90404 Phone: _____

Email: project@123810thstreet.com

PROPERTY OWNER Name: 1238 10th Street, LLC Scott Walter

Address: 1831 Stanford Street, Suite 121, Santa Monica CA 90404 Phone: 310-394-9831

Email: project@123810thstreet.com

ATTORNEY Name: Rosario Perry

Address: 312 Pico Blvd Santa Monica, CA 90405 Phone: 310-394-9831

Email: Rosario@oceanlaw.com

**PART 2 WITHDRAWAL COMPLETE
RENT CONTROL BOARD CERTIFICATION (staff use only)**

1242 1-10 11/22/18
 Unit Identification Date of withdrawal

[Signature] Staff Attorney 3/21/20
 Rent Control Signature Title Date Signed

PART 3 SITE CHARACTERISTICS

| | | | | |
|---|--|-----------|----------|--|
| Number of Existing Units: 10 | Number of Units at site prior to exercise of Ellis Act: 10 | | | |
| Number of Studio Units: 0 | 1-BR Units: 4 | | | |
| 2-BR Units: 3 | 3-BR Units: 3 | | | |
| 4-BR Units: 0 | 5+BR Units: 0 | | | |
| Number of Units at site to remain if intended use is approved: 10 | | | | |
| List unit size(s): 500-850 sf | | | | |
| Number of Parking Spaces: 8 | | | | |
| Existing 8 | Standard 8 | Compact 0 | Tandem 0 | |
| Proposed 8 | Standard 8 | Compact 0 | Tandem 0 | |

Description of all intended on-site uses. Include description of any units to remain vacant:
 Residential non-rental use

If the existing structure(s) will be altered significantly, please specify proposed alterations:
 Not Applicable

PART 4 INTENDED OCCUPANCY/CHARACTERISTICS

To be filled in if this application is for residential occupancy.

Applicants who wish to use the property for residential purposes must complete the following:

1. a.) Will a unit be occupied by the owner? Yes No
- b.) Which unit will be so occupied _____ unit #
- c.) Owner's name _____
- d.) Will any of the other units be occupied? Yes No
- e.) List the name(s) of the person(s) other than owner who will be occupying the units and which units will be so occupied:

| Name | Unit No. |
|-------------------|----------|
| Zackery Kohon | 4 |
| Katherine Laprell | 1 |
| Dino Ciarmoli | 9 |
| Pranav Patel | 5 |
| Lauren Cynkar | 7 |

No more than one unit may be occupied by an owner of the property. The owner can have other persons living in the other units, provided those persons do not have any ownership interest in the property and do not pay rent.

2. Will the property be returned to use as multi-family rental housing? No
If yes, then the Rent Control Certification below must be completed.
3. Will the property be used as a Cooperative Apartment? No
If Cooperative is proposed for the property, Subdivision Map and Conditional Use Permit are also required in addition to this application (see below).

**FOR MULTIFAMILY RENTAL HOUSING: RETURN WITHDRAWN UNITS TO RENTAL MARKET.
RENT CONTROL BOARD CERTIFICATION *(to be completed by Board Staff Member)***

The applicant has complied with requirements set forth in the Government Code Sections 7060.2 and 7060.4 and with applicable regulation promulgated by the Rent Control Board.

Name _____ Date _____
Title _____
NA per application from 3/21/20

FOR COOPERATIVE APARTMENTS ONLY:

Has a subdivision map been obtained in accordance with Chapter 3 of Article IX of the Santa Monica Municipal Code? Yes No

Please provide the Tentative Tract Map (TTM) or Parcel Map number and the date of its approval:
Date of Approval _____ TTM No. or Parcel Map No. _____

Date of approval for the Final Tract Map: _____

PART 5 CERTIFICATION

OWNER:

I CERTIFY UNDER PENALTY OF PERJURY that the information contained in this application is correct.

[Signature] 3/03/2020
Owner's Signature Date
B5189260 1/15/21
Driver's License Number and State of Issuance Expiration Date

OCCUPANT/S

With this signature, I declare I will not transfer money, provide services, or offer other forms of compensation to the owner in exchange for residency within the subject property.

[Signature] 01/28/2020
Occupant's Signature Date
[Signature] 1/28/20
Occupant's Signature Date
[Signature] 2/13/2020
Occupant's Signature Date
[Signature] 2/13/2020
Occupant's Signature Date
[Signature] 3/03/2020
Occupant's Signature Date
[Signature] 3/03/2020
Occupant's Signature Date