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June 14, 2006

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City Attorney Sues Predatory Apartment Owner; Dozens of Allegations of Fraud, Harassment

Suit Alleges Landmark Equity Management Illegally Drove Out Poor Tenants; Delgadillo Joined by Legal Aid Foundation, L.A. Community Action Network in Announcing Unfair Business Practices Suit

LOS ANGELES – City Attorney Rocky Delgadillo announced that his office had sued Landmark Equity Management Inc., alleging that it and its affiliates had violated state law by engaging in a calculated scheme to drive low-income tenants out of the 850-plus rent controlled apartment units they own in Los Angeles using illegal and immoral tactics to increase the value of its holdings.

According to the complaint, Landmark’s practice is to acquire rent-controlled buildings with a high occupancy rate and to embark on a pattern of harassment, intimidation and misinformation to unlawfully drive out as many tenants as possible. Once the tenants leave, Landmark renovates and reconfigures the properties – often with unlicensed contractors who do shoddy work – to make it possible to house more people at each property and generate more revenue. Tenants have come to call these newly-renovated properties “rabbit hutches.”

“Working with our partners at the Coalition for Economic Survival, the Legal Aid Foundation and Los Angeles Community Action Network, we have compiled compelling evidence that Landmark Equity has harassed, threatened and deceived its tenants in its pursuit of profit,” said Delgadillo. “The intent of this litigation is not only to seek redress for this behavior, but to let others who prey on our lower-income residents know that we will be coming after you.”

The Safe Neighborhoods Division of the City Attorney’s Criminal and Special Litigation Branch worked with the advocacy groups to fashion the complaint. The suit alleges that in the past three years, Landmark has driven all the tenants out of two of the more than 40 properties it owns and is in the process of attempting to do the same in five others.

“Angelenos, especially those with children, have the right to safe and healthy living conditions,” said Councilmember Ed P. Reyes, vice chair of the Housing, Community and Economic Development Committee. “The blatant disregard for these rights is deplorable. Through the coordinated efforts of the city and housing advocates, we are providing hope for the poorest of the poor.”

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Landmark Litigation 2-2-2

The suit alleges dozens of violations of the state's Business and Professions Code by Landmark and its affiliates through a number of illegal or unfair practices, including:

- Lying to tenants by telling them the building has been condemned and they have to relocate
- Illegally increasing rents in violation of the City's Rent Stabilization Ordinance
- Refusing to accept rent payments, then suing tenants for failure to pay
- Not paying mandated relocation funds
- Illegally shutting off utilities, entering units without permission and harassing tenants

The suit seeks an order from the Court compelling Landmark to comply with orders issued by the Los Angeles Housing Department, Los Angeles Fire Department, Los Angeles Department of Building and Safety as well as the provisions of the Rent Stabilization Ordinance and Tenant Habitability Program. It also seeks an end to the unfair business practices, restitution for victims and disgorgement of all profits acquired through deceptive means.

Landmark could also face between \$2,500 and \$6,000 in civil penalties for the dozens of alleged violations of the Business and Professions Code, potentially reaching several hundred thousands of dollars.

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