

1 **LAW OFFICE OF JIMMIE DAVIS PARKER, APC**
2 JIMMIE DAVIS PARKER, ESQ. (SBN: 252023)
3 7812 WING FLIGHT COURT
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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

10/07/2021 at 11:45:00 AM
Clerk of the Superior Court
By Kristin Sorianosos, Deputy Clerk

7 Attorney for Plaintiff Christian Yu, Bianca Hazel, Rachel Whillier and all others similarly situated

8 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **COUNTY OF SAN DIEGO**

10 CHRISTIAN YU; BIANCA HAZEL, RACHEL
11 WHILLIER; and ROES 1 through 100 inclusive;
12 individually, and on behalf of all others similarly
13 situated,

14 Plaintiffs,

15 v.

16 GLEIBERMAN PROPERTIES INC., a California
17 Corporation, dba MG Properties Group; and
18 DOES 1 through 100, inclusive,

19 Defendants.

Case No.: 37-2021-00008418-CU-OR-CTL

[Imaged File]

CLASS ACTION

(Plaintiff Class, Cal. Code Civ. Proc., § 382)

JURY DEMAND

FIRST AMENDED COMPLAINT

1. Violation of Civil Code § 1950.5
2. Unfair Competition (Bus. & Prof. Code §§ 17200, *et seq.*)
3. Violation of California Civil Code § 1671

1 Plaintiff avers:

2 **JURISDICTION**

3 1. This Court has jurisdiction over the claims for relief asserted herein pursuant to Article
4 6, Section 10 of the Constitution of the State of California.

5 **VENUE**

6 2. Venue of this civil action is properly fixed in San Diego County, California, pursuant
7 to Sections 395 and 395.5 of the California Code of Civil Procedure.

8 **CERTAIN AVERMENTS UPON INFORMATION AND BELIEF**

9 3. The averments of fact which are contained within certain Paragraphs of this Complaint
10 are made upon information and belief which may be grounded in whole or in part upon matters
11 discovered through investigation conducted by the undersigned counsel.

12 **PARTIES**

13 4. Plaintiff CHRISTIAN YU is an individual, a resident of San Diego County and a
14 citizen of the State of California.

15 5. Plaintiff BIANCA HAZEL is an individual, a resident of San Diego County and a
16 citizen of the State of California.

17 6. Plaintiff RACHEL WHILLIER is an individual, a resident and citizen of the State of
18 Arizona.

19 7. Plaintiffs ROES 1 through 100 are former tenants of Defendant GLEIBERMAN
20 PROPERTIES INC owned and/or managed property located in California, who, though not yet
21 identified, are similarly situated to the above-named Plaintiff, and who may serve as additional class
22 representatives. The true names of Plaintiffs ROES 1 through 100 will be added to this Complaint
23 when their identities become known. Hereinafter Plaintiff CHRISTIAN YU, BIANCA HAZEL,
24 RACHEL WHILLIER, and unidentified Plaintiffs ROES 1-100 shall be collectively called
25 "Plaintiffs".

26 8. Defendant GLEIBERMAN PROPERTIES INC., dba MG Properties Group,
27 (hereinafter "MG") is a multi-dwelling residential apartment investor, owner, developer, and property
28 management juggernaut headquartered in San Diego, California. According to MG's website, MG

1 has overseen the acquisition, development, and management of 146 multi-unit residential properties,
2 totaling over 34,000 units with a value over \$6.9 billion. MG proclaims it currently performs
3 property management services for over 21,000 apartment homes located in 76 different communities.
4 Unfortunately for tenants of MG's portfolio, MG uniformly, systematically, and in bad faith retains
5 residential security deposits in violation of California law and additionally charges its tenants
6 unlawful and excessive late fees when they are late as little as \$25 short or a day late on their rent.

7 9. MG has centralized security deposit administration, rent and late fee policy for all the
8 California properties under its portfolio by developing, promulgating, and administering security
9 deposit and late fee policies and practices uniformly across their California controlled and/or
10 managed properties.

11 10. MG is responsible for the security deposit administration and late fee policy of, at
12 least, 30 California apartment complexes. These properties are herein collectively referred to
13 "CALIFORNIA PROPERTIES." The "CALIFORNIA PROPERTIES" under MG's control and/or
14 management are owned by the following entities with their respective physical address as follows:

- 15 a. MG ATWOOD APARTMENTS RIA LLC is a Delaware limited liability company
16 that owns and does business as "Atwood Apartments," a multi-dwelling residential
17 apartment complex. MG ATWOOD APARTMENTS RIA LLC is generally located at
18 5400 Heritage Tree Lane, Citrus Heights, California 95610.
- 19 b. MG BELLA VISTA APARTMENTS EKG LLC; and, MG BELLA VISTA
20 APARTMENTS TSI, LLC are Delaware limited liability companies that jointly own
21 and do business as "Bella Vista At Elk Grove Apartments," a multi-dwelling
22 residential apartment complex. MG BELLA VISTA APARTMENTS EKG LLC; and,
23 MG BELLA VISTA APARTMENTS TSI LLC are generally located at 6810 Di Lusso
24 Dr., Elk Grove, California 95758.
- 25 c. MG CANYON VILLA APARTMENTS L.P. is a California limited partnership that
26 owns and does business as "Canyon Villa Apartment Homes," a multi-dwelling
27 residential apartment complex. MG CANYON VILLA APARTMENTS L.P. is
28 generally located at 601 Telegraph Canyon Road, Chula Vista, California 91910.

- 1 d. MG CARILLON APARTMENTS LLC; and, MG CARILLON APARTMENTS SEA
2 LLC are a Delaware limited liability companies that own and do business as “Carillon
3 Apartment Homes,” a multi-dwelling residential apartment complex. MG
4 CARILLON APARTMENTS LLC; and, MG CARILLON APARTMENTS SEA LLC
5 are generally located at 6301 De Soto Avenue, Woodland Hills, California 91367.
- 6 e. MG DEL NORTE PLACE L.P. is a California limited partnership that owns and does
7 business as “Del Norte Place Apartment Homes,” a multi-dwelling residential
8 apartment complex. MG DEL NORTE PLACE L.P. is generally located at 11720
9 San Pablo Avenue, El Cerrito, California 94530.
- 10 f. MG ENCLAVE AT WARNER CENTER APARTMENTS ACF LLC;, MG
11 ENCLAVE AT WARNER CENTER APARTMENTS APP LLC; and, MG
12 ENCLAVE AT WARNER CENTER APARTMENTS SGC LLC are Delaware
13 limited liability companies that own and do business as “The Enclave at Warner
14 Center,” a multi-dwelling residential apartment complex. MG ENCLAVE AT
15 WARNER CENTER APARTMENTS ACF LLC; MG ENCLAVE AT WARNER
16 CENTER APARTMENTS APP LLC; and, MG ENCLAVE AT WARNER CENTER
17 APARTMENTS SGC LLC are generally located at 6710 Variel Ave, Woodland Hills,
18 California 91303.
- 19 g. MG HACIENDA HEIGHTS LLC is a California limited liability company that owns
20 and does business as “Hills at Hacienda Heights,” a multi-dwelling residential
21 apartment complex. MG HACIENDA HEIGHTS LLC is generally located at 2401 S
22 Hacienda Blvd., Hacienda Heights, California 91745.
- 23 h. MG LANDING AT COLLEGE SQUARE APARTMENTS GPK, LLC; and, MG
24 LANDING AT COLLEGE SQUARE APARTMENTS MOS LLC are Delaware
25 limited liability companies that own and do business as “The Landing at College
26 Square,” a multi-dwelling residential apartment complex. MG LANDING AT
27 COLLEGE SQUARE APARTMENTS GPK LLC; and, MG LANDING AT
28 COLLEGE SQUARE APARTMENTS MOS LLC are generally located at 7640 W.

1 Stockton Blvd., Sacramento, California 95823.

- 2 i. MG MADISON PARK LLC is a Delaware limited liability company that owns and
3 does business as “Madison Park Apartment Homes,” a multi-dwelling residential
4 apartment complex. MG MADISON PARK LLC is generally located at 2235 W
5 Broadway, Anaheim, California 92804.
- 6 j. MG MARC APARTMENTS LLC is a Delaware limited liability company that owns
7 and does business as “Marc San Marcos,” a multi-dwelling residential apartment
8 complex. MG MARC APARTMENTS LLC is generally located at 1045 Amorlite
9 Dr., San Marcos, California 92069.
- 10 k. MG MARQUEE INVESTMENTS PKV L.P. is a California limited partnership that
11 owns and does business as “The Marquee Apartments,” a multi-dwelling residential
12 apartment complex. MG MARQUEE INVESTMENTS PKV L.P. is generally
13 located at 12300-12312 Sherman Way, North Hollywood, California 91605.
- 14 l. MG MERIDIAN PLACE APARTMENTS ACF LLC; and MG MERIDIAN PLACE
15 APARTMENTS SGC LLC are Delaware limited liability companies that own and do
16 business as “Meridian Place Apartments,” a multi-dwelling residential apartment
17 complex. MG MERIDIAN PLACE APARTMENTS ACF LLC; and MG
18 MERIDIAN PLACE APARTMENTS SGC LLC are generally located at 9423 Reseda
19 Blvd., Northridge, California 91324.
- 20 m. MG MITCHELL PLACE APARTMENTS LLC; and MG MITCHELL PLACE
21 APARTMENTS 3CD LLC are Delaware limited liability companies that owns and do
22 business as “Mitchell Place Apartments,” a multi-dwelling residential apartment
23 complex. MG MITCHELL PLACE APARTMENTS LLC; and MG MITCHELL
24 PLACE APARTMENTS 3CD LLC are generally located at 35995 Mitchell Road,
25 Murrieta, California 92562
- 26 n. J MELLANO PINE MONTE VISTA LLC; S&M MELLANO PINE MONTE VISTA
27 LLC; CASTELLANO PINE MONTE VISTA LLC; KEELER PINE MONTE VISTA
28 LLC; and, MG MONTE VISTA APARTMENTS 235 LLC are California limited

1 liability companies that own and do business as “Monte Vista Apartment Homes,” a
2 multi-dwelling residential apartment complex. J MELLANO PINE MONTE VISTA
3 LLC; S&M MELLANO PINE MONTE VISTA LLC; CASTELLANO PINE MONTE
4 VISTA LLC; KEELER PINE MONTE VISTA LLC; and, MG MONTE VISTA
5 APARTMENTS 235 LLC are generally located at 1825 Foothill Boulevard, La Verne,
6 California 91750.

7 o. MG MORNINGVIEW TERRACE APARTMENTS LLC is a California limited
8 liability company that owns and does business as “Morning View Terrace,” a multi-
9 dwelling residential apartment complex. MG MORNINGVIEW TERRACE
10 APARTMENTS LLC is generally located at 439 W El Norte Parkway, Ste. 102,
11 Escondido, California 92026.

12 p. MG NORTH POINTE APARTMENTS HRP LLC; MG NORTH POINTE
13 APARTMENTS LLC; and MG NORTH POINTE INVESTMENTS L.P. are
14 Delaware limited liability companies and limited partnership, respectively, that own
15 and do business as “North Pointe Apartments,” a multi-dwelling residential apartment
16 complex. MG NORTH POINTE APARTMENTS HRP LLC; MG NORTH POINTE
17 APARTMENTS LLC; and MG NORTH POINTE INVESTMENTS L.P. are generally
18 located at 6801 Leisure Town Road, Vacaville, California 95688.

19 q. MG ONTARIO TOWN SQUARE TOWNHOMES LP is a California Limited
20 Partnership. MG ONTARIO TOWN SQUARE ISV 60TH LLC; MG ONTARIO
21 SQUARE ISV WDT LLC; and MG ONTARIO TOWN SQUARE MTP LLC are
22 Delaware limited liability companies. MG ONTARIO TOWN SQUARE
23 TOWNHOMES LP; MG ONTARIO TOWN SQUARE ISV 60TH LLC; MG
24 ONTARIO SQUARE ISV WDT LLC; and MG ONTARIO TOWN SQUARE MTP
25 LLC own and do business as “Ontario Town Square Townhomes,” a multi-dwelling
26 residential apartment complex. MG ONTARIO TOWN SQUARE TOWNHOMES
27 LP; MG ONTARIO TOWN SQUARE ISV 60TH LLC; MG ONTARIO SQUARE
28 ISV WDT LLC; and MG ONTARIO TOWN SQUARE MTP LLC is generally

1 located at 380 East Bluebird Privado, Ontario, California 91764.

- 2 r. MG PACIFIC PLACE APARTMENTS LP is a California limited partnership that
3 owns and does business as “Pacific Place,” a multi-dwelling residential apartment
4 complex. MG PACIFIC PLACE APARTMENTS LP is generally located at 2665
5 Geneva Avenue, Daly City, California 94014.
- 6 s. MG PINE AT 6TH APARTMENTS LLC; and MG PINE AT 6TH APARTMENTS
7 ACF LLC are Delaware limited liability companies that own and do business as “Pine
8 at 6th,” a multi-dwelling residential apartment complex. MG PINE AT 6TH
9 APARTMENTS LLC; and MG PINE AT 6TH APARTMENTS ACF LLC are
10 generally located at 555 Pine Avenue, Long Beach, California 90802.
- 11 t. MG PRESERVE AT MELROSE APARTMENTS L.P.; MG PRESERVE AT
12 MELROSE APARTMENTS LLC; and, MG PRESERVE AT MELROSE
13 APARTMENTS MVT LLC are a Delaware limited partnership and Delaware limited
14 companies, respectively, that own and do business as “Preserve at Melrose,” a multi-
15 dwelling residential apartment complex. MG PRESERVE AT MELROSE
16 APARTMENTS L.P.; MG PRESERVE AT MELROSE APARTMENTS LLC; and,
17 MG PRESERVE AT MELROSE APARTMENTS MVT LLC are generally located at
18 1401 North Melrose Drive, Vista, California 92083.
- 19 u. MG SANTA ROSA LP and MG SANTA ROSA MYA LP are California and
20 Delaware limited partnerships, respectively, that own and do business as “Santa Rosa
21 Apartments,” a multi-dwelling residential apartment complex. s MG SANTA ROSA
22 LP and MG SANTA ROSA MYA LP are generally located at 36491 Yamas Dr.,
23 Wildomar, California 92595.
- 24 v. MG SOMERFIELD AT LAKESIDE APARTMENTS LSMI LLC is a Delaware
25 limited liability company that owns and does business as “Sommerfield at Lakeside,” a
26 multi-dwelling residential apartment complex. MG SOMERFIELD AT LAKESIDE
27 APARTMENTS LSMI LLC is generally located at 9444 Harbour Point Drive, Elk
28 Grove, California 95758.

- 1 w. MG STERLING VILLAGE APARTMENTS BHC L.P. and MG STERLING
2 VILLAGE APARTMENTS GWP L.P. are California limited partnerships that own
3 and do business as “Sterling Village Apartment Homes,” a multi-dwelling residential
4 apartment complex. MG STERLING VILLAGE APARTMENTS BHC L.P. and MG
5 STERLING VILLAGE APARTMENTS GWP L.P. are generally located at 88 Valle
6 Vista Ave., Vallejo, California 94590.
- 7 x. MG STONERIDGE VILLAGE GROVE LLC; MG STONERIDGE MEADOWS
8 LLC; MG STONERIDGE GREENBRIER 58 LLC; and MG STONERIDGE
9 GREENBIER 44 LLC are Delaware limited liability companies that own and do
10 business as “Stoneridge Apartment Homes,” a multi-dwelling residential apartment
11 complex. MG STONERIDGE VILLAGE GROVE LLC; MG STONERIDGE
12 MEADOWS LLC; MG STONERIDGE GREENBRIER 58 LLC; and MG
13 STONERIDGE GREENBIER 44, LLC are generally located at 1540 West 8th St.,
14 Upland, California 91786.
- 15 y. MG STONEWOOD GARDEN APARTMENTS L.P. is a California limited
16 partnership that owns and does business as “Stonewood Gardens Apartment Homes,”
17 a multi-dwelling residential apartment complex. MG STONEWOOD GARDEN
18 APARTMENTS L.P. is generally located at 3889-3833 Midway Dr., San Diego,
19 California 92110.
- 20 z. MG TERRACE GARDENS APARTMENTS LLC is a California limited liability
21 company that owns and does business as “Terrace Gardens: an Active Adult
22 Community,” a multi-dwelling residential apartment complex targeted for seniors.
23 MG TERRACE GARDENS APARTMENTS LLC is generally located at 1045
24 Morning View Dr., Escondido, California 92027.
- 25 aa. MG TERRAMONTE APARTMENTS LP is a California limited partnership that
26 owns and does business as “Terramonte Apartment Homes,” a multi-dwelling
27 residential apartment complex. MG TERRAMONTE APARTMENTS LP is
28 generally located at 150 West Foothill Blvd., Pomona, California 91767.

1 bb. MG UNION PLACE APARTMENTS CDR LLC; MG UNION PLACE
2 APARTMENTS LLC; and MG UNION PLACE APARTMENTS WDP LLC are
3 Delaware limited liability companies that own and do business as “Union Place
4 Apartments,” a multi-dwelling residential apartment complex. MG UNION PLACE
5 APARTMENTS CDR LLC; MG UNION PLACE APARTMENTS LLC; and MG
6 UNION PLACE APARTMENTS WDP LLC are generally located at 1500 Cherry St.,
7 Suite 5106A, Placentia, California 92870.

8 cc. MG WATERLEAF APARTMENTS SHL LLC; MG WATERLEAF APARTMENTS
9 GSP LLC; MG WATERLEAF APARTMENTS CDP LLC; and MG WATERLEAF
10 APARTMENTS BSR LLC are California limited liability companies that own and do
11 business as “Waterleaf,” a multi-dwelling residential apartment complex. MG
12 WATERLEAF APARTMENTS SHL LLC; MG WATERLEAF APARTMENTS GSP
13 LLC; MG WATERLEAF APARTMENTS CDP LLC; and MG WATERLEAF
14 APARTMENTS BSR LLC are generally located at 333 North Emerald Drive, Vista,
15 California 92083.

16 dd. MG WATERSTONE APARTMENTS LP is a California limited partnership that
17 owns and does business as “Waterstone Apartments,” a multi-dwelling residential
18 apartment complex. MG WATERSTONE APARTMENTS LP is generally located at
19 1951 West Middlefield Dr., Tracy, California 95377.

20 ee. Plaintiff is ignorant of any other entities and properties that MG controls and/or
21 manages in California, however, should discovery identify these entities, Plaintiff will
22 amend to identify.

23 11. Upon information and belief, 100% of the putative plaintiffs resided in California at
24 the time their cause of action accrued, more than two-thirds of putative plaintiffs continue to reside in
25 California, all injuries complained of herein occurred within California, and MG is headquartered in
26 California, owns property in California and primarily, if not exclusively, does business within
27 California.

28 12. Plaintiff is informed and believe and thereupon aver that DOES 1 through 100 are

1 other natural persons, corporations, limited-liability companies, general partnerships, limited
2 partnerships, limited-liability partnerships, trusts, unincorporated associations, and/or other entities of
3 any kind or character who have incurred liability to Plaintiff (and/or to one or more members of the
4 Plaintiff Class) in relation to the transactions and/or occurrences that are the subject of this
5 Complaint, or who have any interest in the subject of this Complaint.

6 13. Except as may be described here, Plaintiff is yet uninformed of the true names,
7 capacities and nature and extent of participation in the course of conduct alleged here of the persons
8 sued as DOES 1 through 100 inclusive, and Plaintiff is as yet uninformed of the nature and extent of
9 any interest that the persons sued as DOES 1 through 100 inclusive may have in the subject of the
10 Complaint. Plaintiff therefore sues these defendants by fictitious names. Plaintiff will amend this
11 Complaint to allege the true names and capacities of the DOE defendants when ascertained.

12 14. Upon information and belief, each of the Defendants named here, including DOES 1-
13 100 and their alter-egos, are joint-tortfeasors, in joint-enterprise, co-conspirators, and acting within
14 the scope of their agency and within their actual and apparent authority to conduct themselves in the
15 manner herein complained.

16 15. Upon information and belief, each of the Defendants named here, including DOES 1-
17 100 and their alter-egos, acted as an owner, principal, agent, employer, employee, joint-employer,
18 joint-venturer, franchisor, franchisee, shareholder, director, member, co-conspirator, shell, conduit,
19 master, or partner of each other, and at all times were acting within the scope and course and in
20 pursuance of his, her or its agency, employment, joint-employment, joint-venture, franchise,
21 partnership, common and joint-enterprise, or actual or apparent authority in concert with each other.

22 16. Upon information and belief, each of the Defendants named here, including DOES 1 -
23 100 and their alter-egos, are individually, jointly and severally liable to Plaintiff and Plaintiff class
24 because each Defendant directly or indirectly, or through an agent or employee, actually, proximately
25 and vicariously caused injury to Plaintiffs as described here.

26 17. Upon information and belief, the acts and omissions of each Defendant named here,
27 including DOES 1 - 100 and their alter-egos, contributed to the acts and omissions of each other
28 Defendant in proximately causing the complaints, injuries, and damages alleged. Defendants

1 approved of, condoned, and/or otherwise ratified each of the acts or omissions complained of. And
2 Defendants aided and abetted the acts and omissions of each other Defendant, including DOES 1 -
3 100 and their alter-egos, in proximately causing the complaints, injuries, and damages alleged.

4 **GENERAL ALLEGATIONS**

5 18. MG is a real estate development and property management company that has
6 responsibility for rent, late fee and security deposit administration of at least 30 residential complexes
7 in California; by standard operating procedure, practices and policies MG retains the security
8 deposits of its former tenants at these properties in bad faith, by fraudulently charging former tenants
9 amounts against, over and above their security deposits for unsubstantiated work, work not necessary,
10 work not performed and/or not the obligation of the departing tenant under California law.

11 19. At 10505 Sorrento Valley Road, Ste. 300 San Diego, California 92121 MG runs the
12 scheme where all tenants of the CALIFORNIA PROPERTIES are directed to send their complaints,
13 concerns, rent checks and security deposits to the agents and co-conspirators of MG. MG unlawfully
14 retain former tenants' security deposits via a standard practice and policy of billing former tenants for
15 normal wear and tear; and, charging former tenants fees for labor and services that were not
16 performed, not required, and moreover not substantiated as required under California law. These
17 excessive, unsubstantiated, unwarranted, unenforceable, unlawful and/or fraudulent charges, and the
18 subsequent withholding of security deposits from these former tenants and the efforts to collect these
19 charges over and above the security deposits, form the basis of the Security Deposit Class.

20 20. MG's unreasonable, excessive, unlawful, unenforceable and/or unsubstantiated
21 charges made against former tenants' security deposits often exceed the amount of the deposit held
22 by Defendant. When this occurs, Defendant cause a bill, and sometimes a collections notice, to be
23 sent to former tenants, knowing that the monies claimed are based upon fraudulent, unreasonable,
24 excessive, unlawful, unenforceable and/or unsubstantiated move-out charges. This conduct has
25 resulted in damages to former tenants both through the collection of such amounts and by the
26 reporting of such alleged debts to third-parties, defaming former tenants, damaging their credit and
27 impairing their ability to rent other apartments.

28 21. Civil Code § 1950.5(g)(1) provides that, no later than 21 calendar days after the

1 tenant vacates the premises, the landlord “shall furnish the tenant, by personal delivery or by first-
2 class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount
3 of, any security received and the disposition of the security, and shall return any remaining portion of
4 the security to the tenant.” Civil Code § 1950.5(g)(2)(B) provides that the landlord must also include
5 copies of documents substantiating the charges incurred and deducted by the landlord to repair or
6 clean the premises; specifically, the “landlord shall provide the tenant a copy of the bill, invoice, or
7 receipt supplied by the person or entity performing the work.”¹ Civil Code § 1950.5(g)(2)(A)
8 provides: “If the landlord or landlord's employee did the work, the itemized statement shall
9 reasonably describe the work performed. The itemized statement shall include the time spent and the
10 reasonable hourly rate charged.” MG’s itemizations and other documentation sent to former tenants,
11 referred to as “Move-out Statements,” by universal, standard operating procedure and policy do not
12 satisfy any of the requirements as set forth in § 1950.5(g)(2).

13 22. MG’s standard operating procedures for the administration of its former tenants’
14 security deposits uniformly and systematically violates Civil Code § 1950.5(g)(2). MG, as a matter
15 of standard policy and practice, does not send bills, receipts, or invoices from the third-party vendors
16 it alleges performed work on the vacated premises. Additionally, MG, as a matter of standard policy
17 and practice does not describe the work allegedly performed on the leasehold in the manner required
18 by code and instead uses unlawfully vague descriptions – a uniform practice designed to obfuscate
19 the work, if any, performed on a leasehold, who performed the work, and the cost and/or manhours of
20 the work with the intention of wrongfully maximizing security deposit retention. By uniform and
21 standard operating procedure, it is impossible to determine, in contravention of law, if the work MG
22 allegedly performed on the leasehold was performed by a vendor or an in-house employee.

23 23. Plaintiff CHRISTIAN YU is a former tenant of a CALIFORNIA PROPERTY,
24 formerly residing at The Preserve at Melrose. Mr. Yu’s lease with Defendant required a security
25 deposit of \$500 when he moved-in in July 2018. After an issue with pests affecting the habitability
26 of the leasehold, Mr. Yu and MG agreed to a mutual lease break effective December 8, 2018, Mr. Yu

27 ¹ The “receipt requirement” of Civ. Code § 1950.5(g)(2) is excepted when deductions for cleaning and repairs combined
28 do not exceed \$125.

1 departed the leasehold on that same day. Following his departure, on January 10, 2019, Mr. Yu
2 received an email from Madison Murry of MG with a screenshot of an account ledger indicating he
3 owed \$2,741.93. This email was the first time Mr. Yu had received any documentation from MG
4 regarding the disposition of his security deposit. The email contained no invoices nor receipts from
5 any vendors. The screenshot indicated that Mr. Yu's \$500 security deposit was exhausted by, *inter*
6 *alia*, \$140 for "Full Apartment Cleaning," \$366.66 for "Full Painting Pro-Rated," \$367.04 for
7 "Carpet Replacement Pro-Rate." Mr. Yu disputed these and other charges via email to MG. At no
8 time did MG provide either the statutorily required itemization, invoices or receipts for the work
9 allegedly performed on the leasehold, nor did it lawfully describe any work allegedly performed by
10 MG employees.

11 24. The Civil Code sets forth requirements for the treatment of security deposits upon
12 termination of a residential lease, *inter alia*, § 1950.5(b) provides that a landlord may only use a
13 security deposit to satisfy charges against a former tenant for: (1) rent in arrears; (2) repairs exclusive
14 of wear and tear; (3) cleaning required to bring the leasehold back to the condition it was in when the
15 tenant accepted the tenancy; and (4) "to remedy future defaults by the tenant in any obligation under
16 the rental agreement to restore, replace, or return personal property or appurtenances" if provided for
17 in the lease. Section 1950.5(g)(1) requires that the balance of security deposits and an itemization of
18 their disposition must be provided to the departing tenant within 21- days of vacating the leasehold.
19 Section 1950.5(g)(2) provides the substantiation required to be sent to former tenants for charges
20 levied against security deposits – reasonable description of work performed by employees including
21 hours worked and hourly rate charged; and, for work by vendors, copies of invoices and receipts from
22 the vendors who performed work. Section 1950.5(m) provides that no portion of a security deposit
23 may be deemed non-refundable by operation of the lease.

24 25. MG has systematically, uniformly, and in bad faith have violated the Civil Code to the
25 detriment of thousands of Californians over many years by charging for repairs and cleaning that
26 were never done; a practice obscured by intentionally failing to itemize and substantiate repairs and
27 cleaning by code, if they were done.

28 26. MG additionally has a uniform late rent fee policy and practice across all of their

1 California residential rental properties. MG’s policy and practice is to charge tenants fees of \$125 for
2 the late payment of rent, even if MG receive all but \$25 of rent, for as little as one day late, and they
3 incur no damages (other than, potentially, a few cents of lost interest) as a result of the late payment.
4 (MG’s late fee penalties are hereinafter referred to as “Excessive Late Fee.”) As such, these late fees
5 bare no reasonable relation to the damages incurred, are usurious if they did, violate the civil code,
6 and are otherwise unlawful and unenforceable under California law. MG’s Excessive Late Fee
7 Policy forms the basis of the Excessive Late Fee Class.

8 27. For example, Plaintiff RACHEL WHILLER, a former resident of MG’s Property
9 “Preserve at Melrose” was charged \$125 for a late fee on November 11, 2021, for paying
10 approximately \$2,000 monthly rent on November 4, 2021 – one day after it was due. The \$125
11 charge on \$2,000 of one day late rent equates to an 2,281.25% APR. In contrast, statutory damages
12 under the Civil Code for this late payment would result in approximately \$0.30 in recoverable
13 interest. As such, this is an unreasonable penalty and void under California law.

14 28. Plaintiff BIANCA HAZEL’s situation is more egregious and further illustrates the
15 unreasonableness of MG’s’ Excessive Late Fees. Ms. Hazel, a former resident of MG’s’ property
16 “Waterleaf Apartment Homes” underpaid her January 2019 \$1,751 rent by \$25. Upon which MG
17 levied their \$125 late fee upon the missing \$25. Even assuming the missing \$25 was not paid until
18 the next month (it was paid upon notice within the month), the \$125 fee results in a 6,083.33% APR.
19 In contrast, statutory damages under the Civil Code for this late payment would result in
20 approximately \$0.21 in recoverable interest. As such, this is an unreasonable penalty and void under
21 California law. The unreasonableness of the late fee penalty is further demonstrated by the fact that
22 MG charge these fees whether the rent is one day late or two weeks late and whether the outstanding
23 balance is \$25 or \$2,000.

24 29. MG’s policy and practice of charging Excessive Late Fees violates Civil Code §
25 1671(d), and it is additionally an unlawful business act or practice which causes Plaintiffs and other
26 tenants’ financial injury, and is therefore prohibited by California’s Unfair Competition Law,
27 Business and Professions Code § 17200, et seq. (hereinafter referred to as the “UCL”). It is also an
28 unfair business act or practice in violation of the UCL. Plaintiffs bring this action to challenge

1 MG's' Excessive Late Fee policy and practice on behalf of themselves and all other similarly situated
2 residents of MG's' residential rental properties in California.

3 30. California law establishes a presumption that "the detriment caused by the breach of
4 an obligation to pay money only, is deemed to be the amount due by the terms of the obligation, with
5 interest thereon." Cal. Civ. Code § 3302. MG's Excessive Late Fees represent exorbitant interest
6 rates for tenants' failure to pay the amount of rent or other charges due. MG's late fees exceed any
7 reasonable measure of MG's actual damages sustained as a result of their tenants' late rent payments,
8 the maximum extent of which is interest, and the *pro rata* administrative costs related to collecting
9 and accounting for late payments. In order to be valid under California law, the amount of late fees
10 in a residential lease must represent the result of a reasonable endeavor by the parties to estimate a
11 fair average compensation for any loss that may be sustained only upon the showing that the amount
12 of actual damages sustained is impractical or extremely difficult to fix. Absent these elements, the
13 late fees provision is void. *Orozco v. Casimiro* (2004) 121 Cal. App. 4th Supp. 7.

14 31. MG's late fee is an arbitrary amount which functions as a penalty. Any marginal
15 interest accumulated or other damages that MG sustain due to the delay in rent payments are definite
16 and easily ascertainable. On information and belief, MG have never made a reasonable endeavor to
17 estimate a fair average compensation for the losses sustained when a tenant pays rent late, as required
18 for a liquidated damages provision under California Civil Code § 1671(d) to be enforceable.

19 CLASS ACTION ALLEGATIONS

20 32. Plaintiff re-alleges and incorporates by reference the allegations of all preceding
21 paragraphs.

22 33. Plaintiff brings this action as a class action pursuant to California Civil Code of
23 Procedure § 382 on behalf of himself and all other similarly situated persons in the Classes, which are
24 composed of and defined as follows, excepting only individuals against whom or in whose favor a
25 final judgment has already been rendered with respect to the defendant(s):

26 34. **Unsubstantiated-Charges Class:** All former residents of MG's California
27 Properties whose leaseholds terminated between at any time from four years prior to the date of the
28 filing of the Complaint to the date of class certification, and who had at least \$125 of their security

1 deposit retained for cleaning and/or repairs combined.

2 35. **Excessive Late Fee Class:** All current and former residents of MG's California
3 Properties who were subject to MG's late fee policy at any time from four years prior to the date of
4 the filing of the Complaint to the date of class certification.

5 36. The Court should permit this action to be maintained as a class action pursuant to
6 California Code of Civil Procedure § 382 because:

7 a. **Numerosity:** The class and all subclasses are so numerous that the individual joinder
8 of all members is impracticable. Plaintiffs are informed and believe that there are
9 more than 20,000 class members in total and a sufficiently numerous amount in the
10 proposed class.

11 b. **Common Questions Predominate:** Common questions of law and fact exist as to all
12 members of the class and each subclass that predominate over any questions that affect
13 only individual members. These common questions of law and fact include:

- 14 1. Whether MG engaged in a pattern and practice in violation of Civil
15 Code section 1950.5(g)(1) of failing to provide itemized statements
16 detailing charges for repairs or cleaning deducted from security
17 deposits of its former tenants within 21 days of move out.
- 18 2. Whether MG engaged in a pattern and practice of failing to provide
19 copies of vendor-supplied bills, receipts or invoices for repairs or
20 cleaning deducted from security deposits of its former tenants within 21
21 days of move out.
- 22 3. Whether MG's uniform security deposit itemizations satisfy the
23 requirements for any alleged "employee performed work" on vacated
24 leaseholds under Civil Code § 1950.5(g)(2)(A).
- 25 4. Whether MG's uniform security deposit itemizations satisfy the
26 requirements for any alleged "vendor performed work" on vacated
27 leaseholds under Civil Code § 1950.5(g)(2).
- 28 5. Whether MG, by operation of law, are barred from seeking recovery for

1 amounts which could legitimately have been charged at move out due
2 to their systematic and bad faith violation of Civil Code § 1950.5 and
3 other equitable or statutory provisions of law.

4 6. Whether MG is liable to each former tenant who is a class member for
5 punitive and/or treble damages for bad-faith retention of security
6 deposits under Civil Code § 1950.5(l).

7 7. Whether *Granberry v. Islay Investments* 9 Cal. 4th 738 mandates that
8 the MG return all of the security deposit retained from Plaintiff class
9 for its uniform violation of Civil Code section 1950.5.

10 8. Whether MG's Late Fee Policy satisfies the criteria for a valid
11 liquidated damages provision in a residential lease codified at Civil
12 Code section 1671.

13 9. Whether MG's damages related to late rental payments is impracticable
14 or extremely difficult to ascertain.

15 10. Whether MG undertook a reasonable endeavor to estimate their actual
16 damages related to late rental payments.

17 11. Whether the charged late fee is fair compensation for the loss sustained
18 by MG.

19 12. Whether the charged late fee is an unlawful or unfair business practice
20 under the UCL.

21 13. Determining the legal consequence of MG's standard lease terms that
22 purport that the tenant stipulates to the validity and enforceability of
23 MG's late fees policy.

24 14. The appropriate measure of class-wide legal and/or equitable relief.

25 c. **Typicality**: Plaintiff's claims are typical of those of the Plaintiff. Plaintiff and all
26 Plaintiff Class members sustained injuries and damages arising from Defendants'
27 common course of conduct, and those injuries and damages were caused directly by the
28 Defendants' wrongful conduct in violation of law as alleged.

1 d. **Adequacy of Representation:** Plaintiff will fairly and adequately protect the interest
2 of the members of the Plaintiff Class. Plaintiff has no interests adverse to the interests of
3 absent class members. Plaintiff has retained counsel adequate to prosecute the case for the
4 entire class.

5 e. **Superiority:** A class action is superior to other available means for the fair and
6 efficient adjudication of this controversy since individual joinder of all members of the
7 class is impracticable; class action treatment will permit a large number of similarly
8 situated persons to prosecute their common claims in a single forum simultaneously,
9 efficiently, and without the unnecessary duplication of effort and expense that numerous
10 individual actions would engender. Furthermore, because Defendants are expected to
11 contend that any individual's damages may be relatively small, the expense and burden of
12 individual litigation make it difficult or impossible for individual class members to redress
13 the wrongs done to them, while an important public interest will be served by addressing
14 the matter as a class action. The cost to the judicial system of individual adjudication
15 would be substantial and present the potential for inconsistent or contradictory judgments.
16 In addition, individual actions give Defendants too many opportunities to take advantage
17 of unrepresented tenants at a summary proceeding without access to substantial discovery,
18 as discovery is not available in small claims court.

19 37. Plaintiff is unaware of any difficulties that are likely to be encountered in the
20 management of this action that would preclude its maintenance as a class action.

21 **FIRST CLAIM FOR RELIEF**
22 **Unlawful Retention of Residential Security Deposits**
23 **(California Civil Code § 1950.5)**

24 38. Plaintiff re-alleges and incorporates by reference the allegations of all preceding
25 paragraphs.

26 39. MG charged unsubstantiated cleaning, repair, and painting fees to Plaintiff upon the
27 termination of their leasehold and deducted these charges from their security deposits.

28 40. MG did not provide a copy of an itemized statement indicating the basis for, and the
amount of, any security received and the disposition of the security within 21 days of Plaintiff's

1 departure.

2 41. MG did not provide the requisite substantiation of the charges against Plaintiffs’
3 security deposits required under Civil Code § 1950.5(g)(2).

4 42. MG, as a result of these charges, unlawfully retained some or all of Plaintiff’s security
5 deposits.

6 43. MG engaged in the above-described misconduct in bad faith.

7 44. As a direct and proximate cause of MG’s conduct, Plaintiff suffered damages.

8 **SECOND CLAIM FOR RELIEF**

9 **Restitution as a Remedy for “Unfair Competition”**
10 **(California Business and Professions Code §§ 17200, *et seq.*)**

11 45. Plaintiff re-alleges and incorporates by reference the allegations of all preceding
12 paragraphs.

13 46. Pursuant to §17200 of the California Business and Professions Code, “any unlawful,
14 unfair or fraudulent business act or practice” constitutes “unfair competition.”

15 47. The violations of the California Civil Code and other wrongdoing alleged herein
16 constitute unlawful, unfair and/or fraudulent business acts and practices, and therefore “unfair
17 competition,” for the purposes of § 17200 of the California Business and Professions Code. Among
18 other violations, MG’s’ collections and attempted collections of amounts over and above a retained
19 security deposit are unlawful, all entitling Plaintiff to restitution under the UCL.

20 48. Plaintiffs have each suffered financial injury in fact and have each lost money and/or
21 property as a result of such unfair competition.

22 49. The facts set forth establish that the members of the Plaintiff Class is entitled to
23 judgment over and against MG and any identified, DOES and all of them, jointly and severally,
24 awarding restitution to the Plaintiff Class of all monies acquired by means of the described unfair
25 competition, including wrongfully withheld security deposits and associated penalties.

26 50. Plaintiff Class is further entitled to declaratory and injunctive relief determining the
27 rights and obligations in dispute among the Parties and an order mandating MG adhere to the
28 mandates of law with respect to their security deposit accounting practices.

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THIRD CLAIM FOR RELIEF
Unlawful Liquidated Damages
(California Civil Code § 1671)
(Against all Defendants)

4 51. Plaintiffs re-allege and incorporate by reference the allegations of all preceding
5 paragraphs.

6 52. MG rented real property to Plaintiffs and Class Members for use as dwellings by
7 Plaintiffs and Class Members subject to California Civil Code § 1671(c)(2).

8 53. California Civil Code § 1671(d) provides that “a provision in a contract liquidating
9 damages for the breach of the contract is void except that the parties to such a contract may agree
10 therein upon an amount which shall be presumed to be the amount of damage sustained by a breach
11 thereof, when, from the nature of the case, it would be impracticable or extremely difficult to fix the
12 actual damage.”

13 54. Any damages MG sustained as a result of Plaintiffs’ and Class Members’ late payment
14 of rent is neither impracticable nor extremely difficult to fix. Neither is Defendant’s late rent fee the
15 result of a reasonable effort to estimate fair compensation for MG’s actual damages sustained due to
16 their late receipt of rent from Plaintiffs or Class Members. MG’s late rent fee is usurious,
17 unreasonable, excessive, and voidable under California law.

18 55. MG’s Excessive Late Fees are accordingly unlawful pursuant to California Civil Code
19 § 1671(d). Plaintiffs and Class Members are entitled to restitution of all fees Defendants have
20 collected from tenants for the late payment of rent or other outstanding balances, as well as interest
21 and other relief as specifically prayed for herein.

22 56. As a direct and proximate cause of MG’s conduct, Plaintiffs suffered damages.

23
24

PRAYER FOR RELIEF

24 WHEREFORE, Plaintiff, on behalf of themselves and other members of Plaintiff Class, pray:

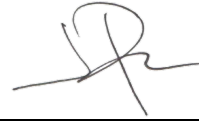
- 25 1. For actual damages sustained by Class members, including but not limited to, unlawfully
26 retained security deposits; any amounts paid to MG over and above what was retained of their
27 respective security deposits for unreasonable and unsubstantiated charges at move-out; plus
28 any other amounts collected from Class members in connection with their leasehold

1 termination for purported repairs, painting, carpet replacement or cleaning, accelerated rent,
2 rental concession charge-backs, and any other charges collected in violation of law.

- 3 2. For return of the entirety of all Plaintiffs' security deposits retained by MG;
- 4 3. For penalties available pursuant to Civil Code § 1950.5(1);
- 5 4. For penalties available pursuant to Civil Code § 3345;
- 6 5. For actual damages sustained by Class members, including but not limited to, amounts paid in
7 late fees.
- 8 6. For restitution for violation of Business and Professions Code §§ 17200 *et seq.*;
- 9 7. For pre-judgment interest;
- 10 8. For attorney's fees and expenses recoverable under law;
- 11 9. For costs, including class action notice and administration expenses;
- 12 10. For injunctive relief against MG's conduct, including an injunction:
 - 13 a. Requiring MG to issue proper itemizations of security deposits as required by Civil
14 Code § 1950.5 within the time prescribed by law.
 - 15 b. Requiring MG to provide a third-party documentation for every cleaning and repair
16 charge consistent with the provisions of Civil Code § 1950.5(g)(2);
 - 17 c. Prohibiting MG from charging any fees against residential security deposits other than
18 the charges specifically authorized by Civil Code § 1950.5(b); and
 - 19 d. To declare all alleged outstanding balances owed by class members invalid and
20 prohibit collection thereupon.
 - 21 e. Requiring MG to develop and implement a legally compliant Late Fee Policy
- 22 11. For declaratory relief, declaring that outstanding balances alleged owed by former tenant class
23 members are extinguished by operation of this suit;
- 24 12. For all other appropriate declaratory and equitable relief;
- 25 13. Any other relief that this Court deems just.

1 DATED: October 7, 2021

LAW OFFICE OF JIMMIE DAVIS PARKER, APC

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