

1 ROB BONTA
Attorney General of California
2 NICKLAS A. AKERS
Senior Assistant Attorney General
3 TINA CHAROENPONG
Supervising Deputy Attorney General
4 RACHEL A. FOODMAN (SBN 308364)
MICHAEL NOVASKY (SBN 314370)
5 Deputy Attorneys General
1515 Clay Street, Suite 2000
6 Oakland, CA 94612

[EXEMPT FROM FILING FEES
UNDER GOV. CODE, § 6103]

ELECTRONICALLY FILED
2/28/2024 9:54 AM
Kern County Superior Court
By Julia Barrera, Deputy

7
8 *Attorneys for the People of the State of California*

9
10
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF KERN

13
14 **THE PEOPLE OF THE STATE OF**
15 **CALIFORNIA,**
16
17 Plaintiff,
18
19 v.
20 **BTS HOLDING, LLC, H. ST. BAKERS**
HOLDING LLC, PORTFOLIO BAKERS
21 **GROUP LLC, JACK AMIN,**
22
23 Defendants.

Case No. BCV-24-100697

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL PENALTIES,
RESTITUTION, AND OTHER
EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

22 The People of the State of California (“People”), by Rob Bonta, Attorney General of the
23 State of California, bring this action against BTS Holding, LLC, H. St. Bakers Holding LLC,
24 Portfolio Bakers Group LLC, and Jack Amin (“Defendants”) for violating the Unfair Competition
25 Law (Bus. & Prof. Code, § 17200 et seq.), and allege the following:

26 **INTRODUCTION**

27 1. The People bring this civil enforcement action against Defendants for violations of
28

1 the Unfair Competition Law (“UCL”). These violations are predicated on the Tenant Protection
2 Act of 2019 (“TPA”) and the Fair Employment and Housing Act (“FEHA”).

3 2. Defendants violated the TPA and FEHA by serving notices to terminate tenancies,
4 and otherwise facilitating the eviction of tenants, without just cause; by illegally raising rents, and
5 by returning security deposits late and/or without sufficient documentation.

6 **DEFENDANT**

7 3. Defendants BTS Holding, LLC, H. St. Bakers Holding LLC, and Portfolio Bakers
8 Group LLC are limited liability companies that each own multiple residential rental properties in
9 Kern County.

10 4. Defendant Jack Amin is the managing member of Defendants BTS Holding, LLC,
11 H St. Bakers Holding LLC, and Portfolio Bakers Group LLC, as well as other companies that
12 own rental properties throughout the state of California.

13 **JURISDICTION AND VENUE**

14 5. This Court has jurisdiction over the allegations and subject matter of the People’s
15 Complaint filed in this action, brought under Business and Professions Code section 17200 et seq.

16 6. Venue is proper here because all violations of law alleged in this Complaint
17 occurred in this county.

18 **THE TENANT PROTECTION ACT**

19 7. In 2019, California enacted the TPA, which created significant new rent-increase
20 and eviction protections for most residential tenants.

21 8. When it enacted the TPA, the Legislature recognized the need to protect California
22 tenants from the financial destabilization frequently caused by large, unexpected rent increases.
23 Under the TPA, rent may not be increased over the course of a 12-month period “more than 5
24 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower. . . .”
25 (Civ. Code, § 1947.12(a)(1).) For example, a landlord of a property located in Kern County that is
26 covered by the TPA could only increase the rent a total of 9% between August 1, 2021 and July
27
28

1 31, 2022. (Civ. Code, § 1947.12(g).)¹

2 9. The Legislature also recognized that placing limits on rent increases necessitated a
3 corresponding prohibition on evictions without justification, commonly referred to as a “just
4 cause.” (Sen. Com. On Judiciary, Analysis of Assem. Bill No 1482 (2019-2020 Reg. Sess.) July
5 8, 2019, p. 1.) Requiring a just-cause basis for eviction prevents landlords from easily evicting
6 tenants in order to reset unit rents at higher rates than the rent-increase cap allows. It also
7 recognizes the harm that unwarranted displacement may cause tenants, including struggles to find
8 new affordable housing, moving expenses, longer commute times, and so forth. As such, the
9 Tenant Protection Act permits terminating tenancies for covered tenants only where there is a
10 statutorily enumerated cause. (Civ. Code, § 1946.2, subd. (b).)

11 10. Under the TPA, a landlord may evict a tenant in order to demolish or substantially
12 remodel the property. (Civ. Code, § 1946.2 subd. (b)(2)(D).) To comply with the TPA, a
13 landlord’s substantial remodel work must meet certain requirements, even if the landlord is
14 performing work in good faith and not as a deliberate pretext to evict a tenant. “Substantial
15 remodel,” as defined by statute, requires certain work—specifically, the replacement or
16 substantial modification of an entire structural, electrical, plumbing, or mechanical system that
17 requires government permits, or the abatement of hazardous materials. (*Ibid.*) Discrete plumbing
18 or electrical work, for example, is insufficient. To qualify as a substantial remodel, the work
19 cannot reasonably be accomplished safely with the tenant in place and instead must require the
20 tenant to vacate the unit for 30 or more days. (*Ibid.*) Work does not constitute a substantial
21 remodel under the TPA if the tenant could safely live in the unit without violating health, safety,
22 or habitability laws for one or more of those 30 or more days. Substantial remodel does not
23 include cosmetic work or work that can be performed safely without requiring a tenant to vacate
24 their unit for at least 30 days. (*Ibid.*)

25 11. Landlords invoking the substantial-remodel just cause should be able to show that

26 ¹ The “percentage change in the cost of living” for Kern County can be found on the Department of
27 Industrial Relations website, by accessing the “California” index for all urban consumers, and comparing the index
28 value from April 2020 with the value in April 2021. (*Consumer Price Index Calculator*, CALIFORNIA DEPARTMENT
OF INDUSTRIAL RELATIONS, <https://www.dir.ca.gov/oprl/CPI/CPICalculator/CpiCalculator.aspx> (last visited Nov. 27,
2023),)

1 they planned to complete substantial remodels at the time of serving the termination notice on the
2 tenant – by obtaining estimates from licensed contractors about the scope and duration of work,
3 or seeking and receiving permits for the work – and that they actually completed work that met
4 the statutory definition, including showing that the work reasonably could not have been done
5 with the tenant in place or by relocating the tenant for a period of less than 30 days. Work that
6 can be diligently performed with a tenant absent from the unit for less than 30 days cannot form
7 the basis of an eviction, even if a landlord, property manager, or contractor chooses to perform
8 the work at a slower pace.

9 **THE FAIR EMPLOYMENT AND HOUSING ACT**

10 12. FEHA protects Californians from housing discrimination based on protected
11 characteristics, including race, color, national origin, religion, disability, gender, gender identity,
12 familial status, and sexual orientation. Housing discrimination broadly means treating a tenant
13 differently based on the tenant’s protected status, including but not limited to refusing to rent to a
14 tenant, or evicting a tenant. (Gov. Code, § 12955.)

15 13. In 2010, FEHA was amended to add a new protected category: source of income.
16 FEHA defines source of income to mean income paid to a tenant or landlord on behalf of a tenant,
17 including federal, state, or local public assistance or housing subsidies. (Gov. Code, § 12955,
18 subd. (a).) This includes Section 8 Housing Choice Vouchers. (*Ibid.*) As a result, it is illegal in
19 California to discriminate against a tenant or potential tenant because they are a Section 8
20 Voucher recipient.

21 **DEFENDANTS’ BUSINESS PRACTICES**

22 **I. Unlawful Notices to Terminate Tenancy**

23 14. In 2021, Defendant Jack Amin directed that his property management company,
24 Clemmer & Company, serve notices to terminate tenancies on at least two Section 8 voucher
25 recipients living in his residential rental properties. Those notices cited substantial remodel as the
26 just cause for eviction.

27 15. These notices were unlawful. Emails between Mr. Amin and the property
28 management company indicate that the eviction notices were issued on the basis of the tenants’

1 status as Section 8 Voucher recipients. One email directed the property management company to
2 “give notices to Section 8” and Mr. Amin later followed up to ensure that the notices were issued.

3 16. Neither Defendants nor the property management company produced
4 substantiation of any planned substantial remodel for these units, nor was any substantial remodel
5 work ultimately performed.

6 17. To the contrary, one of the units was re-listed for rent as “available now” within
7 two weeks of the tenant’s departure. By definition, no work performed in the unit required that
8 tenant to vacate the unit for at least 30 days, as required by the TPA for an eviction based on
9 substantial remodel provision.

10 **II. Unlawful Rent Increases**

11 18. In 2021 and 2022, Defendants issued over 40 rent increases that violated the
12 TPA’s rent caps.

13 19. Roughly half of these increases violated the TPA’s rent caps standing alone. For
14 example, in 2022, one tenant received a 30% rent increase.

15 20. For other units, Defendants raised the rent multiple times in a year, and the
16 increases collectively violated the TPA’s rent caps. For example, in one unit, the rent was raised
17 9%, then again by 9%, and finally by 13% in the same 12-month period.

18 21. Many of the tenants who were subject to these illegal rent increases left their
19 homes, making the rent increases tantamount to an eviction.

20 **III. Unlawful Security Deposit Practices**

21 22. California law requires that landlords return tenants’ security deposits within 21
22 days of move out. (Civ. Code, § 1950.5, subd. (g)(1).) And if a landlord retains any portion of
23 the deposit, the landlord must provide an “itemized statement indicating the basis for, and the
24 amount of, any security received and the disposition of the security.” (*Ibid.*) When the amount
25 retained is more than \$125, the landlord must also include “copies of documents showing charges
26 incurred and deducted by the landlord to repair or clean the premises.” (Civ. Code, § 1950.5,
27 subd. (g)(2), (4).)

28 23. Despite these clear rules governing security deposits, Defendants returned tenants’

1 deposits late at least six times. In some cases, deposits were returned months after the tenants
2 vacated their units.

3 24. Moreover, Defendants retained amounts over \$125, but failed to provide the
4 required documentation to tenants that would justify the charges, such as invoices or receipts.

5 **FIRST CAUSE OF ACTION**

6 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

7 (Unfair Competition)

8 25. Plaintiff realleges paragraphs 1 through 24 and incorporates these paragraphs by
9 reference as if fully set forth in this cause of action.

10 26. Defendants have engaged in business acts or practices that constitute unfair
11 competition as defined in the Unfair Competition Law, Business and Professions Code section
12 17200 et seq. These acts or practices include, but are not limited to,

- 13 a. Seeking to evict tenants without a just-cause basis in violation of the Tenant
14 Protection Act, Civ. Code, § 1946.2,
- 15 b. Seeking to evict tenants based on their status as Section 8 Housing Choice
16 Voucher recipients in violation of Gov. Code, § 12955, subd. (a),
- 17 c. Raising rent in violation of Civ. Code, § 1947.12, subd. (a)(1), and
- 18 d. Failing to timely return security deposits in violation of Civ. Code, § 1950.5, subd.
19 (g)(1).

20 **PRAYER FOR RELIEF**

21 WHEREFORE, the People pray for judgment as follows:

22 1. Under Business and Professions Code section 17203, that Defendants, and their
23 agents or representatives, be permanently enjoined from committing any unlawful, unfair, or
24 fraudulent acts of unfair competition in violation of Business and Professions Code section 17200
25 as alleged in this Complaint;

26 2. That the Court make such orders or judgments as may be necessary to prevent the
27 use or employment by Defendants of any practice that constitutes unfair competition or as may be
28 necessary to restore to any person in interest any money or property that may have been acquired

1 by means of such unfair competition, under the authority of Business and Professions Code
2 section 17203;

3 3. That the Court assess a civil penalty of \$2,500 against Defendants for each
4 violation of Business and Professions Code section 17200 in an amount according to proof, under
5 the authority of Business and Professions Code section 17206;

6 4. That the People recover its costs of suit, including costs of its investigation; and

7 5. For such other and further relief that the Court deems just and proper.
8

9 Dated: February 28, 2024

Respectfully Submitted,

10 ROB BONTA
11 Attorney General of California

12 

13 _____
14 RACHEL A. FOODMAN
15 Deputy Attorney General
16
17
18
19
20
21
22
23
24
25
26
27
28