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13 *Attorneys for the People of the State of California*

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF MARIN
16

17
18 **THE PEOPLE OF THE STATE OF
CALIFORNIA,**

19 Plaintiff,

20 v.

21 **MISSION ROCK RESIDENTIAL
CALIFORNIA, INC.,**

22 Defendant.
23

Case No. CV0007880

**FINAL JUDGMENT AND
PERMANENT INJUNCTION**

24
25 The People of the State of California ("People"), appearing through their attorneys Rob
26 Bonta, Attorney General of the State of California, by Deputy Attorney General Jason H.
27 Tarricone, and Lori E. Frugoli, District Attorney of Marin County, by Michael K. Wear, Deputy
28 District Attorney, and Mission Rock Residential California, Inc. ("Mission Rock" or

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

ELECTRONICALLY FILED

Superior Court of California
County of Marin

~~FILED~~

James M. Kim, Clerk of the Court
V. Johanson, Deputy

1 “Defendant”), appearing through its attorney, Michael Betz of Allen Matkins, having stipulated to
2 the entry of this Judgment by the Court without the taking of proof and without trial or
3 adjudication of any fact or law, without this Judgment constituting evidence of or an admission
4 by Defendant regarding any issue of law or fact alleged in the Complaint, without Defendant
5 admitting any liability regarding allegations of violations that occurred prior to entry of this
6 Judgment, and with all parties having waived their right to appeal from the Judgment, and the
7 Court having considered the matter and good cause appearing:

8 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

9 1. This Court has jurisdiction over the allegations and subject matter of the People’s
10 Complaint filed in this action, and the parties to this action; venue is proper in this County; and
11 this Court has jurisdiction to enter this Judgment.

12 **DEFINITIONS**

13 2. The following definitions shall apply for purposes of this Judgment:

- 14 A. RUBS stands for ratio utility billing system and means the allocation of
15 utility charges, including but not limited to water, sewer, trash, or other
16 utility costs, to tenants through any billing method other than individual
17 meters, submeters, or a flat fee.
- 18 B. MANDATORY PERIODIC FEES OR COSTS means any fees or charges
19 that are required by Defendant to be paid to, or for the benefit of,
20 Defendant or Defendant’s agent as a condition of the tenancy, for use or
21 occupancy of residential real property, or for services provided by or on
22 behalf of Defendant related or connected to the use, occupancy, or
23 enjoyment of residential real property, on a monthly or other periodic basis.
24 These charges include but are not limited to RUBS, flat fees or any other
25 charges for utilities, and insurance fees.

26 **INJUNCTION**

27 3. Nothing in this Judgment alters the requirements of federal, state, or local law to
28 the extent they offer greater protection to consumers.

1 4. The injunctive provisions of this Judgment shall become effective immediately
2 upon entry of this Judgment and shall apply to Defendant as well as any successors and assigns of
3 all or substantially all of the assets of its business.

4 5. Defendant shall be and hereby is enjoined and restrained, under Business and
5 Professions Code section 17203, from directly or indirectly engaging in any of the following acts
6 or practices with respect to any residential unit located in California that it owned or managed on
7 May 1, 2025:

- 8 A. Charging a tenant for RUBS or other MANDATORY PERIODIC FEES
9 OR COSTS not previously paid by the tenant unless it ensures that those
10 new fees or costs for each of the first twelve months, when combined with
11 any other increases to the rent, do not exceed the rent increase limits
12 imposed by Civil Code section 1947.12, provided however that this
13 provision shall not apply to properties exempted by Civil Code section
14 1947.12, subdivision (d).
- 15 B. Charging a tenant for RUBS where that tenant previously paid a flat fee for
16 utilities unless it ensures that RUBS charges for each of the first twelve
17 months, when combined with any other increases to the rent, do not exceed
18 the rent increase limits imposed by Civil Code section 1947.12, provided
19 however that this provision shall not apply to properties exempted by Civil
20 Code section 1947.12, subdivision (d).
- 21 C. Increasing any MANDATORY PERIODIC FEES OR COSTS, or altering
22 the RUBS formula or the percentage of utility costs allocated between the
23 landlord and the tenants in any manner that increases utility costs for the
24 tenant, unless it ensures that the increases for each of the first twelve
25 months, when combined with any other increases to the rent, do not exceed
26 the rent increase limits imposed by Civil Code section 1947.12, provided
27 however that this provision shall not apply to properties exempted by Civil
28 Code section 1947.12, subdivision (d).

- 1 D. Charging a tenant for MANDATORY PERIODIC FEES OR COSTS not
2 previously paid by the tenant, or increasing any such fees or costs, unless it
3 first serves the tenant a notice that complies with Civil Code section 827.
4 E. Charging a tenant for RUBS for the first time unless it first discloses to the
5 tenant in writing the formula used to determine RUBS charges and the
6 percentage of utility costs allocated between the landlord and the tenants,
7 including the amount or percentage of any common area deductions that
8 will be paid by the landlord.
9 F. Requiring tenants to list Mission Rock or any of its affiliates as an
10 “additional insured” in any insurance policy.
11 G. Violating the Tenant Protection Act, Civil Code section 1947.12.
12 H. Violating Civil Code section 1947.3, which requires a landlord to allow a
13 tenant to pay rent and a security deposit by at least one form of payment
14 that is neither cash nor electronic funds transfer.
15 I. Violating the notice requirements of Civil Code section 827.
16 J. Violating California Code of Regulations, title 25, section 42, Novato
17 Municipal Code section 4-14.13, and San Rafael Municipal Code section
18 12.310.130, which describe requirements for resident apartment managers
19 or caretakers.
20 K. Violating the San Rafael rent increase mediation ordinance, San Rafael
21 Municipal Code section 10.100.010 *et seq.*

22 6. To the extent it has not already done so, within thirty (30) days of entry of this
23 Judgment, Defendant shall reduce rents to the most recent lawful gross rental rate for any tenant
24 who the People allege was overcharged rent in violation of either Civil Code section 1947.12 or
25 San Rafael Municipal Code section 10.100.010 *et seq.* Defendant shall not collect or claim in a
26 legal action any amounts incurred that exceed the rent established pursuant to this paragraph prior
27 to complying with this paragraph.
28

1 7. Within 60 days of the entry of this Judgment, Defendant shall deliver to all current
2 tenants by both United States mail and by email a notice explaining:

3 A. When late fees will be charged and a statement that any previous statements
4 to the contrary are incorrect.

5 B. The ways the rent may be paid, including but not limited to personal check or
6 money order, followed by a statement that is substantially similar to the
7 following: "This replaces and supersedes any provision in your lease that
8 requires you to pay rent exclusively using an online payment site, by ACH,
9 debit or electronic payment, or any other means of electronic funds transfer."

10 C. That there may be additional charges if tenants choose to pay rent online as
11 well as an explanation of how tenants can avoid those charges when paying
12 rent online.

13 D. That tenants shall not be required to list Mission Rock as an "additional
14 insured" on any insurance the tenants may purchase.

15 This paragraph does not require Defendant to notify any tenant by email if Defendant does not
16 have an email address for the tenant on file. At the time Defendant delivers this notice to its
17 tenants, Defendant shall simultaneously email a copy of the notice to the Attorney General.

18 8. For each property it owns or manages in the cities of Novato and San Rafael with
19 16 or more units, Defendant shall employ a caretaker who resides at the property with limited and
20 specific management responsibilities (an "on-site manager") and post, in a conspicuous place at
21 the property the name, address, and phone number of this on-site manager. As on-site manager
22 positions become vacant, Defendant shall fill such positions within a commercially reasonable
23 timeframe but no longer than 60 days, and shall post in a conspicuous place the name, address,
24 and phone number of the property management employee responsible for such property until the
25 on-site manager position is filled.

26 9. For each property it owns or manages with 16 or more units outside of Novato and
27 San Rafael, Defendant shall employ a caretaker who resides at the property with limited and
28 specific management responsibilities (an "on-site manager") and notify tenants at the property of

1 the name of the on-site manager and how they may be contacted. As on-site manager positions
2 become vacant, Defendant shall fill such positions within a commercially reasonable timeframe
3 but no longer than 60 days.

4 10. Within 90 days of the entry of this Judgment, and then at least once every year for
5 five years thereafter, Defendant shall provide trainings for all employees with authority or
6 responsibility for rent increases, rent collection, eviction notices, and/or supervision of on-site
7 managers, regarding their obligations under Civil Code section 1947.12 and all applicable state
8 and local landlord-tenant laws.

9 11. Within six months of the entry of this Judgment, Defendant shall certify to the
10 Attorney General the measures it has taken to comply with the injunctive terms herein.
11 For five years following entry of this Judgment, Defendant shall provide annual certifications to
12 the Attorney General describing its compliance with the trainings required herein, including the
13 topics of the trainings, the names of employees attending, the dates the trainings were attended,
14 and who conducted the trainings.

15 **MONETARY PROVISIONS**

16 12. Defendant shall pay \$495,000, as further described in Paragraphs 13-14 of this
17 Judgment. Payment shall be made within 60 calendar days of the date of entry of this Judgment,
18 pursuant to instructions provided by the Attorney General.

19 13. Of the aggregate sum, Defendant shall pay a total of \$435,364 in civil penalties
20 under Business and Professions Code section 17206. Payment shall be made within 60 days of the
21 date of entry of this Judgment as follows, pursuant to instructions provided by the Attorney
22 General and the Marin County District Attorney's Office:

23 A. \$217,682 to the California Attorney General's Office; and

24 B. \$217,682 to the Marin County District Attorney's Office.

25 Pursuant to Business and Professions Code section 17206, the Attorney General and Marin
26 County District Attorney shall use these funds, and any interest accrued thereon, exclusively for
27 the enforcement of consumer protection laws.
28

1 14. Of the aggregate sum, Defendant shall pay a total of \$59,636 in complete and final
2 restitution under Business and Professions Code section 17203 to tenants identified in the
3 People's investigation, inclusive of amounts Mission Rock has already refunded or credited to
4 tenants. Defendant certifies that it has already paid \$44,088 of this sum.

5 15. Within 60 days after entry of this Judgment, Defendant shall make the remaining
6 \$15,548 in restitution payments by either certified mail, or an equivalent rent credit, pursuant to
7 instructions from the Attorney General. For any tenant receiving rent credit in lieu of a check for
8 any new restitution payment, Defendant shall cause any restitution credits to be recorded and
9 identified in the tenant's ledger and shall provide written notice to the tenant of the amount of the
10 credit.

11 16. Within six months after entry of this Judgment, Defendant shall report to the
12 Attorney General on the status of all restitution payments, including the total amount of
13 restitution that has been successfully provided to tenants, an accounting of any payments that
14 have not been cashed or deposited, and an accounting of Defendant's efforts to contact tenants
15 who have not cashed or deposited a restitution payment. Upon request by the Attorney General,
16 Defendant shall provide proof of each restitution payment and rent credit within 60 days of
17 request. Any restitution funds undisbursed after three months or unclaimed by tenants after eight
18 months from the date of the corresponding payment shall be remitted to the Attorney General
19 pursuant to instructions provided by the Attorney General. These funds may, at the sole discretion
20 of the Attorney General, be used to pay additional restitution in this matter or be deposited, along
21 with any other remaining funds, including accrued interest, into the fund established by
22 Government Code section 12527.6, subdivision (c).

23 **ADDITIONAL PROVISIONS**

24 17. Jurisdiction is retained by the Court for the purpose of enabling either party to the
25 Judgment to apply to the Court at any time for such further orders and directions as may be
26 necessary or appropriate for the construction or the carrying out of this Judgment, for the
27 modification of any of the injunctive provisions hereof, for enforcement of compliance herewith,
28 and for the punishment of violations hereof, if any.

1 18. If any subsequent amendment to or expiration of California Civil Code sections
2 827, 1947.3, and 1947.12, California Code of Regulations, title 25, section 42, Novato Municipal
3 Code section 4-14.13, and San Rafael Municipal Code sections 10.100.010 et seq., and
4 12.310.130, conflicts with or renders inapplicable a term of the injunction, either party may, after
5 meeting and conferring, request that the Court revise that term of the judgment as necessary.

6 19. Any notices required to be sent to the People or to Defendant under this Judgment
7 shall be sent by email and certified mail to the following. Any party may update its designee or
8 address by sending written notice to the other party informing them of the change.

9 A. For the People of the State of California:

10 Deputy Attorney General Jason H. Tarricone
11 Consumer Protection Section
12 Office of the Attorney General
13 455 Golden Gate Ave, Suite 11000
14 San Francisco, CA 94102
15 Jason.Tarricone@doj.ca.gov
16 Michael.Novasky@doj.ca.gov
17 Tina.Charoenpong@doj.ca.gov

18 Deputy District Attorney Michael K. Wear
19 Marin County District Attorney's Office
20 3501 Civic Center Drive, Suite 145
21 San Rafael, CA 94903
22 Mike.Wear@marincounty.gov

23 B. For Defendant:

24 Mission Rock Residential California, Inc.
25 c/o CT Corporation System
26 330 N. Brand Blvd.
27 Glendale, CA 91203

28 *With a copy to:*

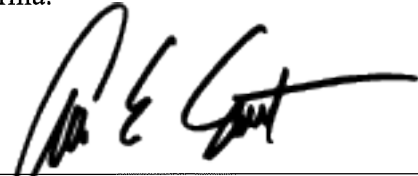
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20. The clerk is ordered to enter this Judgment forthwith.

ORDERED AND ADJUDGED at San Rafael, California.

DATED: 10/29/2025



JUDGE OF THE SUPERIOR COURT