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

18 THE PEOPLE OF THE STATE OF
CALIFORNIA,
19
20 Plaintiff,

Civil Case No. **210005**

21 v.

**[PROPOSED] STIPULATED FINAL
JUDGMENT AND PERMANENT
INJUNCTION**

22 PROPERTY UPSURGE, INC., a California
Corporation; PROPERTY UPSURGE 101,
23 LLC, a California limited liability company;
PROPERTY UPSURGE 102, LLC, a
24 California limited liability company;
PROPERTY UPSURGE 103, LLC, a
25 California limited liability company,

26 Defendants.
27
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FEB 26 2026

CLERK OF THE SHASTA COUNTY
SUPERIOR COURT - CIVIL DIVISION

1 Plaintiff, the People of the State of California ("People"), by and through Rob Bonta,
2 Attorney General, and Stephanie A. Bridgett, District Attorney of Shasta County and Defendants
3 Property Upsurge, Inc., Property Upsurge 101, LLC, Property Upsurge 102, LLC, and Property
4 Upsurge 103, LLC ("Defendants" or "Property Upsurge") by and through their attorneys, Illovsky
5 Gates & Calia LLP, by Sharon Frase, having stipulated to entry of this Stipulated Final Judgment
6 and Permanent Injunction (hereinafter "Final Judgment"); and the Court having considered the
7 pleadings and good cause appearing,

8 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

9 1. Unless otherwise stated, all obligations imposed upon Defendants by the terms of
10 this Final Judgment are ordered pursuant to sections 17200, et seq., and 17500, et seq., of the
11 California Business and Professions Code, including sections 17203, 17206, 17535, and 17536.

12 2. The Parties have waived the right to appeal this Final Judgment both as to form
13 and content.

14 3. Nothing in this Final Judgment shall excuse the Defendants from meeting any
15 more stringent requirements which may be imposed hereafter by changes in applicable law,
16 including without limitation legislation, regulations, ordinances, as well as orders, citations, and
17 permits having the force of law.

18
19 **JURISDICTION AND VENUE**

20 4. This Court has jurisdiction over the allegations and subject matter of the People's
21 Complaint filed in this action, and the parties to this action, and has jurisdiction to enter this
22 Judgment.

23 5. Defendants advertise and conduct business within Shasta County, and elsewhere
24 throughout the state of California.

25 6. Venue is appropriate in this Court because the wrongful acts alleged in the
26 Complaint occurred in Shasta County and elsewhere throughout the State of California.

1 INJUNCTIVE RELIEF

2 Pursuant to Business and Professions Code section 17203, Defendants, and each of them, as
3 well as each of their officers, directors, employees, agents, and representatives acting within the
4 course and scope of their agency and employment; their subsidiaries, general and limited partners,
5 successors and assignees; and all persons, partnerships, agents, corporations, and other entities
6 acting in concert or in participation with the Defendants and with actual or constructive
7 knowledge of this Final Judgment, are hereby permanently enjoined and restrained as follows.

8 This paragraph is not intended to cover any owner of real property that Defendants manage, other
9 than Defendants themselves, unless the owner of the real property is acting in concert or in
10 participation with Defendants for the purpose of evading this judgment.

11 7. Defendants shall comply with the Unfair Competition Law, Business and
12 Professions Code section 17200 et seq., and False Advertising Law, Business and Professions
13 Code section 17500 et seq., and all applicable federal, state, and local laws and regulations that
14 govern residential rental properties and the landlord-tenant relationship. Defendants shall ensure
15 that their employees are adequately trained on compliance with these laws and the terms of this
16 judgment.

17
18 ***Substantial remodel evictions***

19 8. Where just cause is required to terminate a tenancy, Defendants shall not terminate
20 a tenancy based on any proposed remodel or renovation activity, including without limitation on
21 the basis of the substantial remodel just cause of the Tenant Protection Act, except in compliance
22 with this paragraph and Paragraph 9. In the event of any such tenancy termination, Defendants
23 shall comply with all state and local laws governing tenancy terminations for remodel or
24 renovation activity, including without limitation Civil Code section 1946.2 and all amendments or
25 recodifications thereof. Defendants shall procure all necessary permits, serve legally compliant
26 notices, pay any applicable relocation assistance, and actually perform work meeting all
27 applicable legal criteria.
28

1 9. Within three days of service of any tenancy termination notice stating cause to
2 evict based on any remodeling or renovation activity, Defendants shall provide a copy of the
3 applicable notice and permit to the People, together with a written explanation of all relevant
4 circumstances.

5
6 ***Rent increases***

7 10. Defendants shall comply with Civil Code section 1947.12 and all amendments or
8 recodifications thereof, and with all other applicable state and local laws and regulations
9 governing rent increases.

10 11. Defendants shall design and implement reasonable policies and procedures for
11 tracking and reviewing rent increases and corresponding notices, and for verifying compliance
12 with state and local laws before serving rent increase notices.

13 12. Defendants shall train all employees with responsibility for any aspect of rent
14 increases regarding all applicable state and local laws, and regarding Defendants' internal system
15 for tracking rent increases.

16 13. Defendants shall complete annual audits of all rent increases, correct any errors,
17 including refunding any overpayments, and submit an annual report of all such activities to the
18 People for a period of 3 years following entry of this judgment.

19
20 ***Fees for late payment of rent***

21 14. With respect to any fees charged for late or insufficient payment of rent,
22 Defendants shall comply with all applicable state and local laws governing the setting of
23 liquidated damages, including Civil Code section 1671, subdivision (d).

24 15. In meeting their obligations under paragraph 14, Defendants shall perform a
25 reasonable endeavor to estimate a fair average compensation for any loss that they may sustain as
26 a result of tenants' late payment of rent, consisting of (1) an actual, non-pretexual analysis of
27 their costs to estimate the Defendants' damages from a breach, (2) a proper purpose, and (3) a fee
28 that is in proportion to the costs.

1 16. For purposes of paragraph 15, and under the circumstances pertinent to this
2 judgment, a reasonable endeavor shall involve at a minimum, the following:

3 a. Defendants shall utilize the services of an expert mutually agreeable to the
4 People and Defendants (“the Parties”), who shall perform an independent and neutral
5 analysis pursuant to a proposed work plan mutually agreeable to the Parties;

6 b. The analysis shall involve, at a minimum, a reasonable, good-faith study of
7 the actual labor costs incurred by Property Upsurge, Inc. as a result of a tenant’s late
8 payment of rent. This analysis shall not include hours spent by salaried employees
9 unless additional salary is paid each time there is a late payment of rent. The analysis
10 may also include consideration of additional costs incurred by Property Upsurge, Inc.
11 as a result of a tenants’ late payment of rent that are not otherwise recoverable by
12 Property Upsurge, Inc. through previously established contractual agreements with
13 tenants or property owners, or through available legal process;

14 c. Defendants shall cooperate with any requests for information made by the
15 expert; and

16 d. The expert shall complete work and produce a report documenting and
17 substantiating methodology, analysis, and conclusions to the Parties within 90 days
18 following entry of judgment.

19 17. After 90 days have elapsed following entry of judgment, Defendants shall not
20 charge or collect, or attempt to charge or collect, a late fee exceeding the estimated costs as a
21 result of a late payment determined by the expert under paragraph 16. Following the expert’s
22 determination of such estimated costs, Defendants shall adjust outstanding late fees so that they
23 comply with the limits of this paragraph, and shall refund any payments made following entry of
24 judgment that are in excess of the limits of this paragraph.

25
26 ***Fees for serving tenant notices***

27 18. Defendants shall not charge fees for serving notices to tenants.
28

1 *Affordable and subsidized housing*

2 19. Defendants shall comply with all federal, state, and local laws prohibiting source-
3 of-income discrimination in rental housing.

4 20. Defendants shall comply with all applicable housing authority and other agency
5 rules and regulations relating to programs for affordable or subsidized housing, including but not
6 limited to the Section 8 housing choice voucher and HUD-VASH programs.

7 21. Defendants shall comply with all applicable terms and conditions of their housing
8 assistance payment contracts with local housing authorities.

9 22. Defendants shall rent housing units to tenants receiving housing subsidies,
10 including but not limited to Section 8 housing choice voucher program tenants, at the same rate it
11 would rent the housing units to unsubsidized tenants, except as permitted by law.

12 23. Defendants shall ensure that any fee or charge in connection with rental housing is
13 not passed along to Section 8 housing choice voucher program tenants, except as permitted by
14 law, with the express, written authorization of the applicable housing authority.

15 24. Defendants shall clearly and conspicuously state in all rental listings and
16 advertisements for leases for a duration of less than one year, that Property Upsurge will enter
17 into year-long initial leases with tenants receiving subsidies, including but not limited to Section 8
18 housing choice voucher program tenants.

19 25. Defendants shall clearly and conspicuously state "ALL HOUSING ASSISTANCE
20 WELCOME" in all rental listings and advertisements.

21 26. Defendants shall maintain rental listings for a period of three years following the
22 effective date of this judgment, and shall produce such listings to the People upon request. For
23 purposes of this paragraph, it shall be sufficient compliance for Defendants to produce on a
24 weekly basis, and thereafter retain, PDF printouts of the rental listing page maintained on their
25 website, provided that it remains Defendants' practice to list all available rental listings on such
26 website, including addresses, unit numbers, and offering prices.

27 27. Defendants shall maintain all applications from prospective or current tenants
28 seeking to use a housing voucher or other form of housing subsidy, as well as all Requests for

1 Tenancy Approval sent to housing authorities, for a period of three years following the effective
2 date of this judgment, and shall produce them to the People upon request.

3 ***Habitability***

4 28. Defendants shall comply with all applicable federal, state, and local laws and
5 regulations relating to maintaining, safe, habitable, and tenantable dwellings.

6 29. Defendants shall develop and maintain reasonable policies and procedures for
7 receiving, tracking, responding to, redressing, and closing all tenant complaints or requests for
8 maintenance, repairs, or services.

9 30. Defendants shall respond to and address all tenant maintenance and repair requests
10 and complaints with respect to any habitability-related condition within a reasonable time. For
11 purposes of this paragraph, a reasonable time shall not exceed three business days, unless
12 Defendants attempt to meet the requirements of this paragraph, but are frustrated because a tenant
13 prevents access or does not respond following at least two attempts to establish contact, including
14 via both email and phone call, provided such contact information is available to Defendants.

15 31. Defendants shall respond to and address conditions affecting the life, safety, health
16 or immediate well-being of tenants as immediately as possible, and in all events within a
17 reasonable time not to exceed twenty-four hours. If Defendants cannot resolve such a condition
18 immediately, Defendants shall comply with applicable state and local requirements for rehousing
19 or providing relocation payments to affected individuals, including, but not limited to, section
20 17975 of the California Health and Safety Code.

21 32. Defendants shall not close an open tenant maintenance or repair request until the
22 tenant has been notified in writing, for which electronic mail or similar reliable electronic
23 methods will suffice, to confirm the completion of the requested repair or maintenance and
24 inform tenants that they may reopen a request if the repair or maintenance was not performed or
25 did not adequately address the issue. In the event that Defendants have been unable to access a
26 unit or complete repairs or maintenance for any reason within the allotted time frame, Defendants
27 shall provide a written communication to the tenant notifying the tenant that they have been
28 unable to access the unit and will close the request, but that the tenant may reopen the request if

1 needed. Any non-response by the tenant shall be without prejudice to the tenant's ability to
2 initiate a new repair or maintenance request.

3 33. Defendants shall not represent to tenants that the provision of safe, healthy, or
4 habitable residences, or any aspect thereof, is solely or primarily the responsibility of the tenant.

5 34. Defendants shall not represent or suggest, including without limitation on their
6 website, that tenants have sole or predominant responsibility for pest control.

7 35. Within ten days of entry of judgment, Defendants shall nominate one or more
8 independent expert inspectors with relevant and appropriate knowledge and experience, with the
9 selection of an acceptable expert inspector subject to the approval of the People in their sole
10 discretion. The inspector(s) shall thereafter conduct independent, neutral inspections of the
11 entirety of the premises, of the apartment complex commonly known as Echo Palms and located
12 at 1013 Echo Road, Redding, California, including, as needed, the interiors of dwelling units with
13 the consent of the tenants or in compliance with the notice provisions of Civil Code section 1954.
14 Defendants shall facilitate all access required by the inspector(s) in conducting inspections. The
15 inspector(s) shall also review the applicable tenant request logs and repair and maintenance
16 records, and have access to the tenants. Within thirty days following their selection, the expert
17 inspector(s) shall make recommendations to Defendants regarding repairs and maintenance
18 necessary to bring the 1013 Echo Road Property up to all applicable standards of safety,
19 habitability, and tenantability, including by meeting any applicable building codes and industry
20 standards. Defendants shall perform such work as may be necessary until the expert inspector(s),
21 after conducting re-inspections of the above-listed premises, re-review of all the applicable
22 request logs and repair and maintenance records, and performing such interviews with tenants as
23 they may deem necessary, shall certify to the People that all the applicable standards have been
24 met.

25 36. Defendants shall grant unlimited access to the applicable local code enforcement
26 agencies to inspect any property identified by the People for three years following entry of
27 judgment. Defendants shall transmit all inspection records, warnings, notices, citations, and
28 orders issued by a local code enforcement agency to the People within 10 days of receipt. If the

1 conditions are not cured to the satisfaction of a local code enforcement agency within 35 days,
2 Defendants shall comply with California Civil Code section 1942.4.

3 37. Defendants shall employ an internal ombudsperson with the following
4 responsibilities and authority, and shall notify the People of his or her identity.

- 5 a. Identifying repeat maintenance or repair requests concerning the same or
6 similar issues and escalating them for appropriate action to ensure Property
7 Upsurge complies with its obligations under this judgment;
- 8 b. Reviewing and escalating for appropriate action all communications in which
9 tenants indicate that a requested repair or maintenance request has not been
10 satisfactorily completed;
- 11 c. Communicating with counsel for the People, either directly or through a legal
12 representative, regarding all aspects of the habitability provisions of this
13 judgment;
- 14 d. Communicating with the expert inspector provided for in Paragraph 35, to
15 ensure compliance with the habitability provisions of this judgment; and
- 16 e. Ensuring compliance with code enforcement inspections, warnings, notices,
17 citations, and orders, and communicating the status of such compliance efforts
18 to counsel for the People.

19 38. Defendants shall provide all of the following to counsel for the People every six
20 months for a period of three years following entry of this judgment:

- 21 a. A written attestation, under penalty of perjury, of compliance with the
22 judgment;
- 23 b. All tenant requests for maintenance or repairs;
- 24 c. All tenant complaints about any habitability-related condition;
- 25 d. All communications in which a tenant has indicated that a requested repair or
26 maintenance request has not been performed or satisfactorily completed; and
- 27 e. All records of repairs and maintenance made subject to the recommendations,
28 of the expert inspector(s) provided for in this judgment, or made in response to

1 any local code enforcement activity, as well as all code enforcement findings,
2 notices, warnings, citations, and orders and all communications with code
3 enforcement.
4

5 **MONETARY AND DEBT RELIEF**

6 39. Defendants shall provide monetary relief in the total amount of \$600,000 and debt
7 relief in the total amount of \$200,000, as follows.

8 40. Civil Penalties: Pursuant to Business and Professions Code sections 17206 and
9 17536, Defendants shall be jointly and severally liable to pay civil penalties in the amount of
10 \$50,000. These funds shall be allocated in accordance with section 17206, subdivision (c) of the
11 Business and Professions Code, and the state's portion of these funds and any interest accrued
12 thereon shall be for the exclusive use by the Attorney General for the enforcement of consumer
13 protection laws, pursuant to section 17206, subdivision (c)(4), of the Business and Professions
14 Code. Defendants shall make payment as follows.

15 a. Within five days of the effective date, Defendants shall provide one check in the
16 amount of \$25,000 made payable to the "Attorney General" and delivered to
17 Hunter Landerholm, Deputy Attorney General, Office of the Attorney General,
18 1515 Clay Street, Suite 2000, Oakland, CA 94602.

19 b. Within five days of the effective date, Defendants shall provide one check in the
20 amount of \$25,000 made payable to the "Treasurer of Shasta County" and
21 delivered to Anand "Lucky" Jesrani, Senior Deputy District Attorney, at the
22 Shasta County District Attorney's Office, 1355 West Street, Redding, CA
23 96001, pursuant to Business and Professions Code section 17206 for the
24 enforcement of consumer protection laws.

25 41. Restitution: Pursuant to Business and Professions Code sections 17203 and 17535,
26 Defendants shall pay restitution totaling \$550,000. This restitution amount shall be paid as
27 follows:
28

1 a. Within five days of the effective date, Defendants shall segregate \$550,000 in a
2 single-purpose account established by Defendants and retained in that account until
3 disposed of in compliance with this judgment. Of the segregated sum, \$80,147.67 shall
4 be paid as restitution to tenants in amounts identified by Defendants prior to entry of
5 judgment for reimbursement of unlawful rent increases. The remaining money in the
6 account shall be used as directed by the People in their sole discretion to pay restitution
7 to certain of Defendants' current and former tenants selected by the People, in the
8 amounts provided to Defendants by the People, until the total of payments distributed
9 under subparagraphs (a)–(b) totals \$550,000. Defendants shall cooperate with all
10 information requests and instructions provided by the People to facilitate payment of
11 restitution to current and former tenants of Defendants. For each current tenant, the
12 People shall elect whether restitution shall be paid directly to the tenant, or in the form
13 of rent credits. For the restitution the People elect to pay in the form of rent credits,
14 Defendants are authorized to transfer out of the single-purpose account and back to
15 Defendants' operating account an amount of money equivalent to those credit(s).

16 b. When paying restitution as provided in subparagraph (a) of this paragraph in the
17 form of direct payments to current or former tenants, Defendants shall distribute
18 restitution from the segregated fund in the form of checks or other mutually agreeable
19 payment method, in the amounts directed by the People, and shall submit documentation
20 of such payments to the People.

21 c. Any funds that remain undisbursed or unclaimed after one year following the first
22 payment of restitution to a consumer under this judgment shall be remitted to the
23 Attorney General's Office pursuant to instructions provided by the Attorney General's
24 Office. The Attorney General's Office shall deposit those funds and any other remaining
25 funds, including accrued interest, into the fund established by Government Code section
26 12527.6, subdivision (c). In no event shall funds be returned to Defendants.

27 42. Debt Relief: Defendants shall provide debt relief to former tenants totaling
28 \$200,000 in compliance with this paragraph. Defendants shall provide requested tenant ledgers

1 substantiating past-due balances. Defendants shall then waive as disputed debt, the balances
2 requested by the People, until the face amount forgiven totals \$200,000, and shall submit
3 documentation to the People sufficient to demonstrate that the tenants' debt has been credited in
4 the amounts required. Upon crediting a former tenant's debt, Defendants shall notify the affected
5 tenants of the waiver of their past-due balances as disputed debt, cease all collection efforts, and
6 request deletion of any applicable tradelines with any credit reporting agencies.

7 **ADDITIONAL PROVISIONS**

8 43. Notice and reporting under this judgment shall be given as follows:

9 a. For the People, by email to:

10 Department of Justice
11 Office of the Attorney General
12 Attn: Deputy AG Hunter Landerholm
Hunter.Landerholm@doj.ca.gov

Shasta County District Attorney
Attn: Senior Deputy DA Lucky Jesrani
Ljesrani@shastacounty.gov

13
14 b. For Defendants, by email to:

15 Sharon Frase, Esq.
16 Illovsy Gates & Calia LLP
17 1611 Telegraph Ave, Suite 806
Oakland, CA 94612
sharon@illovskygates.com

18 44. Jurisdiction is retained pursuant to Code of Civil Procedure section 664.6 for the
19 purpose of enabling the Parties to this Judgment to apply to the Court at any time for such further
20 orders and directions as may be necessary and appropriate for the construction or carrying out of
21 this Judgment, for the modification of any of its injunctive provisions, and for the enforcement of,
22 compliance with, and for the punishment of violations of the Judgment.

23 45. The clerk is directed to immediately enter this Final Judgment.

24
25 Dated: _____

26 JUDGE OF THE SUPERIOR COURT