

1 CARMEN A. TRUTANICH, City Attorney (SBN 86629)
 2 JEFFREY B. ISAACS, Chief Assistant City Attorney (SBN 117104)
 3 TINA HESS, Assistant City Attorney (SBN 143900)
 4 JULIA FIGUEIRA-McDONOUGH, Deputy City Attorney (SBN 200452)
 5 TRAVIS AUSTIN, Deputy City Attorney (SBN 212166)
 6 OFFICE OF THE LOS ANGELES CITY ATTORNEY
 7 CRIMINAL BRANCH
 8 200 North Main Street, 500 City Hall East
 9 Los Angeles, California 90012-4131
 10 Telephone (213) 978-7940/Facsimile (213) 978-8112

11 Attorneys for Plaintiffs, The People of the State of California and
 12 The City of Los Angeles

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

15 THE PEOPLE OF THE STATE OF
 16 CALIFORNIA and THE CITY OF
 17 LOS ANGELES, a municipal corporation,

18 Plaintiffs,

19 vs.

20 DEUTSCHE BANK NATIONAL TRUST
 21 COMPANY,
 22 a national banking association;
 23 DEUTSCHE BANK TRUST COMPANY
 24 AMERICAS,
 25 a New York State banking association;
 26 DEUTSCHE BANK NATIONAL TRUST
 27 COMPANY,
 28 as trustee for RESMAE Asset-Backed Pass-
 Through Certificates Series 2006-1;
 DEUTSCHE BANK NATIONAL TRUST
 COMPANY,
 as trustee for unidentified trust relating to
 property located at 4040 West 21st Street,
 Los Angeles, California 90018;
 DEUTSCHE BANK NATIONAL TRUST
 COMPANY,
 as trustee for First Franklin Mortgage Loan
 Trust 2006-FF7, Mortgage Pass-Through
 Certificates Series 2006-FF7;

) Case No. :

)

) **COMPLAINT TO ABATE PUBLIC**
) **NUISANCES, FOR INJUNCTIVE**
) **AND OTHER EQUITTABLE**
) **RELIEF AND FOR CIVIL**
) **PENALTIES FOR VIOLATION OF:**

)

) **1) THE CALIFORNIA UNFAIR**
) **COMPETITION LAW (Business and**
) **Professions Code section 17200 et seq.)**

)

) **2) THE LOS ANGELES**
) **MUNICIPAL CODE (Los Angeles**
) **Municipal Code section 11.00,**
) **subdivision (I))**

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1 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 2 as trustee for Ameritrust Mortgage)
 Securities Inc. Asset Backed Pass Through)
 3 Certificates Series 2005-R9, under the)
 Pooling & Servicing Agreement Dated as of)
 4 October 1, 2005;)
 5 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 6 as trustee for First Franklin Mortgage Loan)
 Trust 2006 FF-5, Mortgage Pass Through)
 7 Certificates, Series 2006-FF5;)
 8 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 9 as trustee for Morgan Stanley ABS Capital 1)
 Inc., Trust 2006-WMC3;)
 10 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 11 as trustee for Argent Mortgage Securities,)
 12 Inc. Asset Backed Pass Through Certificates,)
 Series 2006-M1 under the Pooling and)
 13 Servicing Agreement Dated As of June 1,)
 2006;)
 14 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 15 as trustee for New Century Home Equity)
 16 Loan Trust, Series 2005-B, Asset Backed)
 Pass-Through Certificates;)
 17 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 18 as trustee for GSAMP Trust 2006-NC2,)
 19 Mortgage Pass-Through Certificates, Series)
 2006-NC2;)
 20 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 21 as trustee for Soundview Home Loan Trust)
 2005-OPT2 Asset Backed Certificates Series)
 22 2005-OPT2;)
 23 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 24 as trustee for Pooling And Servicing)
 Agreement Dated as of November 1, 2006,)
 25 Securitized Asset Backed Receivables LLC)
 Trust 2006-WMC3 Mortgage Pass Through)
 26 Certificates Series 2006-WMC3;)
 27)
 28)

1 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
2 as trustee for IXIS 2006-HE2;)
3 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
4 as trustee for Morgan Stanley Loan Trust)
2006-HE4;)
5 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
6 as trustee for IMPAC Secured Assets)
Corp., Mortgage Pass-Through Certificates)
7 Series 2006-2;)
8 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
9 as trustee for Fremont Home Loan Trust)
2006-1;)
10 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
11 as trustee for Morgan Stanley Pass-Through)
12 Certificates, Series 2006-3;)
DEUTSCHE BANK NATIONAL TRUST)
13 COMPANY,)
as trustee for INDX 2006-AR9;)
14 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
15 as trustee for Pooling and Servicing)
16 Agreement Series RAST 2006-A7;)
DEUTSCHE BANK NATIONAL TRUST)
17 COMPANY,)
as trustee for unidentified trust relating to)
18 property located at 5013 North Dobkin)
Avenue, Los Angeles, California 91356;)
19 DEUTSCHE BANK TRUST COMPANY)
20 AMERICAS,)
as trustee for Soundview Home Loan Trust)
21 2006-EQ1;)
22 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
23 as trustee for unidentified trust relating to)
property located at 9051 North Stanwin)
24 Avenue, Los Angeles, California 91331;)
DEUTSCHE BANK NATIONAL TRUST)
25 COMPANY,)
as trustee for Pooling and Servicing)
26 Agreement Dated November 1, 2006)
27 Securitized Asset Backed Receivables LLC)
Trust 2006-WMC3, Mortgage Pass Through)
28 Certificates Series 2006- WMC3;)

1	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
2	as trustee for GSAMP Trust 2005-AHL)
	Mortgage Pass-Through Certificates Series)
3	2005-AHL;)
4	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
5	as trustee for unidentified trust relating to)
	property located at 11881 South Jefferson)
6	Boulevard, Los Angeles, California 90230;)
7	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
8	as trustee for IMPAC Secured Assets Corp.,)
	Mortgage-Pass Through Certificates Series)
9	2006-3;)
10	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
11	as trustee for New Century Home Equity)
	Loan Trust 2006-2;)
12	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
13	as trustee for Pooling And Servicing)
	Agreement Series DBALT 2006-AR5;)
14	DEUTSCHE BANK TRUST COMPANY)
	AMERICAS,)
15	as trustee for unidentified trust relating to)
16	property located at 2251 West Cambridge)
	Street, Los Angeles, California 90006;)
17	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
18	as trustee for HSI Asset Securitization)
19	Corporation Trust 2006 HE-2;)
20	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
21	as trustee for Ameriquest Mortgage Backed)
	Securities Inc., Asset Backed Pass Through)
22	Certificates Series 2006-M3 Under Pooling)
	And Servicing Agreement Dated As)
23	Of September 1, 2006;)
24	DEUTSCHE BANK TRUST COMPANY)
	AMERICAS,)
25	as trustee for Morgan Stanley, MSAC 2007-)
	NC1;)
26	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
27	as trustee for Ameriquest Mortgage)
	Securities Inc., Asset Backed Pass Through)
28	Certificates Quest Trust Series 2006-X2)

1 Under The Pooling & Servicing Agreement)
 Dated As Of August 1, 2006;)
 2 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 3 as trustee for FFMLT 2006-FF13 Mortgage)
 4 Pass Through Certificates Series 2006-FF13;)
 DEUTSCHE BANK NATIONAL TRUST)
 5 COMPANY,)
 as trustee for AEGIS Asset Backed Securities)
 6 Trust 2006-1, Mortgage Backed Notes;)
 DEUTSCHE BANK NATIONAL TRUST)
 7 COMPANY,)
 8 as trustee for Harborview Mortgage Loan)
 Trust 2006-5;)
 9 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 10 as trustee for Pooling And Servicing)
 11 Agreement Dated As Of February 1, 2007,)
 Securitized Asset Backed Receivables LLC)
 12 Trust 2007-NC2 Mortgage Pass-Through)
 Certificates, Series 2007-NC2;)
 13 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 14 as trustee for Pooling And Servicing)
 15 Agreement Related To IMPAC Secured)
 Assets Corp., Mortgage Pass Through)
 16 Certificates Series 2006-5;)
 DEUTSCHE BANK NATIONAL TRUST)
 17 COMPANY,)
 as trustee for HSI Asset Securitization)
 18 Corporation Trust 2007-HE2;)
 19 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 20 as trustee for Morgan ABS Capital 1 Inc.)
 Trust 2006-HE6, Mortgage Pass Through)
 21 Certificates Series 2006-HE2;)
 DEUTSCHE BANK NATIONAL TRUST)
 22 COMPANY,)
 23 as trustee for Pooling and Servicing)
 Agreement Dated January 1, 2007,)
 24 Securitized Asset Backed Receivables LLC)
 Trust 2007-HE1, Mortgage Pass Through)
 25 Certificates Series 2007-HE1;)
 DEUTSCHE BANK TRUST COMPANY)
 26 AMERICAS,)
 27 as trustee for unidentified trust relating to)
 property located at 13376 West Raven Street,)
 28 Los Angeles, California 91342;)

1 DEUTSCHE BANK TRUST COMPANY)
 AMERICAS,)
 2 as trustee for IXIS 2006-HE3;)
 DEUTSCHE BANK NATIONAL TRUST)
 3 COMPANY,)
 4 as trustee for New Century Home Equity)
 Loan Trust 2005-3;)
 5 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 6 as trustee for GSAMP Trust 2007-SEA1,)
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 7 2007-SEA1;)
 8 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 9 as trustee for Argent Mortgage Loan Trust)
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 10 W1;)
 11 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 12 as trustee for IMPAC Secured Assets Corp.,)
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 13 2006-4;)
 14 DEUTSCHE BANK TRUST COMPANY)
 AMERICAS,)
 15 as trustee for IXIS Real Estate Capital Inc;)
 DEUTSCHE BANK NATIONAL TRUST)
 16 COMPANY,)
 as trustee for Morgan Stanley ABS Capital 1)
 17 Inc. Trust 2006-HE7, Mortgage Pass)
 Through Certificates Series 2006-HE7;)
 18 DEUTSCHE BANK NATIONAL TRUST)
 19 COMPANY,)
 as trustee for HSI Asset Securitization)
 20 Corporation 2006-OPT2 Mortgage Pass)
 Through Certificates, Series 2006-OPT2;)
 21 DEUTSCHE BANK NATIONAL TRUST)
 22 COMPANY,)
 as trustee for Argent Securities, Inc., Asset-)
 23 Backed Pass-Through Certificates, Series)
 2006-M2;)
 24 DEUTSCHE BANK NATIONAL TRUST)
 25 COMPANY,)
 as trustee for Pooling and Servicing)
 26 Agreement May 1, 2007, Securitized Asset)
 Backed Receivables LLC Trust 2007-BR3,)
 27 Mortgage Pass Through Certificates Series)
 2007-BR3;)
 28)

1 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
2 as trustee for Long Beach Mortgage Loan)
Trust 2006-5;)
3 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
4 as trustee for Long Beach Mortgage Loan)
Trust 2006-11;)
5 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
6 as trustee for Argent Securities Inc., Asset-)
Backed Pass-Through Certificates, Series)
7 2006-W5;)
8 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
9 as trustee for Morgan Stanley ABS Capital 1)
Inc., MSAC 2007-MC4;)
10 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
11 as trustee for IMPAC Secured Assets Corp.)
Mortgage Pass-Through Certificates Series)
12 2007-2;)
13 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
14 as trustee for NATIXIS 2007-HE2;)
15 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
16 as trustee for First Franklin Mortgage Loan)
Trust 2006-FF11;)
17 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
18 as trustee for First Franklin Mortgage Loan)
Trust 2006-FF9 Mortgage Pass Through)
19 Certificate Series 2006-FF9;)
20 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
21 as trustee for Long Beach Mortgage Loan)
Trust 2006-2;)
22 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
23 as trustee for IXIS 2006-HE1;)
24 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
25 as trustee for Morgan Stanley ABS Capital 1)
Inc. Trust 2006-HE4;)
26)
27)
28)

1 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
2 as trustee for Morgan Stanley ABS Capital 1)
Inc. Trust 2006-NC4)
3 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
4 as trustee for Long Beach Mortgage Loan)
Trust 2005-WL3;)
5 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
6 as trustee for Long Beach Mortgage Loan)
Trust 2006-WL2;)
7 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
8 as trustee for Carrington Mortgage Loan)
Trust, Series 2005-NC3, Asset Backed Pass-)
9 Through Certificates;)
10 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
11 as trustee for HSBC Bank USA, NA ACE)
2006-NC1;)
12 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
13 as trustee for unknown trust relating to)
property located at 10730 Bloomfield Street)
14 Los Angeles, California 91602;)
15 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
16 as trustee for Terwin Mortgage Trust 2006-)
9HGA Asset-Backed Certificates, Series)
17 2006-9HGA;)
18 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
19 as trustee for Argent Securities Inc., Asset)
Backed Pass Through Certificates Series)
20 2006-W1;)
21 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
22 as trustee for Argent Securities Inc. Asset-)
Backed Pass-Through Certificates, Series)
23 2005-W3;)
24 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
25 as trustee for IMH Assets Corp.,)
Collateralized Asset Backed Bonds, Series)
26 2005-5;)
27 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
28

1 as trustee for unidentified trust relating to)
property located at 7051 North Lindley)
2 Avenue Los Angeles, California 91335;)
DEUTSCHE BANK NATIONAL TRUST)
3 COMPANY,)
4 as trustee for Securitized Asset Backed)
Receivables LLC Trust 2007-BR5 Mortgage)
5 Pass Through Certificates Series 2007-BR5;)
DEUTSCHE BANK NATIONAL TRUST)
6 COMPANY,)
7 as trustee for unknown trust relating to)
property located at 7921 North Woodlake)
8 Avenue, Los Angeles, California 91304;)
DEUTSCHE BANK NATIONAL TRUST)
9 COMPANY,)
10 as trustee for FFMLT 2006-FF13;)
DEUTSCHE BANK NATIONAL TRUST)
11 COMPANY,)
12 as trustee for Meritage Mortgage Loan Trust)
2005-3, Asset Backed Certificates Series)
2005-3;)
13 DEUTSCHE BANK TRUST COMPANY)
AMERICAS,)
14 as trustee for Morgan Stanley, MSAC 2007-)
HE1;)
15 DEUTSCHE BANK TRUST COMPANY)
16 AMERICAS,)
17 as trustee for unknown trust relating to)
property located at 10403 Wilmington Ave.)
Los Angeles, 90002;)
18 DEUTSCHE BANK NATIONAL TRUST)
19 COMPANY,)
20 as trustee for Pooling And Servicing)
Agreement Dated As of January 1, 2007,)
Securitized Asset Backed Receivables LLC)
21 Trust 2007-NC1 Mortgage Pass-Through)
Certificates, Series 2007-NC1;)
22 DEUTSCHE BANK NATIONAL TRUST)
23 COMPANY,)
24 as trustee for MASTR SPEC LN TR06-1;)
DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
25 as trustee for Pooling And Servicing)
Agreement Dated As Of March 1, 2007,)
26 Securitized Asset Backed Receivables LLC)
27 Trust 2007-BR1 Mortgage Pass Through)
Certificates Series 2007-BR1;)
28)

1	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
2	as trustee for HASCO Mortgage Pass)
	Through Certificates Series 2006 HE-2;)
3	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
4	as trustee for Argent Securities Inc., Asset-)
	Backed Pass-Through Certificates, Series)
5	2005-W2;)
6	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
7	as trustee for Long Beach Mortgage Loan)
8	Trust 2006-8;)
	DEUTSCHE BANK NATIONAL TRUST)
9	COMPANY,)
	as trustee for New Century Home Equity)
10	Loan Trust Series 2006-1;)
	DEUTSCHE BANK NATIONAL TRUST)
11	COMPANY,)
	as trustee for Morgan Stanley ABS Capital 1)
12	Inc. Trust 2006-WMC2;)
13	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
14	as trustee for Fremont Home Loan Trust)
	Series 2006-3;)
15	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
16	as trustee for Soundview Home Loan Trust)
17	2005-4 Asset Backed Certificates;)
	DEUTSCHE BANK NATIONAL TRUST)
18	COMPANY,)
	as trustee for FFMLT 2006-FF4, Mortgage)
19	Pass-Through Certificates, Series 2006-FF4;)
20	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
21	as trustee for Argent Securities, Inc., Asset-)
	Backed Pass-Through Certificates, Series)
22	2006-W3;)
23	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
24	as trustee for Ameriquest Mortgage)
	Securities Inc., Asset-Backed Pass-Through)
25	Certificates, Series ARSI 2006-M3;)
	DEUTSCHE BANK NATIONAL TRUST)
26	COMPANY,)
	as trustee for HSI Asset Securitization)
27	Corporation 2006-OPT3, Mortgage Pass-)
28	Through Certificate Series 2006-OPT3;)

1	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
2	as trustee for Pooling and Servicing)
	Agreement Dated April 1, 2007 Securitized)
3	Asset Backed Receivables LLC Trust 2007-)
	BR2 Mortgage Pass Through Certificates)
4	Series 2007-BR2;)
	DEUTSCHE BANK NATIONAL TRUST)
5	COMPANY,)
	as trustee for Novostar Mortgage Funding)
6	Trust Series 2006-5;)
	DEUTSCHE BANK NATIONAL TRUST)
7	COMPANY,)
	as trustee for WAMU 2006-AR5;)
8	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
9	as trustee for Soundview Home Loan Trust)
10	2006-OPT2, Asset Backed Certificates Series)
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12	COMPANY,)
	as trustee for Ameriquest Mortgage)
13	Securities Inc. 2001-A;)
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14	COMPANY,)
	as trustee for Harborview Mortgage Loan)
15	Trust Mortgage Loan Pass Through)
16	Certificates Series 2007-5;)
	DEUTSCHE BANK NATIONAL TRUST)
17	COMPANY,)
	as trustee for Indymac INDX Mortgage Loan)
18	Trust 2006-AR4, Mortgage Pass Through)
19	Certificates Series 2006-AR4 Under The)
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20	March 1, 2006;)
	DEUTSCHE BANK NATIONAL TRUST)
21	COMPANY,)
	as trustee for IndyMac INDX Mortgage Loan)
22	Trust 2006-AR2, Mortgage Pass-Through)
23	Certificates, Series 2006-AR2;)
	DEUTSCHE BANK NATIONAL TRUST)
24	COMPANY,)
	as trustee for Indymac INDX Mortgage Loan)
25	Trust 2006-AR14 Mortgage Pass Through)
26	Certificates Series 2006-AR14 under the)
	Pooling and Servicing Agreement Dated)
27	October 1, 2006;)
28)

1 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 2 as trustee for Indymac INDX Mortgage Loan)
 Trust 2005-AR14, Mortgage Pass Through)
 3 Certificates Series 2005-AR14;)
 4 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 5 as trustee for Pooling And Servicing)
 Agreement Dated As Of June 1, 2007,)
 6 Securitized Asset Backed Receivables LLC)
 Trust 2007-BR5 Mortgage Pass Through)
 7 Certificates Series 2007-BR5;)
 8 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 9 as trustee for Pooling And Servicing)
 Agreement Dated As Of January 1, 2004)
 10 Morgan Stanley ABS Capital 1 Trust)
 2004-NCI Mortgage Backed Pass Through)
 11 Certificates Series 2004-NCI;)
 12 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 13 Morgan Stanley ABS Capital 1 Inc., MSAC)
 2007-NC4)
 14 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 15 as trustee for INDX Mortgage Loan Trust)
 2006-AR19, Mortgage Pass-Through)
 16 Certificates, Series 2006-AR19;)
 17 DEUTSCHE BANK NATIONAL TRUST)
 COMPANY,)
 18 as trustee for AAMES Mortgage Investment)
 Trust 2005-2, A Delaware Statutory Trust;)
 19 DEUTSCHE BANK NATIONAL TRUST)
 20 COMPANY,)
 as trustee for Downey 2005-AR3;)
 21 DEUTSCHE BANK NATIONAL TRUST)
 22 COMPANY,)
 as trustee for Long Beach Mortgage Loan)
 23 Trust 2006-3;)
 DEUTSCHE BANK NATIONAL TRUST)
 24 COMPANY,)
 as trustee for Morgan Stanley ABS 1 Capital)
 25 Inc., MSAC 2007-HE2;)
 DEUTSCHE BANK NATIONAL TRUST)
 26 COMPANY,)
 27 as trustee for Soundview Home Loan Trust)
 2006 EQ2 Asset Backed Certificates Series)
 28 2006 EQ2;)

1	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
2	as trustee for DSLA Mortgage Loan Trust)
	Mortgage Loan Pass-Through Certificates,)
3	Series 2006-AR2;)
4	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
5	as trustee for New Century Home Equity)
	Loan Trust 2004-3;)
6	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
7	as trustee for GSAA Home Equity Trust)
8	2006-11 Asset Backed Certificates 2006-11;)
	DEUTSCHE BANK NATIONAL TRUST)
9	COMPANY,)
	as trustee for DSLA Mortgage Loan Trust,)
10	Mortgage Pass Through Certificates, Series)
	2007-AR1;)
11	DEUTSCHE BANK NATIONAL TRUST)
12	COMPANY,)
	as trustee for Morgan Stanley Home Equity)
13	Loan Trust 2007-2 Mortgage Pass-Through)
	Certificates Series 2007-2;)
14	DEUTSCHE BANK NATIONAL TRUST)
15	COMPANY,)
	as trustee for GSAA Home Equity Trust)
16	2007-4 Asset Backed Certificates 2007-4;)
	DEUTSCHE BANK NATIONAL TRUST)
17	COMPANY,)
	as trustee for Indymac INDX Mortgage Trust)
18	AR25, Mortgage Pass Through Certificates)
19	Series 2006-AR25, Under Pooling And)
	Servicing Agreement Dated July 1, 2006;)
20	DEUTSCHE BANK NATIONAL TRUST)
	COMPANY,)
21	as trustee for HSI Asset Securitization)
	Corporation Trust Series 2006-HE2;)
22	DEUTSCHE BANK NATIONAL TRUST)
23	COMPANY,)
	as trustee for America Home Mortgage)
24	Assets Trust 2006-2 Mortgage Backed Pass)
	Through Certificates Series 2006-2;)
25	DEUTSCHE BANK NATIONAL TRUST)
26	COMPANY,)
	as trustee for Harborview Mortgage Trust)
27	2006-9 Trust Fund;)
	DEUTSCHE BANK NATIONAL TRUST)
28	COMPANY,)

1 as trustee for Carrington Mortgage Loan)
Trust Series 2005 NC-5 Asset Backed)
2 Mortgage Pass Through Certificates;)
3 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
4 as trustee for Morgan Stanley Home Equity)
Loan Trust 2005-2 Mortgage Pass-Through)
5 Certificates Series 2005-2;)
6 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
7 as trustee for Morgan Stanley ABS Capital 1)
Inc. Trust 2007-HE1 Mortgage Pass Through)
8 Certificates Series 2007-HE1;)
9 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
10 as trustee for Residential Asset Securitization)
Trust 2005-A8CB, Mortgage Pass Through)
11 Certificates, Series 2005-H Under The)
Pooling and Servicing Agreement Dated June)
12 1, 2005;)
13 DEUTSCHE BANK NATIONAL TRUST)
COMPANY,)
14 as trustee for Indymac INDX Mortgage)
Trust 2007-AR17 Mortgage Pass Through)
15 Certificates Series 2007-AR17 Under)
Pooling And Servicing Agreement Dated)
16 June 1, 2007; and)
DOES 1 through 2500,)
17)

18 Defendants.)
19)
20)
21)
22)
23)
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1 Plaintiffs, The People of the State of California ("People") and The City of Los Angeles
2 ("City"), complaining of the above-named Defendants (collectively, "DEFENDANTS"), allege as
3 follows, which allegations are based upon information and belief insofar as they pertain to the
4 identity and conduct of DEFENDANTS:

5 **NATURE OF THE ACTION**

6 1. This case concerns two subsidiaries of a worldwide financial institution that have
7 become two of the largest, if not the largest, slumlords in the City of Los Angeles.

8 2. Deutsche Bank, based in Frankfurt, Germany, is the fourth largest banking institution
9 in the world, with 2,000 branches in 72 countries, 100,000 employees and assets totaling over \$2.43
10 trillion.¹ Its subsidiaries Deutsche Bank National Trust Company and Deutsche Bank Trust
11 Company Americas act as trustees for trusts composed of mortgage-backed securities and in this
12 capacity hold title to thousands of properties across the country.

13 3. At the beginning of the last decade, the number of investors worldwide, and the
14 amount of money they had to invest, increased significantly due to the remarkable growth of several
15 emerging markets in developing countries such as China.² Banks and investment firms in the
16 United States and abroad answered the growing demand for relatively secure and profitable
17 investments by creating a new investment product: the mortgage-backed security.

18 4. DEFENDANTS were heavily involved with mortgage-backed securities. In some
19 cases, they bought large volumes of residential mortgage loans from smaller banks by the thousands
20 and bundled them into securities, shares of which were then sold to investors who received a portion
21 of the monthly cash payments made by the mortgagees. In other cases, DEFENDANTS were
22 compensated for serving as trustees for the trusts composed of mortgage-backed securities.

23
24
25 ¹ Deutsche Bank, *Financial Data Supplement 4Q2010*, February 3, 2011,
http://www.db.com/ir/en/download/FDS_4Q2010_030211.pdf.

26 ² Bernanke, Ben, *Four Questions About the Financial Crisis*, April 14, 2009,
27 <http://www.federalreserve.gov/newsevents/speech/bernanke20090414a.htm>; Financial Crisis Inquiry Report,
28 Financial Crisis Inquiry Commission, Jan. 2011, pages 419-20.

1 5. While the housing market remained strong, the compensation for serving as trustees
2 for mortgage-backed securities provided a dependable, low-maintenance source of income for
3 DEFENDANTS. By late 2006, however, interest rates began to rise, housing prices began to drop,
4 and refinancing became more difficult, as a result of which the number of mortgages in default rose
5 sharply. The foreclosure crisis effectively transformed DEFENDANTS from detached investment
6 brokers and trustees to large scale residential property owners, a role whose responsibilities they did
7 not bargain for and which they have completely eschewed.

8 6. In the past four years, DEFENDANTS have, in their capacity as trustees for various
9 mortgage-backed securities-based trusts, taken title through foreclosure to more than 2000
10 residential properties in the City of Los Angeles (the "Foreclosed Properties").

11 7. As described further below, upon taking title to these properties, DEFENDANTS
12 disregarded virtually every one of their legal duties and responsibilities as property owners, resulting
13 in the creation and maintenance of an unprecedented number of vacant nuisance properties and
14 substandard occupied housing units. Defendants have engaged in this business practice since at least
15 January 2007.

16 8. The vast majority of the Foreclosed Properties are located in low-income
17 neighborhoods, particularly south Los Angeles and the northeastern San Fernando Valley.
18 DEFENDANTS' conduct has brought increased crime and destabilization to these neighborhoods,
19 caused a precipitous decline in their property values and resulted in an overall deterioration of the
20 quality of life in already troubled communities.

21 9. Local enforcement agencies conduct the majority of their investigations in response
22 to complaints, and necessarily depend upon residents who are aware of and have the resources to
23 assert their rights. The violations of federal, state and municipal law DEFENDANTS perpetrated, in
24 the course of their ownership of the Foreclosed Properties, that were reported to these agencies and
25 are described below, therefore, represent only a fraction of the actual number of Foreclosed
26 Properties at which violations occurred or are occurring.

1 10. Additionally, DEFENDANTS have acquired hundreds of occupied Foreclosed
2 Properties and then illegally forced tenants out through threats, small cash payments and baseless
3 eviction actions brought in violation of the Los Angeles Rent Stabilization Ordinance and the
4 Federal Protecting Tenants Against Foreclosure Act. By illegally evicting tenants in this manner,
5 DEFENDANTS effectively deregulated the units, which allowed them to sell the buildings at a price
6 that reflected the increased market rent value.

7 11. As described in detail below, unlawfully vacated Foreclosed Properties were often not
8 immediately sold, and DEFENDANTS failed to maintain the buildings, as a result of which they
9 became vacant nuisance properties. In violation of the Los Angeles Vacant Building Ordinance and
10 California Public Nuisance Law, DEFENDANTS failed to fence and board these properties, or take
11 other necessary precautions to ensure the safety of the surrounding community. DEFENDANTS
12 neglected all of their legal duties as the owners of these vacant properties, which resulted in the
13 vacant properties quickly devolving into public nuisances.

14 12. Some of the residential properties DEFENDANTS acquired were already vacant at
15 the time of foreclosure. DEFENDANTS failed to bring these Foreclosed Properties into compliance
16 with applicable state and municipal laws, causing or permitting them to remain nuisances, and in
17 many cases caused and permitted the nuisance conditions to worsen.

18 13. In the case of yet other occupied Foreclosed Properties, DEFENDANTS altogether
19 failed to comply with their legal duties and responsibilities to maintain the buildings in compliance
20 with state and city Building, Plumbing, Electrical, Mechanical and Health and Safety Code
21 requirements. DEFENDANTS caused or permitted the buildings to fall into disrepair, forcing
22 tenants to live in substandard and often uninhabitable conditions that jeopardized their health and
23 safety.

24 14. As further described in detail below, DEFENDANTS created, maintained and
25 contributed to the creation and maintenance of public nuisances in numerous communities and
26 neighborhoods within the City. The extensive violations of Building, Plumbing, Electrical,
27 Mechanical and Health and Safety Codes existing at the occupied buildings DEFENDANTS own (or
28

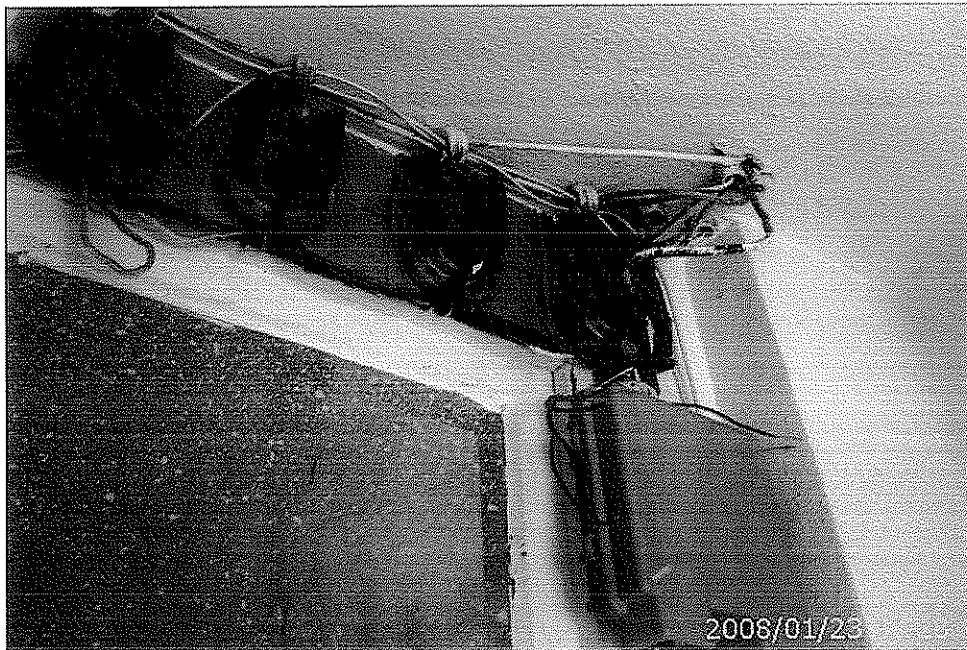
1 owned) created a continuous threat to the health and safety of the tenants of such properties. The
2 vacant and unsecured buildings DEFENDANTS own attract vagrants, gang members and other
3 criminals and constitute prime locations for such individuals to engage in illegal criminal activity.
4 DEFENDANTS' vacant properties that are not properly secured are also vulnerable to arson, are a
5 blight, cause deterioration and instability in neighborhoods, and pose serious threats to the health and
6 safety of area residents.

7 15. The Los Angeles Vacant Building Ordinance was enacted to require property owners
8 to provide the City with a point of contact for vacant properties through registration. The Vacant
9 Building Ordinance also serves to aid the City in its efforts to ensure that those property owners
10 maintain vacant structures in a clean and secure condition, thus avoiding the creation of a public
11 nuisance and allowing for the return of such structures to productive use. DEFENDANTS have
12 violated the Vacant Building Ordinance by failing to properly secure and register the vacant
13 Foreclosed Properties, as described in further detail below.

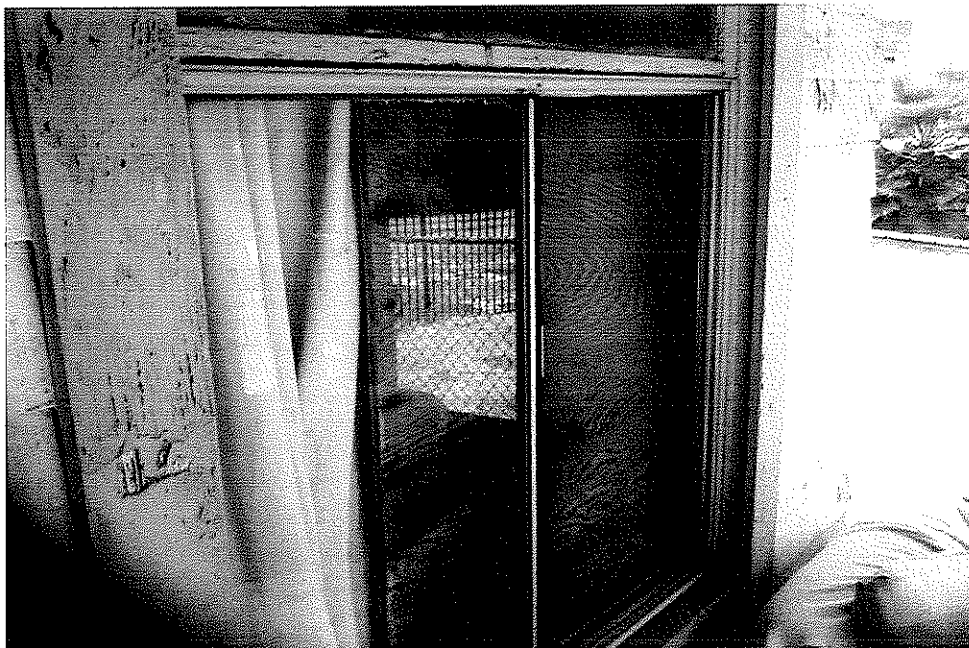
14 16. DEFENDANTS were repeatedly advised of, but chose to ignore, the substandard and
15 nuisance conditions existing and proliferating at both the occupied and vacant Foreclosed Properties.
16 Local enforcement agencies regularly issued DEFENDANTS citations and orders to comply for their
17 pervasive violations of federal, state and local laws at the Foreclosed Properties, which
18 DEFENDANTS consistently disregarded. DEFENDANTS further received notices of
19 administrative hearings convened to address their failure to comply with prior orders, which they
20 routinely failed to attend.

21 17. The photographs below depict conditions at *occupied* Foreclosed Properties. These
22 photographs illustrate some of the many Building, Plumbing, Electrical, Mechanical and Health and
23 Safety Code violations and hazardous conditions that DEFENDANTS caused or permitted to exist at
24 these locations.

18. The photograph below shows hazardous exposed wiring at 1638 West 48th Street:



19. The photograph below shows plywood being used to replace missing window glass at 1762 North Glendale Boulevard:



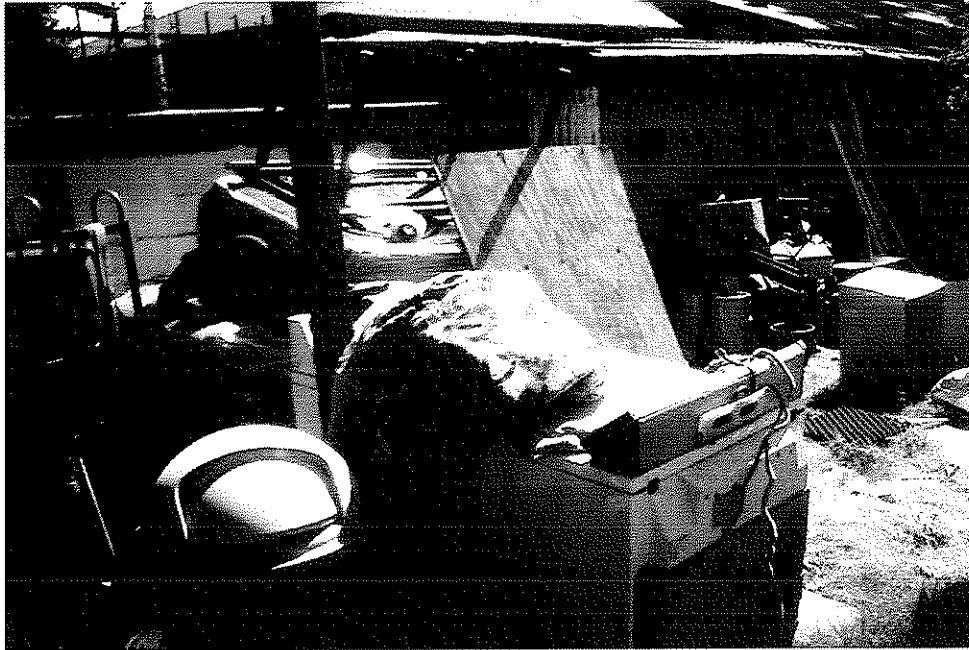
1 20. The photograph below shows roach droppings from a roach infestation at
2 5343 Carlin Street:



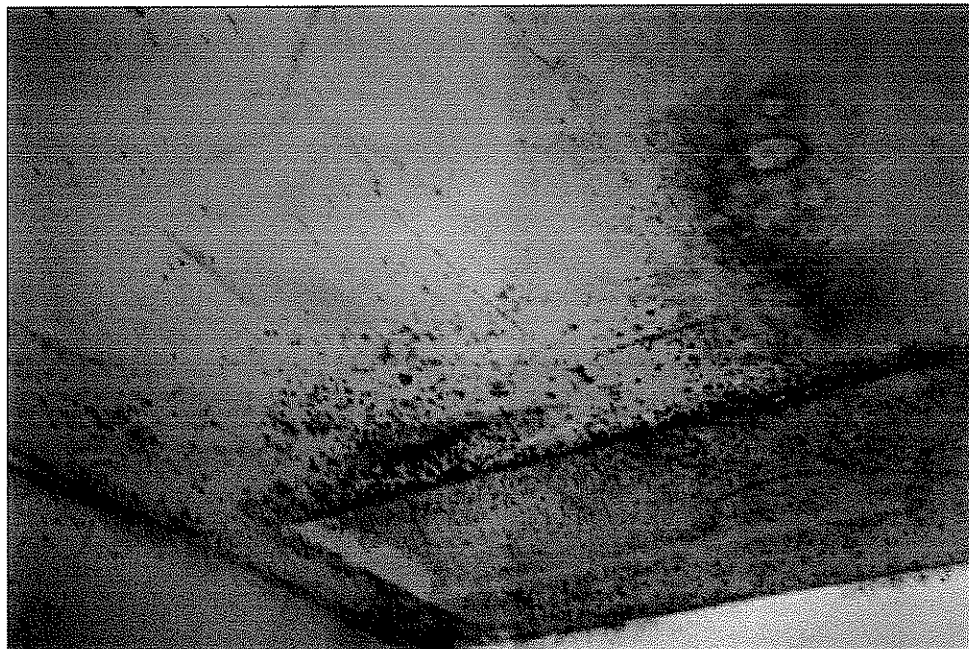
14 21. The photograph below depicts defective, unpermitted and unapproved plumbing
15 running to a unit at 433 East 60th Street:



1 22. The photograph below shows debris in the backyard at 10713 South Compton
2 Avenue:



14
15 23. The photograph below shows mold growing on a bedroom ceiling at 832 West 83rd
16 Street:



1 24. The photographs below depict *vacant* Foreclosed Properties. These photographs
2 illustrate some of the unlawful nuisance conditions referenced above.

3 25. The photograph below shows gang graffiti and other nuisance conditions at 10902
4 South Willowbrook Avenue:



16
17 26. The photograph below shows fire damage at 5101 South Crenshaw Boulevard:



1 27. The photograph below depicts vandalism and gang graffiti on the interior of the
2 property located at 1556 West 204th Street:



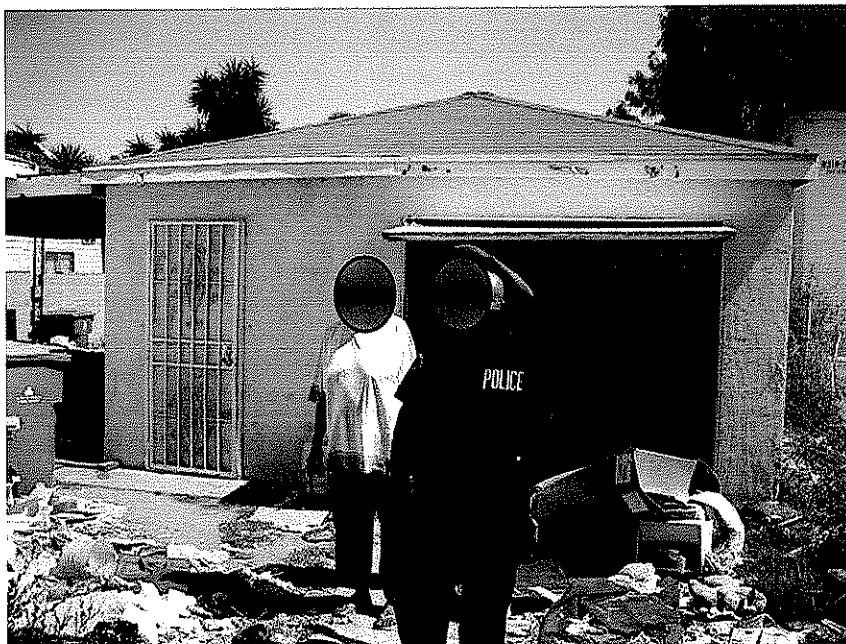
15 28. The photograph below shows an abandoned swimming pool at 7921 North Woodlake
16 Avenue; a section of pool fence is missing, leaving direct access to the pool from the adjacent alley:



1 29. The photograph below shows debris spilling from the property into the alley at 10403
2 South Wilmington Avenue:



15 30. The photograph below shows nuisance conditions and vagrancy at the property
16 located at 11310 South Alvaro Street:



31. This is a civil law enforcement action brought by the Los Angeles City Attorney's Office on behalf of the People of the State of California and the residents of the City of Los Angeles to put an end to DEFENDANTS' unlawful, unfair and fraudulent business acts and practices relating to their neglect of thousands of residential properties within the City to which they hold or held title. Such unlawful, unfair and fraudulent business acts and practices have resulted in the creation and maintenance of hundreds of substandard and uninhabitable occupied properties and public nuisances within the City and the unlawful eviction of hundreds of tenants.

32. In this action, the Plaintiffs assert their power to remedy this injury to the public interest under the California Unfair Competition Law (Business and Professions Code sections 17200, *et seq.*) and the Los Angeles Municipal Code (“LAMC”) by seeking to enjoin DEFENDANTS’ ongoing and future violations of law, to obtain restitution for the victims of DEFENDANTS’ conduct, and to assess civil penalties against DEFENDANTS to deter them and others from engaging in such conduct now and in the future.

THE PARTIES

A. *Plaintiffs People and City*

33. Plaintiff People is the sovereign power of the State of California designated by the California Unfair Competition Law (California Business and Professions Code, section 17200 *et seq.*) and California Public Nuisance Laws to be the complaining party in civil law enforcement actions brought under those statutes. The People have an interest in ensuring that individuals and entities doing business in this state comply with all governing laws. The People act here through Carmen A. Trutanich, City Attorney for the City of Los Angeles, under the authority granted to him by Business and Professions Code sections 17203, 17204 and 17206 (*see People v. Bhakta* (2006) 135 Cal.App.4th 631, 641 [Business and Professions Code sections 17204 and 17206 “empower the Los Angeles City Attorney to bring and maintain an action under the unfair competition law in the name of the People of the State of California.”], and California Code of Civil Procedure section 731.)

1 34. Plaintiff City is a municipal corporation organized and existing under its charter and
2 under the laws of the State of California that is located within the County of Los Angeles. The City
3 acts here through Carmen A. Trutanich, City Attorney for the City of Los Angeles, pursuant to the
4 authority granted to him by the City Charter and the LAMC.

5 ***B. The Defendants***

6 35. Defendant DEUTSCHE BANK NATIONAL TRUST COMPANY ("DBNTC") is,
7 and at all times relevant hereto was, a national banking association organized and existing under the
8 laws of the United States and doing business throughout the State of California, including the City of
9 Los Angeles. DBNTC's main office is located in Los Angeles, California.

10 36. DBNTC's assets are valued at over \$167 million, making it the eighth largest
11 nondepository trust company in the United States. As a nondepository trust company, DBNTC
12 operates for profit, accepting and executing trusts, but does not issue currency. DBNTC employs
13 196 people in its Los Angeles office to provide exclusively fiduciary services.

14 37. Defendant DEUTSCHE BANK TRUST COMPANY AMERICAS ("DBTCA") is,
15 and at all times relevant hereto was, a New York state banking association organized and existing
16 under the laws of New York and doing business throughout the State of California, including within
17 the City of Los Angeles. DBTCA's main office is located in the State of New York.

18 38. DBTCA is a commercial bank with assets totaling over \$45 billion. As a commercial
19 bank, DBTCA is owned by stockholders, operates for a profit and engages in various lending
20 activities, in addition to administering trusts. DNTCA employs over 1,000 individuals in four
21 offices throughout the country.

22 39. As trustees, DEFENDANTS act as custodians for all documents relating to the
23 mortgage loans underlying the securities included in the trust. DEFENDANTS' employees in New
24 York and Los Angeles maintain and secure the mortgage document files on behalf of the trust.

25 40. Pursuant to a detailed pooling and servicing agreement drawn up by DEFENDANTS'
26 employees, DEFENDANTS delegate the day-to-day servicing of the loans included in the trusts to
27 other banks. DEFENDANTS require the loan servicers to provide regular reports regarding the
28

value of the trust. DEFENDANTS are authorized and obligated to terminate a loan servicer if that servicer is determined to be negligent in carrying out its duties.

41. DEFENDANTS receive a trustee fee for the services rendered to the trust by DEFENDANTS' employees. The trustee fee is based upon a set percentage of the value of the trust, and is distributed to the trustee pursuant to a schedule set forth in the pooling and service agreement.

42. DBNTC acts as trustee for the following trusts that hold or held title to property in the City that DBNTC foreclosed upon and subsequently owned and was required to maintain in compliance with state and municipal laws. In its capacity as trustee, DBNTC is also named as a defendant as to each and every trust and related property identified below:

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
RESMAE Asset-Backed Pass-Through Certificates Series 2006-1 ("RESMAE 2006-1")	8755 South San Pedro Street Los Angeles, California 90003
Unidentified	4040 W. 21st St. Los Angeles, California 90018
First Franklin Mortgage Loan Trust 2006-FF7, Mortgage Pass-Through Certificates Series 2006-FF7 ("FFML 2006-FF7")	330 West 55th Street Los Angeles, California 90037
Ameriquest Mortgage Securities Inc. Asset Backed Pass Through Certificates Series 2005-R9 under Pooling and Servicing Agreement Dated As Of October 1, 2005 ("AQMS 2005-R9")	3014 South Cloverdale Avenue Los Angeles, California 90016
First Franklin Mortgage Loan Trust 2006 FF-5, Mortgage Pass Through Certificates, Series 2006-FF5 ("FFML 2006-FF5")	302 West 16th Street Los Angeles, California 90731
Morgan Stanley ABS Capital 1 Inc., Trust 2006-WMC3 ("MSC1 2006-WMC3")	7314 South Main Street Los Angeles, California 90003
Argent Mortgage Securities, Inc. Asset Backed Pass Through Certificates, Series 2006-M1 Under The Pooling And Servicing Agreement Dated As Of June 1, 2006 ("AGMS 2006-M1")	6913 North White Oak Avenue Los Angeles, California 91335
New Century Home Equity Loan Trust Series 2005-B, Asset Backed Pass-Through Certificates ("NCHL 2005-B")	7337 North Capps Avenue Los Angeles, California 91335
GSAMP Trust 2006-NC2, Mortgage Pass-Through Certificates, Series 2006-NC2 ("GSAMP 2006-NC2")	10902 South Willowbrook Avenue Los Angeles, California 90059

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
Soundview Home Loan Trust 2005-OPT2 Asset Backed Certificates Series 2005-OPT2 ("SHL 2005-OPT2")	2614 South Chariton Street Los Angeles, California 90034
NCHL 2005-B	155 East 88th Street Los Angeles, California 90003
Pooling and Servicing Agreement Dated As Of November 1, 2006, Securitized Asset Backed Receivables LLC Trust 2006-WMC3 Mortgage Pass Through Certificates Series 2006-WMC3 (SABR 2006-WMC3")	1174 North Hoover Street Los Angeles, California 90029
Morgan Stanley Loan Trust 2006-HE4 ("MSL 2006-HE4")	15500 Lemarsh Street Los Angeles, California 91345
NCHL 2005-B	14736 West Morrison Street Los Angeles, California 91403
IMPAC Secured Assets Corp., Mortgage Pass-Through Certificates Series 2006-2 ("IMPAC 2006-2")	1842 West Florence Avenue Los Angeles, California 90047
Fremont Home Loan Trust 2006-1 ("FHL 2006-1")	13225 West Bryson Street Los Angeles, California 91331
Morgan Stanley Pass-Through Certificates, Series 2006-3 ("MS 2006-3")	607 West 109th Street Los Angeles, California 90044
Pooling and Servicing Agreement Series RAST 2006-A7 ("RAST 2006-A7")	10608 South Wilmington Avenue Los Angeles, California 90002
INDX 2006-AR9	1283 West 24th Street Los Angeles, California 90007
AGMS 2006-M1	15559 West Covello Street Los Angeles, California 91335
Unidentified	5013 North Dobkin Avenue Los Angeles, California 91356
Unidentified	9051 North Stanwin Avenue Los Angeles, California 91331
Pooling and Servicing Agreement Dated November 1, 2006 Securitized Asset Backed Receivables LLC Trust 2006-WMC3, Mortgage Pass Through Certificates Series 2006-WMC3 ("SABR 2006-WMC3")	1638 West 48th Street Los Angeles, California 90062
GSAMP Trust 2005-AHL Mortgage Pass-Through Certificates Series 2005-AHL ("GSAMP 2005-AHL")	1652 West 55th Street Los Angeles, California 90062
Unidentified	11881 Jefferson Boulevard Los Angeles, California 90230
IMPAC Secured Assets Corp., Mortgage Pass-Through Certificates Series 2006-3 ("IMPAC 2006-3")	2521 Eastlake Avenue Los Angeles, California 90031

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
New Century Home Equity Loan Trust 2006-2 ("NCHL 2006-2")	634 East 87th Street Los Angeles, California 90002
SABR 2006-WMC3	1202 North Edgemont Street Los Angeles, California 90029
Pooling And Servicing Agreement Series DBALT 2006-AR5 ("DBALT 2006-AR5")	13000 Hartland Street Los Angeles, California 91605
HSI Asset Securitization Corporation Trust 2006-HE2 ("HSI 2006-HE2")	10506 North Garden Grove Avenue Los Angeles, California 91326
Amerquest Mortgage Backed Securities Inc., Asset Backed Pass Through Certificates Series 2006-M3 Under Pooling And Servicing Agreement Dated As Of September 1, 2006 ("AQMS 2006-M3")	2801 Sycamore Avenue Los Angeles, California 90016
Amerquest Mortgage Securities Inc., Asset Backed Pass Through Certificates Quest Trust Series 2006-X2 Under Pooling and Servicing Agreement Dated As of August 1, 2006 ("AQMS 2006-X2")	9256 North Cedros Avenue Los Angeles, California 91402
FFMLT 2006-FF13 Mortgage Pass Through Certificates Series 2006-FF13 ("FFMLT 2006-FF13")	4627 Arlington Avenue Los Angeles, California 90043
AEGIS Asset Backed Securities Trust 2006-1, Mortgage Backed Notes ("AEGIS 2006-1")	2312 East 107th Street Los Angeles, California 90002
AQMS 2006-M3	10808 North Gaynor Avenue Los Angeles, California 91344
Harborview Mortgage Loan Trust 2006-5 ("HML 2006-5")	1762 North Glendale Boulevard Los Angeles, California 90026
Pooling And Servicing Agreement Dated As Of February 1, 2007 Securitized Asset Backed Receivables LLC Trust 2007-NC2 Mortgage Pass-Through Certificates, Series 2007-NC2 ("SABR 2007-NC2")	2916 East New Jersey Street Los Angeles, California 90033
Pooling And Servicing Agreement Related To IMPAC Secured Assets Corp., Mortgage Pass Through Certificates Series 2006-5 ("IMPAC 2006-5")	4210 Woodlawn Avenue Los Angeles, California 90011
HSI 2006-HE2	747 East 107th Street Los Angeles, California 90002
HSI Asset Securitization Corporation Trust 2007-HE2 ("HSI 2007-HE2")	156 West 60th Street Los Angeles, California 90003
Morgan Stanley ABS Capital 1 Inc. Trust 2006-HE6, Mortgage Pass Through Certificates Series 2006-HE6 ("MSC1 2006-HE6")	5101 South Crenshaw Boulevard Los Angeles, California 90043
Pooling and Servicing Agreement Dated January 1, 2007, Securitized Asset Backed Receivables LLC Trust 2007-	5919 Estrella Avenue Los Angeles, California 90044

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
HE1, Mortgage Pass Through Certificates Series 2007-HE1 ("SABR 2007-HE1")	
MSC1 2006-HE6	4045 North Barrett Road. Los Angeles, California 90032
New Century Home Equity Loan Trust 2005-3 ("NCHL 2005-3")	5657 West Fountain Avenue Los Angeles, California 90028
GSAMP Trust 2007-SEA1, Mortgage Pass Through Certificates Series 2007-SEA1 ("GSAMP 2007-SEA1")	119 East 111th Street Los Angeles, California 90061
IMPAC 2006-2	4919 East Navarro Street Los Angeles, California 90032
Argent Mortgage Loan Trust 2005-W1 Asset Backed Notes Series 2005-W1 ("AGMS 2005-W1")	1282 West 22nd Street Los Angeles, California 90007
IMPAC Secured Assets Corp., Mortgage Pass-Through Certificates Series 2006-4 ("IMPAC 2006-4")	1622 West 62nd Street Los Angeles, California 90047
MSC1 2006-HE6	3339 Roseview Avenue Los Angeles, California 90065
Morgan Stanley ABS Capital 1 INC Trust 2006-HE7, Mortgage Pass Through Certificates Series 2006-HE7 ("MSC1 2006-HE7")	115 West 60th Street Los Angeles, California 90003
HSI Asset Securitization Corporation 2006-OPT2 Mortgage Pass-Through Certificates, Series 2006-OPT2 ("HSI 2006-OPT2")	201 South Union Place Los Angeles, California 90026
Argent Securities, Inc. Asset-Backed Pass-Through Certificates, Series 2006-M2 ("AGS 2006-M2")	6176 East Saint Albans Los Angeles, California 90042
Pooling and Servicing Agreement Dated As Of May 1, 2007 Securitized Asset Backed Receivables LLC Trust 2007-BR3 Mortgage Pass-Through Certificates, Series 2007-BR3 ("SABR 2007-BR3")	13066 Pinney Street Los Angeles, California 91331
Long Beach Mortgage Loan Trust 2006-5 ("LBML 2006-5")	2323 E. 2nd St. Los Angeles CA 90033
Long Beach Mortgage Loan Trust 2006-11 ("LBML 2006-11")	1556 West 204th Street Los Angeles, California 90501
Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2006-W5 ("AGS 2006-W5")	12148 West Hoyt Street Los Angeles, California 91342
Unidentified	164 East 69th Street Los Angeles, California 90003

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
Pooling and Servicing Agreement Dated As Of February 1, 2007, Securitized Asset Backed Receivables LLC Trust 2007-NC2 Mortgage Pass Through Certificates ("SABR 2007-NC2")	929 West 62nd Street Los Angeles, California 90044
IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates Series 2007-2 ("IMPAC 2007-2")	614 North Laveta Terrace Los Angeles, California 90026
NATIXIS 2007 HE-2	931 East Adams Boulevard Los Angeles, California 90011
First Franklin Mortgage Loan Trust 2006-FF11 ("FFMLT 2006-FF11")	7603 South Brighton Avenue Los Angeles, California 90047
IMPAC 2006-3	1220 West Court Street Los Angeles, California 90026
AGMS 2005-W1	7705 South Vermont Avenue Los Angeles, California 90044
FIRST FRANKLIN Mortgage loan Trust 2006-FF9 Mortgage Pass Through Certificate Seies 2006-FF9 ("FFMLT 2006-FF9")	1300 Meadowbrook Avenue Los Angeles, California 90019
Long Beach Mortgage Loan Trust 2006-2 ("LBML 2006-2")	146 South Avenue 53 Los Angeles, California 90042
IXIS 2006-HE1	13081 North Fellows Avenue Los Angeles, California 91342
Morgan Stanley ABS Capital I Inc. Trust 2006-HE4 ("MSC1 2006-HE4")	9627 Petit Avenue Los Angeles, California 91343
LBML 2006-5	4275 South Van Ness Avenue Los Angeles, California 90008
Morgan Stanley ABS Capital I Inc. Trust 2006-NC4 ("MSC1 2006-NC4")	1953 East 115th Street Los Angeles, California 90059
Long Beach Mortgage Loan Trust 2005-WL3 ("LBML 2005-WL3")	135 East 28th Street Los Angeles, California 90011
Long Beach Mortgage Loan Trust 2006-WL2 ("LBML 2006-WL2")	1533 West 81st Street. Los Angeles, California 90047
Carrington Mortgage Loan Trust, Series 2005-NC3, Asset Backed Pass-Through Certificates ("CML 2005-NC3")	10976 South Hickory Street Los Angeles, California 90059
Unidentified	10730 Bloomfield Street Los Angeles, California 91602
Terwin Mortgage Trust 2006-9HGA Asset-Backed Certificates, Series 2006-9HGA ("TM 2006-9HGA")	10953 South Broadway Los Angeles, California 90061
Argent Securities, Inc., Asset-Backed Pass-Through Certificates, Series 2006-W1 ("AGS 2006-W1")	13830 Terra Bella Street Los Angeles, California 91331

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
Argent Securities Inc. Asset-Backed Pass-Through Certificates, Series 2005-W3 ("AGS 2005-W3")	11141 South Evers Avenue Los Angeles, California 90059
IMH Assets Corp., Collateralized Asset Backed Bonds, Series 2005-5 ("IMH 2005-5")	129 West 82nd Street Los Angeles, California 90003
Securitized Asset Backed Receivables LLC Trust 2007-BR5 Mortgage Pass Through Certificates Series 2007-BR5 (SABR 2007-BR5")	2086 West 27th Street Los Angeles, California 90018
Unidentified	7921 North Woodlake Avenue Los Angeles, California 91304
FFMLT 2006-FF13	14740 West Vintage Street Los Angeles, California 91345
Meritage Mortgage Loan Trust 2005-3, Asset Backed Certificates Series 2005-3 ("MGML 2005-3")	1317 West 61st Street Los Angeles, California 90044
Morgan Stanley Loan Trust 2006-HE2 ("MSL 2006-HE2")	5170 South Manhattan Place Los Angeles, California 90062
Pooling And Servicing Agreement Dated As of January 1, 2007, Securitized Asset Backed Receivables LLC Trust 2007-NC1 Mortgage Pass-Through Certificates, Series 2007-NC1 ("SABR 2007-NC1")	9500 South Hickory Street Los Angeles, California 90002
MASTR SPEC LN TR06-1	11051 North Oneida Avenue Los Angeles, California 91352
Pooling And Servicing Agreement Dated As Of March 1, 2007, Securitized Asset Backed Receivables LLC Trust 2007-BR1 Mortgage Pass Through Certificates Series 2007-BR1 ("SABR 2007-BR1")	832 West 57th Street Los Angeles, California 90037
HASCO Mortgage Pass Through Certificates Series 2006 HE-2 (:HASCO 2006-HE2")	7720 North Wilbur Avenue Los Angeles, California 91335
SABR 2007-HE1	11310 South Alvaro Street Los Angeles, California 90059
Argent Securities Inc., Asset-Backed Pass-Through Certificates, Series 2005-W2 ("AGS 2005-W2")	13930 North Bermex Avenue Los Angeles, California 91342
MSC1 2006-NC4	415 East 48th Street Los Angeles, California 90011
Long Beach Mortgage Loan Trust 2006-8 ("LBML 2006-8")	19144 West Lanark Street Los Angeles, California 91335
FFMLT 2006-FF5	10407 South Anzac Avenue Los Angeles, California 90002

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
AGS 2006-W5	1608 East 43rd Street Los Angeles, California 90011
New Century Home Equity Loan Trust Series 2006-1 ("NCHL 2006-1")	7702 Ben Avenue Los Angeles, California 91605
Morgan Stanley ABS Capital 1 Inc. Trust 2006-WMC2 ("MSC1 2006-WMC2")	1021 North Le Gray Avenue Los Angeles, California 90042
Fremont Homeloan Trust Series 2006-3 ("FHL 2006-3")	433 East 60th Street Los Angeles, California 90003
AGS 2005-W2	12846 North Adelpia Avenue Los Angeles, California 91342
Soundview Homeloan Trust 2005-4 Asset Backed Certificates ("SHL 2005-4")	14646 West Bledsoe Street Los Angeles, California 91342
FFMLT 2006-FF4, Mortgage Pass-Through Certificates, Series 2006-FF4 ("FFMLT 2006-FF4")	612 East 75th Street Los Angeles, California 90001
FFMLT 2006-FF11	3216 North Bennett Drive Los Angeles, California 90065
Argent Securities, Inc., Asset-Backed Pass-Through Certificates, Series 2006-W3 ("AGMS 2006-W3")	8163 North White Oak Avenue Los Angeles, California 91316
AGMS 2006-W5	10442 North Haddon Avenue Los Angeles, California 91331
Amerquest Mortgage Securities Inc., Asset-Backed Pass- Through Certificates, Series ARSI 2006-M3 ("AQMS ARSI 2006-M3")	19023 West Schoolcraft Road Los Angeles, California 91335
HSI Asset Securitization Corporation 2006-OPT3, Mortgage Pass-Through Certificate Series 2006-OPT3 ("HSI 2006-OPT3")	294 West 10th Street Los Angeles, California 90731
Pooling and Servicing Agreement Dated April 1, 2007 Securitized Asset Backed Receivables LLC Trust 2007- BR2 Mortgage Pass Through Certificates Series 2007- BR2 ("SABR 2007-BR2")	346 West 45th Street Los Angeles, California 90061
AGMS 2006-W3	11936 West Blythe Street Los Angeles, California 91605
AGMS 2006-W3	13137 West Filmore Street Los Angeles, California 91331
Novostar Mortgage Funding Trust Series 2006-5 ("NVMF 2006-5")	3743 East Lee Street Los Angeles, California 90023
WAMU 2006-AR5	7734 North Varna Avenue Los Angeles, California 91605
First Franklin Mortgage Loan Trust 2006-FF9, Mortgage Pass-Through Certificates, Series 2006-FF9 ("FFMLT	8808 North Hayvenhurst Avenue Los Angeles, California 91343

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
2006-FF9")	
Soundview Home Loan Trust 2006-OPT2, Asset Backed Certificates Series 2006-OPT2 ("SHL 2006-OPT2")	5341 North Denny Avenue Los Angeles, California 91601
MSC1 2006-NC4	13946 Candlewood Drive Los Angeles, California 91342
SABR 2007-BR3	12113 North Adelphia Avenue Los Angeles, California 91340
Ameriquist Mortgage Securities Inc. 2001-A ("AMS 2001-A")	24718 South Bombay Avenue Los Angeles, California 90744
Harborview Mortgage Loan Trust Mortgage Loan Pass Through Certificates Series 2007-5 ("HML 2007-5")	942 South Camulos Street Los Angeles, California 90023
Indymac INDX Mortgage Trust 2006-AR4 Mortgage Pass Through Certificates Series 2006-AR4 Under Pooling And Servicing Agreement Dated March 1, 2006 ("INDX 2006-AR4")	6144 East York Boulevard Los Angeles, California 90042
IndyMac INDX Mortgage Loan Trust 2006-AR2, Mortgage Pass-Through Certificates, Series 2006-AR2 ("INDX 2006-AR2")	12442 West Claretta Street Los Angeles, California 91331
Indymac INDX Mortgage Loan Trust 2006-AR14 Mortgage Pass Through Certificates Series 2006-AR14 under the Pooling and Servicing Agreement Dated October 1, 2006 ("INDX 2006-AR14")	666 West 68th Street Los Angeles, California 90044
Indymac INDX Mortgage Loan Trust 2005-AR14, Mortgage Pass Through Certificates Series 2005-AR14 ("INDX 2005-AR14")	344 East 118th Place Los Angeles, California 90061
IMPAC 2006-3	732 South Columbia Avenue Los Angeles, California 90017
Pooling And Servicing Agreement Dated As Of June 1, 2007, Securitized Asset Backed Receivables LLC Trust 2007-BR5 Mortgage Pass Through Certificates Series 2007-BR5 ("SABR 2007-BR5")	662 East 116th Street Los Angeles, California 90059
LBML 2006-5	1212 South Tremaine Avenue Los Angeles, California 90019
NATIXIS 2007-HE2	2201 East Sheridan Street Los Angeles, California 90033
Pooling And Servicing Agreement Dated As Of January 1, 2004 Morgan Stanley ABS Capital 1 Trust 2004-NCI Mortgage Backed Pass Through Certificates Series 2004- NCI ("MSC1 2004-NCI")	9029 South Hoover Street Los Angeles, California 90044

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
MSC1 2006-NC4	1551 East 106th Street Los Angeles, California 90002
MSC1 2006-NC4	1555 East 106th Street Los Angeles, California 90002
Morgan Stanley ABS Capital 1 Inc., MSAC 2007-MC4 ("MSAC 2007-MC4")	1705 South Orchard Avenue Los Angeles, California 90006
INDX Mortgage Loan Trust 2006-AR19, Mortgage Pass- Through Certificates, Series 2006-AR19 ("INDX 2006- AR19")	13612 West Gain Street Los Angeles, California 91331
AAMES Mortgage Investment Trust 2005-2, A Delaware Statutory Trust ("AAMES 2005-2")	4328 South Wall Street Los Angeles, California 90011
INDX 2006-AR4	3310 East 2nd Street Los Angeles, California 90063
Downey 2005-AR3	8714 South Baring Cross Street Los Angeles, California 90044
Long Beach Mortgage Loan Trust 2006-3 ("LBML 2006- 3")	10713 South Compton Avenue Los Angeles, California 90002
Morgan Stanley ABS 1 Capital Inc., MSAC 2007-HE2 ("MSAC 2007-HE2")	9519 South Compton Avenue Los Angeles, California 90002
Soundview Home Loan Trust 2006 EQ2 Asset Backed Certificates Series 2006 EQ2 ("SHL 2006-EQ2")	3545 East Garnet Street Los Angeles, California 90023
DSLA Mortgage Loan Trust Mortgage Loan Pass- Through Certificates, Series 2006-AR2 ("DSLA 2006- AR2")	8138 North Broadleaf Avenue Los Angeles, California 91402
New Century Home Equity Loan Trust 2004-3 ("NCHL 2004-3")	5204 East Baltimore Street Los Angeles, California 90042
GSAA Home Equity Trust 2006-11 Asset Backed Certificates 2006-11	1220 West 51st Place Los Angeles California 90037
DSLA Mortgage Loan Trust, Mortgage Pass Through Certificates, Series 2007-AR1 ("DSLA 2007-AR1")	137 West 84th Street Los Angeles, California 90003
Morgan Stanley Home Equity Loan Trust 2007-2 Mortgage Pass-Through Certificates Series 2007-2 ("MSHE 2007-2")	6928 South Denver Avenue Los Angeles, California 90044
GSAA Home Equity Trust 2007-4 Asset Backed Certificates 2007-4 ("GSAA 2007-4")	702 West 79th Street Los Angeles, California 90044
MSC1 2006-NC4	1913 West Montrose Street Los Angeles, California 90026
Indymac INDX Mortgage Trust AR25, Mortgage Pass Through Certificates Series 2006-AR25, under Pooling And Servicing Agreement Dated July 1 2006 ("INDX 2006-AR25")	7545 North Darby Avenue Los Angeles, California 91335

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
MSC1 2006-HE4	1738 West 41st Street Los Angeles, California 90062
HSI Asset Securitization Corporation Trust Series 2006-HE2 ("HSI 2006-HE2")	1218 North Lagoon Avenue Los Angeles California 90744
America Home Mortgage Assets Trust 2006-2 Mortgage Backed Pass Through Certificates Series 2006-2 ("AHMA 2006-2")	832 West 83rd Street Los Angeles, California 90044
Harborview Mortgage Trust 2006-9 Trust Fund ("HVM 2006-9")	245 West 78th Street Los Angeles, California 90003
Carrington Mortgage Loan Trust Series 2005 NC-5 Asset Backed Mortgage Pass Through Certificates ("CML 2005-NC5")	1644 West 55th Street Los Angeles, California 90062
Morgan Stanley Home Equity Loan Trust 2005-2 Mortgage Pass-Through certificates Series 2005-2 ("MSHE 2005-2")	701 North Aldama Terrace Los Angeles, California 90042
Morgan Stanley ABS Capital 1 Inc. Trust 2007-HE1 Mortgage Pass Through Certificates Series 2007-HE1 ("MSC1 2007-HE1")	1954 East 110th Street Los Angeles, California 90059
Residential Asset Securitization Trust 2005-A8CB, Mortgage Pass Through Certificates, Series 2005-H under The Pooling and Servicing Agreement Dated June 1, 2005 ("RAS 2005-H")	114 East 77th Street Los Angeles, California 90003
Indymac INDX Mortgage Trust 2007-AR17 Mortgage Pass Through Certificates Series 2007-AR17 Under Pooling And Servicing Agreement Dated June 1, 2007 ("INDX 2007-AR17")	1601 North Courtney Avenue Los Angeles, California 90046

43. DBNTC, through the acts and omissions of its officers, employees and agents, participated in, approved, aided, abetted, encouraged, facilitated and/or ratified the unlawful conduct described herein.

44. DBTCA acts as trustee for the following trusts that hold or held title to property in the City that DBTCA foreclosed upon and subsequently owned and was required to maintain in compliance with state and municipal laws. In its capacity as trustee, DBTCA is also named as a defendant as to each and every trust and related property identified below:

<u>TRUST NAME</u>	<u>PROPERTY ADDRESS</u>
IXIS 2006-HE2	159 East 68th Street Los Angeles, California 90003
Soundview Home Loan Trust 2006-EQ1 ("SHL 2006-EQ1")	6227 South Hoover Street Los Angeles, California 90044
Unknown	2251 West Cambridge Street Los Angeles, California 90006
Morgan Stanley, MSAC 2007-NC1 ("MSAC 2007-NC1")	9131 Vanalden Avenue Los Angeles, California 91324
Unknown	13376 Raven Street Los Angeles, California 91342
IXIS 2006-HE3	1328 West Florence Avenue Los Angeles, California 90044
IXIS Real Estate Capital Inc. ("IXIS REC")	3061 Ganahl Street Los Angeles, California 90063
Morgan Stanley ABS Capital 1 Inc., MSAC 2007-NC4 ("DBTCA MSAC 2007-NC4")	6420 South Van Ness Avenue Los Angeles, California 90047
IXIS 2006-HE3	1017 East 43rd Place Los Angeles, California 90011
IXIS 2006-HE2	2216 East 105th Street Los Angeles, California 90002
HSBC Bank USA NA ACE 2006-NC1 ("HSBC 2006-NC1")	5343 West Carlin Street Los Angeles, California 90016
Unknown	7051 North Lindley Avenue Los Angeles, California 91344
Morgan Stanley, MSAC 2007-HE1 ("MSAC 2007-HE1")	1021 West 54th Street Los Angeles California 90037
Unknown	10403 South Wilmington Avenue Los Angeles, California 90002
IXIS 2006 HE1	1522 East 107th Street Los Angeles, California 90002
Soundview Home Loan Trust 2006-EQ1 ("SHL 2006-EQ1")	5142 East Ithaca Avenue Los Angeles, California 90032

45. DBTCA, through the acts and omissions of its officers, employees and agents, participated in, approved, aided, abetted, encouraged, facilitated and/or ratified the unlawful conduct described herein.

C. Doe Defendants

46. Plaintiff is ignorant of the true names and capacities of Defendants DOES 1 through 2500, inclusive, and therefore sues these Defendants by fictitious names. Plaintiff will amend this

1 Complaint under Code of Civil Procedure section 474 to insert the true names and capacities of these
2 Defendants, when ascertained.

3 **JURISDICTION AND VENUE**

4 47. This Court has original subject matter jurisdiction over this case pursuant to Article
5 VI, Section 5 of the California Constitution because the damages set forth in the prayer for relief are
6 in excess of twenty-five thousand dollars (\$25,000).

7 ***A. Jurisdiction***

8 ***1. Subject Matter Jurisdiction***

9 48. The National Bank Act (United States Code, title 12, section 21 *et seq.*) allows this
10 Court to exercise subject matter (and personal) jurisdiction over Defendant DBNTC as a national
11 banking association. (*See First National Bank v Superior Court of Santa Clara County* (1966) 240
12 Cal.App.2d 109, 111 [“Except for a limited area reserved to the federal courts, general jurisdiction
13 over actions by or against national banks is expressly conferred upon the state courts.”].)

14 49. DEFENDANT DBNTC maintains its main office at 300 South Grand Avenue in
15 Los Angeles, and is therefore a citizen of the State of California pursuant to United States Code, title
16 28, section 1348.

17 50. This Court has jurisdiction over Defendant DBTCA, a New York State banking
18 association, pursuant to United States Code, title 28, section 1441, subdivision (b), because diversity
19 does not exist between all parties.

20 51. There is no federal court jurisdiction over this matter because there is a lack of
21 complete diversity between the parties, there is no federal question of law raised herein and there is
22 no other basis for federal jurisdiction.

23 ***2. Personal Jurisdiction***

24 52. This Court has personal jurisdiction over DEFENDANTS pursuant to the California
25 Constitution, Article VI, section 10 and the California Code of Civil Procedure section 410.10 in that
26 each of the DEFENDANTS does substantial business in California; each of the DEFENDANTS has
27
28

purposely availed itself of the benefits of doing business in this state; and DEFENDANTS' violations of law alleged herein occurred, in whole or in part, in this state.

B. Venue

53. DEFENDANTS are, and at all relevant times were, actively engaged in the business of foreclosing upon and subsequently owning a significant number of occupied and vacant properties within the City.

54. Venue for this matter properly lies within the County of Los Angeles pursuant to California Code of Civil Procedure sections 393 and 395.5 in that each of the DEFENDANTS does substantial business in the County of Los Angeles, the violations of law alleged herein occurred and the liability arose, in whole or in part, in the County of Los Angeles.

55. This Court represents the proper venue as to DBNTC, a national banking association, pursuant to United States Code, title 12, section 94, in that DBNTC maintains its principal place of business in the State of California and because additional state venue provisions provide that the proper venue is Los Angeles County. (*See* United States Code, title 12, section 94 ["[I]n the event any State, county, or municipal court has jurisdiction over such an action or proceeding, in such court in the county or city in which that association's principal place of business is located . . ."], *Walhalla Associates, Inc. v. National Commercial Bank & Trust Co.* (N.Y.Sup.Ct., 1979) 71 A.D.2d 154, 156 ["[A]bsent any indication that Congress intended section 94 of Title 12 of the United States Code to be the exclusive venue provision governing transitory actions brought against national banks, we conclude that the State provisions also apply."].)

THE FORECLOSURE PROCESS IN CALIFORNIA

56. California is a non-judicial foreclosure state. The sale of property typically entails the conveyance of a mortgage or deed of trust, which involves three parties: the trustor (*i.e.*, the borrower), the beneficiary (*i.e.*, the lender), and the trustee (*i.e.*, a neutral third party exercising the right to foreclose). The mortgage or deed of trust includes a power of sale clause that grants the trustee the right to enforce collection of the debt. Collection of the debt is ultimately enforced by the

1 beneficiary's right to sell the property in the event the borrower defaults by failing to make their
2 mortgage payments. (*See* California Civil Code section 2924.)

3 57. When a borrower defaults on his or her mortgage payments for a property that is
4 bundled into a mortgage-backed security, the original lender has already conveyed the mortgage or
5 deed of trust, and it is the servicer for the property that initiates the foreclosure process on behalf of
6 the trustee and the beneficiaries of the trust. Generally, the servicer initiates foreclosure once the
7 borrower becomes 90 days or more delinquent on his or her payments by recording and serving on
8 the mortgagor a Notice of Default. (*See* Civil Code section 2924, subdivision (a)(1).)

9 58. No sooner than 90 days after the trustee records the Notice of Default, the trustee
10 must publish a notice of Trustee's Sale in the local newspaper and simultaneously file that notice
11 with the County Recorder's office. At any time after the Notice of Default is recorded until five
12 business days before the date set for the sale, the borrower, trustor, or any subordinate lienholder
13 may cure the default and reinstate the loan by paying the amount that is then due, including specified
14 costs and fees. (*See* Civil Code section 2924c, subdivision (a)(1).)

15 59. If the default is not cured, the trustee must give at least 20 days notice of the
16 forthcoming sale of the property. (*See* Civil Code, sections 2924, subdivisions (a)(2) and (a)(3),
17 2924b, subdivision (b)(2) and 2924f, subdivision (b).) At the expiration of this notice period, the
18 trustee may sell the property at a public auction to satisfy the delinquent obligation and foreclosure
19 costs in accordance with statutory requirements. (*See* Civil Code sections 2924, and 2924g,
20 subdivision (a).) If no one bids at the auction, the trustee assumes ownership of the property and
21 may sell the property to recover the trust's cash investment.

22 60. Where the property is bundled into a mortgage-backed security, foreclosure of the
23 property transfers title to the trustee on behalf of the trust beneficiaries. In this fashion,
24 DEFENDANTS have acquired and held title to more than 2000 residential properties in the City in
25 the four years preceding the filing of this Complaint. DEFENDANTS, as the title-holders to these
26 properties, assume the same legal duties and responsibilities to maintain these properties as any other
27 property owner.

1 **LEGAL DUTIES AND RESPONSIBILITIES OF RESIDENTIAL PROPERTY OWNERS**

2 61. An extensive regulatory framework of federal, state, county and municipal building,
3 fire, health, safety and housing laws govern the condition and operation of residential buildings in
4 the City. Owners who fail to comply with those laws may be cited by the relevant agencies, and, if
5 they fail to comply, may be subject to the imposition of civil sanctions and/or criminal prosecution.

6 ***A. Legal Duties and Responsibilities Relating to Vacant Properties***

7 ***1. California Public Nuisance Law***

8 62. Civil Code section 3479 defines a nuisance as including “[a]nything which is . . .
9 offensive to the senses, or an obstruction to the free use of property, so as to interfere with the
10 comfortable enjoyment of life or property, or unlawfully obstructs the free . . . use, in the customary
11 manner, of any . . . public . . . street, or highway”

12 63. Civil Code section 3480 defines a public nuisance as “one which affects at the same
13 time an entire community or neighborhood, or any considerable number of persons, although the
14 extent of the annoyance or damage inflicted upon individuals may be unequal.”

15 64. “[A]n affected party need not wait until actual injury occurs before bringing an action
16 to enjoin a nuisance” (*Beck Development Co., Inc. v. Southern Pacific Transportation Co.* (1996) 44
17 Cal.App.4th 1160, 1213); “mere apprehension of injury from a dangerous condition may constitute a
18 nuisance where it interferes with the comfortable enjoyment of property” (*McIvor v. Mercer-*
19 *Fraser Co.* (1946) 76 Cal.App.2d 247, 254.) It is sufficient, therefore, “that a defendant’s acts are
20 likely to cause a significant invasion of a public right” (*In re Firearms Cases* (2005) 126
21 Cal.App.4th 959, 988), such as “where acts which create a public nuisance are about to be
22 committed” (*McClatchy v. Laguna Lands Ltd.* (1917) 32 Cal.App. 718, 725.)

23 65. “Public nuisance liability ‘does not hinge on whether the defendant owns, possesses
24 or controls the property, nor on whether he is in a position to abate the nuisance; the critical question
25 is whether the defendant created or assisted in the creation of the nuisance.’ [Citation].” (*Melton v.*
26 *Boustred* (2010) 183 Cal.App.4th 521, 542; *see also County of Santa Clara v. Atlantic*
27 *Richfield Co.* (2006) 137 Cal.App.4th 292, 306; *City of Modesto Redevelopment Agency v. Superior*
28

1 *Court* (2004) 119 Cal.App.4th 28, 38; *Mangini v. Aerojet-General Corp.* (1991) 230 Cal.App.3d
2 1125, 1137; *California Department of Toxic Substances v. Payless Cleaners* (E.D.Cal. 2005) 368
3 F.Supp.2d 1069, 1081.)

4 66. Civil Code section 3491 provides for the methods by which a public nuisance may be
5 abated. It states in relevant part that the “remedies against a public nuisance are indictment or
6 information, a civil action or abatement.” Abatement typically is “accomplished by a court of equity
7 by means of an injunction proper and suitable to the facts of each case.” (*Sullivan v. Royer* (1887)
8 72 Cal. 248, 249; *see also People v. Selby Smelting and Lead Co.* (1912) 163 Cal. 84, 90; *Los*
9 *Angeles Brick & Clay Products Co. v. City of Los Angeles* (1943) 60 Cal.App.2d 478, 486.)

10 67. Code of Civil Procedure section 731 authorizes a city attorney to bring an action to
11 enjoin or abate a public nuisance. It provides, in relevant part, that “[a] civil action may be brought
12 in the name of the people of the State of California to abate a public nuisance . . . by the city attorney
13 of any town or city in which such nuisance exists”

14 68. “A legislatively declared public nuisance constitutes a nuisance per se against which
15 an injunction may issue without allegation or proof of irreparable injury.” (*People ex rel.*
16 *Department of Public Works v. Adco Advertisers* (1973) 35 Cal.App.3d 507, 511-512.)

17 69. “The concept of a nuisance per se arises when a legislative body with appropriate
18 jurisdiction, in the exercise of police power, expressly declares a particular object or substance,
19 activity, or circumstance, to be a nuisance.” (*Beck Development Co., Inc. v. Southern Pacific*
20 *Transportation Company* (1996) 44 Cal.App.4th 1160, 1206; *accord Jones v. Union Pacific*
21 *Railroad Co.* (2000) 79 Cal.App.4th 1053, 1068; *Amusing Sandwich, Inc. v. City of Palm Springs*
22 (1985) 165 Cal.App.3d 1116, 1129.)

23 70. “By ordinance the city legislative body may declare what constitutes a nuisance.”
24 (Government Code section 38771.) Under this provision, “[c]ity legislative bodies are
25 empowered . . . to declare what constitutes a nuisance.” (*City of Bakersfield v. Miller* (1966) 64
26 Cal.2d 93, 100; *see also People ex rel. Department of Transportation v. Outdoor Media Group*

1 (1993) 13 Cal.App.4th 1067, 1076-1077; *City of Costa Mesa v. Soffer* (1992) 11 Cal.App.4th 378,
2 382-383.)

3 71. “Nuisances *per se* are so regarded because no proof is required, beyond the actual
4 fact of their existence, to establish the nuisance.” (*City of Claremont v. Kruse* (2009) 177
5 Cal.App.4th 1153, 1164 [citation and internal quotation marks omitted]; *see also City of Costa Mesa*
6 *v. Soffer, supra*, 11 Cal.App.4th at p. 382; *McClatchy v. Laguna Lands Ltd.* (1917) 32 Cal.App. 718,
7 725.) “[W]here the law expressly declares something to be a nuisance, then no inquiry beyond its
8 existence need be made and in this sense its mere existence is said to be a nuisance *per se*.” (*Beck*
9 *Development Co., Inc. v. Southern Pacific Transportation Company, supra*, 44 Cal.App.4th at p.
10 1207.) “No ill effects need to be proved.” (*McClatchy v. Laguna Lands Ltd., supra*, 32 Cal.App. at
11 p. 725.)

12 72. “[A]ll parties to a nuisance *per se*, he who creates it and he who maintains it, are
13 responsible for its effect, without limitations of conditions or time.” (*McClatchy v. Laguna Lands*
14 *Ltd., supra*, 32 Cal.App. at p. 725; *see also City of Bakersfield v. Miller, supra*, 64 Cal.2d at p. 100;
15 *Amusing Sandwich, Inc. v. City of Palm Springs, supra*, 165 Cal.App.3d at p. 1129.)

16 2. The Los Angeles Vacant Building Ordinance

17 73. Unoccupied properties in the City are subject to the Los Angeles Vacant Building
18 Ordinance (“VBO”), which went into effect on July 8, 2010. (*See* LAMC sections 91.8904.1 and
19 98.0701 *et seq.*)

20 74. A “Vacant Structure” is defined by the VBO as any structure or building that is
21 unoccupied, or occupied by unauthorized persons, and is unsecured or barricaded. (*See* LAMC
22 section 98.0702.)

23 75. The owner of a vacant structure within the City has an affirmative duty to clean, fence
24 and barricade it. (*See* LAMC sections 91.8904.1 and 98.8904.1.1.) The owner of a Vacant Structure
25 or vacant lot that is open to unauthorized entry is required to secure all openings accessible for entry
26 from the exterior of the building or structure, and, where appropriate, the vacant lot, by installing
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plywood, steel mesh and a ten-foot-high, chain-link fence complete with lockable gates. (*See* LAMC section 91.8904.1.)

76. Furthermore, an owner of a Vacant Structure is also required to remove, cover, or obscure any graffiti displayed on any Vacant Structure or vacant lot by washing, sandblasting, chemical treatment, paint, or other approved materials. (*Ibid.*) The owner must post the name, address and telephone number of both the owner and any agent in control of the property on a Vacant Structure or vacant lot as well as a “No Trespassing” sign. (*See* LAMC sections 91,8904.I, 98.0706, and 98.0714.) The owner must further provide the Los Angeles Police Department with written authorization to arrest trespassers on the property. (*See* LAMC sections 41.24 and 98.0706.)

77. If the owner fails to timely or properly clean, fence and barricade a Vacant Structure or vacant lot, LADBS may perform the necessary work and recover the cost by perfecting a lien against the property. (*See* LAMC sections 98.0707 and 98.0711.) If a Vacant Structure has been properly cleaned, fenced and barricaded but subsequently becomes open and unsecured, LADBS may seek demolition of the Vacant Structure as a continuous public nuisance. (*See* LAMC section 98.0712.) An owner of a Vacant Structure or vacant lot with a swimming pool must fence the pool and remove all water from the pool. (*See* LAMC section 91.8904.1.)

78. Thus, as property owners, DEFENDANTS were required under the VBO to clean, fence and barricade any Vacant Structures and vacant lots to which they held title. As described below, DEFENDANTS completely neglected these duties and responsibilities, in violation of the VBO.

3. The Los Angeles Foreclosure Registry Ordinance

79. The Los Angeles Foreclosure Registry Ordinance (“FRO”) went into effect on July 8, 2010. It establishes “an abandoned residential property registration program as a mechanism to protect residential neighborhoods from becoming blighted through the lack of adequate maintenance and security of abandoned properties as a result of the foreclosure crisis.” (LAMC section 164.01.)

80. The FRO requires any lender who issues a Notice of Default on a residential property within the City to register such property with the Los Angeles Housing Department (“LAHD”)

1 within 30 days of the effective date of the ordinance (July 8, 2010), or, if a Notice of Default is
2 issued subsequent to that date, within 30 days of issuance of the Notice of Default. (LAMC section
3 164.04.) An annual registration fee of \$155 is due at the time of registration.

4 81. The registrant must provide the name of the beneficiary and/or trustee (corporation or
5 individual); the street and/or office mailing address of the beneficiary and/or trustee (post office box
6 numbers are insufficient); and a contact name and telephone number for the beneficiary and/or
7 trustee and the local property management company responsible for the security, maintenance and
8 marketing of the property.

9 82. Such contact persons must be empowered to: (A) comply with code enforcement
10 orders issued by the City; (B) provide a trespass authorization upon request of local law enforcement
11 authorities if the property is unlawfully occupied; (C) conduct weekly inspections of the property;
12 and (D) accept rental payments from tenants if no management company is otherwise employed for
13 such purpose.

14 83. Any person, firm, or corporation that has registered a property pursuant to the FRO
15 must report any change of information contained in the registration to LAHD within ten days of the
16 change. (See LAMC section 164.04.)

17 84. Any beneficiary or trustee who holds a deed of trust on a property in foreclosure must
18 perform an inspection of the property that is the security for the deed of trust, upon default by the
19 trustor, prior to recording a Notice of Default. (See LAMC section 164.04.) If the property is
20 occupied but remains in default, it must be inspected by the beneficiary and/or trustee, or his
21 designee, monthly until the trustor or other party remedies the default. (*Id.*)

22 85. The FRO's registration requirements may be satisfied by providing the same
23 information to the Mortgage Electronic Registration System ("MERS"). Registration with MERS
24 exempts lenders from payment of the \$155 FRO registration fee.

25 86. As title-holders, DEFENDANTS were required to register each property that they
26 foreclosed upon within 30 days of issuance of the Notice of Default. As described below,
27 DEFENDANTS completely neglected these duties and responsibilities, in violation of the FRO.
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1 **B. Legal Duties and Responsibilities Relating to Occupied Properties**

2 **1. The California Health and Safety Code**

3 87. Section 17920.3 of the California Health and Safety Code designates a building as
4 substandard where any of the following conditions exist “to an extent that endangers life, limb,
5 health, property, safety or welfare of the public or the occupants”:

6 A. Inadequate sanitation, which is defined to include, but is not limited to: lack of
7 hot and cold running water in a dwelling unit (*id.*, section 17920.3, subdivision (a)(5)); lack
8 of adequate heating (*id.*, section 17920.3, subdivision (a)(6)); lack of or improper operation
9 of required ventilating equipment (*id.*, section 17920.3, subdivision (a)(7)); dampness of
10 habitable rooms (*id.*, section 17920.3, subdivision (a)(11); and general dilapidation or
11 improper maintenance (*id.*, section 17920.3, subdivision (a)(13)).

12 B. Structural hazards, which are defined to include, but are not limited to, members
13 of walls, partitions, or other vertical supports that split, lean, list, or buckle due to defective
14 material or deterioration. (*Id.*, section 17920.3, subdivision (b)(4).)

15 C. Any nuisance. (*Id.*, section 17920.3, subdivision (c).)

16 D. Plumbing that does not conform with all applicable laws in effect at the time of
17 installation, has not been maintained in good condition, or involves cross connections or
18 siphonage between fixtures. (*Id.*, section 17920.3, subdivision (e).)

19 E. Faulty weather protection, including, but not limited to: deteriorated or ineffective
20 waterproofing of exterior walls, roof, foundations or floors, including broken windows or
21 doors (*id.*, section 17920.3, subdivision (g)(2)); defective or lack of weather protection for
22 exterior wall coverings, including lack of paint or other approved protective covering (*id.*,
23 section 17920.3, subdivision (g)(3)); and broken, rotted, split or buckled exterior wall
24 coverings or roof coverings (*id.*, section 17920.3, subdivision (g)(4)).

25 F. Accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage,
26 offal, rodent harborages, stagnant water, combustible materials and similar materials or
27 conditions constituting fire, health, or safety hazards. (*Id.*, section 17920.3, subdivision (j).)

1 G. A building or portion thereof that is determined to be unsafe due to inadequate
2 maintenance, in accordance with the latest edition of the Uniform Building Code. (*Id.*,
3 section 17920.3, subdivision (k).)

4 H. A building or portions thereof not provided with the required adequate exit
5 facilities, except a building or portion thereof whose exit facilities conformed with all
6 applicable laws at the time of their construction and that have been adequately maintained
7 and increased in relation to any increase in occupant load, alteration, or addition, or any
8 change in occupancy. (*Id.*, section 17920.3, subdivision (l).)

9 I. A building or portion thereof that lacks fire-resistive construction or fire-
10 extinguishing systems or equipment required by state law, except a building or portion
11 thereof that conformed with all applicable laws at the time of its construction and whose
12 fire-resistive integrity and fire-extinguishing system or equipment have been adequately
13 maintained and improved in relation to any increase in occupant load, alteration, or addition,
14 or any change in occupancy. (*Id.*, section 17920.3, subdivision (m).)

15 88. As property owners, DEFENDANTS were required to eliminate and remedy all
16 substandard conditions at the residential properties they owned. As described below,
17 DEFENDANTS completely neglected these duties and responsibilities, in violation of Section
18 17920.3 of the California Health and Safety Code.

19 **2. Statutory Warranty of Habitability**

20 89. Owners and operators of residential properties have a statutory duty under California
21 Civil Code section 1941 to ensure that their buildings are in a condition fit for human occupation and
22 “for repairing all subsequent dilapidations of the building that render the building untenable.”
23 Tenants cannot waive these rights by agreement. (*See Green v. Superior Court* (1974) 10 Cal.3d
24 616, 620; *Buckner v. Azulai* (1967) 251 Cal.App.2d Supp. 1013, 1015; *Halliday v.*
25 *Greene* (1966) 244 Cal.App.2d 482, 488.)

26 90. Under Civil Code section 1941.1, a dwelling is deemed “untenable” if it
27 substantially lacks any of the following: (A) effective waterproofing and weather protection of roof
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1 and exterior walls, including unbroken windows and doors; (B) plumbing or gas facilities that
2 conformed to applicable law in effect at the time of installation and that have been maintained in
3 good working order; (C) a water supply approved under applicable law that is either under the
4 control of the tenant and capable of producing hot and cold running water, or a system that is under
5 the control of the landlord and which produces hot and cold running water connected to a sewage
6 disposal system approved under applicable law; (D) heating facilities that conformed with applicable
7 law at the time of installation and that have been maintained in good working order; (E) electrical
8 lighting, with wiring and electrical equipment that conformed with applicable law at the time of
9 installation and that have been maintained in good working order; (F) building, grounds, and
10 appurtenances at the time of the commencement of the lease or rental agreement in every part
11 maintained as clean, sanitary and free from all accumulations of debris, filth, rubbish garbage,
12 rodents and vermin, and all areas under control of the landlord kept in every part maintained as
13 clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin;
14 (G) an adequate number of appropriate receptacles for garbage and rubbish, in clean condition and
15 good repair at the time of the commencement of the lease or rental agreement, with the landlord
16 providing appropriate serviceable receptacles thereafter and being responsible for the clean condition
17 and good repair of those receptacles under his or her control; and (H) floors, stairways and railings
18 maintained in good repair.

19 91. Civil Code section 1941.1 further provides that a dwelling is deemed "untenantable"
20 if it is a residential unit that meets the definition of a "substandard building" as set forth in California
21 Health and Safety Code section 17920, or if it contains lead hazards as set forth in California Health
22 and Safety Code section 17920.10.

23 92. Owners of buildings intended for the residential occupation of human beings are also
24 required, under Civil Code section 1941.4, to install at least one usable telephone jack and to place
25 and maintain the inside telephone wiring in good working order.

1 93. Pursuant to Civil Code section 1941.3, subdivision (a), owners of residential
2 properties must also install and maintain in operable condition deadbolts on dwelling doors and other
3 locking and security devices on windows and doors.

4 94. Furthermore, owners of rental units are prohibited, under Civil Code section 1942.4,
5 from demanding rent, collecting rent, issuing a notice of a rent increase, or issuing a three-day notice
6 to pay rent or quit where the following conditions exist prior to the owner's demand or notice:

7 (A) the rental unit is "untenantable" as defined in Civil Code section 1941.1, violates Health and
8 Safety Code section 17920.10, or is "substandard" under Health and Safety Code section 17920.3;

9 (B) a public officer or employee who is responsible for the enforcement of any housing law has
10 issued a notice or order requiring the abatement of the nuisance or the repair of the substandard
11 condition; (C) the conditions have existed and not been abated 35 days beyond the date the notice or
12 order was served and the delay is without good cause; and (D) the conditions were not caused by the
13 tenant.

14 95. An owner of a rental unit may not retaliate against a tenant who exercises any rights
15 under Civil Code section 1940 *et seq.*, regarding the tenantability of a rental unit.

16 96. To prevent such retaliation, Civil Code section 1942.5, subdivision (a) provides that
17 the owner may not recover possession of such a rental unit in any action or proceeding, cause the
18 tenant to quit involuntarily, increase the rent, or decrease any services within 180 days of the
19 following: (A) the date any tenant gives notice of an intent to repair untenantable conditions under
20 Civil Code section 1942, or orally complains to the owner or operator regarding tenantability; (B)
21 the date upon which the tenant complains to an appropriate agency of which the owner or operator
22 has notice; (C) the date of an inspection or issuance of a citation resulting from a tenant complaint
23 regarding tenantability of which the owner or operator did not have notice; (D) the date any
24 appropriate document commencing a judicial or arbitration proceeding involving the issue of
25 tenantability is filed; or (E) the entry of judgment or the signing of an arbitration award where the
26 issue of tenantability is determined adversely to an owner.

1 97. An owner is also prohibited under Civil Code section 1942.5, subdivision (c) from
2 increasing rent, decreasing services, causing a tenant to vacate a unit involuntarily, bringing an
3 action to recover possession, or threatening to do any of those acts for the purpose of retaliating
4 against a tenant because the tenant has lawfully organized or participated in a tenants' association or
5 an organization advocating tenants' rights or has exercised any rights under the law.

6 98. As property owners, DEFENDANTS were required to ensure that their residential
7 buildings were in a condition fit for human occupation and "for repairing all subsequent
8 dilapidations of the building that render the building untenable." As described below,
9 DEFENDANTS completely neglected these duties and responsibilities, in violation of California
10 Civil Code section 1941.

11 **3. Common Law Warranty of Habitability**

12 99. In addition to the statutory warranty of habitability, a warranty of habitability is
13 implied by law in every residential lease in California. (*See Green v. Superior Court, supra*, 10
14 Cal.3d at p. 620.) An owner must maintain a dwelling in substantial compliance with those
15 applicable building and housing code standards that materially affects a tenant's health and safety to
16 meet the obligations under the common law implied warranty of habitability. (*See Knight v.*
17 *Hallsthammar* (1981) 29 Cal.3d 46, 59.)

18 100. An owner's breach of the warranty of habitability is considered a breach of the lease.

19 101. Tenants are entitled to monetary damages for breach of the warranty of habitability.
20 Such damages are generally measured by the difference between the fair rental value of the premises
21 if they had been as warranted, and the fair rental value of the premises as they were during a tenant's
22 occupancy in the unsafe and unsanitary condition in which they were maintained. (*See Stoiber v.*
23 *Honeychuck* (1980) 101 Cal.App.3d 903, 916.)

24 102. As described below, DEFENDANTS completely neglected these duties and
25 responsibilities as property owners, in violation of the common law warranty of habitability.

1 **4. *The Covenant of Quiet Enjoyment***

2 103. Civil Code section 1927 expressly provides that "[a]n agreement to let upon hire
3 binds the letter to secure to the hirer the quiet possession of the thing hired during the term of the
4 hiring, against all persons lawfully claiming the same." There is an implied covenant of quiet
5 enjoyment in every lease in California, requiring that the tenant shall not be disturbed in his or her
6 possession by the landlord. (*See Pierce v. Nash* (1954) 126 Cal.App.2d 606, 612.)

7 104. The implied covenant of quiet enjoyment has been expanded beyond the traditional
8 right of physical possession of the premises to a guarantee of the tenant's beneficial enjoyment of the
9 premises. (*See Petroleum Collections Inc. v. Swords* (1975) 48 Cal.App.3d 841, 847-848.)

10 105. A landlord is bound to refrain from any action which interrupts a tenant's beneficial
11 enjoyment of the rental property. A constructive eviction occurs when the landlord, by act or
12 omission, renders the premises unfit for the purposes for which they were leased. (*See Groh v.*
13 *Kover's Bull Pen, Inc.* (1963) 221 Cal. App.2d 611, 614). Permitting untenable conditions as
14 defined by Civil Code section 1941.1 to exist amounts to constructive eviction, which is a breach of
15 the tenant's right to quiet enjoyment. (*See Georgeous v. Lewis* (1912) 20 Cal.App. 255, 258; *Groh*
16 *v. Kover's Bull Pen, Inc.* (1963) 221 Cal.App.2d 611, 614; *Sierad v. Lilly* (1962) 204 Cal.App.2d
17 770, 773.)

18 106. Harassment of a tenant by a landlord with the intent of causing the tenant to vacate
19 the premises also amounts to constructive eviction and breach of the tenant's right to quiet
20 enjoyment. (*See Aaker v. Smith* (1948) 87 Cal.App.2d 36, 45-46.)

21 107. As described below, by permitting untenable conditions to exist at their residential
22 properties, DEFENDANTS completely neglected these duties and responsibilities as property
23 owners, in violation of the covenant of quiet enjoyment.

1 **C. Tenant Protections**

2 **1. Section 8 of the United States Housing Act**

3 108. Section 8 of the United States Housing Act of 1937 ("Section 8") (Code of Federal
4 Regulations, title 24, section 982 *et seq.*) is funded and overseen by the United States Department of
5 Housing and Urban Development ("HUD"). It authorizes the payment of rental housing assistance
6 to private landlords on behalf of extremely low and very low-income individuals, families, senior
7 citizens and persons with disabilities. (United States Code, title 42, section 1437,
8 subdivision f(o)(7).)

9 109. Section 8 operates through several programs, the largest of which is the Housing
10 Choice Voucher Program ("Voucher Program"). (See United States Code, title 42, section 1437 *et*
11 *seq.*) Under the Voucher Program, HUD pays rental subsidies to eligible families so that they can
12 afford decent, safe and sanitary housing. (Code of Federal Regulations, title 24, section 982.1
13 subsection (a).)

14 110. The Housing Authority of the City of Los Angeles ("HACLA") is the municipal
15 agency responsible for the local administration of HUD programs. HACLA first implemented the
16 Section 8 Program in 1975, providing rent subsidies in the form of housing assistance payments to
17 private landlords on behalf of eligible families.

18 111. Pursuant to HACLA requirements, if the tenant consents to the termination of the
19 lease and moves, the Housing Assistance Payments ("HAP") contract will be terminated. If the
20 owner intends to terminate the lease without the tenant's consent, however, then the tenant must be
21 evicted in accordance with state and local laws.

22 112. HACLA also requires that the property owner immediately provide HACLA with a
23 copy of all eviction documents served on the tenant. HACLA will continue to make rental
24 assistance payments on behalf of the tenant until the HAP contract is terminated. Until that time, the
25 tenant is only required to pay the amount of rent determined by HACLA. (See Code of Federal
26 Regulations, title 24, section 982.310.)
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113. As property owners participating in the Section 8 Program, DEFENDANTS were required to comply with HACLA's requirements. As described below, DEFENDANTS violated HACLA's Section 8 Program regulations by attempting to evict tenants in violation of state and local laws.

2. *The Protecting Tenants at Foreclosure Act*

114. The federal Protecting Tenants at Foreclosure Act ("PTFA") (United States Code, title 12, section 5226 note) went into effect on May 20, 2009. It requires a property owner who has acquired title pursuant to foreclosure to give 90 days before the effective date of any notice to vacate that is otherwise permitted by and subject to the restrictions of state and local law.

115. Under the PTFA, a person who acquires ownership of residential rental property through foreclosure takes the property subject to the Section 8 voucher lease and HAP contract. A new owner can only terminate the lease and HAP contract by giving the tenant at least 90 days notice to terminate prior to the end of the lease. If the Section 8 lease and HAP contract have less than 90 days remaining in their term, or if the new owner who takes title at foreclosure wants to occupy the premises as his or her personal residence, the new owner may terminate the lease only after giving the tenant at least 90 days notice of such termination. (United States Code, title 12, section 5226 note.)

116. As described below, DEFENDANTS violated the PTFA by attempting to evict tenants in violation of state and local laws and with less than 90 days notice.

3. *The Los Angeles Rent Stabilization Ordinance*

117. Multi-unit residential properties in Los Angeles with an initial certificate of occupancy issued prior to October 1, 1978 are subject to the Los Angeles Rent Stabilization Ordinance ("RSO"). (See LAMC section 151.02.) The RSO limits the amount landlords may increase rent each year to between three and five percent, depending on whether the landlord pays for utilities. (LAMC section 151.06.)

118. Under the RSO, the rent for a rental unit may be increased without the permission of the Rent Adjustment Commission if twelve months or more have elapsed since the last such rent

1 increase and by no more than the allowable annual increase percentage. (*See* LAMC section 151.06,
2 subdivision (D).)

3 119. Further, under the RSO, a landlord may not terminate or fail to renew a rental
4 assistance contract with HACLA and then demand that the tenant pay rent in excess of the tenant's
5 portion of the rent under the rental assistance contract. (*See* LAMC section 151.04.)

6 120. The RSO also restricts the grounds upon which tenants may be evicted. Under the
7 RSO, tenants may only be evicted: (A) for failure to pay rent; (B) for breach of the lease terms; (C)
8 for committing or permitting a nuisance; (D) for using the premises for an illegal purpose; (E) for
9 refusing to execute a written renewal or extension of an expired lease; (F) for refusing to grant
10 reasonable access to the unit for the purpose of making repairs or improvements; (G) for being a
11 subtenant not approved by the landlord; (H) if the landlord seeks to recover possession for the
12 landlord's personal use and occupancy; (I) for refusing to temporarily relocate or to honor a
13 permanent relocation agreement so that the landlord may undertake Primary Renovation Work; (J) if
14 the landlord seeks to demolish the unit or permanently remove it from rental housing use (as
15 required under the Ellis Act, California Government Code, section 7060 et seq.); (K) if the landlord
16 seeks possession to comply with a governmental agency's order that requires the unit to be vacated;
17 or (L) if the unit is owned by HUD and it seeks to recover possession of the unit prior to selling it.
18 (*See* LAMC section 151.09.) A change in ownership pursuant to a judicial foreclosure or a trustee's
19 sale is not among the lawful grounds for eviction.

20 121. As described below, DEFENDANTS violated the RSO by raising and causing the
21 raising of rents beyond legal limits and evicting and causing the eviction of tenants based on a
22 change in ownership pursuant to a judicial foreclosure.

23 **4. The Los Angeles Foreclosure Eviction Ordinance**

24 122. On December 17, 2008, the Los Angeles City Council enacted the Los Angeles
25 Foreclosure Eviction Ordinance ("FEO") "to prevent the displacement of tenants and the loss of
26 rental units in the City of Los Angeles due to the foreclosure of the property, and to prevent
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1 homelessness and nuisances and blight caused by vacant foreclosed properties.” (LAMC section
2 49.90.)

3 123. The FEO confirms that a landlord obtaining title to rental property through
4 foreclosure may only evict the tenants and take possession of the property for one of the twelve
5 reasons specified in the RSO. It further confirms that a landlord must comply with all of the
6 provisions of LAMC section 151.09, including, without limitation, the payment of relocation fees
7 required pursuant to the provisions of LAMC section 151.09, subdivision (G). (See LAMC section
8 49.92.)

9 124. As described below, DEFENDANTS violated the FEO by evicting and causing the
10 eviction of tenants based on a change in ownership pursuant to judicial foreclosure.

11 ***D. Other Municipal Laws***

12 ***1. The LAMC Zoning Code***

13 125. The City of Los Angeles Zoning Code regulates the uses of property within the City,
14 restricting, among other things, the activities that may be conducted on residential properties,
15 including the storage of inoperable automobiles or automobiles under repair. (LAMC Chapter I,
16 Article 2.)

17 126. Among other things, the Zoning Code prohibits major automobile repair, the open
18 storage of inoperable automobiles and the parking of automobiles on front yards of residential
19 properties. (LAMC sections 12.21.A.8, subdivision (a), 12.21, subdivision (A)(8)(b) and 12.21,
20 subdivision (C)(1)(g).)

21 127. As described below, DEFENDANTS violated the Zoning Code by permitting the
22 repair, storage and parking of automobiles on the front yards of residential properties they owned.

23 ***2. The LAMC Building Code***

24 128. Section 91.1000 of the Los Angeles Building Code adopts, by reference, Chapter 10
25 of the California Building Code. Chapter 10 of the California Building Code mandates, among other
26 things, that:
27
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1 A. Exit doors must be readily openable without the use of a key or special
2 knowledge or effort. (California Building Code, section 1008.1.9.)

3 B. Bars, grilles, grates or similar devices must not be placed over emergency
4 escape and rescue openings if the minimum net clear opening is less than five square feet and
5 such devices are not releasable without the use of a key, tool, special knowledge, or effort or
6 force greater than that which is required for normal operation of the escape and rescue
7 opening. (*Id.*, section 1029.4.)

8 129. The design, installation and operation of fire protections systems are regulated by
9 Section 91.900 of the LAMC, which adopts, by reference, Chapter 9 of the California Building
10 Code. Chapter 9 of the California Building Code mandates, among other things, that:

11 A. Smoke alarms must be installed in residential buildings at all of the following
12 locations: on the ceiling or wall outside of each separate sleeping area in the immediate
13 vicinity of bedrooms; in each room used for sleeping purposes; and in each story within a
14 dwelling unit, including basements. (California Building Code section 907.2.11.2.)

15 B. Smoke alarms must receive their primary power from the building wiring and
16 must be equipped with a battery backup, or be connected to an emergency electrical system.
17 Smoke alarms must emit a signal when the batteries are low, and their wiring must be
18 permanent. (*Id.*, section 907.2.11.4.)

19 130. Section 91.1200 of the LAMC adopts by reference Chapter 12 of the California
20 Building Code, which governs, among other things, ventilation of interior spaces of buildings.
21 Chapter 12 of the California Building Code mandates, among other things, that:

22 A. Buildings have natural or mechanical ventilation. (California Building Code
23 section 1203.1.)

24 B. Natural ventilation of an occupied space be through windows, doors, louvers,
25 or other openings to the outdoors, and the operating mechanism for such openings must be
26 readily accessible so that the openings are readily controllable by the building's occupants.
27 (*Id.*, section 1203.4.)
28

1 C. The space between the bottom of floor joists and the earth under any building,
2 except spaces occupied by basements or cellars, have ventilation openings through
3 foundation or exterior walls, and that these openings must be placed so as to provide cross-
4 ventilation of the under-floor space. (*Id.*, section 1203.3.)

5 131. Various sections of the LAMC regulate the use and maintenance of private swimming
6 pools. Swimming pool enclosures must be located so as to prohibit permanent structures,
7 equipment, or similar objects from being used to climb the barriers. (LAMC section 91.3109,
8 adopting by reference California Building Code section 91.3109.4.3.) Additionally, the recirculation
9 and purification system of any swimming pool, fish pond, or any other body of water that is required
10 to be fenced must be operated and maintained so as to keep the water of reasonable clarity. (LAMC
11 section 91.8118.)

12 132. Section 91.3401.2 of the LAMC adopts by reference Chapter 34, section 3401.2 of
13 the California Building Code, which mandates that buildings shall be maintained in a safe and
14 sanitary condition, and specifies that the owner or the owner's designated agent shall be responsible
15 for such maintenance. (California Building Code section 3401.2.)

16 133. Section 91.8104 of the LAMC requires that every existing building be maintained in
17 safe and sanitary condition and good repair, and that the premises of every existing building be
18 maintained in good repair and free from graffiti, debris, rubbish, garbage, trash, overgrown
19 vegetation, or other similar material. The following maintenance is required in all existing
20 buildings:

21 A. All physical elements must be cleaned, painted, stained, refinished, or restored to
22 a condition as close as reasonably feasible to their originally required and approved state.
23 (LAMC section 91.8104.1.)

24 B. Interior and exterior wall surfaces must be maintained clean and free from
25 accumulation of debris, rubbish, garbage, trash, overgrown vegetation and other similar
26 material. (*Id.*, section 91.8104.2.)
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1 C. Roofs must be waterproof and all gutters must be maintained in working order.
2 (*Id.*, section 91.8104.3.)

3 D. The walls and ceilings of every room must be finished, sealed, coated, painted or
4 covered, and loose wall paper or other surfacing must be removed so as to provide a smooth,
5 clean and sanitary surface. (*Id.*, section 91.8104.4.)

6 E. Doors, windows, cabinets, frames and similar finishes must be finished, sealed,
7 coated, painted, or covered; broken or cracked glass or plastics must be replaced; and torn,
8 worn or broken screens must be repaired, replaced or removed. (*Id.*, section 91.8104.5.1.)

9 F. Legally required insect screens must not be removed other than for repair or
10 replacement. (*Id.*, section 9.8104.5.2.)

11 G. Floors and floor covering must be maintained free from defects, holes, loose,
12 worn or missing portions that could present a safety hazard to occupants. (*Id.*, section
13 9.8104.6.)

14 H. Plumbing fixtures, shower enclosures, wastewater drain lines, water supply lines,
15 counters, drain boards and adjoining wall and floor areas provided to protect against water
16 damage must be kept free of cracks, chips, defects, missing portions, dirt or foreign
17 materials. Leaking drain or supply lines and cracked, chipped, or damaged fixtures must be
18 repaired or replaced. (*Id.*, section 91.8104.7.)

19 I. Broken, loose, frayed, inoperative portions of electric service, lines, switches,
20 outlets, fixtures and fixture coverings must be repaired or replaced, and fixtures, fixture
21 coverings, switches and outlets must be kept free of dirt or foreign materials. (*Id.*,
22 section 9.8104.8.1.)

23 J. Flexible cords and cables (extension cords) may not be used as a substitute for
24 fixed wiring. (*Id.*, section 9.8104.8.2.)

25 K. Plumbing and waste drain lines must be kept clear of blockages that would cause
26 any fixture to overflow. (*Id.*, section 9.8104.9.)

27 L. Water supply lines to kitchen and bathroom fixtures must provide at least one
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1 gallon per minute of water flow, of at least 100 degrees Fahrenheit (*id.*, section
2 9.8104.10.1); hot water must be provided to each residential kitchen and bathroom fixture at
3 all times (*id.*, section 9.8104.10.2); and no time clock or other device may be installed to
4 prevent the supply of required hot water at any time. (*id.*, section 9.8104.10.3.)

5 M. Heating units must be operable and in good repair. (*Id.*, section 9.8104.11.)

6 N. Exterior wall surfaces must be weather tight. (*Id.*, section 9.8104.12.)

7 O. Fences must be straight, uniform and structurally sound, and wooden fences must
8 be painted or sealed to prevent their becoming a nuisance from weathering or deterioration.
9 (*Id.*, section 9.8104.13.)

10 P. Exterior walls and fences must be kept free of graffiti visible from a public street
11 or alley. (*Id.*, section 9.8104.15.)

12 134. LAMC section 91.8902 authorizes LADBS and LAHD to take just, equitable and
13 practicable steps to abate nuisance, hazardous, or substandard residential conditions, including
14 inadequate sanitation. Inadequate sanitation includes, but is not limited to: lack of or an improper
15 water closet, lavatory, bathtub, or shower (*id.* section 91.8902.1.1); lack of or an improper kitchen
16 sink (*id.*, section 91.8902.1.3); lack of hot and cold running water (*id.*, section 91.8902.1.5); lack of
17 adequate heating (*id.*, section 91.8902.1.6); lack of minimum ventilation and natural light (*id.*,
18 sections 91.8902.1.7 and 91.8902.1.8); lack of required electrical lighting (*id.*, section 91.8902.1.10);
19 dampness of habitable rooms (*id.*, section 91.8902.1.11); insect, vermin, or rodent infestation (*id.*,
20 section 91.8902.1.12); and general dilapidation (*id.*, section 91.8902.1.13).

21 135. As property owners, DEFENDANTS were required to maintain these minimum
22 conditions at their residential properties. As described below, DEFENDANTS failed to comply with
23 these requirements, in violation of the California Building Code and the LAMC.

24 3. **LAMC Electrical Code**

25 136. The Los Angeles Electrical Code provides minimum standards for electrical
26 installations in the City to reduce fire hazards from electrical causes. (*See* LAMC section 93.0102.)
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1 137. LAMC section 93.0104 generally prohibits the installation, operation and/or
2 maintenance of electrical systems or equipment that do not comply with all applicable provisions of
3 the Electrical Code. Any person who installs, alters, repairs, uses or maintains electric wiring shall
4 be responsible for compliance with the Electrical Code. (*Id.*, section 93.0314.) LAHD has the
5 authority to require the repair or removal or condemnation of any electrical installation it determines
6 to be out of compliance. (*Id.*, section 93.0311.)

7 138. LAMC section 93.0312 prohibits abandoned wiring, requiring that the conductors of
8 abandoned or discontinued circuits be removed from the raceways, or be insulated and maintained in
9 wiring enclosures as if in use. (*Id.*, section 93.0312.)

10 139. As property owners, DEFENDANTS were required to ensure that these minimum
11 standards for electrical installations were maintained at their residential buildings. As described
12 below, DEFENDANTS failed to comply with these requirements, in violation of the Electrical Code.

13 **4. LAMC Plumbing Code**

14 140. Section 94.300.0 adopts, by reference, Chapter 3 of the California Plumbing Code,
15 which mandates, among other things, that:

16 A. All pipes, pipe fittings, traps, fixtures, material and devices used in a
17 plumbing system shall be free from defects and submitted to the authority having jurisdiction
18 for approval. (California Plumbing Code section 301.1.1.)

19 B. Vent pipes may not be used as waste pipes, nor vice-versa, and single-stack
20 drainage and venting systems with unvented branch lines are prohibited. (*Id.*, section
21 301.1.4.)

22 C. Sewage, human excrement, and other liquid wastes must be disposed of by
23 means of an approved drainage system. (*Id.*, section 303.0.)

24 141. Section 94.500 of the LAMC adopts, by reference, Chapter 5 of the California
25 Plumbing Code, which governs the construction, location and installation of water heaters.
26 (California Plumbing Code section 501.0.) California Plumbing Code, Chapter 5, mandates in part
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1 that water heaters must be anchored or strapped to resist horizontal displacement due to earthquakes
2 and, if operated by gas, must be connected to venting systems. (*Id.*, sections 301.1.1. and 510.2.1.)

3 142. As property owners, DEFENDANTS were required to ensure that the plumbing in
4 their residential buildings were free from defects. As described below, DEFENDANTS completely
5 neglected these duties and responsibilities, in violation of the California Plumbing Code.

6 **5. Mechanical Code**

7 143. The purpose of the Mechanical Code is to safeguard life, health, property and public
8 welfare by regulating the design, construction, installation, alteration, repair, quality of materials,
9 location, operation and maintenance of heating, ventilating, air-conditioning and refrigeration
10 equipment and other miscellaneous heat-producing appliances installed in buildings located within
11 the City. (*See* LAMC section 95.101.)

12 144. Generally, mechanical systems, materials and appurtenances must be maintained in
13 safe, proper and hazard-free condition, and the owner or owner's designated agent is responsible for
14 such maintenance. (LAMC section 95.104, adopting by reference California Mechanical Code
15 section 104.4.)

16 145. As described below, DEFENDANTS completely neglected their duties and
17 responsibilities as property owners by failing to maintain mechanical systems at the properties they
18 owned in safe, proper and hazard-free condition, in violation of the California Mechanical Code.

19 **E. County Property Tax Laws**

20 146. Article 13 of the California Constitution declares that all property is taxable.
21 (California Constitution, Article 13, section 1.)

22 147. Annual taxes on real property are payable in two installments to the County, with the
23 first half due November 1st of each year. (California Revenue and Taxation Code section 2605.)

24 148. All property taxes due November 1, if unpaid, are delinquent at 5:00 p.m., or the
25 close of business, whichever is later, on December 10, and thereafter a delinquent penalty of 10
26 percent attaches to them. (*Id.*, section 2617.)

1 149. The second half of real property taxes are due February 1st of each year, and, if
2 unpaid, are subject to a delinquent penalty of ten percent attaching to them beginning April 1st. (*Id.*,
3 sections 2606 and 2618.)

4 150. Liens issued on property for the non-payment of taxes constitute encumbrances on the
5 title to the land (California Civil Code section 1114), and take priority over all other liens on the
6 property, regardless of the time of their creation, including, but not limited to, “any recognizance,
7 deed, judgment, debt, obligation, or responsibility with respect to which the subject real property
8 may become charged or liable.” (California Revenue and Taxation Code section 2192.1.)
9 Additionally, a deed of trust foreclosed by a trustee’s sale causes a reappraisal as of the date the right
10 of possession vests in the purchaser, rendering the trustee liable for the payment of all taxes and tax
11 liens as of that date. (California Code of Regulations, title 18, section 462.120.)

12 151. DEFENDANTS, as property owners, were required to pay annual property taxes to
13 the County. As described below, DEFENDANTS failed to timely make these required payments, in
14 violation of the California Constitution and the California Revenue and Taxation Code.

15 ***F. Enforcement***

16 ***I. Vacant Properties***

17 152. LADBS is the City agency charged with enforcing all ordinances and laws relating to
18 the zoning, the construction, alteration, repair and demolition and removal of buildings or structures
19 in the City, and the installation, alteration, repair, use and operation of all heating, plumbing,
20 lighting, ventilating, refrigerating, electrical and mechanical appliances and equipment therein. (*See*
21 Los Angeles Administrative Code section 22.20.) For residential buildings under four units,
22 LADBS’ jurisdiction is limited to vacant properties.

23 ***a) The City’s Problem Property Resolution Team***

24 153. The City has established the Problem Property Resolution Team (“PPRT”) to address
25 code violations involving vacant residential properties, among other nuisance properties. PPRT is a
26 multi-agency task force comprised of representatives of the Los Angeles City Attorney’s Office,
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1 LADBS, LAHD, the Los Angeles Police Department and the Los Angeles County Health
2 Department. LAHD has also been, but is not currently, a participating agency in PPRT.

3 154. LADBS issues orders to owners of vacant residential properties who are in violation
4 of City building, fire, health and safety laws, and, as appropriate, refers egregious cases of
5 non-compliance and misconduct to the City Attorney's office for criminal prosecution.

6 ***b) Enforcement of the Vacant Building Ordinance***

7 155. The owner of a Vacant Structure or its agent is required to provide LADBS with a
8 Statement of Intent within 30 days of when LADBS determines that a property meets the definition
9 of a Vacant Structure. (See LAMC section 98.0713.) The Statement of Intent must include: (A) the
10 expected period of vacancy; (B) a plan for regular maintenance during the period of vacancy; (C) a
11 plan and time line for the lawful occupancy, rehabilitation, or demolition of the barricaded structure;
12 and (D) any additional information required by LADBS. (*Ibid.*)

13 156. LADBS may impose civil penalties in the amount of \$1,000 per structure, not to
14 exceed \$100,000 in a calendar year, against an owner or its agent in control of a Vacant Structure for
15 90 consecutive calendar days, unless: (A) a Statement of Intent has been filed and approved by
16 LADBS; (B) the building has been posted with both the owner and any agent's names, addresses and
17 telephone numbers; and (C) one of the following applies: (i) the structure is the subject of an active
18 building permit for repair, rehabilitation, or demolition and the owner is proceeding diligently in
19 good faith to complete the repair, rehabilitation, or demolition; or (ii) the structure is properly
20 cleaned, fenced, and barricaded and is actively being offered for sale, lease, or rent; or (iii) the owner
21 can demonstrate that it or its agent has made a diligent and good faith effort to implement the actions
22 proposed in the approved Statement of Intent within the time line contained within the Statement of
23 Intent.

24 **2. *Occupied Properties***

25 157. LAHD is the City agency responsible for planning, coordination, direction and
26 management of all housing and rent control matters as delineated by the Los Angeles City Charter.

(See Los Angeles Administrative Code section 22.601.) LAHD enforces all state and municipal laws applicable to occupied residential buildings in the City.

a) Enforcement of the RSO and FEO

158. Active enforcement of the RSO and FEO is undertaken primarily by LAHD's Rent Investigations Section, Hearing Section, Rent Adjustment Commission and Rent Escrow Account Program ("REAP").

159. LAHD's enforcement of the RSO is entirely complaint-based. The Rent Investigation Section receives and processes tenants' complaints of alleged RSO violations. There are six areas in which the Rent Investigation Section investigates and seeks to resolve complaints. These are: (A) landlords who have failed to register rental units; (B) notices to quit based on false and deceptive grounds received by tenants; (C) non-payment of relocation assistance fees; (D) illegal rent increases; (E) illegal reduction of services; and (F) failure to post RSO notices. (As of August 16, 2009, landlords who rent properties subject to the RSO must post a notice providing information about the protections the RSO provides tenants as well as LAHD contact information. (LAMC section 151.05, subdivision (I)).)

160. In response to a tenant complaint, the Rent Investigation Section attempts to contact the tenant by telephone and letter, requesting documents verifying the tenancy and validating the reason for the complaint. Once sufficient documentation is collected, the Rent Investigation Section opens a case file, sends a notice to the landlord advising it of the relevant provisions of the RSO that are being violated, and issues an order seeking compliance. Should the landlord fail to comply with the order within the specified time frame, the case may be referred to the City Attorney's Office for criminal prosecution. (See LAMC section 151.10, subdivision (b).)

b) Enforcement of Habitability Laws

161. LAHD inspects rental properties for compliance with the aforementioned state and municipal laws regarding maintenance, use and habitability through the Systematic Code Enforcement Program ("SCEP"). Inspections may also be initiated in response to a tenant's complaint.

1 162. Under SCEP, all residential rental units are to be thoroughly inspected by LAHD
2 once every four years to ensure their safety and habitability. Approximately 30 days before a
3 scheduled inspection, a Notice of Inspection is mailed to the residential rental property owner. A
4 secondary notice is posted at the site five to seven days prior to the inspection to inform the tenants
5 of the date and time of the inspection. Through inspections pursuant to SCEP, and in response to
6 tenant habitability complaints, properties that do not meet the minimum standards are identified and
7 a written notice describing the violations is mailed to the owner and posted at the site. This
8 document is called a "Notice and Order to Comply" or "Notice and Order of Abatement." (*See*
9 LAMC section 161.702.)

10 163. For most violations, property owners must abate all substandard conditions according
11 to the compliance date specified on the Notice, typically within 30 days. (*See* LAMC section
12 161.704.1) However, when conditions are observed that pose a serious risk to the health and safety
13 of the occupants or public, or pose a present, imminent, extreme and immediate hazard or danger to
14 life, limb, health, or safety, the compliance period may be reduced to two days. (*See* LAMC sections
15 161.704.4 and 161.704.5.) Soon after the compliance date indicated on the notice, a second
16 inspection is performed to verify that the landlord has cured the violation. (*See* LAMC section
17 161.704.2.)

18 164. If repairs are not completed within the period specified on the Notice and Order to
19 Comply, the landlord will be summoned to an administrative hearing, known as a "General
20 Manager's Hearing," ("GM Hearing") to explain the reasons for non-compliance. (*See* LAMC
21 section 161.801.1.)

22 165. The GM Hearing is conducted by a Hearing Officer. The Hearing Officer has the
23 authority to, among other things: (A) refer cases to the City Attorney's office for criminal
24 prosecution; (B) order a rent reduction; (C) order acceptance of the property into the Rent Escrow
25 Account Program (discussed below); (D) order acceptance of the property into the Urgent Repair
26 Program (discussed below); (G) order payment of relocation fees; or (J) issue an Order of Abatement
27 and have it recorded against the property. (*See* LAMC section 161.805.) Following the hearing, the
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1 Hearing Officer will issue a written decision within ten business days of the conclusion of the
2 hearing, which the General Manager of LAHD may affirm, modify, or reverse. The landlord, any
3 tenant, or the enforcement agency may appeal the General Manager's decision to the LAHD Appeals
4 Board. If an appeal is not filed within ten calendar days, the General Manager's decision becomes
5 final. (*See* LAMC section 161.1002.2.)

6 ***c) The Urgent Repair and Rent Escrow Account Programs***

7 166. The City established the Urgent Repair Program ("URP") in 1997 to immediately
8 address critical habitability problems in multi-family buildings where the landlord has refused to
9 address such problems. (*See* LAMC section 50.00, subdivision (A).) Conditions addressed by this
10 program must meet certain criteria and constitute a present, imminent, extreme and immediate
11 hazard or danger to life, limb, health, or safety. (*See id.*, section 50.00(B).) Repairs that typically
12 fall with URP include leaking gas pipes, sewage overflows, unprotected swimming pools, loose or
13 missing railings, blocked emergency openings and exposed electrical wiring. Where such conditions
14 are identified, a "Two-Day Order to Comply" is issued which requires that the repair be made within
15 two days. (*See id.*, section 50.00, subdivision (C)(2).)

16 167. If the owner of the property does not commence the required repair work within two
17 days, LAHD has the authority to designate a contractor preselected by LAHD to make the repairs.
18 (*See* LAMC section 50.00, subdivision (C)(3).) If the Two Day Order, including any extensions,
19 expires without compliance, LAHD may refer the property to the Rent Escrow Account Program
20 (described below), which allows the City to recover all costs incurred by it pursuant to URP. (*See*
21 *id.*, section 50.00, subdivision (C)(4).) The owner is then billed for the City's cost of abating the
22 hazardous conditions, and is also assessed a 40% administrative fee. (*See id.*, section 50.00,
23 subdivision (C)(5).)

24 168. Under The City's Rent Escrow Account Program ("REAP"), LAHD is authorized to
25 order rent reductions when the owner of a multi-unit residential building subject to the RSO fails to
26 comply with orders to correct code violations. (*See* LAMC section 162.04.) When a building is
27 placed in REAP, tenants are allowed to pay a portion or all of their rent, as determined by LAHD, to
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1 an escrow account maintained by the City until the building is brought into compliance. (*See* LAMC
2 section 162.07.) The owner may not evict tenants who elect to make their rent payment into REAP
3 for non-payment of rent, nor may the owner require tenants to pay more than the reduced rental rate
4 set by LAHD. (*See id.*, section 162.09.)

5 169. A building is only placed in REAP after the owner, receives notice and an
6 opportunity for a hearing, but still fails to correct the violations. (*See* LAMC sections 162.04 and
7 162.06.) When a property is placed into REAP, LAHD will determine a reduction in rent. The
8 reduction is based upon the severity of the conditions. The maximum reduction in rent cannot
9 exceed 50% per unit. (*See* Los Angeles Rent Adjustment Committee Regulation, section 1200.06
10 subdivision (4).)

11 170. A building is only released from REAP after the owner complies with all orders
12 issued by all enforcement agencies and pays all outstanding utility bills. (*See* LAMC section
13 162.08.) After a building is released from REAP, an owner may not increase the rent for any unit
14 that had been accepted into REAP, even for a new tenant, for at least one year. (*See id.*, section
15 162.09 subdivision B.)

16 ***d) The City's Slum Housing Task Force***

17 171. The City has established an inter-agency task force, known as the Slum Housing Task
18 Force ("Task Force"), to address code violations in occupied, multi-unit, residential properties. The
19 Task Force is comprised of representatives of the Los Angeles City Attorney's Office, LAHD, the
20 Los Angeles Fire Department ("LAFD") and the County Health Department. The LADBS has also
21 been, but is not currently, a participating agency in the Task Force.

22 172. Task Force inspectors issue orders to owners and operators of residential properties
23 who are in violation of building, fire, health and safety laws, and, as appropriate, the City Attorney's
24 Office files criminal cases in egregious instances of non-compliance and misconduct. Potential for
25 criminal prosecution is intended, in part, to compel recalcitrant property owners to bring their
26 buildings promptly into code compliance.

3. *LAMC Enforcement*

173. Section 11.00 subdivision (l) of the LAMC provides in part that: “In addition to any other remedy or penalty provided by this Code, any violation of any provision of this Code is declared to be a public nuisance” LAMC section 11.00, subdivision (l) further provides that: “Violations of this Code are deemed continuing violations and each day that a violation continues is deemed to be a new and separate offense and subject to a maximum civil penalty of \$2,500 for each and every offense.” Similarly, LAMC section 11.00, subdivision (m) provides that “each person shall be guilty of a separate [criminal] offense for each and every day during any portion of which any violation of any provision of this Code is committed, continued or permitted by that person, and shall be punishable accordingly.”

GENERAL ALLEGATIONS

A. *Mortgage-Backed Securities and the Foreclosure Crisis*

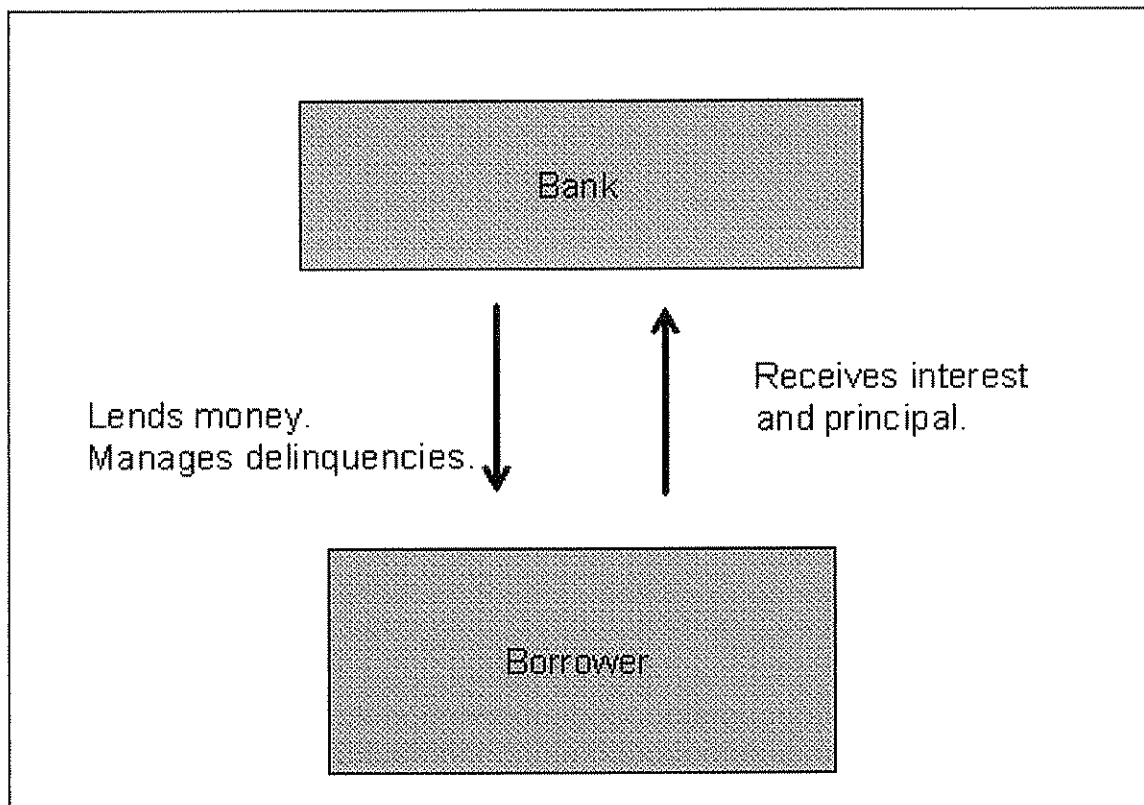
174. In the early 2000's, mortgage-backed securities were an attractive investment. Residential mortgage loans, compared to other conservative investment options such as government bonds, offered a relatively high rate of return -- typically from 5% to 7% on a conventional mortgage, compared to a little over 1% on U.S. government bonds.³ They were also relatively secure, with a historic default rate of just 1% to 2%.⁴ Large banks and investment firms began buying residential mortgage loans from smaller banks by the thousands, and bundling them into securities. Shares of these securities were sold to investors, who received a portion of the monthly cash payments made by the mortgagees as a return on their investment.

175. As pictured below, in conventional mortgage lending, a bank grants a loan to a borrower, funding the loan and collecting payments directly from the borrower. In the event the

³ U.S. Federal Housing Finance Board, *Rates & Terms on Conventional Home Mortgages, Annual Summary*, http://www.fhfa.gov/webfiles/15810/MIRS_table09_2009_annual_all_homes.xls; Kelman, Andrew, *"Mortgage-backed Securities & Collateralized Mortgage Obligations: Prudent CRA Investment Opportunities*, Community Investments Newsletter, March 2002, <http://www.frbsf.org/publications/community/investments/cra02-2/mbs.pdf>.

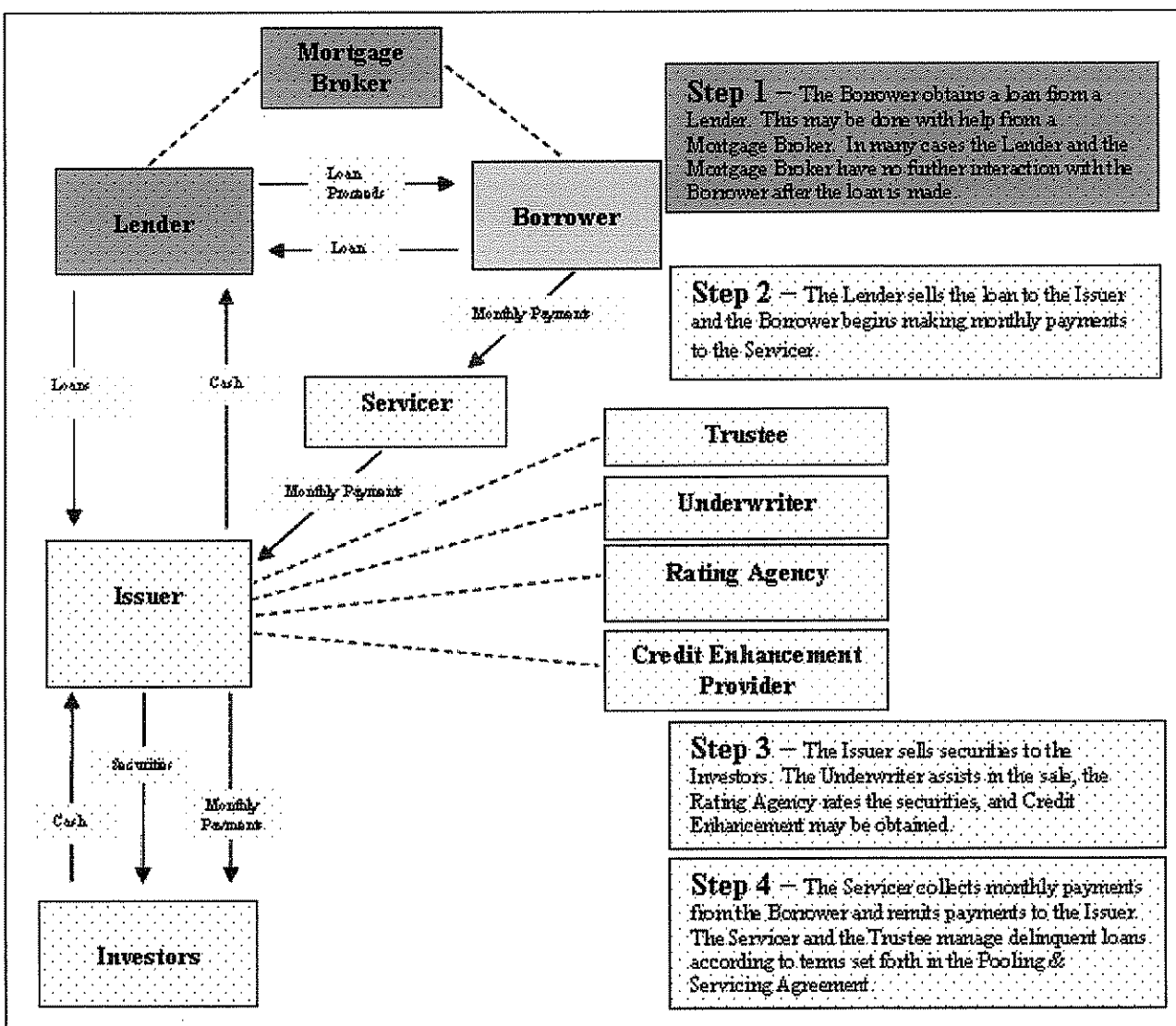
⁴ Monetary Policy Report to the Congress, Board of Governors of the Federal Reserve System, July 16, 2002, <http://www.federalreserve.gov/boarddocs/hh/2002/july/FullReport.pdf>.

1 borrower defaults by failing to timely make his or her loan payment, the same institution could
2 choose to restructure the loan or foreclose on the property.



176. Securitization involves the sale of the loan by the original lender to a new lender,
typically a larger financial institution. The second financial institution, or "issuer" in this
transaction, then sells a share of the loan, bundled together with others, to investors as securities.
Once the original lender has sold the loan to the issuer, the original lender no longer has any rights or
responsibilities with respect to the loan or the property that serves as collateral for the loan. The
issuer appoints a servicer to collect the mortgage payments, distribute them to the issuer for payment
to investors, and, if the borrower defaults, take action to recover the collateral for the investors. The
securitization is governed by a pooling and serving agreement which defines the respective roles of
the parties involved.

177. The following diagram illustrates the complexity of a securitized mortgage loan:



178. For a fee, the trustee act as custodian for all documents relating to the mortgage loans underlying the securities included in the trust. The trustee typically delegates day-to-day management of the trust assets to a servicer, pursuant to a detailed pooling and servicing agreement. The servicer is required to report to the trustee on a regular basis regarding the value of the trust, and the trustee is obligated to terminate the servicer if it determines that the servicer has been negligent in its management of the trust.

1 179. Mortgage-backed securities proved to be incredibly popular investment products. To
2 meet the increasing demand for them, financial institutions began to relax the standards required for
3 loan approval, to the point where applicants were able to secure loans with no verified income and
4 no verified assets. These loans were characterized as sub-prime and were made to borrowers with
5 poor or no credit history, often on an adjustable interest rate basis. The risks inherent in investing in
6 sub-prime loans were overlooked as long as housing prices continued to rise, as investors were
7 assured that the value of the collateral would eventually appreciate beyond the value of the loan.

8 180. From 2003 to 2005, the share of U.S. mortgage debt held in mortgage-backed
9 securities more than doubled, from 7.9% to 20%.⁵ This growth injected vast amounts of liquidity
10 into the subprime mortgage market, allowing lenders to make home loans more readily available.
11 Eventually, securitization became the primary source of capital for sub-prime lenders who were
12 provided lines of credit by investment banks to accommodate the dramatic increase in the number of
13 mortgages they were producing. By 2006, approximately 75% of the estimated \$600 billion in
14 subprime mortgages originated were funded by securitizations.⁶

15 181. While home prices increased dramatically from 2003 to 2006, the income of
16 homebuyers and homeowners did not.⁷ The lenient initial terms for sub-prime loans encouraged
17 buyers and homeowners interested in refinancing to assume convoluted mortgages in amounts far
18 greater than they could afford in the belief that they would be able to refinance before the initial
19 “teaser” rates expired. Beginning in late 2006, however, interest rates began to rise, housing prices
20 began to drop, refinancing became more difficult, and the number of mortgages in default began to
21 increase sharply.⁸

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23 ⁵ *Statement of Sheila C. Bair, Chairman, Federal Deposit Insurance Corporation, on Possible Responses to*
24 *Rising Mortgage Foreclosures before the Committee on Financial Services, U.S. House of Representatives*
(April 17, 2007), available at
<http://www.fdic.gov/news/news/speeches/archives/2007/chairman/spapr1707.html>.

25 ⁶ *Ibid.*

26 ⁷ Justin Lahart, *The Wall Street Journal*, *Cracks Differ in Housing, Finance Shell* (December 24, 2007).

27 ⁸ *Ibid.*

1 182. By the end of 2010, the national foreclosure rate had tripled from 0.9% in 2007 to
2 3.2%.⁹ In California, the percentage of mortgages 90 days or more delinquent rose from 0.41% in
3 2005 (the lowest in the nation) to 9.8% (one of the highest) by 2010.¹⁰ In Los Angeles County, a
4 foreclosure was filed in one in every 332 housing units in December 2010, compared to one in every
5 501 units nationally.¹¹ As of the end of December 2010, there were 2,616 new foreclosure filings,
6 and a total of 18,417 foreclosed homes in Los Angeles County.¹²

7 183. As the number of borrowers defaulting on their mortgages grew, the price of housing
8 fell and the large banks and investment firms that were once so enamored of mortgage-backed
9 securities began to eschew them. The original lending institutions and mortgage brokers, highly
10 leveraged and dependent upon the high-volume sale of high-risk mortgages, were devastated, as
11 were the alarmingly high number of homeowners who were losing their homes to foreclosure and
12 the communities in which those properties were located.

13 **B. Impact on the City of Los Angeles**

14 184. In 2009, banks acquired through foreclosure a total of 164,809 properties in
15 California. Of these, 38,584 were located in Los Angeles County and 17,141 were rental properties
16 impacting 46,372 renters.¹³

19 ⁹ Core Logic November 2010 Report, *U.S. Housing and Mortgage Trends*, available at
20 http://www.corelogic.com/uploadedFiles/Pages/About_Us/ResearchTrends/US_Housing_and_Mortgage_Trends_1110.pdf.

21 ¹⁰ Zito, Kelly, *Late mortgages in California fall to historic low* (June 22, 2005), available at
22 http://articles.sfgate.com/2005-06-22/business/17378458_1_default-rate-mortgages-negative-pressure.

¹¹ Realty Trac, *National Real Estate Trends*, available at <http://www.realtytrac.com/trendcenter/>.

23 ¹² Realty Trac, *Los Angeles, CA Real Estate Trends*, available at
24 <http://www.realtytrac.com/trendcenter/default.aspx?address=Los%20Angeles%2C%20CA%20&parsed=1&ct=los%20angeles&cn=los%20angeles%20county&stc=ca>.

25 ¹³ Gabe Trevis, Tenants Together Program Coordinator, *2010 Report: California Renters in the Foreclosure*
26 *Crisis*; (May 2010) available at:
27 <http://tenantstogether.org/downloads/2010%20Report%20California%20Renters%20in%20the%20Foreclosure%20Crisis-%20final.pdf>.

1 185. With skyrocketing foreclosure rates, the City of Los Angeles, like other cities across
2 the nation, has suffered the consequences of lost revenue, reduced availability of housing and
3 abandoned homes that quickly descend into public health and safety hazards and eyesores.
4 Following foreclosure, residents of rental housing are often displaced or forced to live in
5 deteriorating, dangerous and unhealthful conditions as banks, now in the role of landlords, attempt to
6 vacate the properties while neglecting their upkeep.¹⁴

7 186. The presence of abandoned properties in a neighborhood bears a direct correlation to
8 increased crime rates, which results in a deterioration of nearby housing stock and disinvestment in
9 the community in general. In some cities, the number of drug, theft and violence related calls to
10 police on blocks with vacant building is two to three times higher than in neighborhoods without
11 vacant properties.¹⁵ Additionally, abandoned properties are used in fraudulent rental schemes,
12 whereby criminals take unlawful possession of properties they do not own and rent them out to
13 unsuspecting tenants. There is over \$73 million in property damage annually as a result of more
14 than 12,000 fires in abandoned structures, and the cost of demolishing and/or cleaning up vacant
15 properties is exorbitant, ranging from \$800,000 annually in Detroit to over \$1.8 million in
16 Philadelphia.¹⁶

17 187. In addition, police officers and fire fighters who are first responders to emergency
18 calls at abandoned properties face greater danger because of an increased number of unknown
19 factors, such as whether the buildings are structurally sound, whether there are flammable materials
20 on the premises, and whether they are occupied by squatters.

21 188. The epidemic of foreclosures has not only devalued the homes foreclosed upon, but
22 also surrounding properties. Properties within close proximity to vacant structures can lose up to
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25 ¹⁴ *Ibid.*

26 ¹⁵ Christina McFarland et al., *National League of Cities, Local Housing Conditions and Contexts: A Framework for Policy Making* (2006), at p. 6.

27 ¹⁶ National Vacant Properties Campaign, *Vacant Properties: The True Cost to Communities* (2005), at p. 1.
28

1 \$7,627 in value.¹⁷ The decline in property values has led to decreased tax revenues, leaving cities,
2 including the City of Los Angeles, straining to cover the costs of increased fire and police services
3 associated with vacant properties, including emergency response, boarding, fencing and demolition.
4 Local housing authorities are forced to pay for emergency repairs and for restoration of interrupted
5 utility service for tenants in substandard rental properties, while the City Attorney's Office struggles
6 to absorb the costs of additional investigations and prosecutions stemming from such conditions.

7 **C. DEFENDANTS' Unlawful and Unfair Business Practices**

8 189. DEFENDANTS have completely neglected, and continue to completely neglect, their
9 most basic legal duties and responsibilities as owners in relation to the Foreclosed Properties.

10 190. The majority of these properties are concentrated in south Los Angeles and
11 northeastern portions of the San Fernando Valley, in some of the City's poorest neighborhoods.
12 The proliferation of neglected vacant and substandard occupied properties increases the incidence of
13 nuisance, blight, graffiti, squatting, gang activity, and drug-related and violent crimes in
14 communities that are already struggling with a disproportionately high rate of such problems and
15 against a tide of economic woes.

16 191. Often before DEFENDANTS have even taken title to properties in foreclosure, they
17 set to work to divest themselves of the property as quickly and with as little capital investment as
18 possible. The first step in this process is usually an attempt to vacate the property, since in a rent-
19 controlled jurisdiction such as the City, the market value of unoccupied residential rental properties
20 is considerably higher than occupied rental properties.

21 192. Using intermediaries such as attorneys and realtors, DEFENDANTS send written
22 notices to tenants falsely claiming that the tenants are required to vacate their units because of the
23 foreclosure and/or offering them a sum of money to relocate. These written notices invariably
24 contain misstatements of law and unwarranted threats of legal action, such as eviction, that would
25 adversely impact the tenants' credit rating. It is common for tenants to receive a series of such
26 notices from DEFENDANTS' representatives.

27 ¹⁷ *Ibid.*
28

1 193. DEFENDANTS employ other means to vacate their residential properties, including
2 frequent harassing phone calls to tenants, sending menacing individuals to the properties to make
3 threats, locking tenants out of their units and shutting off utilities. DEFENDANTS also follow
4 through in some cases with the filing of formal eviction actions, called “unlawful detainer actions,”
5 that are without a basis in fact or law.

6 194. With regard to both tenant-occupied and vacant properties DEFENDANTS acquire
7 through foreclosure, DEFENDANTS fail to perform rudimentary inspections, make basic repairs, or
8 secure the vacant properties, ultimately leading to the significant degradation of the properties.
9 When tenants attempt to make do in their units without essential services such as heat, water, or
10 electricity, further damage may occur, accelerating the property’s fall into disrepair.

11 195. As conditions worsen at the foreclosed properties, LAHD and LADBS may conduct
12 inspections, either as part of SCEP or PPRT, or in response to tenant or neighbor complaints.
13 Where violations are discovered, LAHD and LADBS issue Orders to Comply and to abate unlawful,
14 hazardous and substandard conditions.

15 196. Typically, DEFENDANTS have failed to respond to the orders issued by LAHD within
16 the designated compliance period, and GM hearings are scheduled, at which DEFENDANTS often
17 fail to appear. For the occupied buildings, LAHD must then take remedial action through URP or
18 REAP, and LADBS must bear the cost of fencing, boarding, or demolishing the property. The City
19 Attorney’s Office is tasked with pursuing any civil and criminal prosecution arising out of
20 DEFENDANTS’ persistent non-compliance.

21 197. DEFENDANTS foreclosed on over 2000 properties in the City within the past four years.
22 Following are 166 examples of Foreclosed Properties where DEFENDANTS caused or permitted
23 unlawful conditions to exist. Plaintiffs are informed and believe that same, similar, or worse
24 conditions existed at a vast majority of the Foreclosed Properties, and will amend to include further
25 details after an opportunity to conduct discovery in this regard.

1 **D. *Illegal Conditions at Properties Foreclosed Upon By DEFENDANTS***

2 **I. *8755 South San Pedro Street***

3 198. In or around December 2006, Defendant DBNTC, as trustee for RESMAE 2006-1,
4 acquired title to a residential property located at 8755 South San Pedro Street, Los Angeles,
5 California 90003 ("8755 South San Pedro Street"). DBNTC, as trustee for RESMAE 2006-1,
6 thereafter held and retained title to this property through in or around October of 2008.

7 199. During this period, Defendant DBNTC, as trustee for RESMAE 2006-1, maintained
8 the property in violation of state and municipal laws by causing and permitting the following
9 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
10 entry; (B) lack of required maintenance to building and premises; and (C) illegal occupancy.

11 200. The photographs below were taken by an LADBS inspector in or around January
12 2008. They depict vandalism and vagrant activity at the property:



22
23 201. In or around February 2008, LADBS issued an Order to Comply to DBNTC, ordering
24 that these violations be remedied. DBNTC, as trustee for RESMAE 2006-1, thereafter failed to
25 timely remedy the cited violations as ordered.
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1 202. DBNTC, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **2. 4040 West 21st Street**

5 203. In or around January 2007, Defendant DBNTC, as trustee for an unidentified trust,
6 acquired title to an occupied residential rental property located at 4040 West 21st Street,
7 Los Angeles, California 90018 (“4040 West 21st Street”) through a foreclosure proceeding.
8 DBNTC, as trustee for this unidentified trust, thereafter held and retained title to this property
9 through in or about September 2009.

10 204. During this period, Defendant DBNTC, as trustee for the unidentified trust,
11 maintained the property in violation of state and municipal laws by causing and permitting the
12 following conditions to exist, among others, at this property: (A) defective, missing, and inoperable
13 smoke detectors; (B) lack of hot and cold running water; (C) lack of waterproof, clean and sanitary
14 kitchen or bath counters, drain boards, wall and floor surfaces; (D) unapproved termination of water
15 heater temperature and pressure relief valve line; (E) unapproved domestic range vent; (F) damp
16 room condition; (G) defective and deteriorated plaster and drywall; (H) defective, damaged, broken,
17 and inoperative doors and windows; (I) unsafe and unsanitary accumulation of debris, rubbish and
18 similar matter; and (J) lack of required weatherproofing on exposed exterior surfaces.

19 205. In or around May 2007, LAHD issued a notice to DBNTC, directing that these
20 violations be remedied. DBNTC, as trustee for the unidentified trust, thereafter failed to timely
21 remedy the cited violations as directed.

22 206. DBNTC, through the acts and omissions of its officers, employees and agents,
23 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
24 violations.

25 **3. 330 West 55th Street**

26 207. In or around January 2007, Defendant DBNTC, as trustee for FFMLT 2006-FF7,
27 acquired title to an occupied residential rental property located at 330 West 55th Street, Los Angeles,
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1 California 90037 ("330 West 55th Street") through a foreclosure proceeding. DBNTC, as trustee for
2 FFMLT 2006-FF7, thereafter held and retained title to this property through in or about
3 March 2009.

4 208. During this period, Defendant DBNTC, as trustee for FFMLT 2006-FF7, maintained
5 the property in violation of state and municipal laws by causing and permitting the following
6 conditions to exist, among others, at this property: (A) failure to provide and maintain required
7 parking space; (B) unpermitted electrical work; (C) buckled, split and decayed exterior walls and
8 (D) lack of required weatherproofing on exposed exterior surfaces.

9 209. In or around July 2007, LAHD issued a notice to DBNTC, directing that these
10 violations be remedied. DBNTC, as trustee for FFMLT 2006-FF7, thereafter failed to timely
11 remedy the cited violations as directed.

12 210. DBNTC, through the acts and omissions of its officers, employees and agents,
13 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
14 violations.

15 **4. 3014 South Cloverdale Avenue**

16 211. In or around January 2007, Defendant DBNTC, as trustee for AMQS 2005-R9,
17 acquired title to an occupied residential rental property located at 3014 South Cloverdale Avenue,
18 Los Angeles, California 90016 ("3014 South Cloverdale Avenue") through a foreclosure
19 proceeding. DBNTC, as trustee for AMQS 2005-R9, thereafter held and retained title to this
20 property through the present.

21 212. During this period, Defendant DBNTC, as trustee for AMQS 2005-R9, maintained
22 the property in violation of state and municipal laws by causing and permitting the following
23 conditions to exist, among others, at this property: (A) buckled, split and decayed exterior walls;
24 (B) unpermitted plumbing installation, (C) defective and deteriorated plaster and drywall; and
25 (D) unapproved domestic range vent.
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1 213. The photograph below was taken by an LAHD inspector in or about May 2010, and
2 shows the buckled and decayed exterior wall above unpermitted installation of an outdoor washing
3 machine and dryer:



15 214. In or around July 2010, LAHD issued a notice to DBNTC directing that these
16 violations be remedied. DBNTC, as trustee for AMQS 2005-R9, thereafter failed to timely remedy
17 the cited violations as directed.

18 215. During its period of ownership of this property, Defendant DBNTC, as trustee for
19 AMQS 2005-R9, further failed to pay the property taxes due and owing in violation of state law.

20 216. DBNTC, through the acts and omissions of its officers, employees and agents,
21 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
22 violations.

23 **5. 302 West 16th Street**

24 217. In or around February 2007, Defendant DBNTC, as trustee for FFMLT 2006-FF5,
25 acquired title to a residential property located at 302 West 16th Street, Los Angeles, California
26 90731 ("302 West 16th Street") through a foreclosure proceeding. DBNTC, as trustee for FFMLT
27 2006-FF5, thereafter held and retained title to this property through in or about March 2008.

1 218. During this period, Defendant DBNTC, as trustee for FFMLT 2006-FF5, maintained
2 the property in violation of state and municipal laws by causing and permitting the following
3 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
4 entry; (B) general dilapidation and improper maintenance; and (C) hazardous or unclean premises.

5 219. In or around December 2007, LADBS issued an Order to Comply to DBNTC,
6 ordering that these violations be remedied. DBNTC, as trustee for FFMLT 2006-FF5, thereafter
7 failed to timely remedy the cited violations as ordered.

8 220. DBNTC, through the acts and omissions of its officers, employees and agents,
9 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
10 violations.

11 **6. 7314 South Main Street**

12 221. In or around February 2007, Defendant DBNTC, as trustee for MSC1 2006-WMC3,
13 acquired title to an occupied residential rental property located at 7316 South Main Street,
14 Los Angeles, California 90003 ("7316 South Main Street") through a foreclosure proceeding.
15 DBNTC, as trustee for MSC1 2006-WMC3, thereafter held and retained title to this property through
16 in or about December 2008.

17 222. During this period, Defendant DBNTC, as trustee for MSC1 2006-WMC3,
18 maintained the property in violation of state and municipal laws by causing and permitting the
19 following conditions to exist, among others, at this property: (A) defective, damaged, broken, and
20 inoperative doors and windows; (B) unpermitted electrical work; (C) unapproved heating system;
21 (D) unapproved termination of water heater temperature and pressure relief valve line;
22 (E) unapproved and defective appliance venting; (F) defective and improperly installed lighting
23 fixtures; (G) chipped and damaged plumbing fixture surface; (H) defective, missing, and inoperable
24 smoke detectors; (I) defective foundation vent screening; (J) defective and deteriorated plaster and
25 drywall; (K) damaged and missing electrical receptacle covers; and (L) hazardous electrical
26 receptacles.

1 223. In or around January 2008, LAHD issued a notice to DBNTC, directing that these
2 violations be remedied. DBNTC, as trustee for MSC1 2006-WMC3, thereafter failed to timely
3 remedy the cited violations as directed.

4 224. DBNTC, through the acts and omissions of its officers, employees and agents,
5 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
6 violations.

7 **7. 6913 North White Oak Avenue**

8 225. In or around February 2007, Defendant DBNTC, as trustee for AGMS 2006-M1,
9 acquired title to a residential property located at 6913 North White Oak Avenue, Los Angeles,
10 California 91335 ("6913 North White Oak Avenue") through a foreclosure proceeding. DBNTC, as
11 trustee for AGMS 2006-M1, thereafter held and retained title to this property through in or about
12 July 2008.

13 226. During this period, Defendant DBNTC, as trustee for AGMS 2006-M1, maintained
14 the property in violation of state and municipal laws by causing and permitting the following
15 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
16 entry; (B) failure to maintain parking area; and (C) inadequate pool enclosure.

17 227. In or around November 2007, LADBS issued an Order to Comply to DBNTC,
18 ordering that these violations be remedied. DBNTC, as trustee for AGMS 2006-M1, thereafter
19 failed to timely remedy the cited violations as ordered.

20 228. DBNTC, through the acts and omissions of its officers, employees and agents,
21 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
22 violations.

23 **8. 7337 North Capps Avenue**

24 229. In or around March 2007, Defendant DBNTC, as trustee for NCHL 2005-B, acquired
25 title to a residential property located at 7337 North Capps Avenue, Los Angeles, California 91335
26 ("7337 North Capps Avenue") through a foreclosure proceeding. DBNTC, as trustee for NCHL
27 2005-B, thereafter held and retained title to this property through in or about June 2007.

1 230. During this period, Defendant DBNTC, as trustee for NCHL 2005-B, maintained the
2 property in violation of state and municipal laws by causing and permitting the following conditions
3 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) lack
4 of required maintenance to building and premises; (C) lack of required maintenance to pool
5 enclosure; and (D) failure to maintain pool water clarity.

6 231. In or around December 2006, LADBS issued a notice and Order to Comply to
7 DBNTC and recorded a Substandard Notice with the Los Angeles County Recorder's Office,
8 directing that these violations be remedied. Upon taking title, DBNTC, as trustee for NCHL 2005-
9 B, thereafter failed to timely remedy the cited violations as ordered.

10 232. DBNTC, through the acts and omissions of its officers, employees and agents,
11 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
12 violations.

13 **9. 10902 South Willowbrook Avenue**

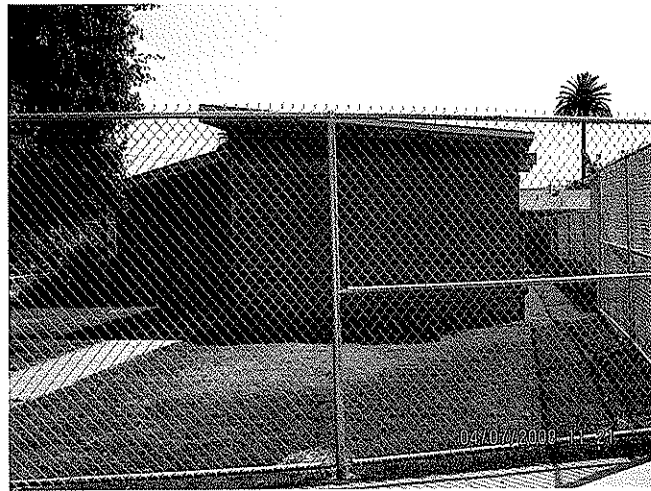
14 233. In or around April 2007, Defendant DBNTC, as trustee for GSAMP 2006-NC2,
15 acquired title to a residential property located at 10902 South Willowbrook Avenue, Los Angeles,
16 California 90059 ("10902 South Willowbrook Avenue") through a foreclosure proceeding.
17 DBNTC, as trustee for GSAMP 2006-NC2, thereafter held and retained title to this property through
18 in or about May 2008.

19 234. During this period, Defendant DBNTC, as trustee for GSAMP 2006-NC2, maintained
20 the property in violation of state and municipal laws by causing and permitting the following
21 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
22 entry; (B) lack of required maintenance to building and premises; and (C) graffiti.

23 235. In or around February 2008, LADBS issued an Order to Comply to DBNTC, ordering
24 that these violations be remedied. DBNTC, as trustee for GSAMP 2006-NC2, thereafter failed to
25 timely remedy the cited violations as ordered.

26 236. In or around March 2008, the City hired contractors to abate the nuisance conditions
27 at this property.

1 237. The photographs below were taken by an LADBS inspector in or around January
2 2008 and in or around April 2008, respectively, and show the exterior conditions of the property
3 before and after the violations were remedied by the City:



12
13 238. DBNTC, through the acts and omissions of its officers, employees and agents,
14 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
15 violations.

16 **10. 2614 South Chariton Street**

17 239. In or around April 2007, Defendant DBNTC, as trustee for SHL 2005-OPT2,
18 acquired title to a residential property located at 2614 South Chariton Street, Los Angeles, California
19 90034 ("2614 South Chariton Street") through a foreclosure proceeding. DBNTC, as trustee for
20 SHL 2005-OPT2, thereafter held and retained title to this property through in or about March 2008.

21 240. During this period, Defendant DBNTC, as trustee for SHL 2005-OPT2, maintained
22 the property in violation of state and municipal laws by causing and permitting the following
23 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
24 entry; (B) unpermitted construction; and (C) lack of required maintenance building and premises.

25 241. In or around October 2007, LADBS issued an Order to Comply to DBNTC, ordering
26 that these violations be remedied. DBNTC, as trustee for SHL 2005-OPT2, thereafter failed to
27 timely remedy the cited violations as ordered.

1 242. DBNTC, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 ***11. 155 East 88th Street***

5 243. In or around May 2007, Defendant DBNTC, as trustee for NCHL 2005-B, acquired
6 title to an occupied residential rental property located at 155 East 88th Street, Los Angeles,
7 California 90003 ("155 East 88th Street") through a foreclosure proceeding. DBNTC, as trustee for
8 NCHL 2005-B, thereafter held and retained title to this property through in or about June 2008.

9 244. During this period, Defendant DBNTC, as trustee for NCHL 2005-B, maintained the
10 property in violation of state and municipal laws by causing and permitting the following conditions
11 to exist, among others, at this property: (A) lack of required maintenance of building, structure and
12 premises; (B) lack of required weatherproofing of exposed surfaces; (C) lack of required
13 maintenance of electrical wiring and equipment; (D) decayed, dry-rotted, and termite damaged
14 wood; (E) buckled, split and decayed exterior walls; (F) structurally unsound and deteriorated
15 fencing; (G) deteriorated roofing material; (H) lack of required water heater strapping and
16 anchorage; (I) open storage of an inoperative and abandoned vehicle; and (J) open waste line.

17 245. In or around May 2007, LAHD issued a notice to DBNTC, directing that these
18 violations be remedied. DBNTC, as trustee for NCHL 2005-B, thereafter failed to timely remedy
19 the cited violations as directed.

20 246. DBNTC, through the acts and omissions of its officers, employees and agents,
21 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
22 violations.

23 ***12. 1174 North Hoover Street***

24 247. In or around May 2007, Defendant DBNTC, as trustee for SABR 2006-WMC3,
25 acquired title to a residential property located at 1174 North Hoover Street, Los Angeles, California
26 90029 ("1174 North Hoover Street") through a foreclosure proceeding. DBNTC, as trustee for
27
28

1 SABR 2006-WMC3, thereafter held and retained title to this property through in or about November
2 2008.

3 248. During this period, Defendant DBNTC, as trustee for SABR 2006-WMC3,
4 maintained the property in violation of state and municipal laws by causing and permitting the
5 following conditions to exist, among others, at this property: (A) unpermitted garage conversion;
6 (B) unpermitted construction; (C) unpermitted electrical work; (D) unpermitted plumbing work; and
7 (E) hazardous electrical wiring.

8 249. In or around February 2008, LADBS issued an Order to Comply to DBNTC, ordering
9 that these violations be remedied. DBNTC, as trustee for SABR 2006-WMC3, thereafter failed to
10 timely remedy the cited violations as ordered.

11 250. DBNTC, through the acts and omissions of its officers, employees and agents,
12 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
13 violations.

14 **13. 159 East 68th Street**

15 251. In or around December 2007, Defendant DBTCA, as trustee IXIS 2006-HE2,
16 acquired title to an occupied residential rental property located at 159 East 68th Street, Los Angeles,
17 California 90003 ("159 East 68th Street") through a foreclosure proceeding. DBTCA, as trustee
18 IXIS 2006-HE2, thereafter held and retained title to this property through in or about March 2009.

19 252. During this period, Defendant DBTCA, as trustee IXIS 2006-HE2, maintained the
20 property in violation of state and municipal laws by causing and permitting the following conditions
21 to exist, among others, at this property: (A) lack of required weatherproofing of exposed surfaces;
22 (B) defective and deteriorated plaster and drywall; (C) unpermitted and unapproved; (D) unapproved
23 exit door lock or latch; and (E) defective, missing and inoperable smoke detectors.

24 253. In or around March 2008, LAHD provided notice to DBTCA, as trustee IXIS-2006
25 HE2, and ordered the violations be remedied. DBTCA, as trustee IXIS 2006-HE2, thereafter failed
26 to timely remedy the cited violations as ordered.

1 254. In or around August 2008, LAHD provided DBTCA notice of a GM hearing to be
2 held in or around September 2008. DBTCA, as trustee IXIS 2006-HE2, failed to appear at the
3 hearing and the property remained in REAP.

4 255. DBTCA, through the acts and omissions of its officers, employees and agents,
5 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
6 violations.

7 **14. 15500 Lemarsh Street**

8 256. In or around May 2007, Defendant DBNTC, as trustee for MSL 2006-HE4, acquired
9 title to a residential property located at 15500 Lemarsh Street, Los Angeles, California 91345
10 (“15500 Lemarsh Street”) through a foreclosure proceeding. DBNTC, as trustee for MSL 2006-
11 HE4, thereafter held and retained title to this property through in or about June 2008.

12 257. During this period, Defendant DBNTC, as trustee for MSL 2006-HE4, maintained the
13 property in violation of state and municipal laws by causing and permitting the following conditions
14 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) lack
15 of required maintenance to building and premises; (C) hazardous wiring; (D) broken kitchen sink;
16 (E) lack of required weatherproofing on exposed surfaces; (F) illegal occupancy; and (G) unsanitary
17 conditions.

18 258. In or around January 2007, LADBS issued a notice and Order to Comply to DBNTC
19 and recorded a Substandard Notice with the Los Angeles County Recorder’s Office, directing that
20 these violations be remedied. Upon taking title, DBNTC, as trustee for MSL 2006-HE4, thereafter
21 failed to timely remedy the cited violations as ordered.

22 259. In or around March 2008, LADBS issued another Order to Comply to DBNTC,
23 ordering that these violations be remedied. DBNTC, as trustee for MSL 2006-HE4, thereafter failed
24 to timely remedy the cited violations as ordered.

25 260. DBNTC, through the acts and omissions of its officers, employees and agents,
26 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
27 violations.

1 **15. 14736 West Morrison Street**

2 261. In or around June 2007, Defendant DBNTC, as trustee for NCHL 2005-B, acquired
3 title to a residential property located at 14736 West Morrison Street, Los Angeles, California 91403
4 (“14736 West Morrison Street”) through a foreclosure proceeding. DBNTC, as trustee for NCHL
5 2005-B, thereafter held and retained title to this property through in or about April 2009.

6 262. During this period, Defendant DBNTC, as trustee for NCHL 2005-B, maintained the
7 property in violation of state and municipal laws by causing and permitting the following conditions
8 to exist, among others, at this property: (A) unapproved occupancy; (B) unpermitted conversion of a
9 storage room to a dwelling unit; and (C) unpermitted plumbing work.

10 263. In or around July 2007, LADBS issued an Order to Comply to DBNTC, ordering that
11 these violations be remedied. DBNTC, as trustee for NCHL 2005-B, thereafter failed to timely
12 remedy the cited violations as ordered.

13 264. DBNTC, through the acts and omissions of its officers, employees and agents, aided,
14 abetted, participated in, encouraged, assisted, ratified and/or approved the foregoing violations.

15 **16. 1842 West Florence Avenue**

16 265. In or around June 2007, Defendant DBNTC, as trustee for IMPAC 2006-2, acquired
17 title to an occupied residential rental property located at 1842 West Florence Avenue, Los Angeles,
18 California 90047 (“1842 West Florence Avenue”) through a foreclosure proceeding. DBNTC, as
19 trustee for IMPAC 2006-2, thereafter held and retained title to this property through in or about
20 April 2009.

21 266. During this period, Defendant DBNTC, as trustee for IMPAC 2006-2, maintained the
22 property in violation of state and municipal laws by causing and permitting the following conditions
23 to exist, among others, at this property: (A) lack of required weatherproofing of exposed surfaces;
24 (B) defective and deteriorated plaster and drywall; (C) defective, damaged, and leaking faucets and
25 valves; (D) lack of waterproof, clean and sanitary kitchen and bath counters, drain boards, and wall
26 and floor surfaces; (E) defective, damaged, broken, inoperative doors and windows; (F) defective
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1 and missing insect screens; (G) unapproved domestic range vent; and (H) unapproved heating
2 system.

3 267. In or around August 2007, LAHD issued a notice to DBNTC, directing that these
4 violations be remedied. DBNTC, as trustee for IMPAC 2006-2, thereafter failed to timely remedy
5 the cited violations as directed.

6 268. DBNTC, through the acts and omissions of its officers, employees and agents,
7 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
8 violations.

9 **17. 13225 West Bryson Street**

10 269. In or around June 2007, Defendant DBNTC, as trustee for FHL 2006-1, acquired title
11 to a residential property located at 13225 West Bryson Street, Los Angeles, California 91331
12 (“13225 West Bryson Street”) through a foreclosure proceeding. DBNTC, as trustee for FHL 2006-
13 1, thereafter held and retained title to this property through in or about June 2008.

14 270. During this period, Defendant DBNTC, as trustee for FHL 2006-1, maintained the
15 property in violation of state and municipal laws by causing and permitting the following conditions
16 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) lack
17 of required maintenance to building and premises; and (C) unpermitted conversion of garage to
18 dwelling unit.

19 271. In or around August 2007, LADBS issued an Order to Comply to DBNTC, ordering
20 that these violations be remedied. DBNTC, as trustee for FHL 2006-1, thereafter failed to timely
21 remedy the cited violations as ordered.

22 272. In or around September 2007, the City hired contractors to clean and barricade the
23 property.

24 273. DBNTC, through the acts and omissions of its officers, employees and agents,
25 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
26 violations.

1 **18. 607 West 109th Street**

2 274. In or around July 2007, Defendant DBNTC, as trustee for MS 2006-3, acquired title
3 to a residential property located at 607 West 109th Street, Los Angeles, California 90044 ("607 West
4 109th Street") through a foreclosure proceeding. DBNTC, as trustee for MS 2006-3, thereafter held
5 and retained title to this property through in or about May 2009.

6 275. During this period, Defendant DBNTC, as trustee for MS 2006-3, maintained the
7 property in violation of state and municipal laws by causing and permitting the following conditions
8 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) lack
9 of required maintenance of building and premises; (C) unapproved construction; and (D) graffiti.

10 276. In or around November 2008, LADBS issued an Order to Comply to DBNTC,
11 ordering that these violations be remedied. DBNTC, as trustee for MS 2006-3, thereafter failed to
12 timely remedy the cited violations as ordered.

13 277. DBNTC, through the acts and omissions of its officers, employees and agents,
14 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
15 violations.

16 **19. 1283 West 24th Street**

17 278. In or around July 2007, Defendant DBNTC, as trustee for INDX 2006-AR9, acquired
18 title to an occupied residential rental property located at 1283 West 24th Street, Los Angeles,
19 California 90007 ("1283 West 24th Street") through a foreclosure proceeding. DBNTC, as trustee
20 for INDX 2006-AR9, thereafter held and retained title to this property through in or about June
21 2010.

22 279. During this period, Defendant DBNTC, as trustee for INDX 2006-AR9, maintained
23 the property in violation of state and municipal laws by causing and permitting the following
24 conditions to exist, among others, at this property: (A) lack of required weatherproofing of exposed
25 surfaces; (B) failure to provide access for inspection; and (C) defective, unsafe and inoperative
26 plumbing system.

1 280. In or around September 2008, LAHD issued a notice to DBNTC, directing that these
2 violations be remedied. DBNTC, as trustee for INDX 2006-AR9, thereafter failed to timely remedy
3 the cited violations as directed.

4 281. In or around June 2009, LAHD provided DBNTC notice of a GM hearing to be held
5 in or around July 2009. DBNTC, as trustee for INDX 2006-AR9, failed to appear at the hearing.

6 282. DBNTC, through the acts and omissions of its officers, employees and agents,
7 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
8 violations.

9 **20. 10608 South Wilmington Avenue**

10 283. In or around July 2007, Defendant DBNTC, as trustee for RAST 2006-A7, acquired
11 title to a residential property located at 10608 South Wilmington Avenue, Los Angeles, California
12 90002 ("10608 South Wilmington Avenue") through a foreclosure proceeding. DBNTC, as trustee
13 for RAST 2006-A7, thereafter held and retained title to this property through in or about December
14 2008.

15 284. During this period, Defendant DBNTC, as trustee for RAST 2006-A7, maintained the
16 property in violation of state and municipal laws by causing and permitting the following conditions
17 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry;
18 (B) unsanitary accumulation of debris and other matter; and (C) lack of required maintenance to
19 building and premises.

20 285. In or around October 2008, LADBS issued an Order to Comply to DBNTC, ordering
21 that these violations be remedied. DBNTC, as trustee for RAST 2006-A7, thereafter failed to timely
22 remedy the cited violations as ordered.

23 286. DBNTC, through the acts and omissions of its officers, employees and agents,
24 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
25 violations.

1 **21. 15559 West Covello Street**

2 287. In or around July 2007, Defendant DBNTC, as trustee for AGMS 2006-M1, acquired
3 title to a residential property located at 15559 West Covello Street, Los Angeles, California 91335
4 (“15559 West Covello Street”) through a foreclosure proceeding. DBNTC, as trustee for AGMS
5 2006-M1, thereafter held and retained title to this property through in or about August 2009.

6 288. During this period, Defendant DBNTC, as trustee for AGMS 2006-M1, maintained
7 the property in violation of state and municipal laws by causing and permitting the following
8 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
9 entry; (B) unsanitary conditions; (C) lack of required waterproofing of exposed surfaces; and
10 (D) lack of required maintenance to building and premises.

11 289. In or around February 2009, LADBS issued an Order to Comply to DBNTC, ordering
12 that these violations be remedied. DBNTC, as trustee for AGMS 2006-M1, thereafter failed to
13 timely remedy the cited violations as ordered.

14 290. DBNTC, through the acts and omissions of its officers, employees and agents,
15 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
16 violations.

17 **22. 5013 North Dobkin Avenue**

18 291. In or around July 2007, Defendant DBNTC, as trustee for an unidentified trust,
19 acquired title to a residential property located at 5013 North Dobkin Avenue, Los Angeles,
20 California 91356 (“5013 North Dobkin Avenue”) through a foreclosure proceeding. DBNTC, as
21 trustee for this unidentified trust, thereafter held and retained title to this property through in or about
22 July 2008.

23 292. During this period, DBNTC, as trustee for the unidentified trust, maintained the
24 property in violation of state and municipal laws by causing and permitting the following conditions
25 to exist, among others, at this property: unapproved second dwelling.
26
27
28

1 293. In or around August 2007, LADBS issued an Order to Comply to DBNTC, ordering
2 that these violations be remedied. DBNTC, as trustee for the unidentified trust, thereafter failed to
3 timely remedy the cited violations as ordered.

4 294. DBNTC, through the acts and omissions of its officers, employees and agents,
5 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
6 violations.

7 **23. 6227 South Hoover Street**

8 295. In or around July 2007, Defendant DBTCA, as trustee for SHL 2006-EQ1, acquired
9 title to an occupied residential rental property located at 6227 South Hoover Street, Los Angeles,
10 California 90044 ("6227 South Hoover Street") through a foreclosure proceeding. DBTCA, as
11 trustee for SHL 2006-EQ1, thereafter held and retained title to this property through in or about
12 September 2009.

13 296. During this period, Defendant DBTCA, as trustee for SHL 2006-EQ1, maintained the
14 property in violation of state and municipal laws by causing and permitting the following conditions
15 to exist, among others, at this property: (A) building open to unauthorized entry; (B) accumulated
16 debris inside building; (C) unpermitted construction; (D) failure to obtain the required permits and
17 certificate of occupancy; (E) unpermitted plumbing installation; and (F) unpermitted electrical work.

18 297. In or around January 2008, LAHD issued a notice to DBTCA, directing that these
19 violations be remedied. DBTCA, as trustee for SHL 2006-EQ1, thereafter failed to timely remedy
20 the cited violations as directed.

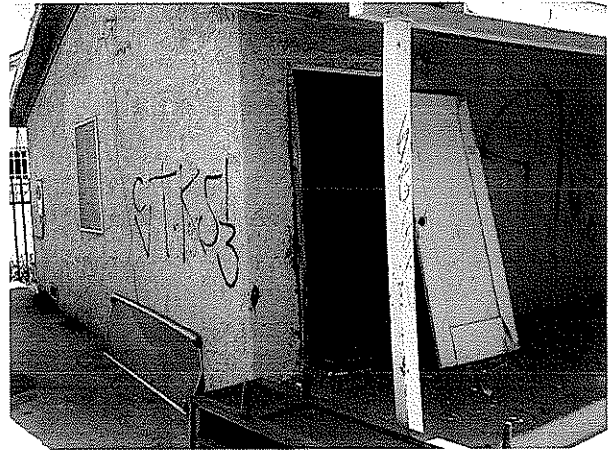
21 298. In or around May 2008, LAHD provided DBTCA notice of a GM hearing to be held
22 in or around July 2008. DBTCA, as trustee for SHL 2006-EQ1 failed to appear at the hearing and
23 the property remained in REAP.

24 299. In or around October 2008, the property became vacant.

25 300. Subsequent to the property becoming vacant, Defendant DBTCA, as trustee for SHL
26 2006-EQ1, maintained the property in violation of state and municipal laws by causing and
27 permitting the following conditions to exist, among others, at this property: (A) abandoned structure
28

1 open to unauthorized entry; (B) lack of required maintenance to building and premises; and (C)
2 graffiti.

3 301. The photographs below were taken by an LADBS inspector in or around July 2009
4 and show conditions at the property:



22 302. In or around July 2009, LADBS issued an Order to Comply to DBTCA, directing that
23 these violations be remedied. DBTCA, as trustee for SHL 2006-EQ1, thereafter failed to timely
24 remedy the cited violations as ordered.

25 303. In or around July 2009, the City hired contractors to barricade the property.

1 304. DBTCA, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **24. 9051 North Stanwin Avenue**

5 305. In or around July 2007, Defendant DBNTC, as trustee for an unidentified trust,
6 acquired title to a residential property located at 9051 North Stanwin Avenue, Los Angeles,
7 California 91331 ("9051 North Stanwin Avenue") through a foreclosure proceeding. DBNTC, as
8 trustee for this unidentified trust, thereafter held and retained title to this property through in or about
9 September 2008.

10 306. During this period, Defendant DBNTC, as trustee for the unidentified trust,
11 maintained the property in violation of state and municipal laws by causing and permitting the
12 following conditions to exist, among others, at this property: (A) abandoned structure open to
13 unauthorized entry; (B) lack of required maintenance to building and premises; and (C) unpermitted
14 conversion of garage to dwelling unit.

15 307. In or around October 2007, LADBS issued an Order to Comply to DBNTC, ordering
16 that these violations be remedied. DBNTC, as trustee for the unidentified trust, thereafter failed to
17 timely remedy the cited violations as ordered.

18 308. DBNTC, through the acts and omissions of its officers, employees and agents,
19 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
20 violations.

21 **25. 1638 West 48th Street**

22 309. In or around August 2007, Defendant DBNTC, as trustee for SABR 2006-WMC3,
23 acquired title to a residential property located at 1638 West 48th Street, Los Angeles, California
24 90062 ("1638 West 48th Street") through a foreclosure proceeding. DBNTC, as trustee for SABR
25 2006-WMC3, thereafter held and retained title to this property through the present.

1 310. During this period, Defendant DBNTC, as trustee for SABR 2006-WMC3,
2 maintained the property in violation of state and municipal laws by causing and permitting the
3 following conditions to exist, among others, at this property: (A) damp room condition;
4 (B) unpermitted construction; (C) defective, damaged, broken, and inoperative doors and windows;
5 (D) defective and deteriorated plaster and drywall; (E) defective, missing, and inoperable smoke
6 detectors; (F) exposed wiring; (G) loose plumbing fixture; (H) cracked, damaged, and missing
7 stairway and deck surface material; (I) defective foundation vent screening; (J) faulty seal between
8 piping and wall surfaces; (K) unsafe and unsanitary, deteriorated floor covering; (L) unapproved
9 heating system; (M) unapproved exit door lock; and (N) failure to maintain the required bathroom
10 ventilation.

11 311. In or around January 2008, LAHD issued a notice to DBNTC, directing that these
12 violations be remedied. DBNTC, as trustee for SABR 2006-WMC3, thereafter failed to timely
13 remedy the cited violations as directed.

14 312. In or around February 2008, LAHD provided to DBNTC notice of a GM hearing to
15 be held in or around March 2008. In or around March 2008, DBNTC, as trustee for SABR 2006-
16 WMC3, failed to appear at the hearing and the property was entered into REAP.

17 313. In or around November 2008, LAHD issued a second notice to DBNTC, again
18 directing that the above violations be remedied. DBNTC, as trustee for SABR 2006-WMC3,
19 thereafter failed to timely remedy the cited violations as directed.

20 314. In or around April 2009, LAHD provided notice to DBNTC notice of another GM
21 hearing to be held in or around May 2009. In or around May 2009, DBNTC, as trustee for SABR
22 2006-WMC3, failed to appear at the hearing and the property remained in REAP.

23 315. DBNTC, through the acts and omissions of its officers, employees and agents,
24 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
25 violations.

1 **26. 1652 West 55th Street**

2 316. In or around August 2007, Defendant DBNTC, as trustee for GSAMP 2005-AHL,
3 acquired title to a residential property located at 1652 West 55th Street, Los Angeles, California
4 90062 ("1652 West 55th Street") through a foreclosure proceeding. DBNTC, as trustee for GSAMP
5 2005-AHL, thereafter held and retained title to this property through in or about March 2009.

6 317. During this period, Defendant DBNTC, as trustee for GSAMP 2005-AHL,
7 maintained the property in violation of state and municipal laws by causing and permitting the
8 following conditions to exist, among others, at this property: (A) abandoned structure open to
9 unauthorized entry and (B) unpermitted conversion of garage to dwelling unit.

10 318. In or around July 2008, LADBS issued an Order to Comply to DBNTC, ordering that
11 these violations be remedied. DBNTC, as trustee for GSAMP 2005-AHL, thereafter failed to timely
12 remedy the cited violations as ordered.

13 319. DBNTC, through the acts and omissions of its officers, employees and agents,
14 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
15 violations.

16 **27. 11881 Jefferson Boulevard**

17 320. In or around August 2007, Defendant DBNTC, as trustee for an unidentified trust,
18 acquired title to an occupied residential rental property located at 11881 Jefferson Boulevard,
19 Los Angeles, California 90230 ("11881 Jefferson Boulevard") through a foreclosure proceeding.
20 DBNTC, as trustee for this unidentified trust, thereafter held and retained title to this property
21 through in or about December 2009.

22 321. During this period, Defendant DBNTC, as trustee for the unidentified trust,
23 maintained the property in violation of state and municipal laws by causing and permitting the
24 following conditions to exist, among others, at this property: (A) failure to maintain required
25 minimum fire safety standards; (B) unapproved domestic range vent; (C) defective, missing, and
26 inoperable smoke detectors; (D) defective foundation vent screening; and (E) unapproved security
27 bars obstructing required emergency egress.

1 322. In or around December 2007, LAHD issued a notice to DBNTC, directing that these
2 violations be remedied. DBNTC, as trustee for the unidentified trust, thereafter failed to timely
3 remedy the cited violations as directed.

4 323. In or around April 2008, the property was placed into REAP.

5 324. DBNTC, through the acts and omissions of its officers, employees and agents,
6 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
7 violations.

8 **28. 2521 Eastlake Avenue**

9 325. In or around August 2007, Defendant DBNTC, as trustee for IMPAC 2006-3,
10 acquired title to an occupied residential rental property located at 2521 Eastlake Avenue,
11 Los Angeles, California 90031 ("2521 Eastlake Avenue") through a foreclosure proceeding.
12 DBNTC, as trustee for IMPAC 2006-3, thereafter held and retained title to this property through in
13 or about January 2010.

14 326. During this period, Defendant DBNTC, as trustee for IMPAC 2006-3, maintained the
15 property in violation of state and municipal laws by causing and permitting the following conditions
16 to exist, among others, at this property: (A) unsafe and unsanitary accumulation of debris, rubbish
17 and similar matter; (B) defective and missing insect screens; (C) broken and missing window glass;
18 (D) lack of required maintenance of building, structure and premises; (E) unapproved overhead
19 electrical conductors; (F) open waste line; (G) defective and deteriorated plaster and drywall;
20 (H) lack of waterproof, clean and sanitary bathroom surfaces; (I) defective, damaged, and leaking
21 faucets and valves; (J) damp room condition; (K) defective, damaged, broken, inoperative doors and
22 windows; and (L) defective, missing, and inoperable smoke detectors.

23 327. In or around March 2009, LAHD issued a notice to DBNTC, directing that these
24 violations be remedied. DBNTC, as trustee for IMPAC 2006-3, thereafter failed to timely remedy
25 the cited violations as directed.

1 328. In or around April 2009, LAHD provided DBNTC notice of a GM hearing to be held
2 in or around May 2009. In or around May 2009, DBNTC, as trustee for IMPAC 2006-3, failed to
3 appear at the hearing and the property was entered into REAP.

4 329. DBNTC, through the acts and omissions of its officers, employees and agents,
5 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
6 violations.

7 **29. 634 East 87th Street**

8 330. In or around September 2007, Defendant DBNTC, as trustee for NCHL 2006-2,
9 acquired title to an occupied residential rental property located at 634 East 87th Street, Los Angeles,
10 California 90002 ("634 East 87th Street") through a foreclosure proceeding. DBNTC, as trustee for
11 NCHL 2006-2, thereafter held and retained title to this property through in or about April 2010.

12 331. During this period, Defendant DBNTC, as trustee for NCHL 2006-2, maintained the
13 property in violation of state and municipal laws by causing and permitting the following conditions
14 to exist, among others, at this property: (A) lack of required weatherproofing of exposed surfaces;
15 (B) defective and deteriorated plaster or drywall; (C) faulty seal between piping and wall, ceiling or
16 floor surfaces; (D) damaged and missing electrical receptacle covers; (E) lack of required water
17 heater strapping or anchorage; (F) unapproved and defective appliance venting; and (G) unsafe and
18 unsanitary deteriorated floor covering.

19 332. In or around November 2008, LAHD issued a notice to DBNTC, directing that these
20 violations be remedied. DBNTC, as trustee for NCHL 2006-2, thereafter failed to timely remedy the
21 cited violations as directed.

22 333. In or around April 2008, LAHD provided DBNTC notice of a GM hearing to be held
23 in or around June 2009. In or around June 2009, DBNTC failed to appear at the hearing and the
24 property was entered into REAP.

25 334. DBNTC, through the acts and omissions of its officers, employees and agents,
26 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
27 violations.

1 **30. 1202 North Edgemont Street**

2 335. In or around September 2007, Defendant DBNTC, as trustee for SABR 2006-WMC3,
3 acquired title to a residential property located at 1202 North Edgemont Street, Los Angeles,
4 California 90029 ("1202 North Edgemont Street") through a foreclosure proceeding. DBNTC, as
5 trustee for SABR 2006-WMC3, thereafter held and retained title to this property through in or about
6 November 2008.

7 336. During this period, Defendant DBNTC, as trustee for SABR 2006-WMC3,
8 maintained the property in violation of state and municipal laws by causing and permitting the
9 following conditions to exist, among others, at this property: (A) abandoned structure open to
10 unauthorized entry and (B) unsanitary conditions.

11 337. In or around September 2008, LADBS issued an Order to Comply to DBNTC
12 directing that these violations be remedied. DBNTC, as trustee for SABR 2006-WMC3, thereafter
13 failed to timely remedy the cited violations as ordered.

14 338. DBNTC, through the acts and omissions of its officers, employees and agents,
15 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
16 violations.

17 **31. 13000 Hartland Street**

18 339. In or around September 2007, Defendant DBNTC, as trustee for DBALT 2006-AR5,
19 acquired title to a residential property located at 13000 Hartland Street, Los Angeles, California
20 91605 ("13000 Hartland Street") through a foreclosure proceeding. DBNTC, as trustee for DBALT
21 2006-AR5, thereafter held and retained title to this property through in or about January 2009.

22 340. During this period, Defendant DBNTC, as trustee for DBALT 2006-AR5, maintained
23 the property in violation of state and municipal laws by causing and permitting the following
24 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
25 entry and (B) lack of required maintenance to building and premises.

1 341. In or around December 2007, LADBS issued a notice to DBNTC, directing that these
2 violations be remedied. DBNTC, as trustee for DBALT 2006-AR5, thereafter failed to timely
3 remedy the cited violations as ordered.

4 342. The following photograph was taken by an LADBS inspector in or around June 2008
5 and shows the vandalized backyard pool at 13000 Hartland Street:



18 343. DBNTC, through the acts and omissions of its officers, employees and agents,
19 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
20 violations.

21 **32. 2251 West Cambridge Street**

22 344. In or around October 2007, Defendant DBTCA, as trustee for an unidentified trust,
23 acquired title to a residential property located at 2251 West Cambridge Street, Los Angeles,
24 California 90006 ("2251 West Cambridge Street") through a foreclosure proceeding. DBTCA, as
25 trustee for this unidentified trust, thereafter held and retained title to this property through in or about
26 June 2008.

1 345. During this period, Defendant DBTCA, as trustee for the unidentified trust,
2 maintained the property in violation of state and municipal laws by causing and permitting the
3 following conditions to exist, among others, at this property: (A) abandoned structure open to
4 unauthorized entry; (B) unsanitary conditions; and (C) unsanitary accumulation of debris and other
5 matter.

6 346. In or around April 2008, LADBS issued an Order to Comply to DBTCA, directing
7 that these violations be remedied. DBTCA, as trustee for the unidentified trust, thereafter failed to
8 timely remedy the cited violations as ordered.

9 347. DBTCA, through the acts and omissions of its officers, employees and agents,
10 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
11 violations.

12 **33. 10506 North Garden Grove Avenue**

13 348. In or around October 2007, Defendant DBNTC, as trustee for HSI 2006-HE2,
14 acquired title to an occupied residential rental property located at 10506 North Garden Grove
15 Avenue, Los Angeles, California 91326 ("10506 North Garden Grove Avenue") through a
16 foreclosure proceeding. DBNTC, as trustee for HSI 2006-HE2, thereafter held and retained title to
17 this property through in or about July 2008.

18 349. During this period, Defendant DBNTC, as trustee for HSI 2006-HE2, maintained the
19 property in violation of state and municipal laws by causing and permitting the following conditions
20 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) lack
21 running water; (C) lack of required maintenance to building and premises; (D) lack of required
22 weatherproofing on exposed surfaces; and (E) failure to maintain pool water clarity.

23 350. In or around February 2008, LADBS issued an Order to Comply to DBNTC, ordering
24 that these violations be remedied. DBNTC, as trustee for HSI 2006-HE2, thereafter failed to timely
25 remedy the cited violations as ordered.

1 351. DBNTC, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **34. 2801 Sycamore Avenue**

5 352. In or around October 2007, Defendant DBNTC, as trustee for AMQS 2006-M3,
6 acquired title to an occupied residential rental property located at 2801 Sycamore Avenue,
7 Los Angeles, California 90016 ("2801 Sycamore Avenue") through a foreclosure proceeding.
8 DBNTC, as trustee for AMQS 2006-M3, thereafter held and retained title to this property through in
9 or about August 2008.

10 353. During this period, Defendant DBNTC, as trustee for AMQS 2006-M3, maintained
11 the property in violation of state and municipal laws by causing and permitting the following
12 conditions to exist, among others, at this property: (A) unpermitted construction; (B) deteriorated
13 roofing material; (C) lack of required structural support; (D) defective and deteriorated plaster and
14 drywall; (E) unsafe and unsanitary deteriorated floor covering; (F) unpermitted plumbing;
15 (G) defective and improperly installed lighting fixtures; (H) buckled, split and decayed exterior
16 walls; and (I) unpermitted electrical work.

17 354. In or around October 2007, LAHD issued a notice to DBNTC, directing that these
18 violations be remedied. DBNTC, as trustee for AMQS 2006-M3, thereafter failed to timely remedy
19 the cited violations as directed.

20 355. In or around October 2007, Defendant DBNTC, as trustee for AMQS 2006-M3,
21 further caused and permitted violations of state and municipal laws, by offering cash for keys to
22 tenants.

23 356. The photographs below were taken by an LAHD inspector in or around December
24 2007 and show the substandard conditions mentioned above. The first image shows deterioration of
25 exterior siding and the second image shows unpermitted electrical work running from the main
26 house into the unapproved garage conversion to a dwelling space:
27
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357. In or around February 2008, the property was place into REAP.

358. DBNTC, through the acts and omissions of its officers, employees and agents, participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing violations.

35. 9131 Vanalden Avenue

359. In or around October 2007, Defendant DBTCA, as trustee for MSAC 2007-NC1, acquired title to a residential property located at 9131 Vanalden Avenue, Los Angeles, California 91324 ("9131 Vanalden Avenue") through a foreclosure proceeding. DBTCA, as trustee for MSAC 2007-NC1, thereafter held and retained title to this property through in or about November 2008.

360. During this period, Defendant DBTCA, as trustee for MSAC 2007-NC1, maintained the property in violation of state and municipal laws by causing and permitting the following conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized entry; (B) unsanitary conditions; (C) lack of required waterproofing on exposed surfaces; and (D) lack of required maintenance to structure and premises.

361. In or around May 2008, LADBS issued an Order to Comply to DBTCA, ordering that these violations be remedied. DBTCA, as trustee for MSAC 2007-NC1, thereafter failed to timely remedy the cited violations as ordered.

1 362. DBTCA, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **36. 9256 North Cedros Avenue**

5 363. In or around October 2007, Defendant DBNTC, as trustee for AQMS 2006-X2,
6 acquired title to a residential property located at 9256 North Cedros Avenue, Los Angeles, California
7 91402 ("9256 North Cedros Avenue") through a foreclosure proceeding. DBNTC, as trustee for
8 AQMS 2006-X2, thereafter held and retained title to this property through in or about April 2009.

9 364. During this period, Defendant DBNTC, as trustee for AQMS 2006-X2, maintained
10 the property in violation of state and municipal laws by causing and permitting the following
11 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
12 entry and (B) lack of required maintenance to building and premises.

13 365. In or around January 2009, LADBS issued an Order to Comply to DBNTC, ordering
14 that these violations be remedied. DBNTC, as trustee for AQMS 2006-X2, thereafter failed to
15 timely remedy the cited violations as ordered.

16 366. DBNTC, through the acts and omissions of its officers, employees and agents,
17 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
18 violations.

19 **37. 4627 Arlington Avenue**

20 367. In or around October 2007, Defendant DBNTC, as trustee for FFMLT 2006-FF13,
21 acquired title to an occupied residential rental property located at 4627 Arlington Avenue, Los
22 Angeles, California 90043 ("4627 Arlington Avenue") through a foreclosure proceeding. DBNTC,
23 as trustee for FFMLT 2006-FF13, thereafter held and retained title to this property through in or
24 about July 2010.

25 368. During this period, Defendant DBNTC, as trustee for FFMLT 2006-FF13, maintained
26 the property in violation of state and municipal laws by causing and permitting the following
27 conditions to exist, among others, at this property: (A) unapproved open storage; (B) defective and
28

1 deteriorated plaster and drywall; (C) lack of required caulking at connection of plumbing fixture to
2 wall; (D) failure to provide required landscape irrigation system; (E) open storage of inoperative,
3 abandoned vehicle; (F) unapproved heating system; (G) defective, damaged, broken and inoperative
4 doors and windows; (H) broken, deteriorated and missing window glass; (I) unsafe and unsanitary
5 deteriorated floor covering; (J) inoperative, defective and unapproved electrical receptacles;
6 (K) open waste line; (L) hazardous electrical receptacles; and (M) defective foundation vent
7 screening.

8 369. In or around April 2008, LAHD issued a notice to DBNTC, directing that these
9 violations be remedied. DBNTC, as trustee for FFMLT 2006-FF13, thereafter failed to timely
10 remedy the cited violations as directed.

11 370. In or around February 2009, the property was placed in REAP.

12 371. DBNTC, through the acts and omissions of its officers, employees and agents,
13 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
14 violations.

15 **38. 2312 East 107th Street**

16 372. In or around October 2007, Defendant DBNTC, as trustee for AEGIS 2006-1,
17 acquired title to a residential property located at 2312 East 107th Street, Los Angeles, California
18 90002 ("2312 East 107th Street") through a foreclosure proceeding. DBNTC, as trustee for AEGIS
19 2006-1, thereafter held and retained title to this property through in or about January 2009.

20 373. During this period, Defendant DBNTC, as trustee for AEGIS 2006-1, maintained the
21 property in violation of state and municipal laws by causing and permitting the following conditions
22 to exist, among others, at this property: (A) structure open to unauthorized entry and (B) lack of
23 required maintenance.

24 374. In or around May 2008, LADBS issued an Order to Comply to DBNTC, ordering that
25 these violations be remedied. DBNTC, as trustee for AEGIS 2006-1, thereafter failed to timely
26 remedy the cited violations as ordered.

1 375. DBNTC, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **39. 10808 North Gaynor Avenue**

5 376. In or around October 2007, Defendant DBNTC, as trustee for AQMS 2006-M3,
6 acquired title to a residential property located at 10808 North Gaynor Avenue, Los Angeles,
7 California 91344 ("10808 North Gaynor Avenue") through a foreclosure proceeding. DBNTC, as
8 trustee for AQMS 2006-M3, thereafter held and retained title to this property through in or about
9 June 2009.

10 377. During this period, Defendant DBNTC, as trustee for AQMS 2006-M3, maintained
11 the property in violation of state and municipal laws by causing and permitting the following
12 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
13 entry; (B) lack of required maintenance to structure and premises; and (C) failure to maintain
14 required pool water clarity.

15 378. In or around February 2009, LADBS issued an Order to Comply to DBNTC, ordering
16 that these violations be remedied. DBNTC, as trustee for AQMS 2006-M3, thereafter failed to
17 timely remedy the cited violations as ordered.

18 379. In or around March 2009, the City hired contractors to fence the property.

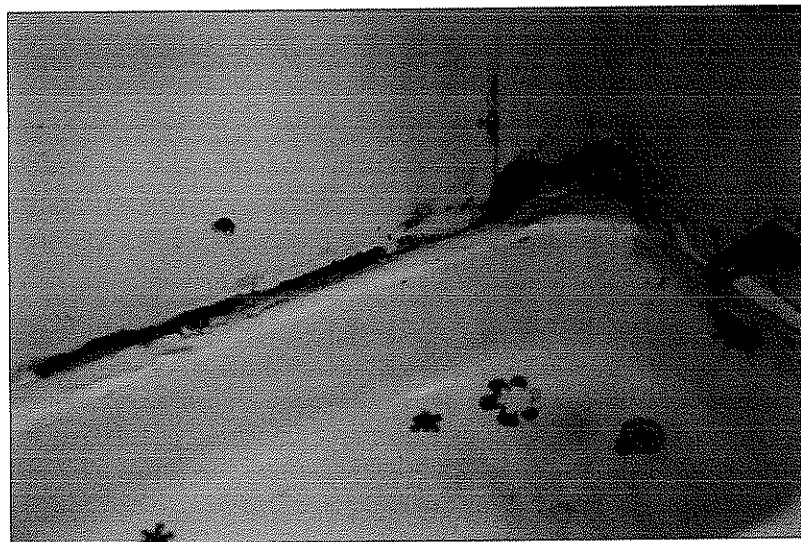
19 380. DBNTC, through the acts and omissions of its officers, employees and agents,
20 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
21 violations.

22 **40. 1762 North Glendale Boulevard**

23 381. In or around November 2007, Defendant DBNTC, as trustee for HML 2006-5,
24 acquired title to an occupied residential rental property located at 1762 North Glendale Boulevard,
25 Los Angeles, California 90026 ("1762 North Glendale Boulevard") through a foreclosure
26 proceeding. DBNTC, as trustee for HML 2006-5, thereafter held and retained title to this property
27 through the present.

1 382. During this period, Defendant DBNTC, as trustee for HML 2006-5, maintained the
2 property in violation of state and municipal laws by causing and permitting the following conditions
3 to exist, among others, at this property: (A) unpermitted plumbing; (B) lack of required
4 weatherproofing of exposed surfaces; (C) unsanitary accumulation of debris, rubbish, similar matter;
5 (D) unpermitted and unapproved construction; (E) unsafe and unsanitary deteriorated floor covering;
6 (F) defective and deteriorated wall coverings; (G) deteriorated and chipped plumbing fixture surface;
7 (H) missing window glass; (I) defective, missing and inoperable smoke detectors; (J) defective,
8 damaged, broken and inoperable doors and windows; and (K) defective under-floor supports.

9 383. The photograph below was taken by an LAHD inspector in or around June 2009 and
10 depicts the deteriorated condition of the walls surrounding the bathtub at 1762 North Glendale
11 Boulevard:



21 384. In or around April 2009, LAHD issued a notice to DBNTC, directing that these
22 violations be remedied. DBNTC, as trustee for HML 2006-5, thereafter failed to timely remedy the
23 cited violations as directed.

24 385. In or around August 2009, Defendant DBNTC, as trustee for HML 2006-5 further
25 caused and/or permitted the following violation, among others, of municipal laws by demanding a
26 tenant at the property accept a sum of money to promptly vacate or face adverse consequences.

1 386. In or around October of 2009, LAHD provided DBNTC, as trustee for HMLT 2006-5
2 notice of a GM hearing to be held in or around December of 2009. DBNTC, as trustee for HMLT
3 2006-5 failed to appear at the hearing and the property was entered into REAP.

4 387. DBNTC, through the acts and omissions of its officers, employees and agents, aided,
5 abetted, participated in, encouraged, assisted, ratified and approved the foregoing violations.

6 **41. 2916 East New Jersey Street**

7 388. In or around November 2007, Defendant DBNTC, as trustee for SABR 2007-NC2,
8 acquired title to a residential property located at 2916 East New Jersey Street, Los Angeles,
9 California 90033 ("2916 East New Jersey Street") through a foreclosure proceeding. DBNTC, as
10 trustee for SABR 2007-NC2, thereafter held and retained title to this property through in or about
11 November 2008.

12 389. During this period, Defendant DBNTC, as trustee for SABR 2007-NC2, maintained
13 the property in violation of state and municipal laws by causing and permitting the following
14 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
15 entry; (B) unsanitary conditions; and (C) lack of required maintenance building and premises.

16 390. In or around April 2008, LADBS issued an Order to Comply to DBNTC, ordering
17 that these violations be remedied. DBNTC, as trustee for SABR 2007-NC2, thereafter failed to
18 timely remedy the cited violations as ordered.

19 391. In or around April 2008, the City hired contractors to clean, fence, and barricade the
20 property.

21 392. DBNTC, through the acts and omissions of its officers, employees and agents,
22 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
23 violations.

24 **42. 4210 Woodlawn Avenue**

25 393. In or around November 2007, Defendant DBNTC, as trustee for IMPAC 2006-5,
26 acquired title to an occupied residential rental property located at 4210 Woodlawn Avenue,
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1 Los Angeles, California 90011 ("4210 Woodlawn Avenue") through a foreclosure proceeding.

2 DBNTC, as trustee for IMPAC 2006-5, thereafter held and retained title to this property through in
3 or about December 2008.

4 394. During this period, Defendant DBNTC, as trustee for IMPAC 2006-5, maintained the
5 property in violation of state and municipal laws by causing and permitting the following conditions
6 to exist, among others, at this property: (A) lack of required maintenance of building, structure, and
7 premises; (B) unapproved unit; (C) cracked, damaged, and missing stairway and deck surface
8 material; (D) defective and improperly installed lighting fixtures; (E) failure to obtain the required
9 permits and certificate of occupancy; (F) buckled, split, and decayed exterior walls; (G) unpermitted
10 plumbing installation; (H) decayed, dry-rotted, and termite damaged wood; (I) unpermitted
11 construction; (J) defective foundation vent screening; (K) defective and deteriorated roof material;
12 and (L) defective or deteriorated walls.

13 395. In or around July 2008, LAHD issued a notice to DBNTC, directing that these
14 violations be remedied. DBNTC, as trustee for IMPAC 2006-5, thereafter failed to timely remedy
15 the cited violations as directed.

16 396. In or around September 2008, LAHD provided DBNTC notice of a GM hearing to be
17 held in or around October 2008. In or around October 2008, DBNTC, as trustee for IMPAC 2006-5,
18 failed to appear at the hearing and the property was entered into REAP.

19 397. During its period of ownership of this property, Defendant DBNTC, as trustee for
20 IMPAC 2006-5, further failed to pay the property taxes due and owing in violation of state law.

21 398. DBNTC, through the acts and omissions of its officers, employees and agents,
22 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
23 violations.

24 **43. 747 East 107th Street**

25 399. In or around November 2007, Defendant DBNTC, as trustee for HSI 2006 HE-2,
26 acquired title to a residential property located at 747 East 107th Street, Los Angeles, California
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1 90002 ("747 East 107th Street") through a foreclosure proceeding. DBNTC, as trustee for HSI 2006
2 HE-2, thereafter held and retained title to this property through in or about June 2008.

3 400. During this period, Defendant DBNTC, as trustee for HSI 2006 HE-2, maintained the
4 property in violation of state and municipal laws by causing and permitting the following conditions
5 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry;
6 (B) unsanitary accumulation of debris and other matter; and (C) lack of required maintenance to
7 structure and premises.

8 401. In or around July 2008, LADBS issued an Order to Comply to DBNTC, ordering that
9 these violations be remedied. DBNTC, as trustee for HSI 2006 HE-2, thereafter failed to timely
10 remedy the cited violations as ordered.

11 402. DBNTC, through the acts and omissions of its officers, employees and agents,
12 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
13 violations.

14 **44. 156 West 60th Street**

15 403. In or around November 2007, Defendant DBNTC, as trustee for HSI Asset 2007-
16 HE2, acquired title to an occupied residential rental property located at 156 West 60th Street, Los
17 Angeles, California 90003 ("156 West 60th Street") through a foreclosure proceeding. DBNTC, as
18 trustee for HSI Asset 2007-HE2, thereafter held and retained title to this property through in or about
19 June 2009.

20 404. During this period, Defendant DBNTC, as trustee for HSI Asset 2007-HE2,
21 maintained the property in violation of state and municipal laws by causing and permitting the
22 following conditions to exist, among others, at this property: (A) unpermitted plumbing installation;
23 (B) defective foundation vent screening; (C) failure to provide access for inspection; (D) failure to
24 obtain required permits and certificate of occupancy; (E) defective, damaged, broken, and
25 inoperative doors and windows; (F) failure to maintain required bathroom ventilation; (G) loose
26 plumbing fixture; (H) defective, missing, and inoperative smoke detectors; and (I) unapproved exit
27 door lock.

1 405. In or around December 2007, LAHD issued a notice to DBNTC, directing that these
2 violations be remedied DBNTC, as trustee for HSI Asset 2007-HE2, thereafter failed to timely
3 remedy the cited violations as directed.

4 406. In or around March 2008, LAHD provided DBNTC notice of a GM hearing to be
5 held in or around April 2008. In or around April 2008, DBNTC, as trustee for HSI Asset 2007-HE2,
6 failed to appear at the hearing and the property was entered into REAP.

7 407. In or around November 2008, LAHD conducted another SCEP inspection at 156
8 West 60th Street.

9 408. Defendant DBNTC, as trustee for HSI Asset 2007-HE2, maintained the property in
10 violation of state and municipal laws by causing and permitting the following conditions to exist,
11 among others, at this property: (A) defective, damaged, broken, and inoperative doors and windows;
12 (B) unapproved open storage; (C) broken, deteriorated, and missing window glass; (D) structurally
13 unsound and deteriorated fencing; (E) defective foundation vent screening; (F) defective and
14 improperly installed lighting fixtures; (G) cracked, damaged, and missing stairway and deck surface
15 material; (H) failure to maintain required minimum fire safety equipment and standards; (I) lack of
16 required caulking at connection of plumbing fixture to wall; (J) damp room condition; (K) defective,
17 damaged, and leaking faucets and valves; (L) defective and deteriorated plaster and drywall;
18 (M) loose plumbing fixture; (N) unapproved termination of water heater temperature and pressure
19 relief valve line; (O) unsafe and unsanitary deteriorated floor covering; (P) use of extension cords for
20 permanent wiring; (Q) unapproved heating system; (R) defective water heater firebox doors; and
21 (S) defective wall heater connection.

22 409. In or around November 2008, LAHD issued a Two Day Order to DBNTC directing
23 that an excessive gas leak be remedied and gas service restored to the rear unit. DBNTC, as trustee
24 for HSI Asset 2007-HE2, thereafter failed to timely remedy the cited violation as directed.

25 410. In or around November 2008, LAHD issued a notice to DBNTC, directing that these
26 violations be remedied. DBNTC, as trustee for HSI Asset 2007-HE2, thereafter failed to timely
27 remedy the cited violations as directed.

1 411. In or around February 2009, LAHD provided DBNTC notice of a GM hearing to be
2 held in or around March 2009. In or around March 2009, DBNTC, as trustee for HSI Asset 2007-
3 HE2, failed to appear at the hearing.

4 412. DBNTC, through the acts and omissions of its officers, employees and agents,
5 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
6 violations.

7 **45. 5101 South Crenshaw Boulevard**

8 413. In or around December 2007, Defendant DBNTC, as trustee for MSC1 2006-HE6,
9 acquired title to a residential property located at 5101 South Crenshaw Boulevard, Los Angeles,
10 California 90043 ("5101 South Crenshaw Boulevard") through a foreclosure proceeding. DBNTC,
11 as trustee for MSC1 2006-HE6, thereafter held and retained title to this property through in or about
12 April 2009.

13 414. During this period, Defendant DBNTC, as trustee for MSC1 2006-HE6, maintained
14 the property in violation of state and municipal laws by causing and permitting the following
15 conditions to exist, among others, at this property: (A) abandoned structure open to unauthorized
16 entry and (B) lack of required maintenance to building and premises.

17 415. The photographs below were taken by an LADBS inspector in or around March 2008.
18 The first photograph shows the front door of the property and the second shows signs of vagrant
19 activity:



1 416. In or around December 2007, LADBS issued an Order to Comply to DBNTC,
2 ordering that these violations be remedied. DBNTC, as trustee for MSC1 2006-HE6, thereafter
3 failed to timely remedy the cited violations as ordered.

4 417. In or around March 2008, the City hired contractors to clean, fence, and barricade the
5 property.

6 418. DBNTC, through the acts and omissions of its officers, employees and agents,
7 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
8 violations.

9 **46. 5919 Estrella Avenue**

10 419. In or around December 2007, Defendant DBNTC, as trustee for SABR 2007-HE1,
11 acquired title to an occupied residential rental property located at 5919 Estrella Avenue, Los
12 Angeles, California 90044 ("5919 Estrella Avenue") through a foreclosure proceeding. DBNTC, as
13 trustee for SABR 2007-HE1, thereafter held and retained title to this property through in or about
14 August 2010.

15 420. During this period, Defendant DBNTC, as trustee for SABR 2007-HE1, maintained
16 the property in violation of state and municipal laws by causing and permitting the following
17 conditions to exist, among others, at this property: (A) defective, missing, and inoperable smoke
18 detectors; (B) failure to obtain the required permits and certificate of occupancy; and
19 (C) unpermitted construction.

20 421. In or around February 2008, LAHD issued a notice to DBNTC, directing that these
21 violations be remedied. DBNTC, as trustee for SABR 2007-HE1, thereafter failed to timely remedy
22 the cited violations as directed.

23 422. In or around April 2008, LAHD provided DBNTC notice of a GM hearing to be held
24 in or around June 2008. In or around June 2008, DBNTC, as trustee for SABR 2007-HE1, failed to
25 appear at the hearing and the property remained in REAP.

1 423. In or around July 2008, LAHD inspected the property in response to a tenant
2 complaint and found a strong smell of sewer gasses in the bathroom and sewage overflowing under
3 the house.

4 424. In or around July 2008, LAHD issued a Two Day Order to DBNTC directing that the
5 sewage overflow be remedied. DBNTC, as trustee for SABR 2007-HE1, failed to remedy the cited
6 violations as ordered.

7 425. In or around July 2008, due to the nature of the violation and presence of several
8 small children at the property, LAHD hired URP contractors to make the repairs.

9 426. In or around March 2009, the property became vacant.

10 427. DBNTC, through the acts and omissions of its officers, employees and agents,
11 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
12 violations.

13 **47. 13376 Raven Street**

14 428. In or around December 2007, Defendant DBTCA, as trustee for an unidentified trust,
15 acquired title to a residential property located at 13376 Raven Street, Los Angeles, California 91342
16 ("13376 Raven Street") through a foreclosure proceeding. DBTCA, as trustee for this unidentified
17 trust, thereafter held and retained title to this property through in or about July 2008.

18 429. During this period, DBTCA, as trustee for the unidentified trust, maintained the
19 property in violation of state and municipal laws by causing and permitting the following conditions
20 to exist, among others, at this property: (A) abandoned structure open to unauthorized entry;
21 (B) unsanitary conditions; (C) lack of maintenance to structure and premises; and (D) lack of
22 weatherproofing on exposed surfaces.

23 430. In or around May 2008, LADBS issued a notice and Order to Comply to DBTCA,
24 directing that these violations be remedied. DBTCA, as trustee for the unidentified trust, thereafter
25 failed to timely remedy the cited violations as ordered.

1 431. DBTCA, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **48. 4045 North Barrett Road**

5 432. In or around December 2007, Defendant DBNTC, as trustee for MSC1 2006-HE6,
6 acquired title to a residential property located at 4045 North Barrett Road, Los Angeles, California
7 90032 ("4045 North Barrett Road") through a foreclosure proceeding. DBNTC, as trustee for MSC1
8 2006-HE6, thereafter held and retained title to this property through in or about April 2009.

9 433. During this period, Defendant DBNTC, as trustee for MSC1 2006-HE6, maintained
10 the property in violation of state and municipal laws by causing and permitting the following
11 conditions to exist, among others, at this property: (A) illegal occupancy and (B) construction
12 without permits or approval.

13 434. In or around November 2008, LADBS issued an Order to Comply to DBNTC,
14 directing that these violations be remedied. DBNTC, as trustee for MSC1 2006-HE6, thereafter
15 failed to timely remedy the cited violations as ordered.

16 435. DBNTC, through the acts and omissions of its officers, employees and agents,
17 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
18 violations.

19 **49. 1328 West Florence Avenue**

20 436. In or around December 2007, Defendant DBTCA, as trustee for IXIS 2006 HE3,
21 acquired title to a residential property located at 1328 West Florence Avenue, Los Angeles,
22 California 90044 ("1328 West Florence Avenue") through a foreclosure proceeding. DBTCA, as
23 trustee for IXIS 2006 HE3, thereafter held and retained title to this property through in or about
24 January 2009.

25 437. In or around January 2008, Defendant DBTCA, as trustee for IXIS 2006 HE3, caused
26 and/or permitted the following violations, among others, of state and municipal laws: (A) serving
27 upon tenants a defective Notice to Quit and (B) offering cash for keys to tenants.

1 438. During this period, Defendant DBTCA, as trustee for IXIS 2006 HE3, maintained the
2 property in violation of state and municipal laws by causing and permitting the following conditions
3 to exist, among others, at this property: (A) unsafe and unsanitary accumulation of debris, rubbish
4 and similar matter; (B) cracked, damaged, and missing stairway and deck surface material;
5 (C) defective, damaged, broken, inoperative doors and windows; (D) lack of required caulking at
6 connection of plumbing fixture to wall or floor; (E) defective, damaged, and leaking faucets and
7 valves; (F) defective and deteriorated plaster and drywall; (G) unsafe and unsanitary deteriorated
8 floor covering; (H) buckled, split and decayed exterior walls; and (I) unpermitted construction.

9 439. In or around June 2008, LAHD issued a notice to DBTCA, directing that these
10 violations be remedied. DBTCA, as trustee for IXIS 2006 HE3, thereafter failed to timely remedy
11 the cited violations as directed.

12 440. In or around October 2008, LAHD requested \$2490.25 of REAP funds be transferred
13 to the Los Angeles Department of Water and Power in order to prevent a water shut off.

14 441. DBTCA, through the acts and omissions of its officers, employees and agents,
15 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
16 violations.

17 **50. 5657 West Fountain Avenue**

18 442. In or around January 2008, Defendant DBNTC, as trustee for NCHL 2005-3,
19 acquired title to a residential property located at 5657 West Fountain Avenue, Los Angeles,
20 California 90028 ("5657 West Fountain Avenue") through a foreclosure proceeding. DBNTC, as
21 trustee for NCHL 2005-3, thereafter held and retained title to this property through the present.

22 443. During this period, Defendant DBNTC, as trustee for NCHL 2005-3, maintained the
23 property in violation of state and municipal laws by causing and permitting the following conditions
24 to exist, among others, at this property: (A) illegal occupancy; (B) lack of required maintenance; and
25 (C) construction without permits.

1 444. In or around April 2008, LADBS issued an Order to Comply to DBNTC, ordering
2 that these violations be remedied. DBNTC, as trustee for NCHL 2005-3, thereafter failed to timely
3 remedy the cited violations as ordered.

4 445. During its period of ownership of this property, Defendant DBNTC, as trustee for
5 NCHL 2005-3, further failed to pay the property taxes due and owing in violation of state law.

6 446. DBNTC, through the acts and omissions of its officers, employees and agents,
7 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
8 violations.

9 **5I. 119 East 111th Street**

10 447. In or around January 2008, Defendant DBNTC, as trustee for GSAMP 2007-SEA1,
11 acquired title to an occupied residential rental property located at 119 East 111th Street Los Angeles,
12 CA 90061 ("119 East 111th Street") through a foreclosure proceeding. DBNTC, as trustee for
13 GSAMP 2007-SEA1, thereafter held and retained title to this property through in or about
14 February 2009.

15 448. During this period, Defendant DBNTC, as trustee for GSAMP 2007-SEA1,
16 maintained the property in violation of state and municipal laws by causing and permitting the
17 following conditions to exist, among others, at this property: (A) loose plumbing fixture;
18 (B) unapproved heating system; (C) defective, missing, and inoperable smoke detectors;
19 (D) defective, damaged, and leaking faucets and valves; (E) unpermitted plumbing installation;
20 (F) unpermitted electrical work; (G) unpermitted construction work; and (H) lack of required
21 weatherproofing of exposed surfaces.

22 449. In or around August 2008, LAHD issued a notice to DBNTC, directing that these
23 violations be remedied. DBNTC, as trustee for GSAMP 2007-SEA1, thereafter failed to timely
24 remedy the cited violations as directed.

25 450. In or around May 2008, LAHD provided DBNTC notice of a GM hearing to be held
26 in or around June 2008. In or around June 2008, DBNTC failed to appear at the hearing and the
27 property remained in REAP.

1 451. DBNTC, through the acts and omissions of its officers, employees and agents,
2 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
3 violations.

4 **52. 4919 East Navarro Street**

5 452. In or around January 2008, Defendant DBNTC, as trustee for IMPAC 2006-2,
6 acquired title to an occupied residential rental property located at 4919 East Navarro Street,
7 Los Angeles, California 90032 ("4919 East Navarro Street") through a foreclosure proceeding.
8 DBNTC, as trustee for IMPAC 2006-2, thereafter held and retained title to this property through in
9 or about June 2009.

10 453. During this period, Defendant DBNTC, as trustee for IMPAC 2006-2, maintained the
11 property in violation of state and municipal laws by causing and permitting the following conditions
12 to exist, among others, at this property: (A) defective, missing, and inoperable smoke detectors;
13 (B) defective and deteriorated plaster and drywall; (C) lack of required caulking at connection of
14 plumbing fixture to wall; (D) unsafe and unsanitary deteriorated floor covering; (E) unsafe and
15 unsanitary accumulation of debris, rubbish and similar matter; and (F) defective, damaged, and
16 leaking faucets and valves.

17 454. In or around April 2008, LAHD issued a notice to DBNTC, directing that these
18 violations be remedied. DBNTC, as trustee for IMPAC 2006-2, thereafter failed to timely remedy
19 the cited violations as directed.

20 455. DBNTC, through the acts and omissions of its officers, employees and agents,
21 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
22 violations.

23 **53. 1282 West 22nd Street**

24 456. In or around January 2008, Defendant DBNTC, as trustee for AGMS 2005-W1,
25 acquired title to an occupied residential rental property located at 1282 West 22nd St. Los Angeles,
26 California 90007 ("1282 West 22nd Street") through a foreclosure proceeding. DBNTC, as trustee
27 for AGMS 2005-W1, thereafter held and retained title to this property through in or about May 2010.

1 457. In or around February of 2008, Defendant DBNTC, as trustee for AGMS 2005-W1,
2 caused and permitted the following violation, among others, of state and municipal law: offering
3 cash for keys in a notice

4 458. In or around May 2008, Defendant DBNTC, as trustee for AGMS 2005-W1, caused
5 and permitted the following violation, among others, of state and municipal law: serving upon
6 tenants a defective Notice to Quit.

7 459. During its period of ownership of this property, Defendant DBNTC, as trustee for
8 AGMS 2005-W1, maintained the property in violation of state and municipal laws by causing and
9 permitting the following conditions to exist, among others, at this property: (A) cracked, damaged,
10 and missing stairway and deck surface material; (B) defective and deteriorated plaster or drywall;
11 (C) defective, damaged, broken, and inoperative doors and windows; (D) lack of required caulking
12 at connection of plumbing fixture to wall; and (E) defective, damaged leaking faucets and valves.

13 460. In or around October 2008, LAHD issued a notice to DBNTC, directing that these
14 violations be remedied. DBNTC, as trustee for AGMS 2005-W1, thereafter failed to timely remedy
15 the cited violations as directed.

16 461. In or around February 2009, LAHD provided DBNTC notice of a GM hearing to be
17 held in or around March 2009. In or around March 2009, DBNTC, as trustee for AGMS 2005-W1,
18 failed to appear at the hearing and the property remained in REAP.

19 462. During its period of ownership of this property, DBNTC also failed to timely pay
20 SCEP fees; rental unit registration fees; complaint inspection fees; and case management fees.

21 463. DBNTC, through the acts and omissions of its officers, employees and agents,
22 participated in, aided, abetted, authorized, facilitated, encouraged and/or ratified the foregoing
23 violations.

24 **54. 1622 West 62nd Street**

25 464. In or around January 2008, Defendant DBNTC, as trustee for IMPAC 2006-4,
26 acquired title to an occupied residential rental property located at 1622 West 62nd Street,
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1 Los Angeles, California 90047 ("1622 West 62nd Street") through a foreclosure proceeding.

2 DBNTC, as trustee for IMPAC 2006-4, thereafter held and retained title to this property through in
3 or about November 2009.

4 465. During this period, Defendant DBNTC, as trustee for IMPAC 2006-4, maintained the
5 property in violation of state and municipal laws by causing and permitting the following conditions
6 to exist, among others, at this property: (A) lack of required weatherproofing of exposed surfaces;
7 (B) exposed wiring; (C) disconnected or abandoned electrical wiring; (D) unapproved overhead
8 electrical conductors; (E) open waste line; (F) deteriorated roofing material; (G) buckled, split and
9 decayed exterior walls; (H) structurally unsound, deteriorated fencing; (I) defective, damaged,
10 broken, inoperative doors and windows; (J) defective, missing, and inoperable smoke detectors;
11 (K) defective and improperly installed lighting fixtures; (L) lack of required caulking at connection
12 of plumbing fixture to wall; (M) defective plumbing trap and tailpiece; (N) inoperative, defective,
13 unapproved electrical receptacles; (O) unsafe and unsanitary deteriorated floor covering;
14 (P) decayed, dry-rotted, and termite damaged wood; (Q) use of extension cords for permanent
15 wiring; (R) lack of required water heater strapping or anchorage; (S) unapproved termination of
16 water heater temperature and pressure relief valve line; (T) unapproved heating system;
17 (U) unapproved security bars obstructing required emergency egress; (V) damaged and defective gas
18 connector or valve; (W) unapproved exit door lock or latch; (X) unpermitted construction; (Y) faulty
19 seal between piping and wall; (Z) defective, damaged, and leaking faucets and valves;
20 (AA) defective, unsafe and inoperative plumbing system; (BB) unpermitted plumbing installation;
21 (CC) chipped and damaged plumbing fixture surfaces; and (DD) blocked plumbing drain.

22 466. In or around February 2008, LAHD issued a notice to DBNTC, directing that these
23 violations be remedied. DBNTC, as trustee for IMPAC 2006-4, thereafter failed to timely remedy
24 the cited violations as directed.

25 467. In or around April 2008, LAHD provided DBNTC notice of a GM hearing to be held
26 in or around June 3, 2008. In or around June 2008, DBNTC, as trustee for IMPAC 2006-4, failed to
27 appear at the hearing and the property remained in REAP.