Electronically FILED by Superior Court of California, County of Los Angeles 8/10/2023 12:22 PM David W. Slayton, Executive Officer/Clerk of Court, 1 HYDEE FELDSTEIN SOTO, City Attorney (SBN 106866) By S. Ruiz, Deputy Clerk KATHLEEN A. KENEALY, Chief Assistant City Attorney (SBN 212289) 2 MICHAEL J. BOSTROM, Sr. Assistant City Attorney (SBN 211778) TIFFANY TEJEDA-RODRIGUEZ, Deputy City Attorney (SBN 298941) NIKHIL DANDEKAR, Deputy City Attorney (SBN 290165) OFFICE OF THE LOS ANGELES CITY ATTORNEY 4 201 North Figueroa St., Suite 1300 Los Angeles, CA 90012 5 Telephone: (213) 978-8080 Facsimile: (213) 482-9549 6 Email: tiffany.tejeda-rodriguez@lacity.org 7 Attorneys for Plaintiff, the CITY OF LOS ANGELES 8 NO FEE - CAL. GOVT. CODE § 6103 9 10 SUPERIOR COURT OF THE STATE OF CALIFORNIA 11 **COUNTY OF LOS ANGELES** 12 Case No.: 23STCV19069 THE PEOPLE OF THE STATE OF 13 CALIFORNIA, 14 Plaintiff, COMPLAINT FOR INJUNCTIVE 15 RELIEF AND CIVIL PENALTIES FOR v. VIOLATION OF: 16 ULTIMATE HOST, LLC DBA THE NIGHTFALL GROUP, a California limited (1) CALIFORNIA'S UNFAIR 17 liability company, **COMPETITION LAW (CAL. BUS.** & PROF. CODE §§ 17200, *ET* 18 MOKHTAR JABLI, an individual. *SEO*.): AND (2) PUBLIC NUISANCE 19 JUNGLE KERRY, INC., a California corporation, 20 5554 GREEN OAK LLC, a California limited 21 liability company, 22 KIRILL "KIRK" AYZENBERG, as Trustee of the Gabriel Mark Trust dated May 19, 2021, and 23 DOES 1-50, inclusive. 24 Defendants. 25 26 27 28

COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES

The People of the State of California ("People" or "Plaintiff") bring this civil enforcement action against Defendants Ultimate Host, LLC dba The Nightfall Group ("Nightfall"), Mokhtar Jabli ("Jabli," together with Nightfall, the "Nightfall Defendants"), Jungle Kerry, Inc. ("Jungle Kerry"), 5554 Green Oak LLC ("Green Oak"), Kirill "Kirk" Ayzenberg ("Ayzenberg") as Trustee of the Gabriel Mark Trust dated May 19 (the "Trust"), and Does 1 through 50, inclusive (collectively, "Defendants"), for violations of California's Unfair Competition Law and creation of a public nuisance. The People allege as follows:

INTRODUCTION

- 1. The People bring this action to stop Defendants' flagrant, repeated, and ongoing violations of Los Angeles Municipal Code provisions regulating short-term rentals (the "STR Ordinance") and the use of residential properties for large, loud, unruly parties ("Party House Ordinance") (together, the "Ordinances").
- 2. In the last two years, the Los Angeles Police Department has been called out to properties listed on Defendant Nightfall's online short-term rental platform, nightfallgroup.com, over 250 times in the Hollywood area alone, including over 150 calls specifically referencing parties and excessive noise. For example, the so-called "Birds Villa" (9010 Hopen Place), owned by Defendant Jungle Kerry, was the subject of 31 party-related calls for police assistance over the last two years. During a particularly large party at the Birds Villa, two neighbors tried to escape music so loud it made their house shake, only to find their driveway and street completely blocked by partygoer traffic, trapping them in their home. This obstruction of ingress and egress threatens the safety not only of the trapped neighbors but also of the entire neighborhood because the Birds Villa, like many party houses associated with Nightfall, is located in a part of the City of Los Angeles (the "City") at high risk of fire.
- 3. According to Defendant Jabli, who is Nightfall's CEO, "property inventory is the lifeblood" of Nightfall's business model. Defendants Jungle Kerry, Green Oak, and Ayzenberg (together, the "Owner Defendants") are owners of properties used as part of Nightfall's short-term rental and party house business. The Owner Defendants agree and consent to the use of their properties as short term rentals and party houses in violation of the Ordinances. On

information and belief, the Owner Defendants agree and consent to this use in exchange for above-market monthly rent paid by Nightfall and/or promises by Nightfall to facilitate the eventual sale of the property. Nightfall then seeks to turn a profit by subletting the properties on a short-term basis and by hosting or sponsoring parties at the properties.

- 4. While City residents suffer and are imperiled as a result of Defendants' conduct, Defendants prosper. The Nightfall Defendants have built a large and growing business around flouting the Ordinances and exacerbating the problems the laws were intended to address. The Owner Defendants participate in and profit from Nightfall's law breaking. Nightfall currently lists hundreds of residential homes as short-term rentals, including homes belonging to the Owner Defendants. Defendants operate these homes as short-term rentals in violation of the STR Ordinance, which limits a person to operating only one short-term rental property at a time, and requires that the property be a person's primary residence. Defendants also violate the STR Ordinance's other provisions which, among other things, require registration and the payment of fees to the City.
- 5. Defendants use, and/or allow others to use, these short-term rentals as party houses, bringing "excessive noise, traffic, obstruction of streets, service of alcohol to minors, public drunkenness, fights, disturbances of the peace, vandalism, and litter" into residential neighborhoods. This is the very conduct the Los Angeles City Council sought to prevent when it adopted the Party House Ordinance.
- 6. Defendants' illegal conduct described herein is demonstrated by, among other things, Jabli's and Ayzenberg's own sworn statements in declarations under penalty of perjury filed in actions in Los Angeles Superior Court, as well as leases and other agreements similarly found in court files.
- 7. Defendants' actions constitute unlawful and unfair business practices in violation of California's Unfair Competition Law. Moreover, Defendants' conduct has undermined the

<sup>&</sup>lt;sup>1</sup> Ordinance No. 185451.

peace and safety of the City's residential neighborhoods and will continue to do so unless Defendants are enjoined by this Court.

8. In bringing this action, the People seek to enjoin Defendants from further harming the public through their continued violations of the Ordinances and creation of a public nuisance. The People also seek penalties of up to \$2,500 for each violation of each Ordinance. These remedies are necessary to put an end to the public nuisance that Defendants have created, and to deter Defendants and others from engaging in similar dangerous and disruptive conduct.

#### **PARTIES**

- 9. The People bring this civil law enforcement action by and through Los Angeles City Attorney Hydee Feldstein Soto, pursuant to the authority granted under the UCL, California Business and Professions Code sections 17204 and 17206(a).
- 10. Nightfall is a California limited liability company with its principal place of business in Los Angeles County.
- 11. Jabli is an individual residing in the State of California. Jabli is the founder and CEO of Nightfall, and on information and belief, designed and directs Nightfall's illegal business activities that are described below.
- 12. Jungle Kerry is a California corporation with its principal place of business in Los Angeles County. Jungle Kerry is the owner of real property located at 9010 Hopen Place in the City of Los Angeles (the "Birds Villa").
- 13. Green Oak is a California limited liability company with its principal place of business in Los Angeles County. Green Oak is the owner of real property located at 5554 Green Oak Drive in the City of Los Angeles (the "Oak Mansion").
- 14. Ayzenberg is an individual residing in California, and is the trustee of the Trust. The Trust is the owner of real property located at 2304 Donella Circle in the City of Los Angeles (the "Donella Mansion").
- 15. The true names and capacities of the Defendants sued herein as Does 1 through 50, inclusive, are unknown to the People, and the People therefore sues these Defendants by such fictitious names.

- 16. When the true names and capacities of these Doe Defendants have been ascertained, the People will seek leave of this Court to amend this Complaint to insert in lieu of such fictitious names the true names and capacities of the fictitiously named Defendants.
- 17. The People allege that all of the acts and omissions described in this Complaint were duly performed by, and attributable to, all Defendants, each acting as the agent, employee, alter ego, and/or under the direction and control of the others, and such acts and omissions were in the scope of such agency, employment, alter ego, and/or direction or control.
- 18. The People allege that each of the Owner Defendants also (or in the alternative) aided and abetted the Nightfall Defendants in violating the letter of and the public policy embodied in the Ordinances and the UCL.

#### **JURISDICTION AND VENUE**

- 19. The Superior Court has original jurisdiction over this action pursuant to Article VI, section 10 of the California Constitution, which grants the Superior Court original jurisdiction over all causes other than those specifically enumerated.
- 20. The Superior Court has personal jurisdiction over Nightfall pursuant to California Code of Civil Procedure section 410.10 because Nightfall conducts business in the State of California and purposely avails itself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California in whole or in part.
- 21. The Superior Court has personal jurisdiction over Jabli pursuant to California Code of Civil Procedure section 410.10 because he is a resident of California, because he purposely avails himself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California in whole or in part.
- 22. The Superior Court has personal jurisdiction over Jungle Kerry pursuant to California Code of Civil Procedure section 410.10 because Jungle Kerry conducts business in the State of California and purposely avails itself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California in whole or in part.
- 23. The Superior Court has personal jurisdiction over Green Oak pursuant to California Code of Civil Procedure section 410.10 because Green Oak conducts business in the

State of California and purposely avails itself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California in whole or in part.

- 24. The Superior Court has personal jurisdiction over Ayzenberg pursuant to California Code of Civil Procedure section 410.10 because Ayzenberg is a resident of California, because he purposely avails himself of the benefits of doing business in California, and because the violations of law alleged herein occurred in California.
- 25. Venue is proper in the Los Angeles County Superior Court pursuant to California Code of Civil Procedure sections 393 and 395.5 because the cause, or some part of the cause, arose in Los Angeles County and liability arises from Defendants' conduct in Los Angeles County.

### THE CITY'S SHORT TERM RENTAL ORDINANCE

- 26. Driven by Internet-based platforms like nightfallgroup.com, short-term rentals—rentals for 30 consecutive days or fewer—have proliferated in recent years in the City and elsewhere. Short-term rentals have grown beyond individual homeowners and tenants renting out space in the homes they occupy for supplemental income. Persons like Defendants have built entire business models around letting out homes that have no primary resident on a short-term basis, converting single-family homes into de facto hotels.
- 27. In December of 2018, the City enacted the STR Ordinance in an effort to address the negative consequences of short-term rentals, which include the reduction of housing stock, increased nuisance activity, and a negative impact on the residential character of neighborhoods. The STR Ordinance went into effect on July 1, 2019, and the City began enforcing its provisions on November 1, 2019.
- 28. The STR Ordinance amended the Los Angeles Municipal Code ("LAMC") to add provisions regulating "Short Term-Rentals." A "Short-Term Rental" is defined as a rental unit, "rented in whole or in part, to any Person(s) for transient use of 30 consecutive days or less." LAMC § 12.22(A)(32)(b)(11). Short-term rental activity allowed by and conducted pursuant to the requirements of the STR Ordinance is called "Home-Sharing" in the language of the Ordinance. LAMC § 12.03. Eligible property owners and renters (with the written permission

of the landlord) are allowed to engage in Home-Sharing of their primary residence pursuant to the STR Ordinance. LAMC § 12.22(A)(32)(c)(2).

- 29. The STR Ordinance prohibits any person from offering, advertising, booking, facilitating, or engaging in short-term rental activity in a manner that does not comply with the STR Ordinance. LAMC § 12.22(A)(32)(d)(1).
- 30. The STR Ordinance provides that hosts may *only* offer their primary residence—defined as the residence in which the host resides for more than 6 months of the calendar year—for short-term rentals, and limits hosts to operating no more than one short-term rental unit at a time in the City. LAMC §§ 12.22(A)(32)(b)(9), (c)(2).
- 31. The STR Ordinance requires eligible hosts to submit an application, pay an application fee, and obtain a registration number ("HSR number") from the City's Department of City Planning before engaging in short-term rentals. All advertisements for short-term rentals must clearly list the host's City-issued registration number, and hosts may not engage in short-term rentals for more than 120 days in a calendar year unless the host obtains a separate Extended Home Sharing registration number from the City. Hosts must also pay a per-night fee to the City for each night of short-term rental and collect Transient Occupancy Taxes from their guests and remit them to the City. LAMC §§ 12.22(A)(32)(d), (e).
- 32. The STR Ordinance defines "Booking Service" as "[a]ny reservation and/or payment service" provided by any person "that facilitates a Short-Term Rental transaction" and for which the person "collects or receives, directly or indirectly thorough an agent or intermediary, a fee in connection with the reservation and/or payment of services provided for the transaction." LAMC § 12.22(A)(32)(b)(2). A "Hosting Platform" is a person who "participates in Short-Term Rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a Booking Service transaction using any medium of facilitation." LAMC § 12.22(A)(32)(b)(5). A "Person" is an "individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit." LAMC § 12.22(A)(32)(b)(7), LAMC § 21.7.2(a).

- 33. Short-term rentals are also subject to limitations on use and occupancy. "[S]ales or exchange of products" and "events that charge a fee" are prohibited during short-term rental activity, as are the use of sound-amplifying equipment (as that term is used in LAMC section 111.01(j)) after 10:00pm and outdoor congregations of more than 8 people (excluding children). LAMC §§ 12.22(A)(32)(d)(9), (12). Short-term rental activities are also subject to the Los Angeles Municipal Code's noise regulations. LAMC § 12.22(A)(32)(d)(12). Regarding occupancy, a short-term rental may have no more than two overnight guests (excluding children) per habitable room. LAMC § 12.22(A)(32)(d)(11).
- 34. The STR Ordinance provides for multiple enforcement mechanisms, "in addition to any criminal, civil or other legal remedy established by law." LAMC § 12.22(A)(32)(g).
- 35. Any person who has violated the STR Ordinance may be subject to the provisions of Los Angeles Municipal Code section 11.00. LAMC § 12.22(A)(32)(g)(2). Section 11.00 provides that any violation of the Los Angeles Municipal Code "is declared to be a public nuisance" that may be abated "by means of a restraining order, injunction or any other order or judgment in law or equity issued by a court of competent jurisdiction." LAMC § 11.00(1).

# THE CITY'S PARTY HOUSE ORDINANCE

- 36. The proliferation of short-term rentals in Los Angeles has coincided with the increased use of residential homes to host large events and parties, effectively turning them into nightclubs. These "party houses" (which are often being rented on a short-term basis) bring noise, traffic, vandalism, litter, underage drinking, crime, and other nuisance activity into residential neighborhoods. To mitigate the negative impacts of these events in residential neighborhoods, the City enacted the Party House Ordinance.
- 37. The Party House Ordinance prohibits "Loud or Unruly Gatherings" at residential buildings, declaring such gatherings to be a public nuisance and authorizing the City to abate them "by all available means," including but not limited to orders to vacate the residence where the loud or unruly gathering is occurring and the issuance of citations. LAMC § 41.58.1(b).
- 38. A "Loud or Unruly Gathering" is "a gathering of persons at any Residence where Loud or Unruly Conduct occurs at the Residence or within 500 feet of the Residence, and which

threatens or interferes with the public health, safety or welfare, or the comfortable enjoyment of life and property." LAMC § 41.58.1(a)(4). "Residence" means any residential building, including garages, carports, walkways, yards, patios, decks, or other structures on a lot with a residential building. LAMC § 41.58.1(a)(8).

- 39. "Loud or Unruly Conduct" includes any of the following conduct, if in violation of the Los Angeles Municipal Code or State law: (a) loud noise; (b) obstructing streets or sidewalks; (c) public intoxication or drinking in public; (d) serving alcohol to minors, or the possession and/or consumption of alcohol by minors; (e) assault, battery, fights, domestic violence, or other disturbances of the peace; (f) the sale or service of alcohol without a license; (g) vandalism or destruction of property; (h) littering; (i) urinating or defecating in public; or (j) trespassing. LAMC § 41.58.1(a)(3).
- 40. Violation of the Party House Ordinance subjects "the Owner and/or Responsible Party to fines and/or penalties." LAMC § 41.58(b). "Owner' means any person who owns the Residence where a Loud or Unruly Gathering occurs." LAMC § 41.58(a)(6). A "Responsible Party" is any person who: (a) "rents, leases, or otherwise is in charge of the Residence where a Loud or Unruly Gathering occurs;" or (b) "organizes or sponsors a Loud or Unruly Gathering at a Residence." LAMC § 41.58.1(a)(9).

## **DEFENDANTS' VIOLATIONS OF THE STR ORDINANCE**

- 41. Nightfall operates a website at www.nightfallgroup.com, where it markets itself as a "bespoke US travel concierge and luxury rentals company." Nightfall also offers car rentals, "event management," and other services on its website. Defendant Jabli is the founder of Nightfall, and remains an owner and officer of Nightfall. On information and belief, Jabli designed Nightfall's illegal business practices, as described herein, and at all relevant times has directed and directly participated in those illegal business practices.
- 42. Through its website, Nightfall offers residential homes within the City—so-called "villas"—for rent on a short-term basis. As of the date of this Complaint, the Nightfall website lists hundreds of private residences for rent in Los Angeles and allows customers to book those

residences for rent on a short-term basis. Accordingly, Nightfall is a "Hosting Platform" within the meaning of the STR Ordinance.

- 43. Customers may book a rental by submitting an inquiry via the Nightfall website indicating the "villa" the customer would like to reserve, the dates the customer would like to check in and check out, and the number of people who will be staying in the "villa." The customer is then contacted by a Nightfall representative to complete the booking. Nightfall enters into written agreements which it calls "Vacation Rental Leases" with its customers that, among other things, set forth the dates on which the customer will check in and check out of the property and the amount to be paid for the rental. Nightfall has executed "Vacation Rental Leases" in the City for stays as short as three nights, and has charged as much as \$16,000 per night for short-term rentals in the City.
- 44. Nightfall is not just a booking service. Instead, Nightfall seeks to capture the front end of the business as well by entering into leases with homeowners that purport to entitle Nightfall, now as the "tenant," to sublet the property on a short-term basis. Jabli himself submitted a declaration in an action relating to a dispute over the lease for the Donella Mansion where he stated that Nightfall made over \$150,000 per month in profit from that one house, and that "property inventory is the lifeblood" of Nightfall's business.
- 45. The Owner Defendants participate in and profit from Nightfall's business model. Each Owner Defendant owns (or previously owned) at least one "villa" that is or has been listed for rent on the Nightfall website, and has (or previously had) a lease agreement for that property with either Nightfall or Jabli that permitted the use of the property as a short-term rental in violation of the STR Ordinance. On information and belief, the Owner Defendants each received above-market monthly rent from Nightfall in exchange for providing "property inventory" for Nightfall's short-term rental business and permitting Nightfall and/or Nightfall's customers to use the property for parties.
- 46. According to a declaration he submitted in the action relating to the Donella Mansion in May of this year, Ayzenberg had "several lease agreements" with Nightfall, including for the Donella Mansion and another property located at 9459 Beverly Crest Drive.

The Donella Mansion lease, which is publicly available in court files, purports to entitle Nightfall to sublet the house as a short-term rental and to advertise it on various websites, including nightfallgroup.com. It also provides that the owner "will cooperate with [Nightfall] if they need to pull permits for the home-sharing program in the city of Los Angeles/Bel Air." However, City records show that no home-sharing application for the Donella Mansion has ever been submitted to the City's Planning Department, and that the property has never been registered for home-sharing.

- 47. In addition to providing "property inventory" to Nightfall, Ayzenberg participated directly in arranging short-term rental bookings for the Donella Mansion. Azyenberg's declaration attached messages between Ayzenberg and Nightfall representatives, including Jabli and Nightfall's "CFO and real estate agent" Daniel Dangoor, where they communicated "regarding scheduling short-term rentals with prospective tenants." Those messages included information about the duration of short-term customers' stays, what the customers would be using the property for, and the price Ayzenberg quoted for each short-term booking. On information and belief, Ayzenberg similarly communicated regarding, participated in, and agreed to short-term rental bookings for other properties he or the Trust owns.
- 48. According to court records, Jungle Kerry leased the Birds Villa to Jabli. On information and belief, in late 2022, Jungle Kerry began permitting Jabli and/or Nightfall to sublet the property on a short-term basis in exchange for inflated monthly rent to be paid by Jabli or Nightfall. A copy of the lease, publicly filed in the Los Angeles Superior Court by Jungle Kerry, shows an initial monthly rent of \$28,000 per month. An addendum, also filed in court by Jungle Kerry, shows a reduction in rent for the months of September and October of 2021, followed by an increase to \$44,000 per month beginning in November 2021—a 57% increase over the initial amount. The addendum also provided that rent could be paid by either Jabli or Nightfall.
- 49. Nightfall's website currently lists hundreds of residential properties as available for rent in the City of Los Angeles. The vast majority of these listings do not include any HSR number, which short-term rental hosts are required to include in every short-term rental listing.

50. Nightfall and Jabli also entered into multiple, concurrently running leases for multiple properties for the express purpose of converting them into short-term rentals. By definition, these properties thus lack a primary resident—a prerequisite to the lawful use of a property as a short-term rental in the City. No home-sharing registration number has been issued to either Nightfall or Jabli.

51. According to a three-day notice to pay rent or quit the premises posted outside of the Birds Villa in December of 2022 and ongoing unlawful detainer proceedings, Jabli is or was a tenant there. On information and belief, the Birds Villa is not Jabli's primary residence. City records indicate that the Birds Villa has never been registered for home sharing with the City. However, the Birds Villa is regularly used for short-term rentals, as observed by neighbors who have witnessed guests coming and going, and cleaning crews readying the property for its next short-term rental. The Birds Villa is also the frequent location of large parties, which cause loud, disruptive gatherings in the street, obstruction of ingress and egress due to heavy traffic and illegally-parked cars, loud music playing into the early-morning hours, litter, and other nuisance activity. Organizing, sponsoring, and/or allowing such parties at residential homes like the Birds Villa is another central piece of Defendants' unlawful business model.

# THE OWNER DEFENDANTS' PROPERTIES AND OTHER NIGHTFALL-MANAGED PROPERTIES ARE USED AS UNLAWFUL PARTY HOUSES

- 52. An unfortunate byproduct of the surge of unlawful short-term rentals in the City is the use of these properties for events and large parties. While not all so-called "party houses" are short-term rentals, many are. LAPD Hollywood Division Senior Lead Officers estimate that the majority of the most problematic party houses they encounter are short-term rentals. The proliferation of party houses has led to numerous calls to LAPD from affected neighbors and the regular deployment of "party cars"—LAPD units specifically dedicated to responding to the influx of party-related calls during periods of high party house activity, such as holiday weekends, and during the height of COVID-19 restrictions.
- 53. Defendants are major contributors to the party house problem. In the last two years, law enforcement has been called out to properties associated with Nightfall over 250 times

in the Hollywood area alone, including more than 150 calls for parties and noise. The Birds Villa, alone, was the subject of 31 party-related calls for police assistance over the last two years. On December 16, 2022, LAPD issued a citation for a loud or unruly gathering at the Birds Villa. The officer who issued the citation could hear amplified music playing at the house from approximately 100 yards away.

- 54. In addition to short-term "villa" rentals, Nightfall offers event management services on its website, including "Club/nightlife events"—in other words, parties. In response to an inquiry about a prospective event at the Birds Villa, a Nightfall representative stated that Nightfall could provide the home for three nights, along with two bartenders, enough alcohol to serve 30 guests, a DJ, four dancers, and a professional poker dealer—all for \$20,000.
- 55. Nightfall frequently provides these party services at the Birds Villa, as evidenced by the arrival of Nightfall-branded vehicles and a Nightfall employee to set up the event, as well as the presence of a Nightfall-branded doormat during the event. On information and belief, Nightfall organizes and has organized numerous other parties at its other "villas" in the City, and/or has allowed such parties to take place at properties that Nightfall leases.
- 56. The party that led to the December 16 citation was not an isolated incident. The Birds Villa has been the site of numerous parties over the past year, many of which extend into the early morning hours and bring noise, traffic, trespass onto neighboring properties, and other disturbances into the residential neighborhood in which the property sits. In November of 2022, a party at the Birds Villa resulted in music so loud that it caused a neighboring house to shake. According to a neighbor, this loud music played until approximately 3:00 am.
- 57. The Birds Villa sits on Hopen Place, a small cul-de-sac that can only be accessed from Blue Jay Way, and has limited parking. During the November 2022 party, traffic and illegally parked cars on Hopen Place and Blue Jay Way completely blocked ingress and egress, essentially trapping neighbors in their homes. This is a frequent occurrence. Given that the neighborhood is made up of multiple cul-de-sacs and narrow streets, with Blue Jay Way as the only way in and out, heavy traffic congestion would make it difficult for emergency services to quickly reach the area or for neighbors to quickly evacuate. This is especially concerning given

the fact that dried brush has been allowed to accumulate at the back of the property, just below a deck where partygoers frequently smoke in an area that is sometimes subject to high winds. If a fire were to break out during a Birds Villa party, the ability of firefighters to reach the blaze and the ability to evacuate the area would be seriously hindered. The same is true if any neighbor or partygoer were to experience a medical or other emergency.

- 58. The Birds Villa is far from the only party house associated with Nightfall. The property Nightfall lists as the "Sunset Mansion," located at 8356 Sunset View Drive, has been visited by LAPD 25 times in the last three years in response to calls for assistance due to parties and noise. Violent incidents have also been reported during parties at the Sunset Mansion. LAPD responded to the property twice in a single night—June 21, 2022—once in response to a call about a fight, and again in response to a report that a man had threatened another person with a gun. According to a separate police report, a battery allegedly occurred during a party at the Sunset Mansion on the evening of August 27, 2022, during which the victim was punched, kicked, and dragged across the floor.
- 59. Police have been called out to 1307 Sierra Alta Way, listed as the "Sierra Villa" on the Nightfall website, 13 times in the last three years, including one call reporting a man with a gun.
- 60. LAPD has also responded to nine noise and party-related calls at the Oak Mansion, which is owned by Green Oak, over approximately six months. In one call, the caller alleged seeing narcotics activity at the property. Neighbors most often called the police due to excessive noise. The Oak Mansion has speakers on the roof and in the back yard. Loud music played during parties has prevented neighbors from sleeping, and, on at least one occasion, continued until 6 a.m.
- 61. Parties and other nuisance activity continue at other Nightfall-affiliated properties. Nightfall continues to host parties and events at the Birds Villa, where neighbors observed short-term guests as recently as June 14, 2023, and LAPD received complaints about parties as recently as July 13 and July 15, 2023. On June 9, 2023, LAPD issued a citation for amplified

music at 1232 Sunset Plaza Drive, a property referred to on the Nightfall website as the "Belfast Villa."

62. But loud, raucous parties are far from the only blight that party houses bring into the City's residential neighborhoods. Party houses have also been associated with violent crime, including gun violence. LAPD has received calls regarding violence and individuals with guns at parties being held at properties listed for rent on Nightfall's website—including two assault with a deadly weapon calls at the same property on a single night. Defendants' short-term rental and party house activities present a serious threat to public safety.

## **ENFORCEMENT AUTHORITY**

### **Unfair Competition Law ("UCL")**

- 63. California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq. prohibits "unfair competition," which "mean[s] and include[s] any unlawful, unfair or fraudulent business act or practice." Cal. Bus. & Prof. Code § 17200. "By proscribing any unlawful business practice, section 17200 borrows violations of other laws and treats them as unlawful practices that the unfair competition law makes independently actionable." Cel-Tech Commc'ns., Inc. v. L.A. Cellular Tel. Co., 20 Cal. 4th 163, 180 (1999) (quotations omitted). "Virtually any law—federal, state or local—can serve as a predicate for a [UCL] action." State Farm Fire & Cas.Co. v. Super. Ct., 45 Cal. App. 4th 1093, 1102-03 (1996). Thus, a violation of the STR Ordinance or the Party House Ordinance is a violation of the UCL.
- 64. Under the UCL, the Los Angeles City Attorney is empowered to file a civil law enforcement action on behalf of the People of the State of California against any "person" who engages, has engaged, or proposes to engage in unfair competition. *See* Cal. Bus. & Prof. Code §§ 17203, 17204, 17206. The UCL defines "person" to "mean and include natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons." Cal. Bus. & Prof. Code § 17201.
- 65. The UCL states that "[a]ny person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction" and that "[t]he court may make such orders or judgments, including the appointment of a receiver, as may

be necessary to prevent the use or employment by any person of any practice which constitutes unfair competition." Cal. Bus. & Prof. Code § 17203.

- 66. The UCL further provides that in connection with a government enforcement action on behalf of the People of the State of California, which includes those filed by the Los Angeles City Attorney, "[a]ny person who engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation." Cal. Bus. & Prof. Code § 17206(a).
- 67. Under the UCL, "the remedies or penalties . . . are cumulative to each other and to the remedies or penalties available under all other laws of this state." Cal. Bus. & Prof. Code § 17205.

### **Los Angeles Municipal Code**

68. The Los Angeles Municipal Code states that "any violation of any provision of this Code is declared to be a public nuisance and may be abated by the City or by the City Attorney on behalf of the people of the State of California as a nuisance by means of a restraining order, injunction, or any other order or judgment in law or equity issued by a court of competent jurisdiction. The City or the City Attorney, on behalf of the people of the State of California, may seek injunctive relief to enjoin violations of, or to compel compliance with, the provisions of this Code or seek any other relief or remedy available at law or equity." LAMC § 11.00(1).

## FIRST CAUSE OF ACTION

#### AGAINST ALL DEFENDANTS FOR VIOLATIONS OF THE UCL

- 69. Plaintiff incorporates herein by reference all preceding allegations as though fully set forth herein.
- 70. The UCL prohibits any person from engaging in "any unlawful, unfair, or fraudulent business act or practice." Cal. Bus. & Prof. Code § 17200.
  - 71. Defendants are "persons" subject to the UCL. Cal. Bus. & Prof. Code § 17201.
  - 72. Defendants are "Persons" within the meaning of the STR Ordinance.

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75. On information and belief, all Defendants have engaged and continue to engage in unlawful business practices by renting out properties on a short-term basis for more than 120 days in a calendar year without a valid City-issued extended home sharing registration. 76. All Defendants have engaged and continue to engage in unlawful business practices by aiding and abetting evening outdoor congregations of more than eight adults during short-term rental activity. 77. All Defendants have engaged and continue to engage in unlawful business practices by aiding and abetting the outdoor use of sound amplifying equipment after 10:00 p.m. 78. Each of the Owner Defendants has entered into agreements with Nightfall and/or Jabli to conduct short-term rental activities at their properties, and have engaged in conduct in

All Defendants have engaged and continue to engage in unlawful business

All Defendants have engaged and continue to engage in unlawful business

- 79. Additionally, or in the alternative, the Owner Defendants have aided and abetted violations of the STR Ordinance by the Nightfall Defendants. 80.
- Defendants Nightfall, Jabli, and Ayzenberg have engaged and continue to engage in unlawful business practices by operating more than one short-term rental unit in the City at a time.
- 81. Nightfall has engaged and continues to engage in unlawful business practices by processing or booking transactions for short-term rentals for hosts who do not have a valid

home-sharing registration number or a pending registration status number issued by the City at the time the booking transaction was processed or completed.

- 82. All Defendants have engaged and continue to engage in unlawful business practices by renting, leasing, or otherwise being in charge of residences in the City where Loud or Unruly Gatherings occur in violation of the Party House Ordinance.
- 83. The Owner Defendants have also engaged and continue to engage in unlawful business practices as the owners of residences where Loud or Unruly Gatherings occur in violation of the Party House Ordinance.
- 84. The Nightfall Defendants have also engaged and continue to engage in unlawful business practices by organizing, sponsoring, hosting, and/or aiding and abetting Loud or Unruly Gatherings at residences in the City.
- 85. Further, Defendants engage and continue to engage in unfair business practices. Defendants' violations of the Ordinances described herein are immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers, and the harm caused to the public by the proliferation of illegal short-term rentals and party houses outweighs the utility of Defendants' conduct.
- 86. Defendants Jabli and Ayzenberg are also individually liable for the acts alleged in this Complaint. Defendant Jabli is the CEO and founder of Nightfall, and designed Nightfall's unlawful business model. He personally directed and participated in all of Nightfall's illegal conduct in violation of the UCL outlined in this Complaint, including but not limited to developing Nightfall's inventory of "villas" and executing leases between Nightfall and owners of the "villas," coordinating with Nightfall's landlords to schedule short-term rentals, and on information and belief, approving the listings on Nightfall's website and soliciting property owners to convert residential homes into short-term "villas" for Nightfall's use.
- 87. Defendant Ayzenberg is the trustee for the Trust that owns the Donella Mansion. He personally participated in the illegal conduct prohibited by the UCL by leasing property to Nightfall with the knowledge and intent that the property would be used as part of Nightfall's

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business model, and coordinating with Nightfall representatives to negotiate, schedule, and book short-term rentals.

88. Unless enjoined, Defendants will continue to violate the UCL as described above.

## **SECOND CAUSE OF ACTION**

#### **PUBLIC NUISANCE**

#### AGAINST ALL DEFENDANTS

- 89. Plaintiff incorporates herein by reference all preceding allegations as though fully set forth herein.
- 90. Plaintiff asserts this cause of action pursuant to Code of Civil Procedure section 731 to enjoin the creation of a public nuisance by Defendants' conduct.
- 91. Any "violation of any provision of" the Los Angeles Municipal Code "is declared to be a public nuisance." LAMC § 11.00(l). Defendants' violations of the STR Ordinance and the Party House Ordinance thus constitute a public nuisance.
- 92. Additionally, or in the alternative, the Nightfall Defendants' conduct in hosting, organizing, managing, sponsoring, causing, permitting, aiding, abetting, and/or suffering parties and other large events at residential properties unreasonably interferes with public health and with rights common to the general public, including the free passage or use of public streets, and the quiet and peaceful enjoyment of residential neighborhoods. This interference occurs in the City and harms a considerable number of City residents.
- 93. Additionally, or in the alternative, the Owner Defendants' conduct in permitting, aiding, abetting, and/or suffering parties and other large events at residential properties unreasonably interferes with public health and with rights common to the general public, including the free passage or use of public streets, and the quiet and peaceful enjoyment of residential neighborhoods. This interference occurs in the City and harms a considerable number of City residents.
- 94. Unless enjoined, Defendants will continue to create a public nuisance as described above.

1	PRAYER FOR RELIEF			
2	Wherefore, Plaintiff prays that:			
3	1.	Defendants be enjoined from engaging in short-term rental activity in the City,		
4		except as specifically a	authorized by the STR Ordinance;	
5	2.	Defendants be enjoined	d from organizing, sponsoring, permitting, aiding and	
6		abetting, or otherwise t	facilitating Loud or Unruly Gatherings in the City;	
7	3.	Defendants be assessed a civil penalty of up to \$2,500 for each violation of the		
8		UCL described above;		
9	4.	Plaintiff recover the costs of this action; and		
10	5.	Plaintiff be granted suc	ch other and further relief as this Court may deem to be just	
11		and proper.		
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14	Da	Dated: August 10, 2023 Respectfully submitted,		
15			OFFICE OF THE LOS ANGELES CITY ATTORNEY	
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17			By:	
18			TIFFANY TEJEDA-RODRIGUEZ Deputy City Attorney	
19			Attorneys for Plaintiff,	
20			THE PEOPLE OF THE STATE OF CALIFORNIA	
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