Martin Luther King - Marcus Garvey Apartments, Incorporated

1680 Eddy Street, San Francisco, CA 94115 Tel: 415 902-1009/FAX: 415 921-8141

July 7, 2026

Subject: Martin Luther King-Marcus Garvey
Cooperative Apartments, Inc.
1680 Eddy Street
San Francisco, CA 94115

RE: Fraud, Waste, and Mismanagement some Board Members, Domus Management and HUD's failure to properly provide oversight and protect shareholders residents rights.

HUD Project #: 121-35654

C/O: Monique Crayton, Clerk
Government Audit & Oversight Committee
San Francisco Board of Supervisors
City and County of San Francisco - City Hall
1 Dr. Carlton B Goodlett PL, San Francisco, CA 94102
TEL: (415) 554-7750 / EMAIL: monique.crayton@sfgov.org

Dear Supervisor Sherrill and Supervisor Mahmood:

We write to you as concerned residents, co-op owners and board members of one the first housing developments built in San Francisco, known as the Martin Luther King- Marcus Garvey Cooperative Apartments Incorporated. Unfortunately, our cooperative historically has been plagued by ongoing corruption among board members, mismanagement by management agencies, and total neglect by the one agency responsible for oversight agency San Francisco's HUD Regional office.

The recent outrage by the attempted evictions of seniors from our co-op King-Garvey disclosed by the media is proof that we need a hearing within your committee along with a comprehensive investigation by either our District Attorney or Inspector General office.

We have attached a list of code violations of city codes, states laws and HUD regulations to this letter for your reference.

We as board of directors humbly request for you Supervisor Sherrill and Supervisor Mahmood to consider calling a hearing as soon as possible and writing a formal letter to the District Attorney and Inspector General (IG) office to conduct an audit and immediate investigation.

Thank you.

Sincerely,
Daniel B. Landry
Daniel B. Landry,
Board of Director

Sincerely,
Martina Roland
Martina Roland,
Board of Director

Sincerely,
Quincy Collins
Qunicy Collins,
Board of Director

cc: Supervisor Rafael Mandelman, Board President
San Francisco Board of Supervisors
Attorney Alexander Shepard, Inspector General (IG)

MARTIN LUTHER KING-MARCUS GARVEY COOPERATIVE APARTMENTS, INC.

Submitted by: Board Members & Shareholders Residents Daniel Landry,
Martina Roland and Quincy Collins Jr.

Dated: July 9, 2026

RE: A pattern of Fraud, Waste, Mismanagement by Domus Management Agent, some Board Members, and the failure of oversight by HUD’s San Francisco Regional Office

Management Mismanagement:

- **<u>Failing to provide annual IRS tax Form 1098 Mortgage Statements to Shareholders</u>;**

- **<u>Operating under outdated and illegal Corporations Bylaws</u>:**

Attorney Mercedes Gavin Interferring:

<u>Attorney Communications with the Board</u>: For most associations, making the president and the manager the points of contact for the attorney is a common-sense way to keep legal expenses under control. Otherwise, allowing five directors to call and speak with the attorney will significantly increase legal fees. Moreover, the attorney may receive conflicting instructions from five directors. Accordingly, most boards designate the president to act as liaison with the attorney to avoid conflicting instructions and unnecessary legal fees. The president, however, cannot block requests for legal guidance on issues. If, during a board meeting, a director requests a legal opinion on an issue and a majority of the directors support that request, the president cannot overrule it. The director requesting the legal opinion can also vote on his request.

- **<u>Avoiding Conflicts of Interest</u>:**

To avoid conflicts of interest, the association’s lawyer does not represent individual directors, homeowners, or the management company. If a dispute erupted between the association and the management company, the attorney would have to recuse him/herself from representing either client. As legal counsel to an association, a lawyer should never represent other persons or entities that could have conflicting interests with the association. When hiring legal counsel to represent the association, boards should ask whether the counsel represents management companies. If the attorney does, he/she will likely put the management company’s interests ahead of the association’s. Boards should drop that attorney from consideration.

- **<u>Stock Certificates</u>:**

An owner's interest in the corporation is evidenced by shares of stock or a certificate of membership. If a person borrows money from a bank to purchase shares of stock, the shares are typically held by the bank as collateral for the loan.

HUD PATTERN FAILURE TO GIVE OVERSIGHT TO KING-GARVEY PROPERTY:

- **December 24, 2021**: Petition from King-Garvey Shareholders calling for former management agent Caritas Management Agent. No response or action taken.

- **December 25, 2025:** Shareholder Daniel Landry lawsuit win against King-Garvey Board of directors for the Failure to provide copies and inspect records case #: HUD no response.

- **HUD Regulation 4381.5 REV-2:** (3) (4) Failure to Adequately Maintain the Physical Condition of the Property. If an owner/agent has received proper notice of a deficient physical condition and failed to take the necessary action to correct the problem, the owner/agent may be considered in violation of the applicable HUD agreement/contract. EXAMPLE: A physical inspection of a Section 8 Substantial Rehabilitation project revealed electrical hazards and inadequate heating. If the owner agent failed to take the corrective actions specified in the notice from HUD within the required time period, the owner agent would be in violation of the project's HAP Contract. Failure to Follow Proper ManagementPractices, if an owner/agent receives an unsatisfactory rating during a HUD management review and does not take the necessary actions to improve management performance at the project, the owner/agent owner/agent may be considered in violation of the applicable HUD agreement/contract.

- **(5) C. Failure to Observe Fair Housing/Equal Opportunity Requirements.** If the owner/agent is found to have discriminated against applicants or tenants on the grounds of race, color, creed, national origin, gender, age, or familial status, the owner/agent may be considered in violation of the applicable HUD agreement/contr

- **4.3 DEVELOPING A COLLABORATIVE RELATIONSHIP** a. Residents and resident organizations can be invaluable allies for owners/agents and should be given the opportunity to voice their views and concerns. Toward this end, HUD encourages owners/agents to go beyond the minimum requirements for resident involvement and take the following steps. (1) (2) Foster Enhanced Communication Between Residents and Both On-Site and Central Office Management. Owners/agents are encouraged to request constructive comments and suggestions from residents. Resident suggestions often reveal cost-effective ways to reduce maintenance problems or improve security at the property. Increase Resident Access to Management. Steps that give residents greater access to managers help encourage resident input and increase (4) the likelihood that owners/agents will find out about problems before they become severe. Ensure that Proper Consideration and Acknowledgement to Resident Input is Given. When residents offer their input, they need to know that their input is taken seriously or they will often stop contributing their comments. Owners/agents are encouraged to follow up with residents to show them that their views were considered. Emphasize the importance of Promotion Resolving Problems. Encouraging on-site staff to respond to resident complaints promptly will send the message that responding to resident concerns is important. Owners/agents can help ensure that the people who have regular interaction with residents are aware of these issues and understand that the owner/agent takes these concerns seriously. Toward this end, owners/agents should establish a system to track resident complaints/service requests and communicate resident concerns to all on-site staff.

The owner is ultimately responsible for meeting resident notifications and comment requirements. However, management agents are expected to comply with these requirements to the extent that they are obligated to perform this function as a condition of their management contract and, in any event, to make their best effort to follow resident notification and comment procedures. HUD regulations regarding resident input also establish that owners and their agents must not take any actions that would hinder proper notification or resident input. HUD will respond in writing within 30 days to written comments submitted by a legitimate, independent resident association regarding proposed owner actions requiring HUD approval.

- **4.7 ADDRESSING RESIDENT SERVICE REQUESTS/COMPLAINTS** Resident representatives may request a meeting with Area Office representatives, prior to any final action by HUD on a. b. c. Owner/Agent Responsibility.

HUD expects owners/agents to respond to valid resident requests involving concerns about conditions or•quality of life at the project, and to resolve all significant or recurring problems. (1) (2) Whenever possible, owners/agents should take immediate action to address problems or concerns registered by residents. Owners/agents should provide a copy of any written request or complaint received from a resident or resident association to the person filing the request/complaint.

- **HUD's Response to Notice of Resident Concerns/Complaints**. While HUD will monitor the level of consideration given to resident concerns, it will not become intricately involved in the resolution of routine complaints. (1) (2) If HUD receives a complaint from a resident, Loan/Asset Management staff will notify the owner/agent of the problem. Upon notification of a complaint, owners/agents should take immediate action to address the problem. HUD may require the owner/agent to provide information about the resolution of the problem. If HUD discovers an ongoing high level of resident complaints over several months, Loan/Asset Management staff should perform a nonscheduled management review of the project's operations.

- **8 HUD OVERSIGHT: A. HUD Response to Tenant Complaints.** Loan/Asset Management staff are expected to ensure that owners/agents are responding to resident concerns. (1) (2) (3) (4) Loan/Asset Management staff should have a system in place to formally notify management agents and/or owners when a resident complaint is received. Valid resident complaints forwarded by other agencies, as well as those discovered during on-site reviews or sent directly to HUD, should be addressed by Loan/Asset Management staff. In the event Loan/Asset Management staff believe an owner/agent is not responding to resident complaints, they should conduct an on-site review to assess the situation and take appropriate action to ensure that identified problems are addressed. If a complaint appears to involve discrimination, Loan/Asset Management staff must contact Fair Housing and Equal Opportunity staff for guidance on how to proceed. Initial requests for guidance from FHEO should be made in writing and describing the basic allegation(s). Loan/Asset Management staff should consult with the Resident Initiatives Specialist (R1S) regarding resident/management relations at the project and the circumstances surrounding resident complaints. Repetitive complaints, including complaints regarding harassment of residents or residents associations who attempt to exercise their rights should be viewed as an indicator that the project may be in trouble. In the event that Loan/Asset Management staff believe an owner/agent is not responding to resident complaints, they should conduct an on-site review to assess the situation and take appropriate action to ensure that identified problems are addressed. Note: When HUD's automated Early Warning System becomes available, Loan/Asset Management staff should use the system 4-7 12/94 4381.5 REV-2 (5) (6) b. to aid in performing monitoring and follow-up activities concerning resident/management relations. A great deal of judgement is involved in separating routine from non routine complaints. The Director of Housing for the Area Office should be consulted if Loan/Asset Management staff require guidance in this area. There are certain circumstances where Loan/Asset Management staff should not become actively involved in resolving a problem. Loan/Asset Management staff should refrain from involvement in: (a) (b) (c) (d) Disputes involving third parties; Suits brought by residents against owners/agents, or vice versa; Eviction matters; and Interpretations of local laws and ordinances.

- **12600. INSPECT & COPY RECORDS:**
  (a) Subject to Sections 12601 and 12602 and unless the corporation provides a reasonable alternative pursuant to subdivision (c), a member may do either or both of the following as permitted by subdivision (b):(1) Inspect and copy the record of all the members' names, addresses, and voting rights, at reasonable times, upon five business days' prior written demand upon the corporation which demand shall state the purpose for which the inspection rights are requested; or this is also the position taken by the California State Bar in Rule 3-600(A) of the Rules of Professional Conduct: "In representing an organization, a member shall conform his or her representation to the concept that the client is the organization itself, acting through its highest authorized officer, employee, body, or constituent overseeing the particular engagement."
  As a result, even though members pay the attorney's legal fees through their assessments, members do not have the right to call or email the association's attorney with questions. Nor can directors presume the attorney represents them individually: "In representing a corporation, an attorney's client is the corporate entity, not the individual shareholders or directors, and the individual shareholders or directors cannot presume that corporate counsel is protecting their interests." (*La Jolla Cove v. Superior Court* (2004) 121 Cal.App.4th 773

- **CHAPTER 16. Rights of Inspection [1600 - 1605]** *(Chapter 16 added by Stats. 1975, Ch. 682.)*

  (a) (1) The accounting books, records, and minutes of proceedings of the shareholders and the board and committees of the board of any domestic corporation, and of any foreign corporation keeping any records in this state or having its principal office in California, or a true and accurate copy thereof if the original has been lost, destroyed, or is not normally physically located within this state shall be open to inspection at the corporation's principal office in California, or if none, at the physical location for the corporation's registered agent for service of process in this state, upon the written demand on the corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as the holder of a voting trust certificate. (2) As an alternative to the procedure in subdivision (a), the shareholder or holder of a voting trust certificate may elect to request that the corporation produce the books, records, and minutes by mail or electronically, if the shareholder or holder of a voting trust certificate pays for the reasonable costs for copying or converting the requested documents to electronic format.

  (3) The right of inspection created by this subdivision shall extend to the records of each subsidiary of a corporation subject to this subdivision. (b) The inspection by a shareholder or holder of a voting trust certificate may be made in person or by agent or attorney, and the right of inspection includes the **right to copy and make extracts**. The right of the shareholders to inspect the corporate records may not be limited by the articles or bylaws.

(Amended by Stats. 2022, Ch. 617, Sec. 29. (SB 1202) Effective January 1, 2023.)