

File No. 140567

Committee Item No. \_\_\_\_\_

Board Item No. 37

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

Date \_\_\_\_\_

Board of Supervisors Meeting

Date June 3, 2014

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- Complaint \_\_\_\_\_
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- \_\_\_\_\_

Completed by: John Carroll Date May 29, 2014

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Urging Department of Public Health To Divest From Buildings Owned by the Thakor Family  
2 Due to Building Code Violations]

3 **Resolution urging the Department of Public Health to divest all City and County of San**  
4 **Francisco resources from buildings owned and/or operated by the Thakor Family that**  
5 **have a history of building code violations or outstanding notices of violation, in the**  
6 **most expeditious and responsible manner possible, as well as developing and**  
7 **implementing a plan to relocate tenants currently still residing in these buildings.**  
8

9 WHEREAS, Single Room Occupancy (SRO) hotels offer housing of last resort for  
10 significant numbers of the most vulnerable San Francisco residents, including seniors,  
11 persons with disabilities, and others on low and/or fixed incomes; and

12 WHEREAS, The Thakor family owns, manages, operates, and maintains at least 15  
13 SRO hotels in the Tenderloin, South of Market, mid-Market, and Mission neighborhoods,  
14 including the Admiral Hotel, Aldrich Hotel, Auburn Hotel, Balboa Hotel, Best Inn, Bristol Hotel,  
15 Budget Inn, Civic Center Hotel, Hotel Krupa, Jalaram Hotel, Kean Hotel, Kiran Hotel, Page  
16 Hotel, Warfield Hotel, and the Winton Hotel; and

17 WHEREAS, The Thakor family contracted with the City to provide publicly-funded  
18 transitional housing, obligating them to provide "clean, safe, habitable conditions"; and

19 WHEREAS, The Thakor family has defrauded the city by billing taxpayers for the  
20 provision of "clean, safe, habitable conditions" for tenants when in fact they have engaged in a  
21 pattern and practice of violating health, safety, and building codes designed to protect  
22 residents' health, safety and tenancy rights, including but not limited to the practice of "musical  
23 rooms," which entails forcing occupants to vacate their rooms before accumulating 30  
24 consecutive days of residency, thereby preventing tenants from acquiring tenancy rights and  
25

1 is illegal under both state and local law; willfully allowing bedbug, cockroach and rodent  
2 infestations and severe mold and mildew in bathrooms and residential rooms; insufficient  
3 smoke detectors and defective and missing fire sprinklers; inoperable elevators and  
4 inadequate heat and bathroom facilities; raw sewage leaks; and hazardous dispersal of lead  
5 paint chips and dust during unlicensed construction work; and

6 WHEREAS, The Thakor family continues to submit claims to the City for payments  
7 under the aforementioned City contracts, falsely representing that their residential rooms are  
8 safe and habitable, when in fact many of the rooms in the above-mentioned hotels do not  
9 meet the minimum requirements of state and local habitability laws; and

10 WHEREAS, The Department of Public Health continues to make payments to the  
11 Thakor family, who remain in material breach of the City contracts requiring compliance with  
12 state and local law, and who continue to demonstrate an appalling pattern of unlawful  
13 conduct; and

14 WHEREAS, The longstanding and continuing violations of state and local laws  
15 designed to protect residents' health, safety and tenancy rights, by the Thakor family has  
16 resulted in the filing of a civil action by the City against the members of the Thakor family and  
17 their business affiliates for the above-detailed wrongdoing; and

18 WHEREAS, *The City and County of San Francisco and People of the State of*  
19 *California v. Balvantsinh "Bill" Thakor, et al.*, San Francisco Superior Court No. 539230 was  
20 filed on May 12, 2014, and is on file with the Clerk of the Board of Supervisors in File No.  
21 140567, which is hereby declared to be a part of this resolution as if set forth fully herein; now,  
22 therefore, be it

23 RESOLVED, That the San Francisco Board of Supervisors strongly urges the  
24 Department of Public Health to divest all City resources, investments, and financial contracts  
25

1 related to the sub-standard SRO hotels owned and/or operated by the Thakor family and their  
2 associates that are named in the above-titled civil action; and, be it

3 FURTHER RESOLVED, That the Department of Public Health is directed to catalog all  
4 the SRO hotels, including ownership, that have a history of, or outstanding, health, safety, and  
5 building code violations and establish a plan to similarly divest City resources, investments,  
6 and financial contracts related to these sub-standard SRO hotels; and, be it

7 FURTHER RESOLVED, That the Department of Public Health is exhorted to develop  
8 and implement a plan to relocate all tenants who are currently still residing in substandard  
9 residential rooms in the SRO hotels named in the City's civil action, *The City and County of*  
10 *San Francisco and People of the State of California v. Balvantsinh "Bill" Thakor, et al.*, San  
11 Francisco Superior Court No. 539230, and into residential placements that are clean,  
12 habitable, and safe.

ENDORSED  
FILED  
Superior Court of California  
County of San Francisco

MAY 12 2014

CLERK OF THE COURT  
Superior Court of California, County of San Francisco  
BY: \_\_\_\_\_ DEPUTY CLERK

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7 PEOPLE OF THE STATE OF CALIFORNIA AND  
CITY AND COUNTY OF SAN FRANCISCO

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 COUNTY OF SAN FRANCISCO

10 UNLIMITED JURISDICTION

11 CITY AND COUNTY OF SAN FRANCISCO,  
12 a Municipal Corporation, and the PEOPLE OF  
THE STATE OF CALIFORNIA, by and  
13 through DENNIS J. HERRERA, City Attorney  
for the City and County of San Francisco,

14 Plaintiffs,

15 vs.

16 BALVANTSINH "BILL" THAKOR, an  
17 individual; KIRANSINH THAKOR, an  
individual; BAHAVASINH THAKOR, an  
18 individual; LATABEN B. THAKOR, an  
individual; 56 MASON, LLC; BALBOA  
19 HOTEL, LLC; CIVIC CENTER HOTEL, LLC;  
KEAN HOTEL, LLC; SHREE JALABAPA  
20 HOTEL, LP; SHREE JALARAM, LLC;  
SHREE JALARAM HOTEL, LP; SHREE  
21 JALARAM LODGING, LP; SHREE  
JALARAMBAPA HOTEL, LP; TKB  
22 INVESTMENTS, LLC; TKB INVESTMENTS,  
LP; URAVI, LLC; WINTON HOTEL, LLC;  
23 and DOE ONE through DOE FIFTY, inclusive,

24 Defendants.

Case No.

CGC 14-539230

COMPLAINT FOR INJUNCTIVE RELIEF, CIVIL  
PENALTIES, RESTITUTION, AND DAMAGES  
WITH EXHIBITS A THROUGH D [PART ONE  
OF TWO]

Type of Case: Antitrust/Trade regulation (03)

25 The CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, and the PEOPLE  
26 OF THE STATE OF CALIFORNIA, by and through San Francisco City Attorney DENNIS J.  
27 HERRERA, ("Plaintiffs") file their Complaint against DEFENDANTS BALVANTSINH "BILL"  
THAKOR (hereinafter "BILL THAKOR"), an individual; KIRANSINH THAKOR, an individual;

1 BHAVASINH THAKOR , an individual; LATABEN B. THAKOR, an individual; 56 MASON,  
2 LLC; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; SHREE  
3 JALABAPA HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM HOTEL, LP; SHREE  
4 JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC;  
5 TKB INVESTMENTS, LP; URAVI, LLC; and WINTON HOTEL, LLC and DOE ONE THROUGH  
6 DOE FIFTY, inclusive.

7 Plaintiffs hereby allege as set forth below:

8 **INTRODUCTION**

9 1. Single-room occupancy (“SRO”) residential hotels (“SRO hotels”) provide housing of  
10 last resort for significant numbers of vulnerable San Francisco residents, including seniors, persons  
11 with disabilities, and others on low or fixed incomes.

12 2. This action arises out of Defendants' unlawful, unfair and fraudulent business practices  
13 relating to their ownership, management, operation and maintenance of multiple, SRO hotel properties  
14 (“Defendants’ Properties”) in San Francisco, California, over the last four years. During that time,  
15 Defendants have been responsible for over 880 rooms in at least 15 SRO hotels, including the  
16 following:

- 17 • Admiral Hotel, 608 O’Farrell Street – 30 rooms;
- 18 • Aldrich Hotel, 439 Jones Street – 35 rooms;
- 19 • Auburn Hotel, 481 Minna Street – 78 rooms;
- 20 • Balboa Hotel, 120 Hyde Street – 32 rooms;
- 21 • Best Inn, 162 Taylor Street – 28 rooms;
- 22 • Bristol Hotel, 56 Mason Street – 59 rooms;
- 23 • Budget Inn (formerly National Hotel), 1139 Market Street – 94 rooms;
- 24 • Civic Center Hotel, 20 – 12th Street – 156 rooms;
- 25 • Hotel Krupa, 700 Jones Street – 25 rooms;
- 26 • Jalaram Hotel, 868 Valencia Street – 24 rooms;
- 27 • Kean Hotel, 1018 Mission Street – 75 rooms;
- 28 • Kiran Hotel (a/k/a Crystal Hotel or Royal Hotel), 130 Eddy Street – 38 rooms;

- Page Hotel, 161 Leavenworth Street – 35 rooms;
- Warfield Hotel, 118 Taylor Street – 62 rooms;
- Winton Hotel, 445 O'Farrell Street – 110 rooms.

3. Defendants are owners or have ownership interests in multiple residential SRO hotel buildings in San Francisco, or are agents of the owners who manage, maintain, and/or operate said buildings on behalf of the owners.

4. As described in further detail below, Defendants' unlawful, unfair and fraudulent business practices include: failing to make repairs necessary to maintain Defendants' Properties in a safe, habitable, and code compliant condition; maintaining Defendants' Properties in a state that constitutes an ongoing public nuisance and a blight on the surrounding neighborhoods; demanding and receiving rents from low-income, vulnerable tenants for residential units that are legally required to be habitable, while instead providing residential units that are not habitable; depriving occupants of SRO Hotels of tenancy rights in violation of law; contracting with the City to provide safe, habitable, code compliant residential housing units for vulnerable, low-income tenants, but instead providing units that are not safe, habitable or code compliant; and doing construction and remodeling work at Defendants' Properties without requisite permits and/or using unlicensed contractors.

5. By owning, operating, managing, and maintaining multi-unit residential hotels in the above manner, Defendants have been and are engaged in a conspiracy to violate local and state health and safety laws; laws designed to protect residential tenants and consumers; laws prohibiting false claims in local government contracting; as well as in a conspiracy to engage in unfair, unlawful, and fraudulent business practices in violation of Business and Professions Code Sections 17200-17210 (the "Unfair Competition Law").

6. Plaintiffs seek in this Complaint to enjoin Defendants' future violations of law; for an award of civil penalties against Defendants for past and ongoing violations of law; for treble damages for their submission of false claims for payment by the City; and for restitution of any money or property, real or personal, they obtained through their unfair and unlawful business acts and practices.

**PARTIES AND SUBJECT PROPERTIES**

Plaintiffs

7. Plaintiff CITY AND COUNTY OF SAN FRANCISCO (the "CITY" or "CCSF") is a municipal corporation organized and existing under and by virtue of the laws of the State of California, and is a city and county.

8. The CITY brings this action pursuant to the State Housing Law; Civil Code Sections 3479, 3480, 3491, 3494; Code of Civil Procedure Section 731; Government Code Section 12652; and the San Francisco Housing, Building, Health and Administrative Codes.

9. Plaintiff PEOPLE OF THE STATE OF CALIFORNIA (the "PEOPLE"), by and through San Francisco City Attorney Dennis J. Herrera, brings this action pursuant to the Business and Professions Code Sections 17200-17210, Civil Code Sections 3479, 3480, 3491, and 3494, and Code of Civil Procedure Section 731.

THAKOR FAMILY Defendants

10. DEFENDANTS BALVANTSINH "BILL" THAKOR ("BILL THAKOR"), KIRANSINH THAKOR, BAHAVASINH THAKOR, and LATABEN B. THAKOR (hereinafter, the "THAKOR FAMILY") are, and at all relevant times were, the managers, operators, maintainers, owners, affiliates and/or agents of multiple, SRO residential hotel buildings within the City and County of San Francisco, both individually and operating as a partnership, including operating through the business entities named as Defendants in this action.

11. DEFENDANTS BALVANTSINH "BILL" THAKOR and LATABEN B. THAKOR are related as husband and wife, and DEFENDANTS KIRANSINH THAKOR and BAHAVASINH THAKOR are their sons.

12. The THAKOR FAMILY operates as a business unit, with individual family members consulting other members of the THAKOR FAMILY in making business decisions, and also operates through multiple business entities of which members of the THAKOR FAMILY are controlling partners, members, shareholders, and/or officers, including 56 MASON, LLC; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; SHREE JALABAPA HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM HOTEL, LP; SHREE JALARAM LODGING, LP;



1 SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC; TKB INVESTMENTS, LP;  
2 URAVI, LLC; and WINTON HOTEL, LLC.

3 Business Entity Defendants

4 13. DEFENDANT 56 MASON, LLC is, and at all relevant times was, a limited liability  
5 company formed and operating under the laws of the State of California, and a manager, operator,  
6 maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County of San  
7 Francisco, including the Bristol Hotel at 56 Mason Street. 56 MASON, LLC's business address is 116  
8 Taylor Street San Francisco, California 94102.

9 14. DEFENDANT 56 MASON, LLC at all relevant times acted as an alter ego of the  
10 THAKOR FAMILY.

11 15. DEFENDANT BALBOA HOTEL, LLC is, and at all relevant times was, a limited  
12 liability company formed and operating under the laws of the State of California, and a manager,  
13 operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County  
14 of San Francisco, including the Balboa Hotel at 120 Hyde Street. BALBOA HOTEL, LLC's business  
15 address is 116 Taylor Street San Francisco, California 94102.

16 16. DEFENDANT BALBOA HOTEL, LLC at all relevant times acted as an alter ego of  
17 the THAKOR FAMILY.

18 17. DEFENDANT CIVIC CENTER HOTEL, LLC is, and at all relevant times was, a  
19 limited liability company formed and operating under the laws of the State of California, and a  
20 manager, operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City  
21 and County of San Francisco, including the Civic Center Hotel located at 20 – 12th Street. CIVIC  
22 CENTER HOTEL, LLC's business address is 116 Taylor Street San Francisco, California 94102.

23 18. DEFENDANT CIVIC CENTER HOTEL, LLC at all relevant times acted as an alter  
24 ego of the THAKOR FAMILY.

25 19. DEFENDANT KEAN HOTEL, LLC is, and at all relevant times was, a limited liability  
26 company formed and operating under the laws of the State of California, and a manager, operator,  
27 maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County of San  
28 Francisco, including the Kean Hotel located at 1018 Mission Street. KEAN HOTEL, LLC's business

1 address is 116 Taylor Street San Francisco, California 94102.

2 20. DEFENDANT KEAN HOTEL, LLC at all relevant times acted as an alter ego of the  
3 THAKOR FAMILY.

4 21. DEFENDANT SHREE JALABAPA HOTEL, LP is, and at all relevant times was, a  
5 limited partnership company formed and operating under the laws of the State of California, and a  
6 manager, operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City  
7 and County of San Francisco, including the Jalaram Hotel at 868 Valencia Street. SHREE  
8 JALABAPA HOTEL, LP'S business address is 116 Taylor Street San Francisco, California 94102.

9 22. DEFENDANT SHREE JALABAPA HOTEL, LP at all relevant times acted as an alter  
10 ego of the THAKOR FAMILY.

11 23. DEFENDANT SHREE JALARAM, LLC is, and at all relevant times was, a limited  
12 liability company formed and operating under the laws of the State of California, and a manager,  
13 operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County  
14 of San Francisco, including the Hotel Krupa at 700 Jones Street. SHREE JALARAM, LLC's business  
15 address is 116 Taylor Street San Francisco, California 94102.

16 24. DEFENDANT SHREE JALARAM, LLC at all relevant times acted as an alter ego of  
17 the THAKOR FAMILY.

18 25. DEFENDANT SHREE JALARAM HOTEL, LP is, and at all relevant times was, a  
19 limited liability company formed and operating under the laws of the State of California, and a  
20 manager, operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City  
21 and County of San Francisco, including the Bristol Hotel at 56 Mason Street. SHREE JALARAM  
22 HOTEL, LP's business address is 116 Taylor Street San Francisco, California 94102.

23 26. DEFENDANT SHREE JALARAM HOTEL, LP at all relevant times acted as an alter  
24 ego of the THAKOR FAMILY, including BILL THAKOR AND LATABEN THAKOR.

25 27. DEFENDANT SHREE JALARAM LODGING, LP is, and at all relevant times was, a  
26 limited partnership company formed and operating under the laws of the State of California, and a  
27 manager, operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City  
28 and County of San Francisco, including the Budget Inn at 1139 Market Street. SHREE JALARAM

1 LODGING, LP'S business address is 116 Taylor Street San Francisco, California 94102.

2 28. DEFENDANT SHREE JALARAM LODGING, LP at all relevant times acted as an  
3 alter ego of the THAKOR FAMILY, including BILL THAKOR and KIRANSINH THAKOR.

4 29. DEFENDANT SHREE JALARAMBAPA HOTEL, LP is, and at all relevant times  
5 was, a limited partnership company formed and operating under the laws of the State of California,  
6 and a manager, operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the  
7 City and County of San Francisco, including the Kean Hotel at 1018 Mission Street. SHREE  
8 JALARAMBAPA HOTEL, LP'S business address is 116 Taylor Street San Francisco, California  
9 94102.

10 30. DEFENDANT SHREE JALARAMBAPA HOTEL, LP at all relevant times acted as an  
11 alter ego of the THAKOR FAMILY, including BILL THAKOR AND LATABEN THAKOR.

12 31. DEFENDANT TKB INVESTMENTS, LLC is, and at all relevant times was, a limited  
13 liability company formed and operating under the laws of the State of California, and a manager,  
14 operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County  
15 of San Francisco, including the Winton Hotel at 445 O'Farrell Street. TKB INVESTMENTS, LLC'S  
16 business address is 116 Taylor Street San Francisco, California 94102.

17 32. DEFENDANT TKB INVESTMENTS, LLC at all relevant times acted as an alter ego  
18 of the THAKOR FAMILY, including BILL THAKOR.

19 33. DEFENDANT TKB INVESTMENTS, LP is, and at all relevant times was, a limited  
20 partnership company formed and operating under the laws of the State of California, and a manager,  
21 operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County  
22 of San Francisco, including the Budget Inn at 1139 Market Street. TKB INVESTMENTS, LP'S  
23 business address is 116 Taylor Street, San Francisco, California 94102.

24 34. DEFENDANT TKB INVESTMENTS, LP at all relevant times acted as an alter ego of  
25 the THAKOR FAMILY, including BILL THAKOR and KIRANSINH THAKOR.

26 35. DEFENDANT URAVI, LLC is, and at all relevant times was, a limited liability  
27 company formed and operating under the laws of the State of California, and a manager, operator,  
28 maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County of San

1 Francisco, including the Kiran Hotel at 130 Eddy Street. URAVI, LLC'S business address is listed  
2 variously as 130 Eddy Street, San Francisco California 94102, and 868 Valencia Street, San Francisco,  
3 California 941 10 (the same address where the Jalaram Hotel is located).

4 36. DEFENDANT URAVI, LLC at all relevant times acted as an alter ego of the  
5 THAKOR FAMILY, including BILL THAKOR.

6 37. DEFENDANT WINTON HOTEL, LLC is, and at all relevant times was, a limited  
7 liability company formed and operating under the laws of the State of California, and a manager,  
8 operator, maintainer, owner, affiliate and/or agent of SRO hotel buildings within the City and County  
9 of San Francisco, including the Winton Hotel at 445 O'Farrell Street. WINTON HOTEL, LLC's  
10 business address is 116 Taylor Street San Francisco, California 94102.

11 38. WINTON HOTEL, LLC at all relevant times acted as an alter ego of the THAKOR  
12 FAMILY, including BILL THAKOR.

13 39. Defendants DOE ONE through DOE FIFTY are sued herein under fictitious names.  
14 Plaintiff do not at this time know the true names or capacities of said defendants, but pray that the  
15 same may be inserted herein when ascertained.

16 Alter Ego Allegations

17 40. There exists a unity of interest and ownership between and among the individual  
18 members of the THAKOR FAMILY and business entity Defendants 56 MASON, LLC; BALBOA  
19 HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; SHREE JALABAPA  
20 HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM HOTEL, LP; SHREE JALARAM  
21 LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC; TKB  
22 INVESTMENTS, LP; URAVI, LLC; and WINTON HOTEL, LLC, such that any individuality and  
23 separateness between these Defendants have ceased and each is an alter-ego of the other. At all times  
24 mentioned herein, each of these Defendants has committed acts establishing alter ego liability  
25 including but not limited to: the use of the same office or business location; the employment of the  
26 same employees and attorney; the failure to adequately capitalize and/or the total absence of  
27 capitalization; the use of the business entity as a mere shell, instrumentality or conduit for a single  
28 venture or the business of an individual or another business entity; the concealment and

1 misrepresentation of the identity of the responsible ownership, management and financial interest; the  
2 disregard of legal formalities and the failure to maintain arms-length relationships with other  
3 Defendants; sole ownership of all the stock by one individual or members of one family; confusion of  
4 business records of the separate Defendants; and the co-mingling of funds and assets and the  
5 unauthorized diversion of funds and assets for other than business entity uses. As such, adherence to  
6 the fiction of the separate existence of each Defendant as an entity distinct from each other would  
7 permit an abuse of the corporate, LP and LLC privileges and would promote injustice. Each  
8 Defendant was but an instrumentality or conduit of the other in the prosecution of a single venture,  
9 namely the management, ownership and operation of residential SRO hotel buildings. Therefore, it  
10 would be inequitable for any Defendant to escape liability for an obligation incurred as much for that  
11 Defendant's benefit as for the other Defendants.

12 41. DEFENDANT BILL THAKOR, individually or through other members of the  
13 THAKOR FAMILY, at all times relevant herein, was a shareholder and/or member of and dominated,  
14 controlled, managed and operated Defendant entities including, but not limited to, the following: 56  
15 MASON, LLC; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC;  
16 SHREE JALABAPA HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM HOTEL, LP;  
17 SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS,  
18 LLC; TKB INVESTMENTS, LP; URAVI, LLC; and WINTON HOTEL, LLC, to such an extent that,  
19 at all times herein mentioned, there existed a unity of interest and ownership between these  
20 Defendants and BILL THAKOR. BILL THAKOR, therefore, was the alter-ego of these Defendants  
21 and any individuality or separateness of these Defendants and BILL THAKOR have ceased. At all  
22 times mentioned herein, BILL THAKOR has committed acts establishing his alter ego liability  
23 including but not limited to: use of the same office or business location as the Defendant entities; the  
24 use of Defendant entities as a mere shell, instrumentality or conduit for a single venture or for his  
25 individual business; the concealment and misrepresentation of his ownership, management and  
26 financial interest; the disregard of legal formalities and the failure to maintain arms-length  
27 relationships with Defendant entities; sole ownership of all the stock by him or members of his family;  
28 failure to adequately capitalize and/or the total absence of capitalization; and the co-mingling of funds

1 and assets and the unauthorized diversion of funds and assets for other than business entity uses. As  
2 the alter ego of these Defendants, BILL THAKOR orchestrated, ratified and was otherwise involved in  
3 the unlawful conduct described herein. Therefore, adherence to the fiction of a separate existence of  
4 these Defendants as entities separate and distinct from BILL THAKOR would permit an abuse of the  
5 corporate, LP and LLC privileges and would promote injustice by allowing BILL THAKOR to evade  
6 liability or veil assets that should in equity be used to satisfy the civil penalties and injunctive relief  
7 sought by Plaintiffs. Each Defendant was but an instrumentality or conduit of BILL THAKOR in the  
8 prosecution of a single venture, namely the management, ownership and operation of residential SRO  
9 hotel buildings. Therefore, it would be inequitable for BILL THAKOR to escape liability for an  
10 obligation incurred as much for BILL THAKOR'S benefit as for the other Defendants.

11 42. DEFENDANT KIRANSINH THAKOR, individually or through other members of the  
12 THAKOR FAMILY, at all times relevant herein, was a shareholder and/or member of and dominated,  
13 controlled, managed and operated Defendant entities including, but not limited to, the following: 56  
14 MASON, LLC; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC;  
15 SHREE JALABAPA HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM HOTEL, LP;  
16 SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB INVESTMENTS,  
17 LLC; TKB INVESTMENTS, LP; URAVI, LLC; and WINTON HOTEL, LLC, to such an extent that,  
18 at all times herein mentioned, there existed a unity of interest and ownership between these  
19 Defendants and KIRANSINH THAKOR. KIRANSINH THAKOR, therefore, was the alter-ego of  
20 these Defendants and any individuality or separateness of these Defendants and KIRANSINH  
21 THAKOR have ceased. At all times mentioned herein, KIRANSINH THAKOR has committed acts  
22 establishing his alter ego liability including but not limited to: use of the same office or business  
23 location as the Defendant entities; the use of Defendant entities as a mere shell, instrumentality or  
24 conduit for a single venture or for his individual business; the concealment and misrepresentation of  
25 his ownership, management and financial interest; the disregard of legal formalities and the failure to  
26 maintain arms-length relationships with Defendant entities; sole ownership of all the stock by him or  
27 members of his family; failure to adequately capitalize and/or the total absence of capitalization; and  
28 the co-mingling of funds and assets and the unauthorized diversion of funds and assets for other than

1 business entity uses. As the alter ego of these Defendants, KIRANSINH THAKOR orchestrated,  
2 ratified and was otherwise involved in the unlawful conduct described herein. Therefore, adherence to  
3 the fiction of a separate existence of these Defendants as entities separate and distinct from  
4 KIRANSINH THAKOR would permit an abuse of the corporate, LP and LLC privileges and would  
5 promote injustice by allowing KIRANSINH THAKOR to evade liability or veil assets that should in  
6 equity be used to satisfy the civil penalties and injunctive relief sought by Plaintiffs. Each Defendant  
7 was but an instrumentality or conduit of KIRANSINH THAKOR in the prosecution of a single  
8 venture, namely the management, ownership and operation of residential SRO hotel buildings.  
9 Therefore, it would be inequitable for KIRANSINH THAKOR to escape liability for an obligation  
10 incurred as much for KIRANSINH THAKOR'S benefit as for the other Defendants.

11 43. DEFENDANT BAHAVASINH THAKOR, individually or through other members of  
12 the THAKOR FAMILY, at all times relevant herein, was a shareholder and/or member of and  
13 dominated, controlled, managed and operated Defendant entities including, but not limited to, the  
14 following: 56 MASON, LLC; BALBOA HOTEL, LLC; CIVIC CENTER HOTEL, LLC; KEAN  
15 HOTEL, LLC; SHREE JALABAPA HOTEL, LP; SHREE JALARAM, LLC; SHREE JALARAM  
16 HOTEL, LP; SHREE JALARAM LODGING, LP; SHREE JALARAMBAPA HOTEL, LP; TKB  
17 INVESTMENTS, LLC; TKB INVESTMENTS, LP; URAVI, LLC; and WINTON HOTEL, LLC, to  
18 such an extent that, at all times herein mentioned, there existed a unity of interest and ownership  
19 between these Defendants and BAHAVASINH THAKOR. BAHAVASINH THAKOR, therefore,  
20 was the alter-ego of these Defendants and any individuality or separateness of these Defendants and  
21 BAHAVASINH THAKOR have ceased. At all times mentioned herein, BAHAVASINH THAKOR  
22 has committed acts establishing his alter ego liability including but not limited to: use of the same  
23 office or business location as the Defendant entities; the use of Defendant entities as a mere shell,  
24 instrumentality or conduit for a single venture or for his individual business; the concealment and  
25 misrepresentation of his ownership, management and financial interest; the disregard of legal  
26 formalities and the failure to maintain arms-length relationships with Defendant entities; sole  
27 ownership of all the stock by him or members of his family; failure to adequately capitalize and/or the  
28 total absence of capitalization; and the co-mingling of funds and assets and the unauthorized diversion

1 of funds and assets for other than business entity uses. As the alter ego of these Defendants,  
2 BAHAVASINH THAKOR orchestrated, ratified and was otherwise involved in the unlawful conduct  
3 described herein. Therefore, adherence to the fiction of a separate existence of these Defendants as  
4 entities separate and distinct from BAHAVASINH THAKOR would permit an abuse of the corporate,  
5 LP and LLC privileges and would promote injustice by allowing BAHAVASINH THAKOR to evade  
6 liability or veil assets that should in equity be used to satisfy the civil penalties and injunctive relief  
7 sought by Plaintiffs. Each Defendant was but an instrumentality or conduit of BAHAVASINH  
8 THAKOR in the prosecution of a single venture, namely the management, ownership and operation of  
9 residential SRO hotel buildings. Therefore, it would be inequitable for BAHAVASINH THAKOR to  
10 escape liability for an obligation incurred as much for BAHAVASINH THAKOR'S benefit as for the  
11 other Defendants.

12 44. DEFENDANT LATABEN B. THAKOR, an individual, at all times relevant herein,  
13 was a shareholder and/or member of and dominated, controlled, managed and operated Defendant  
14 entities including, but not limited to, the following: 56 MASON, LLC; BALBOA HOTEL, LLC;  
15 CIVIC CENTER HOTEL, LLC; KEAN HOTEL, LLC; SHREE JALABAPA HOTEL, LP; SHREE  
16 JALARAM, LLC; SHREE JALARAM HOTEL, LP; SHREE JALARAM LODGING, LP; SHREE  
17 JALARAMBAPA HOTEL, LP; TKB INVESTMENTS, LLC; TKB INVESTMENTS, LP; URAVI,  
18 LLC; and WINTON HOTEL, LLC, to such an extent that, at all times herein mentioned, there existed  
19 a unity of interest and ownership between these Defendants and LATABEN B. THAKOR.

20 LATABEN B. THAKOR, therefore, was the alter-ego of these Defendants and any individuality or  
21 separateness of these Defendants and LATABEN B. THAKOR have ceased. At all times mentioned  
22 herein, LATABEN B. THAKOR has committed acts establishing her alter ego liability including but  
23 not limited to: use of the same office or business location as the Defendant entities; the use of  
24 Defendant entities as a mere shell, instrumentality or conduit for a single venture or for her individual  
25 business; the concealment and misrepresentation of her ownership, management and financial interest;  
26 the disregard of legal formalities and the failure to maintain arms-length relationships with Defendant  
27 entities; sole ownership of all the stock by her or members of her family; failure to adequately  
28 capitalize and/or the total absence of capitalization; and the co-mingling of funds and assets and the



1 unauthorized diversion of funds and assets for other than business entity uses. As the alter ego of  
2 these Defendants, LATABEN B. THAKOR orchestrated, ratified and was otherwise involved in the  
3 unlawful conduct described herein. Therefore, adherence to the fiction of a separate existence of these  
4 Defendants as entities separate and distinct from LATABEN B. THAKOR would permit an abuse of  
5 the corporate, LP and LLC privileges and would promote injustice by allowing LATABEN B.  
6 THAKOR to evade liability or veil assets that should in equity be used to satisfy the civil penalties and  
7 injunctive relief sought by Plaintiffs. Each Defendant was but an instrumentality or conduit of  
8 LATABEN B. THAKOR in the prosecution of a single venture, namely the management, ownership  
9 and operation of residential SRO hotel buildings. Therefore, it would be inequitable for LATABEN  
10 B. THAKOR to escape liability for an obligation incurred as much for LATABEN B. THAKOR'S  
11 benefit as for the other Defendants.

12 **GENERAL ALLEGATIONS**

13 **I. STATE AND LOCAL LAWS VIOLATED BY DEFENDANTS.**

14 **A. Renting Unhabitable Residential Rooms To Vulnerable Occupants.**

15 45. California Civil Code Sections 1941, *et seq.* require that any lessor of a building  
16 intended for residential purposes must maintain the building in a condition that makes it fit for  
17 habitability, and sets out multiple standard requirements that must be met to achieve this standard of  
18 habitability or tenantability.

19 46. Defendants have routinely failed to meet the requirements of these habitability laws in  
20 Defendants' Properties, and thus have routinely collected rents for untenable dwellings in violation  
21 of Civil Code Section 1942.4.

22 **B. Depriving SRO Hotel Occupants Of Tenancy Rights.**

23 47. California Civil Code Section 1940.1 provides that no person may require an occupant  
24 of a residential hotel to move, or to check out and re-register, before the expiration of 30 days  
25 occupancy, if a purpose of this requirement is to have that person maintain transient occupancy status  
26 and thus be deprived of the protections provided by law to tenants by Title 5, Chapter 2 of the Civil  
27 Code (Sections 1940-1954.1).

28 48. San Francisco Administrative Code Section 37.2(r)(1) provides that it is unlawful for a

1 landlord to refuse to allow a guest of a residential hotel to continue to stay in a hotel room for 32 days  
2 or more in order to prevent that guest from gaining tenancy rights under the San Francisco  
3 Administrative Code.

4 49. Defendants routinely engage in business practices that prevent occupants of  
5 Defendants' Properties from gaining tenancy rights under the above state and local laws, with the  
6 denial of such rights being a purpose, if not the main purpose, of such business practices.

7 **C. Maintaining Public Nuisances**

8 50. California Civil Code Sections 3479, *et seq.* make it an illegal public nuisance to  
9 maintain a property in a state that is injurious to health, indecent or offensive to the senses, or  
10 interferes with the comfortable enjoyment of life or property.

11 51. San Francisco Housing Code Sections 204(c)(2), 401, 1001, Building Code Sections  
12 102, 103, 106.1.1, Electrical Code Section 89.17, and Plumbing Code Section 103.1 define a violation  
13 of their provisions as a *per se* public nuisance.

14 52. Defendants routinely engage in business practices at Defendants' Properties that violate  
15 the above provisions related to public nuisances.

16 **D. Doing Construction Work Without Required Permits Or Contractor's License.**

17 53. The Contractors' State License Law, California Business and Professions Code Section  
18 7000, *et seq.*, makes it illegal for contracting work to be done by a person who is not a contractor  
19 licensed by the California State Contractors Licensing Board.

20 54. San Francisco Electrical Code Section 89.120(D) makes it illegal for any electrical  
21 work to be performed in San Francisco unless it is performed by the state licensed electrical contractor  
22 to whom the permit is issued.

23 55. Defendants routinely, directly or indirectly, perform construction work under permits  
24 issued by the San Francisco Building Department to other people and not to them, and without using a  
25 licensed contractor to perform or supervise such work.

26 **E. False Claims For Payment From The City.**

27 56. The False Claims Act, California Government Code Sections 12650 *et seq.*, makes it  
28 illegal for a City contractor to present or cause to be presented a false or fraudulent claim for payment

1 by the City. A contractor's implied of express representation, in connection with seeking payment by  
2 the City, that the contractor is in compliance with the material terms of the contract, including but not  
3 limited to provisions requiring compliance with state or local law, is a false claim within the meaning  
4 of the False Claims Act.

5 57. Defendants contract with the City to provide multiple residential rooms in Defendants'  
6 Properties for use by clients of CCSF departments.

7 58. Defendants submit, or cause to be submitted, claims to the City for payments under  
8 those contracts, representing that those rooms are safe and habitable when in fact that was false and  
9 Defendants were in material breach of their contracts with CCSF including provisions requiring  
10 compliance with state and local law.

11 **II. ILLUSTRATIVE ACTS OF UNFAIR BUSINESS PRACTICES BY DEFENDANTS AT  
12 DEFENDANTS' PROPERTIES.**

13 **A. Winton Hotel, 445 O'Farrell Street, San Francisco, CA**

14 59. The THAKOR FAMILY DEFENDANTS and DEFENDANTS WINTON HOTEL,  
15 LLC and TKB INVESTMENTS, LLC own and operate the Winton Hotel located at 445 O'Farrell  
16 Street, San Francisco, California, and have done so since at least 2007.

17 60. In their ownership and operation of the Winton Hotel, the THAKOR FAMILY  
18 DEFENDANTS and DEFENDANTS WINTON HOTEL, LLC and TKB INVESTMENTS, LLC have  
19 routinely kept and maintained the Property in violation of multiple local and state health and safety  
20 codes, thereby depriving vulnerable tenants of the habitable rooms to which they are by law entitled,  
21 while also causing and maintaining a *per se* public nuisance.

22 61. Among the violations of health and safety codes committed by the THAKOR FAMILY  
23 DEFENDANTS and DEFENDANTS WINTON HOTEL, LLC and TKB INVESTMENTS, LLC at the  
24 Winton Hotel are the failure to contain lead paint during attempted abatement efforts, to provide fire  
25 proofing materials in construction of the building, to provide adequate security at building and room  
26 entrances, to provide plumbing adequate to avoid leaks of raw sewage. Attached hereto as Exhibit A  
27 are true and correct copies of Notices of Violations and Administrative Orders issued to these  
28 Defendants, evidencing the violations of state and local law caused by their unfair and unlawful

1 business practices.

2 62. In addition to the above violations of health and safety codes, the THAKOR FAMILY  
3 DEFENDANTS and DEFENDANTS WINTON HOTEL, LLC and TKB INVESTMENTS, LLC  
4 performed and continue to perform construction work at the Winton Hotel without permits authorizing  
5 them to do such work, and/or under permits issued by the San Francisco Building Department to other  
6 people and not to them, and/or without using licensed contractors to perform or supervise such work.

7 63. The THAKOR FAMILY DEFENDANTS and DEFENDANTS WINTON HOTEL,  
8 LLC and TKB INVESTMENTS, LLC also have routinely failed to meet the requirements of state and  
9 local habitability laws at the Winton Hotel, and thus have routinely collected rents for untenable  
10 dwellings in violation of Civil Code Section 1942.4

11 64. The THAKOR FAMILY DEFENDANTS and DEFENDANTS WINTON HOTEL,  
12 LLC and TKB INVESTMENTS, LLC also contract with the City to provide multiple safe and  
13 habitable residential rooms in the Winton Hotel for use by clients of CCSF departments.

14 65. The THAKOR FAMILY DEFENDANTS and DEFENDANTS WINTON HOTEL,  
15 LLC and TKB INVESTMENTS, LLC submit, or cause to be submitted, claims to the City for  
16 payments under those contracts, expressly or impliedly representing that those rooms are safe and  
17 habitable as required by their contracts with CCSF and by state and local law, while knowing that  
18 many or all of the rooms are neither safe nor habitable.

19 66. These alleged acts are illustrative of the unfair and unlawful business practices of the  
20 THAKOR FAMILY DEFENDANTS and DEFENDANTS WINTON HOTEL, LLC and TKB  
21 INVESTMENTS, LLC at the Winton Hotel, and are not intended to be an exhaustive list of such  
22 illegal business practices at that or other locations.

23 **B. Civic Center Hotel, 20 – 12th Street, San Francisco, CA**

24 67. The THAKOR FAMILY DEFENDANTS and DEFENDANT CIVIC CENTER  
25 HOTEL, LLC own and operate the Civic Center Hotel located at 20 – 12th Street, San Francisco,  
26 California, and have done so since at least 2007.

27 68. In their ownership and operation of the Civic Center Hotel, the THAKOR FAMILY  
28 DEFENDANTS and DEFENDANT CIVIC CENTER HOTEL, LLC have routinely kept and

1 maintained the Property in violation of multiple local and state health and safety codes, thereby  
2 depriving vulnerable tenants of the habitable rooms to which they are by law entitled, while also  
3 causing and maintaining a *per se* public nuisance.

4 69. Among the health and safety code violations committed by the THAKOR FAMILY  
5 DEFENDANTS and DEFENDANT CIVIC CENTER HOTEL, LLC at the Civic Center Hotel are  
6 failure to keep the property free from pest infestations, including rampant bedbug infestations, to  
7 provide adequate fire protection and safety, to provide adequate security, to provide functional  
8 plumbing that does not result in repeated sewage leaks, failure to provide residential rooms and  
9 bathrooms that are free of mold and mildew, and failure to provide adequate heat. Attached hereto as  
10 Exhibit B are true and correct copies of Notices of Violations and Administrative Orders issued to  
11 these Defendants, evidencing the violations of state and local law caused by their unfair and unlawful  
12 business practices.

13 70. The THAKOR FAMILY DEFENDANTS and DEFENDANT CIVIC CENTER  
14 HOTEL, LLC also have routinely failed to meet the requirements of state and local habitability laws at  
15 the Civic Center Hotel and have routinely collected rents for untenable dwellings in violation of  
16 Civil Code Section 1942.4

17 71. In addition to the above health and safety code violations, the THAKOR FAMILY  
18 DEFENDANTS and DEFENDANT CIVIC CENTER HOTEL, LLC performed and continue to  
19 perform construction work at the Civic Center Hotel without permits authorizing them to do such  
20 work, and/or under permits issued by the San Francisco Building Department to other people and not  
21 to them, and/or without using a licensed contractor to perform or supervise such work.

22 72. The THAKOR FAMILY DEFENDANTS and DEFENDANT CIVIC CENTER  
23 HOTEL, LLC also contract with the City to provide and do provide multiple residential rooms in the  
24 Civic Center Hotel for use by clients of CCSF departments.

25 73. The THAKOR FAMILY DEFENDANTS and DEFENDANT CIVIC CENTER  
26 HOTEL, LLC submit, or cause to be submitted, claims to the City for payments under those contracts,  
27 expressly or impliedly representing that those rooms are safe and habitable as required by their  
28 contracts with CCSF and by state and local law, while knowing that many or all of the rooms are

1 neither safe nor habitable.

2 74. These alleged acts are illustrative of the unfair and unlawful business practices of the  
3 THAKOR FAMILY DEFENDANTS and DEFENDANT CIVIC CENTER HOTEL, LLC at the Civic  
4 Center Hotel, and are not intended to be an exhaustive list of such illegal business practices at that or  
5 other locations.

6 C. Kean Hotel, 1018 Mission Street, San Francisco, CA

7 75. The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
8 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP own and operate the Kean Hotel located at  
9 1018 Mission Street, San Francisco, California, and have done so since at least 1999.

10 76. In their ownership and operation of the Kean Hotel, the THAKOR FAMILY  
11 DEFENDANTS and DEFENDANTS SHREE JALABAPA HOTEL, LP and SHREE  
12 JALARAMBAPA HOTEL, LP have routinely kept and maintained the Property in violation of  
13 multiple local and state health and safety codes, thereby depriving vulnerable tenants of the habitable  
14 rooms to which they are by law entitled, while also causing and maintaining a *per se* public nuisance.

15 77. Among the health and safety code violations committed by the THAKOR FAMILY  
16 DEFENDANTS and DEFENDANTS SHREE JALABAPA HOTEL, LP and SHREE  
17 JALARAMBAPA HOTEL, LP at the Kean Hotel are failure to keep the property free from pest  
18 infestations, including rampant cockroach and bedbug infestations, failure to provide an operable  
19 elevator, failure to provide adequate fire protection and safety, failure to provide adequate security,  
20 failure to provide plumbing adequate to avoid repeated sewage leaks, failure to provide safe and  
21 functional wiring, failure to provide residential room and bathrooms free of mold and mildew, and  
22 failure to provide adequate heat. Attached hereto as Exhibit C are true and correct copies of Notices of  
23 Violations and Administrative Orders issued to these Defendants, evidencing the violations of state  
24 and local law caused by their unfair and unlawful business practices.

25 78. The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
26 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP also have routinely failed to meet the  
27 requirements of state and local habitability laws at the Kean Hotel, and have routinely collected rents  
28 for untenable dwellings in violation of Civil Code Section 1942.4

1           79.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
2 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP also have violated California Civil Code  
3 Section 1940.1 at the Kean Hotel by requiring occupants to move, or to check out and re-register,  
4 before the expiration of 30 days occupancy, with a purpose to have occupants maintain transient  
5 occupancy status and thus be deprived of the protections provided by law to tenants by Title 5,  
6 Chapter 2 of the Civil Code (Sections 1940-1954.1).

7           80.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
8 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP also have violated San Francisco  
9 Administrative Code Section 37.2(r)(1) by refusing to allow hotel guests to continue to stay in a hotel  
10 room for 32 days or more in order to prevent such guests from gaining tenancy rights under the San  
11 Francisco Administrative Code.

12           81.     In addition, the THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE  
13 JALABAPA HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP performed and continue to  
14 perform construction work at the Kean Hotel without permits authorizing them to do such work,  
15 and/or under permits issued by the San Francisco Building Department to other people and not to  
16 them, and/or without using a licensed contractor to perform or supervise such work.

17           82.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
18 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP also contract with the City to provide and do  
19 provide multiple residential rooms in the Kean Hotel for use by clients of CCSF departments.

20           83.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA  
21 HOTEL, LP and SHREE JALARAMBAPA HOTEL, LP submit, or cause to be submitted, claims to  
22 the City for payments under those contracts, expressly or impliedly representing that those rooms are  
23 safe and habitable as required by their contracts with CCSF and by state and local law, while knowing  
24 that many or all of the rooms are neither safe nor habitable.

25           84.     These alleged acts are illustrative of the unfair and unlawful business practices of the  
26 THAKOR FAMILY DEFENDANTS and DEFENDANTS SHREE JALABAPA HOTEL, LP and  
27 SHREE JALARAMBAPA HOTEL, LP at the Kean Hotel, and are not intended to be an exhaustive  
28 list of such illegal business practices at that or other locations.

1           **D.     Budget Inn, 1139 Market Street, San Francisco, CA**

2           85.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS TKB INVESTMENTS,  
3 LP and SHREE JALARAM LODGING, LP own and operate the Budget Inn, located at 1139 Market  
4 Street, San Francisco, California, and have done so since at least 1999.

5           86.     In their ownership and operation of the Budget Inn, the THAKOR FAMILY  
6 DEFENDANTS TKB INVESTMENTS, LP and SHREE JALARAM LODGING, LP have routinely  
7 kept and maintained the Property in violation of multiple local and state health and safety codes,  
8 thereby depriving vulnerable tenants of the habitable rooms to which they are by law entitled, while  
9 also causing and maintaining a *per se* public nuisance.

10          87.     Among the health and safety code violations committed by the THAKOR FAMILY  
11 DEFENDANTS and DEFENDANTS TKB INVESTMENTS, LP and SHREE JALARAM  
12 LODGING, LP at the Budget Inn are failure to keep the property free from pests, including rampant  
13 cockroach and bedbug infestations, failure to provide adequate fire protection and safety, failure to  
14 provide adequate security, failure to provide plumbing adequate to avoid repeated sewage leaks,  
15 failure to provide safe and functional wiring, failure to provide residential rooms and bathrooms free  
16 of mold and mildew, and failure to provide adequate heat. Attached hereto as Exhibit D are true and  
17 correct copies of Notices of Violations and Administrative Orders issued to these Defendants,  
18 evidencing the violations of state and local law caused by their unfair and unlawful business practices.

19          88.     The THAKOR FAMILY DEFENDANTS and DEFENDANTS TKB INVESTMENTS,  
20 LP and SHREE JALARAM LODGING, LP also have routinely failed to meet the requirements of  
21 state and local habitability laws at the Budget Inn, and have routinely collected rents for untenable  
22 dwellings in violation of Civil Code Section 1942.4

23          89.     In addition, the THAKOR FAMILY DEFENDANTS and DEFENDANTS TKB  
24 INVESTMENTS, LP and SHREE JALARAM LODGING, LP performed and continue to perform  
25 construction work at the Budget Inn without permits authorizing them to do such work, and/or under  
26 permits issued by the San Francisco Building Department to other people and not to them, and/or  
27 without using a licensed contractor to perform or supervise such work.

28          90.     These alleged acts are illustrative of the unfair and unlawful business practices of the



1 THAKOR FAMILY DEFENDANTS and DEFENDANTS TKB INVESTMENTS, LP and SHREE  
2 JALARAM LODGING, LP at the Budget Inn, and are not intended to be an exhaustive list of such  
3 illegal business practices at that or other locations.

4 E. Bristol Hotel, 56 Mason Street, San Francisco, CA

5 91. The THAKOR FAMILY DEFENDANTS and DEFENDANTS 56 MASON, LLC and  
6 SHREE JALARAM HOTEL, LP own and operate the Bristol Hotel, located at 56 Mason Street, San  
7 Francisco, California, and have done so since at least 1999.

8 92. In their ownership and operation of the Bristol Hotel, the THAKOR FAMILY  
9 DEFENDANTS and DEFENDANTS 56 MASON, LLC and SHREE JALARAM HOTEL, LP have  
10 routinely kept and maintained the Property in violation of multiple local and state health and safety  
11 codes, thereby depriving vulnerable tenants of the habitable rooms to which they are by law entitled,  
12 while also causing and maintaining a *per se* public nuisance.

13 93. Among the health and safety code violations committed by the THAKOR FAMILY  
14 DEFENDANTS and DEFENDANTS 56 MASON, LLC and SHREE JALARAM HOTEL, LP at the  
15 Bristol Hotel are failure to keep the property free from pests, failure to provide an operable elevator,  
16 failure to provide adequate fire protection and safety, failure to provide adequate security, failure to  
17 provide plumbing adequate to prevent repeated sewage leaks, failure to provide safe and functional  
18 wiring, failure to provide residential rooms and bathrooms free of mold and mildew, failure to provide  
19 adequate trash facilities, and failure to provide adequate heat. Attached hereto as Exhibit E are true  
20 and correct copies of Notices of Violations and Administrative Orders issued to these Defendants,  
21 evidencing the violations of state and local law caused by their unfair and unlawful business practices.

22 94. Additional health and safety code violations committed by the THAKOR FAMILY  
23 DEFENDANTS and DEFENDANTS 56 MASON, LLC and SHREE JALARAM HOTEL, LP at the  
24 Bristol Hotel include release of hazardous lead paint chips and dust during unlicensed construction  
25 work at the site, endangering the health of both residents and workers.

26 95. The THAKOR FAMILY DEFENDANTS and DEFENDANTS 56 MASON, LLC and  
27 SHREE JALARAM HOTEL, LP also have routinely failed to meet the requirements of state and local  
28 habitability laws at the Bristol Hotel, and have routinely collected rents for untenable dwellings in

1 violation of Civil Code Section 1942.4

2 96. In addition, the THAKOR FAMILY DEFENDANTS and DEFENDANTS 56 MASON,  
3 LLC and SHREE JALARAM HOTEL, LP perform construction work at the Bristol Hotel without a  
4 permit that authorizes them to do such work, and/or under permits issued by the San Francisco  
5 Building Department to other people and not to them, and/or without using a licensed contractor to  
6 perform or supervise such work.

7 97. These alleged acts are illustrative of the unfair and unlawful business practices of the  
8 THAKOR FAMILY DEFENDANTS and DEFENDANTS 56 MASON, LLC and SHREE  
9 JALARAM HOTEL, LP at the Bristol Hotel, and are not intended to be an exhaustive list of such  
10 illegal business practices at that or other locations.

11 **F. Page Hotel, 161 Leavenworth Street, San Francisco, CA**

12 98. BILL THAKOR and the THAKOR FAMILY DEFENDANTS, individually and/or  
13 through an unknown business entity, own and operate the Page Hotel, located at 161 Leavenworth  
14 Street, San Francisco, California, and have done so since at least 2002.

15 99. In their ownership and operation of the Page Hotel, BILL THAKOR and the THAKOR  
16 FAMILY DEFENDANTS have routinely kept and maintained the Property in violation of multiple  
17 local and state health and safety codes, thereby depriving vulnerable tenants of the habitable rooms to  
18 which they are by law entitled, while also causing and maintaining a *per se* public nuisance.

19 100. Among the health and safety code violations committed by BILL THAKOR and the  
20 THAKOR FAMILY DEFENDANTS at the Page Hotel are failure to keep the property free from  
21 pests, failure to repair or replace decayed and unsafe stairs, failure to provide adequate bathroom  
22 facilities, failure to provide adequate fire protection and safety, failure to provide adequate security,  
23 failure to provide adequate plumbing free from repeated leaks, failure to provide safe and functional  
24 wiring, failure to provide residential rooms and bathrooms free of mildew and mold, and failure to  
25 provide adequate trash facilities. Attached hereto as Exhibit F are true and correct copies of Notices of  
26 Violations and Administrative Orders issued to these Defendants, evidencing the violations of state  
27 and local law caused by their unfair and unlawful business practices.

28 101. Additional health and safety code violations committed by BILL THAKOR and the

1 THAKOR FAMILY DEFENDANTS at the Page Hotel include release of hazardous lead paint chips  
2 and dust, endangering the health of both residents and workers.

3 102. BILL THAKOR and the THAKOR FAMILY DEFENDANTS also have routinely  
4 failed to meet the requirements of state and local habitability laws at the Page Hotel, and thus have  
5 routinely collected rents for untenable dwellings in violation of Civil Code Section 1942.4

6 103. In addition, BILL THAKOR and the THAKOR FAMILY DEFENDANTS performed  
7 and continue to perform construction work at the Page Hotel without permits authorizing them to do  
8 such work, and/or under permits issued by the San Francisco Building Department to other people and  
9 not to them, and/or without using a licensed contractor to perform or supervise such work.

10 104. BILL THAKOR and the THAKOR FAMILY DEFENDANTS also contract with the  
11 City to provide and do provide multiple residential rooms in the Page Hotel for use by clients of CCSF  
12 departments.

13 105. BILL THAKOR and the THAKOR FAMILY DEFENDANTS submit, or cause to be  
14 submitted, claims to the City for payments under those contracts, expressly or impliedly representing  
15 that those rooms are safe and habitable as required by their contracts with CCSF and by state and local  
16 law, when in fact many or all of the rooms are neither safe nor habitable.

17 106. These alleged acts are illustrative of the unfair and unlawful business practices of BILL  
18 THAKOR and the THAKOR FAMILY DEFENDANTS at the Page Hotel, and are not intended to be  
19 an exhaustive list of such illegal business practices at that or other locations.

20 **G. Warfield Hotel, 118 Taylor Street, San Francisco, CA**

21 107. The THAKOR FAMILY DEFENDANTS owned and operated the Warfield Hotel  
22 located at 118 Taylor Street, San Francisco, California, from approximately September 1, 2001 until  
23 approximately August 31, 2013.

24 108. In their ownership and operation of the Warfield Hotel, the THAKOR FAMILY  
25 DEFENDANTS routinely kept and maintained the Property in violation of multiple local and state  
26 health and safety codes, thereby depriving vulnerable tenants of the habitable rooms to which they are  
27 by law entitled, while also causing and maintaining a *per se* public nuisance.

28 109. Among the health and safety code violations committed by the THAKOR FAMILY

1 DEFENDANTS at the Warfield Hotel were the following substandard conditions: 1) rodent,  
2 cockroach and bedbug infestations; 2) insufficient security and fire safety for entry doors in multiple  
3 units; 3) plumbing leaks; 4) damaged walls and floors; 5) severe mold and mildew; 6) lack of working  
4 smoke detectors; 7) insufficient number of showers; 8) multiple units filled with debris clutter from  
5 hoarding that creates a pest and fire danger; and 11) defective or missing fire sprinklers.

6 110. The THAKOR FAMILY DEFENDANTS also have routinely failed to meet the  
7 requirements of state and local habitability laws at the Warfield Hotel, and have routinely collected  
8 rents for untenable dwellings in violation of Civil Code Section 1942.4

9 111. In addition to the above violations of health and safety codes, the THAKOR FAMILY  
10 DEFENDANTS performed and continue to perform construction work at the Warfield Hotel without  
11 permits authorizing them to do such work, and/or under permits issued by the San Francisco Building  
12 Department to other people and not to them, and/or without using a licensed contractor to perform or  
13 supervise such work.

14 112. The THAKOR FAMILY DEFENDANTS also contracted with the City to provide and  
15 did provide multiple residential rooms in the Warfield Hotel for use by clients of CCSF departments.

16 113. The THAKOR FAMILY DEFENDANTS submitted, or caused to be submitted, claims  
17 to the City for payments under those contracts, expressly or impliedly representing that those rooms  
18 are safe and habitable as required by their contracts with CCSF and by state and local law, when in  
19 fact many or all of the rooms are neither safe nor habitable.

20 114. These alleged acts are illustrative of the unfair and unlawful business practices of the  
21 THAKOR FAMILY DEFENDANTS at the Warfield Hotel, and are not intended to be an exhaustive  
22 list of such illegal business practices at that or other locations.

23 115. Plaintiffs on July 29, 2013 filed a related action in this Court against BILL THAKOR  
24 and KIRANSINH THAKOR for their violations of law as owners and operators of the Warfield Hotel.  
25 See Superior Court Number CGC-13-533157.

26 **H. Other THAKOR FAMILY DEFENDANT Properties.**

27 116. The THAKOR FAMILY DEFENDANTS, individually, collectively, and/or through  
28 unknown business entities, also have owned and operated other SRO Hotels in the same manner as

1 above during the period of time May 1, 2010 until the present. Other SRO Hotels operated by  
2 Defendants, and representative examples of Defendants illegal activities at those hotels, include the  
3 following:

4 a. Admiral Hotel, 608 O'Farrell Street – 30 rooms – sewer leaks, lack of adequate  
5 lead paint containment, plumbing leaks, water leaks from exterior, pest infestation, lack of  
6 working elevator;

7 b. Aldrich Hotel, 439 Jones Street – 35 rooms - violations of local and state health  
8 and safety statutes and habitability laws involving mold, lack of working elevator, inadequate  
9 fire safety protection, pest infestation;

10 c. Auburn Hotel, 481 Minna Street – 78 rooms – lack of heat, inadequate  
11 bathroom facilities, lack of lead paint debris containment, plumbing leaks, mold, pest  
12 infestation, inadequate fire safety, inadequate security, performing construction work without  
13 permits;

14 d. Balboa Hotel, 120 Hyde Street – 32 rooms – lack of heat, construction work  
15 without permit, inadequate electrical service, lack of security, mold, plumbing leaks, extreme  
16 hoarding and cluttering causing imminent fire hazard, inadequate fire safety protection;

17 e. Best Inn, 162 Taylor Street – 28 rooms - lack of heat, plumbing leaks;

18 f. Hotel Krupa, 700 Jones Street – 25 rooms – inadequate fire protection;

19 g. Jalaram Hotel, 868 Valencia Street – 24 rooms – pest infestation;

20 h. Kiran Hotel, 130 Eddy Street – 38 rooms – lack of heat, pest infestation,  
21 plumbing leaks, mold, inoperable elevator.

22 **I. Only Illustrative Examples.**

23 117. The Defendants' actions described above in relation to specific properties are merely  
24 examples. Defendants have engaged in the unlawful and unfair business acts and practices described  
25 in this Complaint in connection with numerous properties they currently own, operate and manage, or  
26 have owned, operated or managed in the past.

**FIRST CAUSE OF ACTION – DEPRIVATION OF TENANCY RIGHTS  
BROUGHT BY PLAINTIFF PEOPLE OF THE STATE OF CALIFORNIA  
AGAINST ALL DEFENDANTS  
(Civil Code Section 1940.1)**

1  
2  
3       118. Plaintiff PEOPLE OF THE STATE OF CALIFORNIA hereby incorporate by  
4 reference Paragraphs 1 through 117, as though fully set forth herein.

5       119. Defendants are now, and for a considerable period of time heretofore and at all times  
6 mentioned, in violation of California Civil Code Section 1940.1, which provides that no person may  
7 require an occupant of a residential hotel to move or check out before the expiration of 30 days  
8 occupancy, with a purpose of maintaining occupants in a transient occupancy status and thus depriving  
9 them of the protections provided by law to tenants by Title 5, Chapter 2 of the Civil Code (Sections  
10 1940-1954.1).

11       120. Residents of Defendants' Hotels for 30 days or more gain rights under California Civil  
12 Code 1940, et seq.

13       121. Defendants' actions, more particularly described above, establish a pattern and practice  
14 of requiring occupants to check out of their hotel rooms before the expiration of 30 days with a  
15 purpose to prevent them from obtaining tenancy rights.

16       122. Defendants' actions harm Plaintiff because they increase the number of San Franciscans  
17 without stable homes, and put these residents at risk of living on the streets. San Francisco has a public  
18 interest in decreasing the number of San Franciscans at risk for homelessness and living in unstable  
19 housing.

20       123. Plaintiff has no adequate remedy at law in that damages are insufficient to protect the  
21 public from the present danger and harm caused by the practices described above. Unless Defendants  
22 are enjoined from engaging in the aforementioned practices, said community and neighborhood, and  
23 the residents and citizens of the City and County of San Francisco, will suffer irreparable injury and  
24 damage, in that Defendants will continue to require occupants to check out before those occupants can  
25 obtain tenancy status in the Property, to disrupt the lives of the citizens and residents of the City and  
26 County of San Francisco, and to deny the citizens the right to protection under California Civil Code  
27 Section 1940.1.  
28

1 124. Defendants' practice of depriving vulnerable individuals of tenancy rights subjects them  
2 to civil penalties of \$500 per violation and attorneys fees as set forth in Civil Code Section 1940.1(b).

3 125. Defendants' practice depriving vulnerable senior and disabled individuals of tenancy  
4 rights makes Defendants liable for treble damages under California Civil Code Section 3345.

5 **SECOND CAUSE OF ACTION – DEPRIVATION OF TENANCY RIGHTS**  
6 **BROUGHT BY PLAINTIFF CITY AND COUNTY OF SAN FRANCISCO**  
7 **AGAINST ALL DEFENDANTS**  
8 **(San Francisco Administrative Code Sections 37.2, 37.10B)**

9 126. Plaintiff CITY AND COUNTY OF SAN FRANCISCO hereby incorporates by  
10 reference Paragraphs 1 through 125 as though fully set forth herein.

11 127. Defendants are now, and for a considerable period of time heretofore and at all times  
12 mentioned, in violation of San Francisco Administrative Code Section 37.2, which provides that it is  
13 unlawful for a landlord to refuse to allow a hotel guest to continue to stay in a hotel room for 32 days  
14 or more in order to prevent that guest from gaining tenancy rights under the San Francisco  
15 Administrative Code.

16 128. Residents of Defendants' Hotels for 32 continuous days or more gain rights under San  
17 Francisco Administrative Code Section 37.2(r)(1).

18 129. Defendants' actions, more particularly described above, establish a pattern and practice  
19 of requiring occupants to check out of their hotel rooms before the expiration of 32 days to avoid  
20 providing tenancy rights to these occupants.

21 130. In addition, by depriving hotel guests of the ability to gain tenancy rights as described  
22 above, Defendants also have engaged in "tenant harassment" under San Francisco Administrative  
23 Code Section 37.10B.

24 131. Defendants' actions harm Plaintiff because they increase the number of San Franciscans  
25 without stable homes, and put these residents at risk of living on the streets. San Francisco has a  
26 public interest in decreasing the number of San Franciscans at risk for homelessness and living in  
27 unstable housing.

28 132. Plaintiff has no adequate remedy at law in that damages are insufficient to protect the  
public from the present danger and harm caused by the practices described above. Unless Defendants

1 are enjoined from engaging in the aforementioned practices, said community and neighborhood, and  
2 the residents and citizens of the City and County of San Francisco, will suffer irreparable injury and  
3 damage, in that Defendants will continue to require occupants to check out before those occupants can  
4 obtain tenancy status in the Property, to disrupt the lives of the citizens and residents of the City and  
5 County of San Francisco, and to deny the citizens the right to protection under the San Francisco  
6 Administrative Code.

7 133. Defendants' illegal business practice of abridging tenancy rights of their clients subjects  
8 them to a mandatory fine of \$1000 per violation as set forth in San Francisco Administrative Code  
9 37.10B(c)(5).

10 **THIRD CAUSE OF ACTION FOR PUBLIC NUISANCE**  
11 **BROUGHT BY PLAINTIFFS AGAINST DEFENDANTS**

12 **COUNT ONE**  
13 **PUBLIC NUISANCE *PER SE***  
14 **FOR VIOLATIONS OF THE SAN FRANCISCO MUNICIPAL CODES**  
15 **AGAINST ALL DEFENDANTS**  
16 **(San Francisco Housing Code Sections 204(c)(2), 401, 1001; San Francisco Building Code**  
17 **Sections 102, 103, 106A; San Francisco Health Code Section 581.)**

18 134. Plaintiffs hereby incorporate by reference paragraphs 1 through 133 above and make  
19 them a part of this cause of action, as though fully set forth herein.

20 135. Plaintiffs bring this cause of action pursuant to San Francisco Housing Code Sections  
21 204(c)(2), 401, 1001, San Francisco Building Code Sections 102, 103, 106A, and San Francisco  
22 Health Code Section 581.

23 136. Defendants are now, and for a considerable period of time and at all times herein  
24 mentioned have been maintaining Defendants' Properties in violation of San Francisco Housing Code  
25 Sections 204(c)(2), 401, 1001, San Francisco Building Code Sections 102, 103, 106A, and San  
26 Francisco Health Code Section 581. Defendants violated the above code provisions by failing to  
27 timely abate violations of local health and safety codes and also by failing to file and secure requisite  
28 permits that would allow them to lawfully commence construction at Defendants' Properties.

137. At all times herein mentioned Defendants had notice and knowledge that Defendants'  
Properties constituted public nuisances because they were served with the administrative notices  
issued by DBI, but failed to take reasonable steps to timely abate the nuisances.



1 138. Plaintiffs have no adequate remedy at law in that damages are insufficient to protect the  
2 public from the present danger and harm caused by the conditions described above.

3 139. Unless said nuisances are abated, the residents of Defendants' Properties and the  
4 residents and citizens of the City and County of San Francisco, will suffer irreparable injury and  
5 damage, in that said conditions will continue to be injurious to the continuous enjoyment of the life  
6 and the free use of property of said residents of the City and County of San Francisco and the People  
7 of the State of California.

8 140. By failing to timely abate violations of local health and safety codes and also by failing  
9 to file and secure requisite permits that would allow them to lawfully commence construction at  
10 Defendants' Properties, Defendants have violated, disobeyed, omitted, neglected and refused to  
11 comply with the San Francisco Housing Code and the notices issued by DBI and Defendants are thus  
12 subject to civil penalties up to \$1,000 per day for each day that such violations existed and were  
13 permitted to continue at each property as set forth in Housing Code Section 204(c)(2).

14 **COUNT TWO**  
15 **GENERAL PUBLIC NUISANCE**  
16 **FOR VIOLATIONS OF CIVIL CODE SECTION 3479 AND 3480**  
17 **AGAINST ALL DEFENDANTS**  
18 **(Civil Code Sections 3479, 3480)**

19 141. Plaintiffs hereby incorporate by reference paragraphs 1 through 140 above and make  
20 them a part of this cause of action, as though fully set forth herein.

21 142. As described above, Defendants are now, and for a considerable period of time, and all  
22 times herein mentioned have been, maintaining Defendants' Properties in such a manner as to  
23 constitute a continuing public nuisance within the meaning of Civil Code Sections 3479 and 3480.  
24 The conditions giving rise to said public nuisances are the violations of the municipal codes and other  
25 conditions described in greater detail above at Defendants' Properties. The practices described above  
26 are injurious to the health and safety of the residents and the community, are offensive to the senses,  
27 and interfere with the comfortable enjoyment of life and properties. The practices described above  
28 also affect a considerable number of persons and an entire community or neighborhood.

143. At all times herein mentioned, Defendants knew or should have known that  
Defendants' Properties were being maintained as public nuisances, but failed to take reasonable steps

1 to timely abate the nuisance.

2 144. Unless enjoined, Defendants will continue to operate Defendants' Properties in the  
3 above-described public nuisance conditions.

4 145. Plaintiffs have no adequate remedy at law in that damages are insufficient to protect the  
5 public from the present danger and harm caused by the conditions described above. Unless injunctive  
6 relief is granted to enjoin Defendants, the public will suffer irreparable injury and damage.

7 146. Unless this nuisance is abated, the community, neighborhood, and the residents and  
8 citizens of the State of California and the City and County of San Francisco will suffer irreparable  
9 injury and damage, in that said conditions will continue to be injurious to the enjoyment and the free  
10 use of the life and property of said residents and citizens of the State of California and the City and  
11 County of San Francisco.

12  
13 **FOURTH CAUSE OF ACTION**  
14 **FOR VIOLATIONS OF THE STATE HOUSING LAW**  
15 **BROUGHT BY PLAINTIFF CITY AND COUNTY OF SAN FRANCISCO**  
16 **AGAINST ALL DEFENDANTS**  
17 **(Health And Safety Code Sections 17910-17998.3)**

18 147. Plaintiff City and County of San Francisco hereby incorporates by reference paragraphs  
19 1 through 146 above and make them a part of this cause of action, as though fully set forth herein.

20 148. Defendants now are, and for a considerable period of time heretofore and at all times  
21 herein mentioned have been, maintaining and Defendants' Properties as substandard buildings within  
22 the meaning of Health and Safety Code Section 17920.3. The conditions creating said substandard  
23 buildings are the on-going violations of the San Francisco Municipal Codes, as well as state and local  
24 law relating to the rights of tenants. The substandard conditions at the properties substantially  
25 endanger the health and safety of the occupants and the general public.

26 149. At all times herein mentioned Defendants have had notice and knowledge that  
27 Defendants' Properties are substandard buildings.

28 150. Plaintiffs have no adequate remedy at law in that damages are insufficient to protect the  
residents and the public from the harm caused by the conditions described herein.

151. Unless said substandard conditions are abated, the occupants of Defendants' Properties

1 and the residents and citizens of the City and County of San Francisco, will suffer irreparable injury  
2 and damage, in that said conditions will continue to endanger the health and safety of the occupants of  
3 the properties and the occupants of the adjacent properties and the public.

4 **FIFTH CAUSE OF ACTION**  
5 **FOR FALSE CLAIMS AGAINST THE CITY**  
6 **BROUGHT BY PLAINTIFF THE CITY AND COUNTY OF SAN FRANCISCO**  
7 **AGAINST DEFENDANTS**  
8 **(Government Code Section 12651)**

9 152. Plaintiff City and County of San Francisco hereby incorporates by reference paragraphs  
10 1 through 151 above and make them a part of this cause of action, as though fully set forth herein.

11 153. Defendants, through the THAKOR FAMILY DEFENDANTS, and DEFENDANTS  
12 WINTON HOTEL, LLC, TKB INVESTMENTS, LLC, CIVIC CENTER HOTEL, LLC, SHREE  
13 JALABAPA HOTEL, LP, and SHREE JALARAMBAPA HOTEL, LP have contracted or do contract  
14 with the City to provide multiple residential rooms in Defendants' Properties for use by clients of  
15 CCSF departments, including at the Civic Center Hotel, the Kean Hotel, the Page Hotel, and the  
16 Winton Hotel.

17 154. As part of their written agreements with the City, Defendants specifically agreed that  
18 they "[are] responsible for maintenance and repair of common areas and sleeping rooms in the entire  
19 hotel(s), including the rooms and floors rented by [the City]. Owner will maintain the hotel(s),  
20 including all rooms rented by [the City], in clean, safe, habitable condition and in accordance with all  
21 health and safety codes applicable to the operation of the building. This includes utilizing professional  
22 extermination services on a regular basis and more often if necessary." See Exhibit G.

23 155. As part of their written agreements with the City, Defendants also specifically agreed  
24 that they "will provide 24 hour, seven days per week front desk personnel in order to maintain a secure  
25 and safe environment. Front desk personnel will be trained to provide professional services and  
26 communication to [City] clients and providers. Owner will be in compliance with codes and  
27 ordinances as applicable; such as the SRO Sprinkler Ordinance and the SRO Visitor Policy." See  
28 Exhibit G.

156. Every such agreement with the City also includes a legally implied requirement that the  
residential rooms be kept in a condition that is both habitable and compliant with state and local health

1 and safety codes.

2 157. Defendants have presented, or caused to be presented, claims to the City for payments  
3 under those contracts, expressly or impliedly representing that those rooms are safe and habitable as  
4 required by their contracts with CCSF and by state and local law, knowing that many or all of the  
5 rooms are neither safe nor habitable and knowing that they were in violation of many state and local  
6 laws. Examples of such claims by Defendants are attached as Exhibit H.

7 158. By falsely certifying that the SRO hotel rooms they provide under contract with the  
8 City are safe and habitable and compliant with state and local law when they are not, Defendants have  
9 violated California Government Code Section 12651.

10 **SIXTH CAUSE OF ACTION**  
11 **FOR UNLAWFUL, UNFAIR, & FRAUDULENT BUSINESS PRACTICES**  
12 **BROUGHT BY PLAINTIFF THE PEOPLE OF THE STATE OF CALIFORNIA**  
13 **AGAINST ALL DEFENDANTS**  
14 **(Business and Professions Code Sections 17200 - 17210)**

15 159. Plaintiff City and County of San Francisco hereby incorporates by reference  
16 paragraphs 1 through 158 above and make them a part of this cause of action, as though fully set forth  
17 herein.

18 160. Plaintiff, acting to protect the public from unlawful, unfair, and fraudulent practices,  
19 brings this cause of action in the public interest in the name of the People of the State of California,  
20 pursuant to Business and Professions Code Section 17200 – 17210.

21 161. Defendants transact business in the form of ownership, management and operation of  
22 SRO Hotels within the City and County of San Francisco, State of California. The violations of law  
23 described herein have been and are being carried out wholly or in part within the City and County of  
24 San Francisco.

25 162. The actions of Defendants are in violation of the laws and public policies of the City  
26 and County of San Francisco and the State of California and are inimical to the rights and interest of  
27 the general public.

28 163. Through the conduct described above, Defendants have engaged in a pattern and  
practice of unlawful, unfair, and fraudulent business practices prohibited by Business and Professions  
Code Sections 17200 – 17210 including but not limited to the following:

- 1 A. Violating the State Housing Law by maintaining and operating substandard  
2 properties that endanger the life, limb, health, property, safety, and welfare of  
3 the occupants and the general public;
- 4 B. Violating the San Francisco Housing, Building, and Health Codes;
- 5 C. Creating *per se* and general public nuisances in violation of state and local law;
- 6 D. Collecting rents for untenable dwellings in violation of Civil Code Section  
7 1942.4;
- 8 E. Depriving occupants of Defendants' Properties of tenancy rights in violation of  
9 local and state law;
- 10 F. Performing construction work on residential units unlawfully and without  
11 proper permits; and
- 12 G. Submitting or causing to be submitted to the City claims for payment for  
13 residential rooms for use by City clients while falsely certifying that those  
14 rooms were being maintained in a safe, healthy and habitable condition in  
15 compliance with state and local law.

16 164. Plaintiffs are informed and believe that as a direct and proximate result of the foregoing  
17 acts and practices, Defendants have received or will receive income and other benefits, which they  
18 would not have received if they had not engaged in the violations of Business and Professions Code  
19 Section 17200 described in this Complaint.

20 165. Defendants were able to unfairly compete with other businesses in the State of  
21 California by engaging in a pattern and practice of illegal activities that have violated the law and  
22 public policy of the City and of the State of California.

23 166. Plaintiff has no adequate remedy at law in that damages are insufficient to protect the  
24 public from the present harm caused by the conditions described in this Complaint. Defendants will  
25 continue to engage in unfair, unlawful, and fraudulent business practices. Unless injunctive relief is  
26 granted to enjoin Defendants' unfair and unlawful business practices, Plaintiffs will suffer irreparable  
27 injury and damage.

28 167. Defendants are subject to civil penalties of up to \$2,500 per violation of the Business

1 and Professions Code for each act of unfair and unlawful competition.

2 168. Defendants are subject to additional penalties of up to \$2,500 per violation of the  
3 Business and Professions Code for each act of unfair competition perpetrated against one or more  
4 senior citizens or disabled persons.

5  
6 **RELIEF REQUESTED**

7 WHEREFORE, Plaintiffs pray that the Court:

8 Declaratory Relief

9 1. Declare Defendants' Properties a public nuisance and a *per se* public nuisance in  
10 violation of the San Francisco Building, Housing and Health Codes and Civil Code Sections 3479 and  
11 3480;

12 2. Declare that Defendants' Properties are in a condition that substantially endangers the  
13 health and safety of the occupants of the Properties and the general public;

14 3. Declare that Defendants have engage in a civil conspiracy to violate the various laws  
15 alleged to have been violated herein;

16 4. Declare that Defendants have engaged in oppression, fraud, and/or malice in violating  
17 San Francisco Administrative Code Sections 37.2 and/or 37.10B.

18 5. Declare that Defendants have engaged in unfair, unlawful, and fraudulent business acts  
19 and practices in violation of Business and Professions Code Sections 17200-17210;

20 Injunctive Relief

21 6. Order Defendants to abate the public nuisance and *per se* public nuisance at  
22 Defendants' Properties;

23 7. Order Defendants to cause Defendants' Properties and all parts thereof to conform to  
24 law;

25 8. Order Defendants to vacate Defendants' Properties and all parts thereof and enjoin  
26 Defendants from renting, leasing, occupying, or otherwise using Defendants' Properties or any part  
27 thereof while the conditions described in this Complaint, or any of them, exist and until Defendants'  
28 Properties and any structures on Defendants' Properties and all parts thereof have been repaired and

1 restored to conform to law;

2 9. Order Defendants to pay relocation assistance to the lawful tenants of Defendants'  
3 Properties, if necessary, pursuant to Health & Safety Code Section 17980.7(d)(3);

4 10. Grant Plaintiffs a lien upon Defendants' Properties in the amount Plaintiffs expended  
5 pursuant to authority and a judgment in that amount against Defendant, its successors and assigns;

6 11. Order Defendant to pay all abatement costs, pursuant to Building Code Section  
7 102A.14 and 102A.17;

8 12. Order Defendants not to claim any deduction with respect to state taxes for interest,  
9 taxes, expenses, depreciation, or amortization paid or incurred with respect Defendants' Properties for  
10 the taxable year of the initial Order or Notice to the present until all such Orders and Notices are  
11 abated, pursuant to State Housing Law Section 17980.7(b)(1);

12 13. Enjoin Defendants and their successors in interest, by themselves or through their  
13 agents, officers, managers, representatives, employees, and anyone acting on their behalf, from  
14 operating, conducting, using, occupying, or in any way permitting the use of Defendants' Properties in  
15 violation of the Civil Code Sections 3479 and 3480, the State Housing Law, the San Francisco  
16 Building Code, the San Francisco Housing Code or the San Francisco Health Code, or otherwise  
17 engaging in the unfair and unlawful business practices described in this Complaint, pursuant to  
18 Business and Professions Code Section 17203-17204.

19 14. Enjoin Defendants from continuing to deprive guests of Defendants' Properties of  
20 tenancy rights in violation of San Francisco Administrative Code Sections 37.2 and 37.10B, pursuant  
21 to Section 37.10B(c)(4).

22 15. Enjoin Defendants from spending, transferring, encumbering, or removing from  
23 California any money received from Defendants' Properties or in payment for the unfair, unlawful,  
24 and fraudulent acts alleged in the Complaint;

25 Civil Penalties

26 16. Order Defendants to pay civil penalties of \$500 for each day any violation of the San  
27 Francisco Building Code was committed or permitted to continue pursuant to San Francisco Building  
28 Code Section 103A;

1           17.     Order Defendants to pay civil penalties of \$1000 for each day any violation of the San  
2 Francisco Housing Code was committed or permitted to continue pursuant to San Francisco Housing  
3 Code Section 204(c)(2);

4           18.     Order Defendants to pay a civil penalty of up to \$1000 for each day any violation of the  
5 San Francisco Health Code was committed or permitted to continue pursuant to San Francisco Health  
6 Code Sections

7           19.     Order Defendants to pay civil penalties of \$1000 per violation of San Francisco  
8 Administrative Code Section 37.10B;

9           20.     Order Defendants to pay to the City a civil penalty of not less than \$5500 nor more than  
10 \$11,000 for each violation of Government Code Section 12651;

11          21.     Order Defendants to pay a civil penalty of \$2,500 for each of their unfair, unlawful, and  
12 fraudulent acts, pursuant to Business and Professions Code Section 17206;

13          22.     Order Defendants to pay an additional civil penalty of \$2,500 for each their unfair,  
14 unlawful, and fraudulent acts, perpetrated against one or more elderly or disabled persons, pursuant to  
15 Business and Professions Code Section 17206.1;

16           Damages

17          23.     Order Defendants to pay treble damages for all violations of law that unfairly affected a  
18 senior or disabled person, pursuant to Civil Code Section 3345;

19          24.     Order Defendants to pay punitive damages for any violation of San Francisco  
20 Administrative Code Sections 37.2 and/or 37.10B done with oppression, fraud, and/or malice;

21          25.     Order Defendants to pay damages to the City in an amount three times the amount that  
22 the City has sustained as a result of Defendants' acts in violation of Government Code Section 12651;

23           Other Equitable Remedies

24          26.     Order Defendants to disgorge all profits obtained through its unfair, unlawful, and  
25 fraudulent business practices as described herein, pursuant to Business and Professions Code Section  
26 17203;

27          27.     Order restitution of all money or property Defendants acquired as a result of their  
28 unfair, unlawful, and fraudulent, business practices to former and present of occupants of the Property



1 while Defendants maintained the Property in violation of law, pursuant to Business and Professions  
2 Code Section 17203;

3 Attorneys' Fees and Costs

4 28. Award Plaintiffs recovery of their attorneys' fees, costs, and expenses incurred to secure  
5 safe housing at Defendants' Properties, pursuant to Health and Safety Code Section 17980.7(d)(1);

6 29. Award Plaintiffs their attorneys' fees and costs pursuant to San Francisco  
7 Administrative Code Section 37.10B(c)(5).

8 30. Award Plaintiffs recovery of their costs incurred herein, pursuant to Code of Civil  
9 Procedure Section 1032 and Government Code Section 12651;

10 Other Relief

11 31. Authorize Plaintiffs to record an Abstract of Judgment that constitutes a prior lien over  
12 any lien that any Defendants in this case may hold on Defendants' Properties; and

13 32. Grant such other and further relief as this Court should find just and proper, including  
14 attorneys' fees, prejudgment interest, and costs, as otherwise allowed by statute.

15 Dated: May 12, 2014

16 DENNIS J. HERRERA  
17 City Attorney  
18 YVONNE MERÉ  
19 Chief Attorney, Neighborhood and Resident Safety Division  
20 JERRY THREET  
21 Deputy City Attorney

22 By: 

23 JERRY THREET  
24 Deputy City Attorney

25 Attorney for Plaintiffs  
26 CITY AND COUNTY OF SAN FRANCISCO AND  
27 PEOPLE OF THE STATE OF CALIFORNIA  
28

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<b><u>Exhibit</u></b>	<b><u>Description</u></b>
A	Winton Hotel Department of Building Inspection Notices of Violations and Administrative Orders
B	Civic Center Hotel Department of Building Inspection Notices of Violations and Administrative Orders
C	Kean Hotel Department of Building Inspection Notices of Violations and Administrative Orders
D	Budget Inn Department of Building Inspection Notices of Violations and Administrative Orders
E	Bristol Hotel Department of Building Inspection Notices of Violations and Administrative Orders
F	Page Hotel Department of Building Inspection Notices of Violations and Administrative Orders
G	Contracts between Defendants and Department of Public Health for rooms in Defendants' SRO residential hotels
H	Invoices from Defendants to Department of Public Health requesting payment for rooms in Defendants' SRO residential hotels

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**From:** Caldeira, Rick (BOS)  
**Sent:** Thursday, May 22, 2014 3:35 PM  
**To:** BOS Legislation (BOS)  
**Subject:** FW: Kim - Resolution - Divestment in Thakon SROs

For processing and file.

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**From:** Pagoulatos, Nickolas (BOS)  
**Sent:** Thursday, May 22, 2014 3:33 PM  
**To:** Caldeira, Rick (BOS)  
**Cc:** Lauterborn, Peter (BOS); Lim, Victor (BOS); Lee, Ivy (BOS); BOS Legislation (BOS)  
**Subject:** Re: Kim - Resolution - Divestment in Thakon SROs

We are confirmed.

Sent from my iPhone

On May 22, 2014, at 3:32 PM, "Caldeira, Rick (BOS)" <[rick.caldeira@sfgov.org](mailto:rick.caldeira@sfgov.org)> wrote:

Once we receive confirmation from Supervisor Mar's office we will add him as a co-sponsor. Please note that the Legislation Introduced has already been finalized and will not appear on that document.

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**From:** Lee, Ivy (BOS)  
**Sent:** Thursday, May 22, 2014 3:18 PM  
**To:** BOS Legislation (BOS)  
**Cc:** Caldeira, Rick (BOS); Pagoulatos, Nickolas (BOS)  
**Subject:** Kim - Resolution - Divestment in Thakon SROs

Can you please add Supervisor Mar as a co-sponsor to the resolution introduced by Supervisor Kim this past Tuesday, May 20? Thank you.

Ivy

Ivy Lee  
Legislative Aide, Supervisor Jane Kim/District 6  
415.554.7973 (direct)  
[ivy.lee@sfgov.org](mailto:ivy.lee@sfgov.org)

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# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

RECEIVED  
 BOARD OF SUPERVISORS  
 STAFF ATTENTION  
 JAN 20 11:25 AM

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

**Sponsor(s):**

Supervisor Kim

**Subject:**

Divestment from and Cataloging of Sub-standard Single-Room Occupancy Hotels

**The text is listed below or attached:**

Please see attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: