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Attorneys for Plaintiff,
GENA MOREHOUSE, on behalf of herself and all others similarly situated,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

STANLEY MOSK COURTHOUSE—CENTRAL DISTRICT

GENA MOREHOUSE, on behalf of herself and all others similarly situated,

Plaintiff,

vs.

BELL PARTNERS INC., a North Carolina corporation; and DOES 1 through 60, inclusive,

Defendants.

CASE NO. 25STCV22367

CLASS ACTION COMPLAINT FOR:

1. **UNFAIR BUSINESS PRACTICES, CAL. BUS. & PROF. CODE, § 17200, *ET SEQ.;***

<u>DEMAND FOR JURY TRIAL</u>

Plaintiff GENA MOREHOUSE on behalf of herself and all others similarly situated (hereinafter referred to as collectively, the "Plaintiff") complains and alleges as follows based on personal knowledge as to her own conduct, the investigation of her counsel, and information and belief as to the conduct of others. Plaintiff believes substantial evidentiary support exists for the allegations set forth in this Complaint after a reasonable opportunity for discovery.

INTRODUCTION AND SUMMARY OF CLAIMS

1. Plaintiff GENA MOREHOUSE is an individual who resides at the Bell Warner Center located at 21050 Kittridge Street, Canoga Park, CA 91303.

2. Plaintiff brings this class action on behalf of herself and all other similarly situated tenants to challenge Defendant's unlawful and opportunistic "junk fee" practices.

3. Defendant Bell Partners, Inc., a North Carolina corporation ("Defendant"), one of the largest residential landlord in the United States, Defendant manages over 3,000 rental units, and has over $7 billion in managed assets.

4. Many residential property companies and their affiliates do not charge their tenants separate fees for pest control or trash services knowing that, under California law, such costs must be absorbed by the landlord and included in the rent. These extra hidden fees prevent consumers, such as Plaintiff and the proposed Class, from engaging in meaningful comparison shopping between apartments when deciding where to live, which also stifles competition in the rental market.

5. By shifting the costs of pest control and trash services to tenants, Defendant unlawfully increases its profits from every rental unit where these fees are charged.

6. To make matters worse, Defendant has intentionally and strategically engaged in "bait-and-switch" and "drip pricing" sales tactics to make their units appear cheaper than they actually are and imposes costs that are Defendant's responsibility on to tenants after the tenant has expended significant resources in selecting an apartment.

7. Specifically, in addition to the advertised cost of rent, Defendant adds additional mandatory monthly fees that can add up to hundreds of dollars per month per tenant, including mandatory add-on fees that Defendant describes as "service fees", "administrative fees", "trash

fees", and "pest control fees," among others (collectively, "Junk Fees").

8. In December 2021, Plaintiff viewed a Defendant's apartment complex, the Bell Warner Center, located at 21050 Kittridge Street, Canoga Park, CA 91303 online. The amount listed for the rent was $3,535.00.

9. Plaintiff paid an application fee to apply to be a tenant of Defendant at the Bell Warner Center.

10. Defendant again reaffirmed the monthly cost of the apartment for Plaintiff of $3,535.00 per month.

11. Based on this Plaintiff decided to go forward with renting the apartment based on these terms.

12. On or about December 17, 2021, Plaintiff was provided with a form lease agreement. The new lease, however, included additional, previously undisclosed fees, which included the following mandatory fees: $6.77 "Trash Fee", $15.81 "Recreational Fee," and an "Administrative Fee" $4.53 per month. In addition, Plaintiff was presented with a pest control fee.

13. For a 1-year span, Plaintiff would be required to pay at least $385 in unavoidable Junk Fees that were not included in the originally advertised price of the unit Plaintiff was presented at the time of viewing.

14. In total, ***Plaintiff paid approximately $385+ in unavoidable, mandatory Junk Fees to Defendant that were not included in the advertised rental price.***

15. Among other things, Defendant violated the California law by charging "junk fees". This amply satisfies the UCL requirement that an unlawful business practice by any of violations of 'other laws.'" **Defendant's conduct constituted an "unlawful" business practice under California's Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200.**

16. In addition, Defendant's misrepresentations and omissions regarding the legality of its "junk fees" were **"fraudulent" and "unfair" business practices** under the UCL, as detailed below.

17. Plaintiff, on behalf of herself and the Class, **seeks actual and consequential damages, restitution of overpaid rent, punitive damages, injunctive relief, and other**

appropriate remedies to address the financial harm caused by Defendant's violations. See Cal. Civ. Code § 1780(a)(1) – (5); Cal. Bus. & Prof. Code §§ 17203, 17204 & 17535.

18. Plaintiff also seeks an award of attorneys' fees and costs as allowed by law, including under California Code of Civil Procedure § 1021.5 (the private attorney general doctrine), given that this action enforces important rights affecting the public interest. Plaintiff also seeks reasonable attorneys' fees pursuant to provisions that allow a prevailing plaintiff to recover court costs and attorneys' fees as a matter of right, see Cal. Civ. Code § 1780(e), and (b) California Code of Civil Procedure § 1021.5, as this lawsuit seeks the enforcement of an important right affecting the public interest and satisfies the statutory requirements for an award of attorneys' fees.

JURISDICTION AND VENUE

19. Subject matter jurisdiction is proper in this Court because this is a civil action in which the amount in controversy exceeds the jurisdictional minimum of the Superior Court and other required elements are satisfied.

20. This Court has personal jurisdiction over Defendant because Defendant conducts substantial business in California, owns and rents property in Los Angeles County, and committed the wrongful acts alleged herein in California.

21. Venue is proper in the County of Los Angeles under Code of Civil Procedure §§ 395 and 395.5 because the obligations and liabilities arose in this county and the wrongful conduct occurred here.

22. Defendant transacts business in Los Angeles County by owning, leasing, and managing the apartment building at issue, and the leases with Plaintiff and Class members were executed and performed in this County. Wrongful conduct occurred and continues to occur in this County.

PARTIES

23. Plaintiff GENA MOREHOUSE is, and at all relevant times was, a resident of Los Angeles County, California. She is a tenant at Bell Warner Center, owned and/or managed by Defendant, having entered into a residential lease with Defendant for an apartment at 21050

Kittridge Street, Canoga Park, CA 91303

24. At all relevant times, Plaintiff faithfully performed her obligation under the lease, including paying rent. Plaintiff is one of many consumers who rented an apartment from Defendant and were subjected to “junk fees” as described herein. Plaintiff is, and at all relevant times mentioned were, a resident of Los Angeles County, California and 'consumers,' as defined by Cal. Civ. Code § 1761(d) and Cal. Bus. & Prof. Code § 17601(d).

25. Defendant BELL PARTNERS INC. is a North Carolina corporation authorized to do business in California. At all relevant times, Defendant owned, operated, and/or managed the Bell Warner Center apartment complex in Los Angeles County, and was in the business of offering residential rental units to the public.

26. Defendant engaged in trade and commerce within California by leasing apartments to consumers, and it participated in the wrongful acts alleged in this Complaint.

27. The true names and capacities of Defendants sued herein as DOES 1 through 60, inclusive, are currently unknown to Plaintiff, who therefore sue such Defendants by fictitious names. Each of the Doe Defendants was in some manner legally responsible for the wrongful acts and omissions alleged herein. Plaintiff will amend this Complaint to allege their true names and capacities when ascertained. Plaintiff is informed and believes, and on that basis alleges, that at all relevant times each of the Defendants (including those named as Doe Defendants) was the agent, employee, servant, co-conspirator, or alter ego of the others, and in doing the acts alleged was acting within the course and scope of such relationship and with the permission and ratification of their co-Defendants.

FACTUAL ALLEGATIONS

28. Defendant deceptively advertises monthly leasing costs that are lower than the actual price tenants must pay to lease Defendant rental units. The actual price is higher than the advertised price because Defendant adds numerous mandatory Junk Fees. In addition to advertising deceptively low prices, Defendant fails to adequately inform prospective tenants about these Junk Fees.

29. Added together, these Junk Fees can significantly increase the cost of renting a unit

at a Defendant property by tens to hundreds of dollars each month, often adding up to over $300 each year in extra costs to tenants.

30. In December 2021, Plaintiff viewed a Defendant's apartment complex, the Bell Warner Center, located at 21050 Kittridge Street, Canoga Park, CA 91303 online. The amount listed for the rent was $3,535.00.

31. Plaintiff paid an application fee to apply to be a tenant of Defendant at the Bell Warner Center.

32. Defendant again reaffirmed the monthly cost of the apartment for Plaintiff of $3,535.00 per month.

33. Based on this Plaintiff decided to go forward with renting the apartment based on these terms.

34. On or about December 17, 2021, Plaintiff was provided with a form lease agreement. The new lease, however, included additional, previously undisclosed fees, which included the following mandatory fees: $6.77 "Trash Fee", $15.81 "Recreational Fee," and an "Administrative Fee" $4.53 per month. In addition, Plaintiff was presented with a pest control fee.

35. For a 1-year span, Plaintiff would be required to pay at least $385 in unavoidable Junk Fees that were not included in the originally advertised price of the unit Plaintiff was presented at the time of viewing.

36. Defendant's Utility Admin Fee, Trash Fee, and Pest Control Fee are precisely the type of "Junk Fees" that have come under government scrutiny in recent years: Junk fees are fees that are mandatory but not transparently disclosed to consumers. Consumers are lured in with the promise of a low price, but when they get to the register, they discover that price was never really available. Junk fees harm consumers and actively undermine competition by making it impractical for consumers to compare prices, a linchpin of our economic system.

CLASS ACTION ALLEGATIONS

37. Plaintiff brings this action pursuant to Code of Civil Procedure § 382 on behalf of herself and all others similarly situated (the "Class").

38. The Class that Plaintiff seeks to represent is defined as follows:

39. **Class Definition:** *All persons who were charged a mandatory fee by* Defendant *that exceeded the advertised and/or contracted rental rate for a residential lease in California within the six years prior to the filing on this action. All persons who paid* Defendant *separate fees for pest control, trash/trash administrative, and/or utility administrative services not included in the rent for a residential lease in California within the six years prior to the filing on this action.*

40. The "Class Period" is the period from six years prior to the filing of this Complaint up to the date of class certification. Plaintiff reserves the right to redefine or modify the Class definition, or to create subclasses, as may be warranted by further investigation and discovery.

41. **Numerosity:** The Class is so numerous that joinder of all members is impracticable. Plaintiff does not know the exact number of Class members yet, but estimates that there are over 100 individuals (if not many more) who meet the class definition. Those individuals can be readily identified through Defendant's records (such as lease agreements and payment records) and/or the records of Defendant's agents or property managers.

42. **Commonality:** There are questions of law and fact common to the Class that predominate over any questions affecting only individual members. All Class members were tenants of Defendant during the relevant period and were subjected to the same "Junk Fees" under a common course of conduct by Defendant. The core questions—such as whether Defendant's "Junk Fees" were unlawful, whether Defendant's conduct constituted unfair business practices, and whether Plaintiff and Class members are entitled to restitution and damages—are common to the Class and can be answered on a classwide basis using common evidence.

43. **Typicality:** Plaintiff's claims are typical of the claims of the Class. Like all other Class members, *Plaintiff was charged a mandatory fee by* Defendant *that exceeded the advertised and/or contracted rental rate for a residential lease in California within the six years prior to the filing on this action*. Plaintiff is advancing the same legal claims (e.g., UCL, breach of covenant, etc.) on behalf of the Class that she advances on their own behalf. Their interests align with those of the Class, and Defendant has no defenses unique to Plaintiff.

44. **Adequacy:** Plaintiff will fairly and adequately represent and protect the interests of the Class. Plaintiff's interests does not conflict with those of other Class members. Plaintiff has

retained counsel experienced in consumer protection and complex class action litigation. Plaintiff and her counsel are well-prepared to vigorously prosecute this action and have no interests that are antagonistic to or in conflict with the Class. **Plaintiff's attorneys are unaware of any conflict between Plaintiff and the Class, and they intend to vigorously protect the Class's interests.**

45. **Superiority:** A class action is superior to other available methods for the fair and efficient adjudication of this controversy. The damages suffered by individual Class members—consisting of several hundred of dollars of "Junk Fees" per tenant per year, on average—are relatively small compared to the burden and expense of individual litigation. It would be impracticable for each affected tenant to file individual lawsuits against Defendant, and the judicial system would be overrun by hundreds of repetitive actions involving the same issues. Class treatment will permit a large number of similarly situated persons to pursue their claims in a single forum simultaneously, efficiently, and without unnecessary duplication of evidence and effort.

46. Proceeding as a class will also ensure **uniform adjudication** of the common issues and avoid the risk of inconsistent rulings. Moreover, class litigation is appropriate because Defendant acted on grounds generally applicable to the entire Class, such that final injunctive or declaratory relief would be capable of benefiting the Class as a whole (to the extent any prospective relief were relevant). **Handling this case as a class action will conserve judicial resources and advance the interests of justice.** It will also **serve the public interest**, as it enables enforcement of California's consumer protection laws on behalf of all those injured, and protects law-abiding competitors who did not engage in similar price gouging/junk fees from being placed at a competitive disadvantage. Plaintiff anticipates no significant difficulties in the management of this case as a class action.

47. The Plaintiff anticipates no difficulty in the management of this case as a class action. The Plaintiff reserves the right to expand the Class definition to seek recovery on behalf of additional persons as warranted as facts are learned in further investigation and discovery.

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<u>FIRST CAUSE OF ACTION</u>

(For Unfair Business Practices, Cal. Bus. & Prof. Code, § 17200, *et seq.* Against Defendants on behalf of the Class and DOES 1-60)

48. Plaintiff hereby incorporates paragraphs 1 through 47, as if set forth fully herein and re-allege each paragraph by reference.

49. Defendant deceptively advertises monthly leasing costs that are lower than the actual price tenants must pay to lease Defendant rental units. The actual price is higher than the advertised price because Defendant adds numerous mandatory Junk Fees. In addition to advertising deceptively low prices, Defendant fails to adequately inform prospective tenants about these Junk Fees.

50. Added together, these Junk Fees can significantly increase the cost of renting a unit at a Defendant property by tens to hundreds of dollars each month, often adding up to over $300 each year in extra costs to tenants.

51. In December 2021, Plaintiff viewed a Defendant's apartment complex, the Bell Warner Center, located at 21050 Kittridge Street, Canoga Park, CA 91303 online. The amount listed for the rent was $3,535.00.

52. Plaintiff paid an application fee to apply to be a tenant of Defendant at the Bell Warner Center.

53. Defendant again reaffirmed the monthly cost of the apartment for Plaintiff of $3,535.00 per month.

54. Based on this Plaintiff decided to go forward with renting the apartment based on these terms.

55. On or about December 17, 2021, Plaintiff was provided with a form lease agreement. The new lease, however, included additional, previously undisclosed fees, which included the following mandatory fees: $6.77 "Trash Fee", $15.81 "Recreational Fee," and an "Administrative Fee" $4.53 per month. In addition, Plaintiff was presented with a pest control fee.

56. For a 1-year span, Plaintiff would be required to pay at least $385 in unavoidable Junk Fees that were not included in the originally advertised price of the unit Plaintiff was

presented at the time of viewing.

57. Defendant's Utility Admin Fee, Trash Fee, and Pest Control Fee are precisely the type of "Junk Fees" that have come under government scrutiny in recent years: Junk fees are fees that are mandatory but not transparently disclosed to consumers. Consumers are lured in with the promise of a low price, but when they get to the register, they discover that price was never really available. Junk fees harm consumers and actively undermine competition by making it impractical for consumers to compare prices, a linchpin of our economic system.

58. California's Unfair Competition Law ("UCL"), Business and Professions Code § 17200 *et seq.*, **prohibits "unfair competition," defined to include any unlawful, unfair, or fraudulent business act or practice**. This is a broad, remedial statute designed to protect consumers and competitors from unlawful or unscrupulous business conduct. **Any practice that violates an independent law—civil or criminal—can also constitute an "unlawful" business practice actionable under the UCL.** (See *Cel-Tech Communications, Inc. v. Los Angeles Cellular Tel. Co.*, 20 Cal.4th 163, 180 (1999); *Kasky v. Nike, Inc.*, 27 Cal.4th 939, 950 (2002).) The UCL's scope is intentionally sweeping, encompassing "*anything that can properly be called a business practice and that at the same time is forbidden by law*." (*Bank of the West v. Superior Court*, 2 Cal.4th 1254, 1266 (1992) (internal quotation marks omitted).) In addition, the UCL independently prohibits business practices that are **unfair** (even if not expressly unlawful) and those that are **fraudulent** or deceptive to consumers.

59. **Unlawful Prong:** Defendant's acts and omissions as alleged herein constitute **unlawful business practices** within the meaning of the UCL. Defendant violated multiple laws and regulations, including but not limited to charging unlawful junk fees.

60. **Unfair Prong:** Defendant's conduct also constituted **unfair business practices**. The harm caused by Defendant's actions (inflated rent and financial stress on tenants during a crisis) **outweighs any legitimate business justification**. It offends established public policy and is **immoral, unethical, oppressive, and unscrupulous**. Defendant could have pursued legitimate business interests through lawful means – for example, by charging rents within the permitted range – rather than exploiting a global pandemic. There were **reasonably available alternatives**

to achieve any business objectives, which Defendant ignored in favor of profiteering. Defendant's conduct thus violates the "unfair" prong of the UCL under any applicable test.

61. **Fraudulent Prong:** Defendant's acts and omissions were also **"fraudulent" within the meaning of the UCL**, in that they were likely to deceive members of the public. Defendant **misleadingly priced and offered its apartments without disclosing that the rents were illegally inflated**. Reasonable consumers (including Plaintiff and Class members) were likely to be deceived about the lawfulness and fairness of the rent terms. Members of the public, in deciding whether to rent at Bell Warner Center or how much to pay, would attach importance to the fact that a rent exceeds legal limits; Defendant's concealment of that fact was deceptive.

62. By engaging in the conduct alleged (including **charging excessive junk fees, unlawful rents** and **concealing the illegality** of those charges), Defendant **committed unlawful, unfair, and fraudulent business practices** in violation of Business & Professions Code § 17200.

63. Plaintiff and the Class have suffered injury in fact and lost money or property as a direct result of Defendant's unfair competition. Plaintiff and Class members paid substantially more for housing than they should have in a fair and law-abiding market. These monetary losses constitute cognizable injury under the UCL.

64. Pursuant to Business & Professions Code § 17203, Plaintiff and the Class seek restitution of all monies that Defendant wrongfully obtained from them by means of its unfair and unlawful practices. Specifically, Plaintiff requests restitution and disgorgement of the excess rent amounts that Class members paid during the four years preceding the filing of this Complaint (or such shorter time as the Court deems appropriate), which amounts were unjustly obtained by Defendant through its violation of the law. Plaintiff also seeks any other equitable relief the Court deems just and proper to prevent Defendant from retaining the benefits of its wrongdoing. Pursuant to § 17203, Plaintiff and all Class members are entitled to restitution of all amounts Defendants received from them as a result of the foregoing conduct during the four years preceding the filing of this Complaint and continuing until Defendants' acts of unfair competition cease. Plaintiff does seek injunctive and/or declaratory relief under the UCL, as well as obtaining retrospective monetary relief for the Class. Pursuant to § 17203, Plaintiff is entitled to an order

enjoining Defendants from committing further acts of unfair competition. However, to the extent any aspect of Defendant's conduct is ongoing or to prevent similar future violations, Plaintiff is willing to seek appropriate public injunctive relief if warranted by the evidence.

WHEREFORE, Plaintiff prays for relief and judgment in favor of themselves and the Class as follows:

1. For an order certifying that the action be maintained as a class action, that Plaintiff be designated the class representative, and that undersigned counsel be designated as class counsel.

2. For an order awarding Plaintiff and the proposed Class members actual, consequential, restitution, punitive, and statutory damages, as appropriate.

3. For pre- and post-judgment interest and costs of suit incurred herein.

4. For attorneys' fees incurred herein.

5. For such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands trial by jury of all claims against Defendant alleged herein.

DATED: July 29, 2025 **META LAW GROUP, APC**

By: /s/ Michael A. Shakouri

Michael A. Shakouri, Esq.
Attorneys for Plaintiff,
GENA MOREHOUSE on behalf of herself and all others similarly situated,