



For Immediate Release

**Contact:**

Franke Santos, Legal Aid Foundation of Los Angeles, 323-801-7981, [fsantos@lafla.org](mailto:fsantos@lafla.org)

Lisa Dulyea, Inner City Law Center, 213-891-3234, [ldulyea@innercitylaw.org](mailto:ldulyea@innercitylaw.org)

Eric Ares, Los Angeles Community Action Network, 213-228-0024, [erica@cangress.org](mailto:erica@cangress.org)

## **Low-income Tenants Win Another Fight Against Slumlord Who Stands to Profit \$4.2 Million in Potential Sale**

LOS ANGELES, June 20, 2016 — Low-income tenants of the Madison Hotel no longer need to suffer abuse at the hands of management. Today, Judge Yvette M. Palazuelos issued a temporary restraining order that forbids owners and management of the residential hotel from harassing the residential hotel's tenants. Real estate mogul Kameron Segal, who bought the Madison last year for \$5.6 million, stands to profit more than \$4 million if the building is sold.

Despite a lawsuit and two preliminary injunctions, low-income tenants of the Madison Hotel continued to face a barrage of harassment at the hands of management taking direction from Segal. Today's ruling is a huge victory for 16 low-income residents of the Madison, many of whom are elderly, disabled, and military veterans, and for Los Angeles Community Action Network (LA CAN), a tenant-organizing group.

The Madison Hotel, located at 423 E. 7th St., is one of the few remaining affordable housing options in the downtown area. Many of the tenants, some of L.A.'s most vulnerable residents, have called the building home for decades. Since the June 2015 purchase of the building, 423 E. 7th Street, LLC, and its management company, William Holdings, LLC, both managed by Segal, have engaged in a range of illegal, deplorable tactics apparently aimed at forcing tenants to leave their homes. Management employees have ridiculed individuals for their disabilities, age and sexual orientation, demanded access to plaintiffs' units at all hours and for questionable reasons, and threatened to forcibly remove tenants from their units. When LA CAN attempted to organize tenants to fight back, management banned guests, including tenant organizers and attorneys. Tenants, most of whom cannot afford to leave, have no way to escape this harassment and the resulting emotional harm and fear.

Management has also neglected much-needed maintenance. The building is infested with roaches due to irregular trash collection, furniture is infested with bed bugs, and the building's only elevator is often out of service — trapping disabled residents in their rooms for days at a time.

The plaintiffs filed the ongoing lawsuit against the hotel's owners and management, regarding harassment and uninhabitable conditions at the building, in November 2015. They are represented by attorneys from Legal Aid Foundation of Los Angeles (LAFLA) and Inner City Law Center (ICLC). In March, Judge James C. Chalfant granted a preliminary injunction requiring William Holdings, 423 E. 7th Street LLC, and Kameron Segal to respect tenants' right to host guests and to permit tenants' rights organizers to enter the building to meet with residents. This was the second preliminary injunction granted to plaintiffs. The first, issued on February 11, 2016 ordered the defendants to heat the building during the winter months.

The 222-unit property is currently on the market for \$9.8 million. If it sells at that price, Segal stands to make \$4.2 million on the deal, in part because of the rapid gentrification of downtown Los Angeles.

**About Legal Aid Foundation of Los Angeles (LAFLA)**

Legal Aid Foundation of Los Angeles is the frontline law firm for poor and low-income people in Los Angeles and Long Beach. It provides direct legal representation and other legal assistance for low-income people in civil legal matters.

**About Inner City Law Center (ICLC)**

Inner City Law Center is a nonprofit law firm serving the most vulnerable individuals and families in Los Angeles. As the only legal services provider headquartered on Skid Row, ICLC focuses on combating slum housing, preventing homelessness, and aiding homeless veterans.

**About Los Angeles Community Action Network (LA CAN)**

LA CAN is a community-based membership organization with the mission to help people dealing with poverty create and discover opportunities, while serving as a vehicle to ensure they have voice, power and opinion in the decisions that are directly affecting them.

ORIGINAL

1 AMANDA C. GOAD (SBN: 297131)  
2 DIANNE PRADO (SBN: 263249)  
3 C. GENEVIEVE JENKINS (SBN: 271128)  
4 INNER CITY LAW CENTER  
5 1309 East Seventh Street, Los Angeles, CA 90021  
6 Telephone: 213.891.2880  
7 Facsimile: 213.891.2888

**FILED**  
Superior Court of California  
County of Los Angeles

JUN 20 2016

Sherri R. Carter, Executive Officer/Clerk  
By Yvonne Hiroto, Deputy

6 FERNANDO GAYTAN (SBN: 224712)  
7 PAUL J. ESTUAR (SBN: 167764)  
8 JEANNE L. NISHIMOTO (SBN: 280064)  
9 ANNA LEVINE-GRONNINGSATER (SBN: 286341)  
10 LEGAL AID FOUNDATION OF LOS ANGELES  
11 7000 S. Broadway, Los Angeles, CA 90003  
12 Telephone: 213.640.3853  
13 Facsimile: 213.640.3988

14 Attorneys for Plaintiffs

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

16 **FOR THE COUNTY OF LOS ANGELES**

17 ERNST OBERMAYR, *et al.*,

18 Plaintiffs,

19 v.

20 423 E. 7<sup>TH</sup> STREET, LLC, *et al.*,

21 Defendants.

Case No. BC602463

**[PROPOSED] TEMPORARY  
RESTRAINING ORDER AND ORDER TO  
SHOW CAUSE RE PRELIMINARY  
INJUNCTION**

Date: June 17, 2016

Time: 8:30 a.m.

Dept: 28

[Assigned to Honorable Yvette M. Palazuelos]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**ORDER TO SHOW CAUSE**

To Defendants 423 E. 7th Street, LLC, William Holdings, LLC, and Kameron Segal:

Based upon the first amended complaint filed in this action, the Plaintiffs' memorandum in support of the ex parte application for OSC and temporary restraining order and supporting declarations, you are ordered to appear on 6.23.16 at 9<sup>00</sup>am in Department 28 of this Court located at 111 N. Hill Street, Los Angeles, CA 90012 to show cause why a preliminary injunction should not be ordered restraining and enjoining you and your employees and agents, and any other persons acting with you or on your behalf, from (1) issuing Notices to Enter without first serving such notices on plaintiffs' counsel; (2) issuing Notices to Enter for weekend entry and other outside-of-business-hours entry; and (3) refusing to engage in the interactive process to determine a reasonable accommodation to the notice process for fumigations.

**TEMPORARY RESTRAINING ORDER**

Pending hearing on the Order to Show Cause, you, your employees and agents, and any other persons acting with you or on your behalf, are restrained and enjoined from (1) issuing Notices to Enter without first serving such notices on plaintiffs' counsel; (2) issuing Notices to Enter for weekend entry and other outside-of-business-hours entry; and (3) refusing to engage in the interactive process to determine a reasonable accommodation to the notice process for fumigations.

**IT IS FURTHER ORDERED THAT:**

1. This Order to Show Cause and Temporary Restraining Order and supporting papers shall be served on defendants 423 E. 7th Street, LLC, William Holdings, LLC, and

1 Kameron Segal, no later than 6.20.16 by 4pm. Proof of such service  
2 shall be filed at least 6.21.16 court days prior to the hearing.

3  
4 2. Any opposition papers to the Order to Show Cause shall be filed and served on  
5 plaintiffs by 6.22.16 no later than 4pm. ~~Any reply papers to the~~  
6 ~~opposition shall be filed and served on Defendants by \_\_\_\_\_ no later than~~

7 \_\_\_\_\_ no reply.

8 3. No bond shall be required of Plaintiffs.

9 4. Service by U.S. mail + fax or  
10 email.

11 Date: 6/20/16  
12 [Signature]  
13 Hon. Yvette M. Palazuelos

14 5. Courtesy copies to  
15 courtroom.

16  
17 6. IT to serve notice forthwith.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28