

HEIDI VON TONGELN
Interim City Attorney
ROMY GANSCHOW, State Bar No. 320294
Romy.Ganschow@santamonica.gov
JONATHAN FRANK, State Bar No. 308584
Deputy City Attorney
jonathan.erwin-frank@santamonica.gov
DENISE MCGRANAHAN, State Bar No. 130623
Deputy City Attorney
denise.mcgranahan@santamonica.gov
1685 Main Street, Room 310
Santa Monica, California 90401
Telephone: (310) 458-8336
Facsimile: (310) 395-6727

Attorneys for Plaintiff
CITY OF SANTA MONICA

Electronically FILED by
Superior Court of California,
County of Los Angeles
1/22/2026 11:45 AM
David W. Slayton,
Executive Officer/Clerk of Court,
By L. Kulkin, Deputy Clerk

Attorneys for Plaintiff
CITY OF SANTA MONICA

*Exempt from filing fee pursuant
to Government Code §6103*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA.

Plaintiff,

V.

HAMID ENAYATI aka ANDREW ENAYATI aka ANDY ENAYATI, individually and as Trustee of the ENA Property Trust dated April 15, 2013; NICOLE MASSARAT aka NICOLE ENAYATI; NINA ENAYATI; JALEH FOROUHAR aka JALEH ENAYATI, individually and as Trustee of the Marital Trust under the ENA1 Property Trust dated April 15, 2013; NINA PROPERTY MANAGEMENT, INC.; THE 1028, LLC; 1111 11TH STREET, LLC; 1837 GLENDON AVENUE, LLC; ENA1, LLC; ENA2, LLC; ENA3, LLC; ENA4, LLC; ENA5, LLC; ENA6, LLC; ENA7, LLC; ENA8, LLC; ENA9, LLC; ENA10, LLC; and DOES 1 THROUGH 10,

Defendants.

Case No. 268MCX00397

COMPLAINT FOR INJUNCTIVE RELIEF,
RESTITUTION, AND CIVIL PENALTIES

**[Verified Answer required pursuant to
Code of Civil Procedure § 446]**

1 Plaintiff, the People of the State of California, appearing through their attorneys Heidi
2 von Tongeln, Interim City Attorney, Romy Ganschow, Chief Deputy City Attorney, and
3 Jonathan Frank, Deputy City Attorney, allege the following:

4 **I.**

5 **INTRODUCTION**

6 1. Defendants are Santa Monica landlords who have illegally profited—obtaining
7 more than \$18 million—from the systematic conversion of rent-controlled apartment homes
8 into unlawful short-term rentals. For more than five years, Defendants have rented at least 62
9 rent-controlled apartment homes in at least 25 Santa Monica properties to short-term guests
10 nearly 3000 times, in violation of Santa Monica Municipal Code Chapter 6.22. As used herein,
11 “short-term” means a period of less than one year.

12 2. The City of Santa Monica (“the City”) is confronting an affordable housing
13 crisis. In response to this crisis, the City has enacted multiple laws to promote affordable
14 housing and preserve rental housing for use as permanent housing by households and
15 individuals who need homes.

16 3. One such law, the Santa Monica Residential Leasing Requirements Ordinance
17 (“RLRO”), codified as Santa Monica Municipal Code Chapter 6.22, generally prohibits
18 residential rentals with an initial lease term of less than one year, and requires that rentals be
19 of unfurnished units to be used as a tenant’s primary residence. By prohibiting short-term
20 rentals to tourists and transient guests, the RLRO preserves rental housing for long-term
21 residents and thereby prevents a reduction in supply and consequent increase in the rental price
22 of long-term rental housing.

23 4. Defendants are sophisticated property owners and residential rental landlords
24 who own and operate at least 28 rent-controlled multi-family residential rental properties in
25 Santa Monica. Through various LLC’s set up as holding companies, the properties are
26 controlled and managed by Nina Property Management, Inc., Hamid Enayati, Nicole Enayati,
27 and other members of the Enayati family.

5. For more than five years, the Enayatis have knowingly and systematically violated the Residential Leasing Requirements Ordinance, as described herein.

II.

JURISDICTION AND VENUE

6. As authorized by Business and Professions Code section 17204, the Santa Monica City Attorney's Office, with the consent of the Los Angeles County District Attorney's Office, has the right and authority to bring this action on behalf of the State of California, for acts and practices that constitute unfair competition as defined in Business and Professions Code section 17200. The Court has subject matter jurisdiction pursuant to Business and Professions Code sections 17203, 17204, 17206, 17535, and 17536.

7. Venue is proper in this Court because the omission or commission of acts and violations of law by Defendants as alleged in this complaint occurred within the City of Santa Monica, California. Defendants own, operate, or control property and transact business in the City of Santa Monica. Twenty-five of the 26 properties at issue in this complaint are rent-controlled apartment buildings. The properties are located at the following addresses:

1. 1130-1134 Chelsea Ave., Santa Monica, CA 90403 – 8 Units
2. 834 Lincoln Blvd., Santa Monica, CA 90403 – 9 Units
3. 420-426 Montana Ave. & 804 5th St., Santa Monica, CA 90403 – 7 Units
4. 837-839 5th St., Santa Monica, CA 90403 – 6 Units
5. 947 5th St., Santa Monica, CA 90403 – 6 Units
6. 837 6th St., Santa Monica, CA 90403 – 4 Units
7. 938 6th St., Santa Monica, CA 90403 – 8 Units
8. 537 7th Street, Santa Monica, CA 90402 – 1 Unit
9. 1118 10th St., Santa Monica, CA 90403 – 6 Units
10. 1212 10th St., Santa Monica, CA 90401 – 21 Units
11. 1111 11th St. Santa Monica, CA 90403 – 10 Units
12. 944 12th St., Santa Monica, CA 90403 – 8 Units
13. 952-954 12th St., Santa Monica, CA 90403 – 3 Units

1 14. 1028 12th St., Santa Monica, CA 90403 – 10 Units
2 15. 844 14th St., Santa Monica, CA 90403 – 5 Units
3 16. 1121-1123 15th St., Santa Monica, CA 90403 – 4 Units
4 17. 1144 15th St., Santa Monica, CA 90403 – 6 Units
5 18. 816-818 17th St., Santa Monica, CA 90403 – 7 Units
6 19. 907 18th St., Santa Monica, CA 90403 – 5 Units
7 20. 837-839 19th St., Santa Monica, CA 90403 – 4 Units
8 21. 953 19th St., Santa Monica, CA 90403 – 6 Units
9 22. 1141 19th St., Santa Monica, CA 90403 – 6 Units
10 23. 1027-1033 20th St., Santa Monica, CA 90403 – 20 Units
11 24. 1111 21st St., Santa Monica, CA 90403 – 5 Units
12 25. 1115 22nd St., Santa Monica, CA 90403 – 5 Units
13 26. 1119 22nd St., Santa Monica, CA 90403 – 5 Units

14

15 **III.**

16 **THE PARTIES**

17 8. The People, by and through the Santa Monica City Attorney’s Office, prosecutes
18 this action pursuant to California Business and Professions Code section 17200 et seq., also
19 known as the Unfair Competition Law (“UCL”) and California Business and Professions Code
20 section 17500 et seq., also known as the False Advertising Law (“FAL”). The People’s authority
21 to bring this action is derived from Business and Professions Code sections 17203, 17206,
22 17535, and 17536. The Los Angeles County District Attorney’s Office has given consent for
23 the Santa Monica City Attorney’s Office to bring this action on behalf of the People pursuant to
24 Business and Professions Code section 17204.

25 9. Defendant Hamid Enayati aka Andrew Enayati aka Andy Enayati (hereinafter,
26 “Hamid Enayati”) is an individual residing in Los Angeles County. Hamid Enayati is the
27 managing member of Defendants 1111 11th Street, LLC; 1837 Glendon Avenue, LLC; ENA1,
28 LLC; ENA2, LLC; ENA6, LLC; ENA7, LLC; ENA8, LLC; and ENA9, LLC. Defendant Hamid

1 Enayati is also the Chief Executive Officer, Chief Financial Officer, Secretary, and a director of
2 Defendant Nina Property Management, Inc, which is the managing member of ENA3, LLC;
3 ENA4, LLC; ENA5, LLC; ENA10, LLC; and THE 1028, LLC. Defendant Hamid Enayati is
4 sued in his capacity as the owner, operator, and manager of the subject properties listed in
5 Paragraph 7 of this Complaint, or as the agent of the owners of the subject properties, and as the
6 person committing the acts alleged in this complaint, or the person allowing or directing the
7 commission of the acts alleged in this complaint. At all times relevant, Hamid Enayati owned
8 and continues to own the real properties commonly known as:

9

- 537 7th St., Santa Monica, CA 90403
- 952-954 12th St., Santa Monica, CA 90403.

10

11 Defendant Hamid Enayati is also sued in his capacity as the Trustee of the ENA Property
12 Trust dated April 15, 2013, which at all times relevant, owned and continues to own the real
13 properties commonly known as:

14

- 1115 22nd St., Santa Monica, CA 90403
- 1119 22nd St., Santa Monica, CA 90403.

15

16 10. Defendant Nicole Massarat aka Nicole Enayati (hereinafter, “Nicole Enayati”) is
17 an individual residing in Los Angeles County. Defendant Nicole Massarat is sued in her capacity
18 as the owner, operator, and manager of the subject properties listed in Paragraph 7 of this
19 Complaint, or as the agent of the owners of the subject properties, and as the person committing
20 the acts alleged in this complaint, or the person allowing or directing the commission of the acts
21 alleged in this complaint

22

23 11. Defendant Nina Enayati is an individual residing in Los Angeles County.
24 Defendant Nina Enayati is sued in her capacity as the owner, operator, and manager of the
25 subject properties listed in Paragraph 7 of this Complaint, or as the agent of the owners of the
26 subject properties, and as the person committing the acts alleged in this complaint, or the person
allowing or directing the commission of the acts alleged in this complaint

27

28 12. Defendant Jaleh Forouhar aka Jaleh Enayati (hereinafter, “Jaleh Enayati”) is an
individual residing in Los Angeles County. Defendant Jaleh Enayati is sued in her capacity as

1 the owner, operator, and manager of the subject properties listed in Paragraph 7 of this
2 Complaint, or as the agent of the owners of the subject properties, and as the person committing
3 the acts alleged in this complaint, or the person allowing or directing the commission of the acts
4 alleged in this complaint. Defendant Jaleh Enayati is also sued in her capacity as the Trustee of
5 the Marital Trust under the ENA1 Property Trust dated April 15, 2013, which at all times
6 relevant, owned and continues to own the real properties commonly known as:

7

- 1115 22nd St., Santa Monica, CA 90403
- 1119 22nd St., Santa Monica, CA 90403.

9 13. Defendant ENA1, LLC is a limited liability company doing business in the City
10 of Santa Monica. At all times relevant, Defendant ENA1, LLC owned, and continues to own,
11 real properties commonly known as:

12

- 834 Lincoln Blvd., Santa Monica, CA 90403
- 1212 10th St., Santa Monica, CA 90403.

14 14. Defendant ENA2, LLC is a limited liability company doing business in the City
15 of Santa Monica. At all times relevant, Defendant ENA2, LLC owned, and continues to own,
16 real property commonly known as:

17

- 420-426 Montana Ave. and 804 5th St., Santa Monica, CA 90403
- 947 5th St., Santa Monica, CA 90403
- 953 19th St., Santa Monica, CA 90403.

20 15. Defendant ENA3, LLC is a limited liability company doing business in the City
21 of Santa Monica. At all times relevant, Defendant ENA3, LLC owned, and continues to own,
22 real properties commonly known as:

23

- 837-839 5th St., Santa Monica, CA 90403
- 837 6th St., Santa Monica, CA 90403.

25 16. Defendant ENA4, LLC is a limited liability company doing business in the City
26 of Santa Monica. At all times relevant, Defendant ENA4, LLC owned, and continues to own,
27 real property commonly known as:

28

- 938 6th St., Santa Monica, CA 90403

1 • 1141 19th St., Santa Monica, CA 90403.

2 17. Defendant ENA5, LLC is a limited liability company doing business in the City
3 of Santa Monica. At all times relevant, Defendant ENA8, LLC owned, and continues to own,
4 real properties commonly known as:

5 • 1118 10th St., Santa Monica, CA 90403
6 • 907 18th St., Santa Monica, CA 90403.

7 18. Defendant ENA6, LLC is a limited liability company doing business in the City
8 of Santa Monica. At all times relevant, Defendant ENA6, LLC owned, and continues to own,
9 real properties commonly known as:

10 • 844 14th St., Santa Monica, CA 90403
11 • 1121-1123 15th St., Santa Monica, CA 90403.

12 19. Defendant ENA7, LLC is a limited liability company doing business in the City
13 of Santa Monica. At all times relevant, Defendant ENA7, LLC owned, and continues to own,
14 real properties commonly known as:

15 • 1144 15th St., Santa Monica, CA 90403
16 • 837-839 19th St., Santa Monica, CA 90403.

17 20. Defendant ENA8, LLC is a limited liability company doing business in the City
18 of Santa Monica. At all times relevant, Defendant ENA8, LLC owned, and continues to own,
19 real properties commonly known as:

20 • 1130-1134 Chelsea Ave., Santa Monica, CA 90401
21 • 1111 21st St., Santa Monica, CA 90403.

22 21. Defendant ENA9, LLC is a limited liability company doing business in the City
23 of Santa Monica. At all times relevant, Defendant ENA9, LLC owned, and continues to own,
24 real properties commonly known as 944 12th Street, Santa Monica, CA 90403

25 22. Defendant ENA10, LLC is a limited liability company doing business in the City
26 of Santa Monica. At all times relevant, Defendant ENA10, LLC owned, and continues to own,
27 real property commonly known as 1027-1033 20th Street, Santa Monica, CA 90403.

28 23. Defendant 1111 11TH STREET, LLC is a limited liability company doing

1 business in the City of Santa Monica. At all times relevant, Defendant 1111 11th STREET, LLC
2 owned, and continues to own, real property commonly known as 1111 11th Street, Santa
3 Monica, CA 90403.

4 24. Defendant 1837 GLENDON AVENUE, LLC is a limited liability company doing
5 business in the City of Santa Monica. At all times relevant, Defendant 1837 GLENDON
6 AVENUE, LLC owned, and continues to own, real property commonly known as 816-818 17th
7 Street, Santa Monica, CA 90403.

8 25. Defendant THE 1028, LLC is a limited liability company doing business in the
9 City of Santa Monica. At all times relevant, Defendant THE 1028, LLC owned, and continues
10 to own, real property commonly known as 1028 12th Street, Santa Monica, CA 90403.

11 26. Defendant Nina Property Management, Inc. is a California Corporation with its
12 principal place of business in Pacific Palisades, California. Nina Property Management is
13 registered to do business in California with the Secretary of State. Nina Property Management
14 has been doing business in Santa Monica for more than ten years. Nina Property Management,
15 Inc. is the managing member of Defendants ENA3, LLC; ENA4, LLC; ENA5, LLC; ENA10,
16 LLC; and THE 1028, LLC.

17 27. Defendant Does 1 through 10, inclusive, are sued under fictitious names, under
18 California Code of Civil Procedure section 474 because their true names and capacities are
19 currently unknown to Plaintiffs. Plaintiffs are informed and believe, and thereon allege, that
20 Does 1 through 10 are each in some manner responsible for conducting, maintaining, or directly
21 or indirectly permitting the unlawful acts or omissions alleged in this complaint. Plaintiffs will
22 ask leave of the Court to amend this complaint to substitute in lieu of the fictitious names the
23 true names and capacities of Does 1 through 10 when they are ascertained.

24 28. At all times relevant to this complaint, Defendants were the agents, principals,
25 servants, lessors, employees, partners, associates and/or joint venturers, as well as the alter egos,
26 of each other, and at all times were acting within the course, purpose, and scope of that
27 relationship and with the authorization or consent of each of their co-defendants. All Defendants
28 listed in this section, as well as their agents, are referred to collectively herein as "the Enayatis."

IV.

FACTUAL ALLEGATIONS

A. Background

29. The Enayatis own at least 26 residential properties in the City of Santa Monica (referred to collectively herein as “the Properties”), of which at least 25 are rent-controlled residential rental properties subject to the Santa Monica Rent Control Charter Amendment, Article XVIII of the Santa Monica City Charter (“the Rent Control Law”), and regulated by the Santa Monica Rent Control Board. These Properties collectively have at least 184 rent-controlled residential rental units (“the Controlled Units”)

30. For more than five years, the Enayatis have repeatedly rented at least 62 of the Controlled Units as short-term rentals on platforms like Airbnb.com thousands of times. The vast majority of these short-term rentals have been for time periods ranging from 31 nights to 100 nights. Nearly all of them have been for less than one year.

31. The Rent Control Law limits annual increase in the maximum allowable rent that can be charged to a tenant of a covered unit to an amount set by formula and capped at three percent. Under the Rent Control Law and state law, rent increases for existing tenants are generally limited, but rents for any new tenancies beginning in formerly vacant units may generally be set at market rate. This means that the longer a tenant household has resided in a rent-controlled unit, the lower the rent.

32. Because state law and the Rent Control Law allow rent increases to market rate for new tenancies but limit annual increases for existing tenant households, Defendants could drastically increase their profit by converting long-term rent-controlled rentals for permanent residents of Santa Monica into short-term rentals for transient visitors who turn over frequently.

33. The Enayatis have used at least two Airbnb host profiles to facilitate their unlawful short-term Airbnb.com rentals: (1) “Nicole,” a profile for a “Superhost” listed as having hosted rentals for 11 years, with 1610 reviews by Airbnb guests, whose profile page

1 was viewable at <https://www.airbnb.com/users/show/891818> as of January 13, 2026, and
2 “Nina,” a profile listed as having hosted rentals for 8 years, with 862 reviews by Airbnb
3 guests, whose profile page was viewable at <https://www.airbnb.com/users/show/137877395> as
4 of January 13, 2026. These profiles have overseen and managed numerous Airbnb listing
5 pages corresponding to the more than 60 Controlled Units rented through Airbnb.com.

6 34. Airbnb, Inc. tracks data for each booking carried out through the Airbnb.com
7 platform. According to Airbnb, Inc.’s data, the names of the hosts of each of the thousands of
8 completed short-term rentals in Controlled Units in the Properties were either “Nina Enayati”
9 or “Nicole E.” According to the Airbnb, Inc. data, the hosts of each completed short-term
10 rental for the Controlled Units had the same two email addresses and the same two phone
11 numbers.

12 35. On information and belief, the host profiles and listing pages for the Controlled
13 Units have been overseen and managed by Nicole Enayati and Nina Enayati, under the
14 direction of and with the consent and support of the other Defendants.

15 36. On information and belief, the Enayatis have also rented residential apartments
16 in Santa Monica on short-term rental platforms other than Airbnb.com for periods of less than
17 one year in violation of the RLRO.

18 **B. Illegal Conversion of Rent-Controlled Apartment Homes to Airbnbs**

19 37. For more than five years, the Enayatis have systematically converted rent-
20 controlled apartment homes rented to long-term tenants as their primary homes to Airbnbs
21 rented to transient guests for short-term stays at much higher rents.

22 38. On information and belief, the Enayatis have converted Controlled Units to short-
23 term rentals after the long-term tenants vacate the unit. Once the long-term tenants vacate, the
24 Enayatis have not advertised the units for rental by new long-term tenant households and have
25 instead converted the units into short-term Airbnbs.

26 39. Once the long-term tenants have vacated and any renovations have been
27 completed, the Enayatis have installed keypads, lock boxes, or other self-entry mechanisms

1 before listing the units for short-term stays on Airbnb.com and other similar platforms.

2 40. In the course of carrying out this scheme, the Enayatis have developed a leasing
3 process, which includes the following steps: (1) advertising the units and finding guests on
4 Airbnb.com, (2) facilitating the booking of the short-term rental for the actual intended length
5 of stay—generally for a period of months and always for less than one year—on Airbnb.com,
6 (3) communicating outside the Airbnb.com platform, either remotely or in person, to secure the
7 signing of a sham one-year lease agreement, even though neither side ever intends for the rental
8 to last for one year, (4) for some but not all rentals, submitting a Rent Control tenancy
9 registration form with the Santa Monica Rent Control Board listing new tenancy “rents” often
10 between \$5,000 and \$10,000 per month for one to three-bedroom units; (4) receiving payment
11 through Airbnb.com and review of the stay on Airbnb.com.

12 41. Defendants’ listing pages for the converted Controlled Units advertised the units
13 like any other short-term Airbnb, making no mention of the RLRO or of the specific RLRO
14 requirements to rent unfurnished units for a minimum initial term of one year only to occupants
15 who will use the unit as their primary residence.

16 42. At all times relevant, the leasing pages generally permitted booking through
17 Airbnb.com for lengths of stay between 31 days and one year. Numerous reviews of completed
18 stays indicate lengths of stay of between 31 days and one year.

19 43. The Enayatis’ sham lease scheme begins with a statement on their Airbnb listing
20 pages that guests are required to sign a written lease. This statement has been written as, “Signed
21 lease required to sign and key exchange” and “We require a lease agreement, which we sign
22 with guests at check in.”

23 44. If asked about the lease requirement, the Enayatis have told potential guests that
24 the reason for having a written lease in addition to the Airbnb.com booking is for protection
25 against squatters. There is no basis for the claim that a written lease, which would give guests
26 more protection against removal than they would have without a written lease, would protect
27 the Enayatis against squatters. The Enayatis deliberately misrepresent the true purpose of the
28 lease—to appear to be complying with the RLRO while intentionally violating it—in order to

1 convince any concerned Airbnb guests to sign the lease.

2 45. The standard lease agreement the Enayatis provide to Airbnb guests states that the
3 lease term is for one year and that the agreement is for a “minimum tenancy” of a one-year
4 duration. The standard lease further provides that “If a minimum tenancy is indicated . . . then
5 this Agreement shall be a fixed term lease for the length of time . . . [listed].” The standard lease
6 then provides that except as prohibited by law or other provisions of the lease—such as the one-
7 year fixed-term minimum tenancy provisions—the tenancy can be terminated during the initial
8 term of the lease by the tenant if the tenant provides at least 30 days’ notice.

9 46. Despite the clear meaning of these terms, if asked, the Enayatis have deliberately
10 misrepresented to potential guests the meaning and purpose of these provisions. Such deliberate
11 misrepresentations have included claiming that the booking of the unit through Airbnb.com
12 counts as notice of termination ending the tenancy on the end date of the Airbnb.com booking—
13 despite the provisions clearly establishing a one-year fixed minimum term—that the purpose of
14 the lease is to prevent squatting, and that guests don’t need to worry about any contradictions
15 between the Airbnb.com booking dates and the terms of the lease agreement, which is just a
16 formality.

17 47. On information and belief, the Enayatis encourage guests to sign the lease without
18 closely reading it or understanding its terms.

19 48. On information and belief, the Enayatis pressure guests who have not previously
20 requested or reviewed the lease, and who have already paid for some or all of the rental through
21 Airbnb.com, to sign the lease at check in, reminding them that the Airbnb listing stated that they
22 would have to sign a written lease agreement.

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 || 49. The standard lease includes a lease addendum, shown in full here:

SANTA MONICA RENT CONTROL APARTMENT RESIDENTIAL RENTAL ADDENDUM

7 2. CITY LAW SMMC §6.22. Tenant must intend to reside at the property as Tenant's sole primary resi-
8 dence under City law. See City Disclosure. Tenant represents to HP that Tenant intends to abide by the law. If at
any time after moving into the unit, Tenant decides not to make or not to maintain the Unit as T's primary resi-
dence (even if before 30 days have elapsed) Tenant is obligated to tell HP that the unit is not T's primary resi-
dence and T must immediately vacate the unit to comply with the law.

10 3. Liquidated Damages. If Tenant cancels its lease prior to its termination date, then as liquidated damages
11 Tenant and HP agree that it will take at least 1 month for HP to re-rent Tenant's apartment. Therefore, Tenant
12 agrees to pay one month's rent as liquidated damages for the time period after giving HP irrevocable notice that
 Tenant intends to vacate. If Tenant gives HP notice prior to moving from the Unit, Tenant shall cooperate with HP
 in showing Tenant's Unit while Tenant is in possession during the 30 day notice period.

13 50. The RLRO defines an “unfurnished rental housing unit” as a “rental housing unit
14 that is delivered by the landlord to the tenant without furnishings, computer equipment,
15 housewares, bed linens, towels, artwork, television, entertainment systems, or appliances except
16 for a stove, a refrigerator, a microwave, dishwasher, a clothes washing machine and/or a clothes
17 dryer.” (Santa Monica Municipal Code (“SMMC”) § 6.22.020.) The RLRO further states that
18 “A landlord and a tenant may enter into a lease agreement only if the rental housing unit is an
19 unfurnished rental housing unit.”

20 51. Despite this definition, which makes no distinction between owned and rented
21 furniture, nor whether the furniture can readily be returned or not, and despite the prohibition
22 on leasing furnished units in the RLRO, the standard lease addendum deliberately misrepresents
23 that the “the Unit is being delivered vacant.” It goes on to state that any furniture in the unit is
24 rented for staging purposes and can be returned.

25 52. On information and belief, the Enayatis intended to rent furnished units and did
26 not anticipate any Airbnb guest attempting to return the furniture the addenda claims is rented
27 and returnable.

1 53. On information and belief, all Airbnb guests have used the furniture in the units
2 when they signed the lease for the duration of their stay and no Airbnb guest who signed the
3 standard lease has ever returned the furniture.

4 54. On information and belief, the Enayatis use this provision of the lease addendum
5 to deliberately misrepresent to any concerned guests that they are complying with the RLRO
6 requirement to rent unfurnished units and to deliberately misrepresent to the City or to anyone
7 who might report to the City that they are renting the units unfurnished and thereby complying
8 with the RLRO, despite their repeated and deliberate violations of the RLRO requirement to rent
9 only unfurnished units.

10 55. On information and belief, the Enayatis did deliberately misrepresent to concerned
11 guests and to others that renting the units with allegedly rented furniture counted as renting
12 “vacant” or unfurnished units for purposes of compliance with the RLRO and did deliberately
13 misrepresent to concerned guests and to others that they were complying with the requirement
14 of the RLRO regarding renting units unfurnished.

15 56. On information and belief, the Enayatis encourage guests to sign the lease and rent
16 the units despite guests’ concerns about violation of this provision of the lease addendum and
17 of the RLRO requirement to rent only unfurnished units.

18 57. The RLRO defines “primary residence” as “the usual place of return for housing
19 of an owner or tenant, as documented by at least two of the following: motor vehicle registration;
20 driver’s license or California state identification card; voter registration; income tax return; proof
21 of payment of resident tuition to a California public institution of higher education, including
22 proof of payment in accordance with an exemption to payment of nonresident tuition under
23 California Assembly Bill 540, the California DREAM Act; or a utility bill. An owner or tenant
24 can only have one primary residence.” (SMMC § 6.22.020.) The RLRO prohibits leasing to
25 occupants who will not use the unit as their primary residence and requires that “no later than
26 sixty days following the commencement of the lease, the tenant must provide and the landlord
27 must receive documentation as specified [in the definition of primary residence] that the rental
28 housing unit is the tenant’s primary residence.” (SMMC § 6.22.050.) The RLRO further

1 mandates that the “Landlord shall retain this documentation throughout the duration of tenant’s
2 lease and shall provide it to the Director of the Community Development Department or delegatee
3 on request.” (SMMC § 6.22.050.)

4 58. Despite knowing that Airbnb guests would not use the units as their primary
5 residences, as required by the RLRO, the Enayatis have encouraged and facilitated the signing
6 of lease addenda that explicitly reference “CITY LAW SMMC [Santa Monica Municipal Code]
7 §6.22 [the RLRO],” and assert, “Tenant must intend to reside at the property as Tenant’s sole
8 primary residence under City law . . . Tenant represents to HP that Tenant intends to abide by
9 the law.” On information and belief, they did so in order to appear to be complying with the
10 RLRO despite their deliberate intention to violate the primary residence requirement.

11 59. On information and belief, few to no tenants who book stays in Controlled Units
12 through Airbnb.com live in the units as their primary residence. On information and belief, the
13 Enayatis have never collected and are not collecting proof of residence in the specific acceptable
14 forms required under SMMC section 6.22.050.

15 60. If asked by concerned guests about the primary residence provision of the
16 addendum, the Enayatis have deliberately misrepresented its purpose and significance and told
17 guests not to worry about it. The Enayatis’ deliberate misrepresentations have included non-
18 sensical claims that the purpose of this provision was to prevent squatting.

19 61. On information and belief, the Enayatis encourage guests to sign the lease and rent
20 the units despite guests’ concerns about violation of this provision of the lease addendum and
21 of the RLRO primary residence requirement.

22 62. On information and belief, the Enayatis use the primary residence provision in the
23 lease addendum to deliberately misrepresent to the City and to anyone who might report to the
24 City that they are complying with the RLRO primary residence requirement despite their
25 repeated and deliberate violations of the RLRO primary residence requirement.

26 63. On information and belief, the Enayatis have executed the leases and lease
27 addenda with their Airbnb guests for the purpose of deliberately misrepresenting that they are
28 complying with the RLRO. After signing the lease agreements, the Enayatis have hosted and

1 overseen the Airbnb rentals like most other hosts of short-term rentals on Airbnb.com. From
2 initial contact until departure and payment for the rental, both the Enayatis and the guests have
3 intended for the stays to be short-term stays for periods of less than one year. The dates booked
4 on Airbnb.com have been the actual dates of stay. The amount of payment has been negotiated
5 on Airbnb.com and payment has been sent and processed through Airbnb.com. Most
6 communication regarding logistics, repairs, maintenance, services, and other routine rental
7 issues has been through the Airbnb.com platform.

8

9 **C. Non-Registration and Deceptive Registration of Rent-Controlled Units**

10 64. Santa Monica City Charter section 1803(q) requires the registration of all
11 controlled rental units. Under the Santa Monica Rent Control Board (“SMRCB”) regulation
12 13001(g) when a new tenancy begins, thereby establishing a new base rent, the landlord must
13 file a “vacancy registration form,” declaring the new base rent from which maximum annual
14 increase will be measured, within 30 days of the commencement of the new tenancy.

15 65. The purpose of the registration requirements is to facilitate compliance with the
16 annual rent increase limit. For the year from September 2025 through August 2026, the
17 maximum annual increase in the maximum allowable rent is 2.3%, or \$60 for maximum
18 allowable rents of \$2,587 and above.

19 66. After receiving a registration form, the SMRCB sends a notification to the
20 registered apartment informing the new tenants that their unit is subject to rent control with the
21 registered base rent amount starting on the registered tenancy start date. The notice also informs
22 tenants that landlords are required to give new tenants the official Rent Control Information
23 Sheet. The notice asks the tenants to contact the SMRCB if they have any questions.

24 67. For some stays in some of the converted Airbnb units, Defendants have submitted
25 “vacancy registration forms” to the Rent Control Board, purporting to register their Airbnb
26 guests as rent-controlled tenants. The forms listed initial rents of between \$5,000 and \$10,000—
27 on information and belief, the monthly rate being charged to the Airbnb guests for unlawful
28 short-term stays.

1 68. For many such registered occupancies, the SMRCB notification forms were
2 returned as undeliverable. On information and belief, the notifications were returned because
3 the converted Airbnb units were not set up to receive mail, the short-term guests were instructed
4 to refuse mail, or because the short-term guests had vacated by the time the mail arrived and the
5 units were between guests when the notification arrived.

6 69. In recent years, Defendants have submitted few or no vacancy registration forms.
7 In 2022, Defendants submitted only 11 registration forms for the more than 185 rent-controlled
8 units they own and control. In 2023 and 2025, Defendants submitted zero registration forms for
9 any of their rent-controlled units.

10 70. Over the same period from 2022 to 2025, Defendants carried out numerous short-
11 term rentals that they failed to register, in violation of the rent control registration requirement.
12

13 **D. Recent Operations and Ill-Gotten Gains**

14 71. Over the past four years, the Enayatis have advertised, hosted, facilitated and
15 received payment for nearly 3000 short-term rentals through the Airbnb.com platform.

16 72. Over the past four years, the Enayatis have obtained approximately \$18 million
17 dollars from these unlawful rentals.

18 73. Payment for the unlawful Airbnb rentals was paid into accounts with a billing
19 address of PO Box 1134, Pacific Palisades, CA 90272. This is the mailing address listed on the
20 Statements of Information filed with the California Secretary of State for every one of the
21 business entity defendants.

22 74. For each payment for each of the unlawful Airbnb rentals, the email associated
23 with the payment was enaproPERTIES@gmail.com. On information and belief, this email address
24 is controlled and operated by the individual defendants and used in the management and
25 operation of the business entity defendants.

26 ///

27 ///

28 ///

V.

FIRST CAUSE OF ACTION

(Violation of the Unfair Competition Law, Bus. & Prof. Code § 17200, *et seq.* Unlawful, Unfair, and/or Fraudulent Business Practices)

75. The People incorporate and reallege the allegations of paragraphs 1 through 74.

76. For at least the past four years, Defendants, and each of them, with each other or other unknown persons, engaged in and continue to engage in practices that constitute unfair competition as defined by Business and Professions Code section 17200, including unlawful, unfair, and fraudulent business acts and practices, and unfair, deceptive, untrue and misleading advertising.

A. Defendants' *unlawful* business acts and practices, as described above, include the following:

- i. Violations of SMMC section 6.22.090 (the Residential Leasing Requirements Ordinance) by knowingly and intentionally undertaking, maintaining, authorizing, aiding, facilitating, and advertising the leasing of rental housing units in violation of SMMC Chapter 6.22 and SMMC section 6.22.090 as follows:

1. Entering into rental agreements knowing that the occupants did not intend to and would not use the rental housing unit as their primary residence, and failing to collect and retain the requisite documentation of use of the rental housing unit as the occupants' primary residence, in violation of SMMC section 6.22.050;

2. Entering into rental agreements for initial terms of less than one year in violation of SMMC section 6.22.060;

3. Renting furnished rental housing units in violation of SMMC section 6.22.070;

4. Failing to provide mandatory notice of the requirements of SMMC sections 6.22.060 and 6.22.070, in violation of SMMC section

1 6.22.080; and

2 5. Failing to submit vacancy registration forms to the Santa Monica
3 Rent Control Board, in violation of Santa Monica City Charter
4 section 1803(q) and Santa Monica Rent Control Board Regulation
5 13001(g).

6 B. Defendants' *fraudulent* business acts and practices which were likely to deceive
7 members of the public, as described above, include:

8 i. Defendants, knowing that rental housing units were furnished and were
9 not "unfurnished rental housing unit[s]" as that term is defined in SMMC
10 § 6.22.020, asserted in written lease agreements that units were "being
11 delivered vacant" and intentionally misrepresented that furniture in rental
12 housing units was "for staging purposes."

13 ii. Defendants, knowing that Airbnb guests would not use rental housing
14 units as their primary residence, as that term is defined in SMMC §
15 6.22.020, and knowing that Defendants did not intend to and would not
16 enforce the lease provision, induced Airbnb guests to sign written lease
17 agreements stating that the guests must intend to reside in the rental
18 housing unit as their sole primary residence and vacate if and when they
19 are not using the rental housing unit as their sole primary residence.

20 iii. Defendants, knowing that Airbnb guests had booked rental housing units
21 for periods of less than one year on Airbnb.com and other platforms and
22 did not intend to and would not rent the rental housing units for an initial
23 term of at least one year, and would therefore violate the terms of the
24 lease, induced Airbnb guests to sign written leases stating a minimum
25 fixed-term lease duration of one year.

26 iv. When asked about the requirements to rent an unfurnished unit, to use the
27 unit as a primary residence, and/or to rent for initial term of at least one
28 year, Defendants knowingly and intentionally misrepresented to the

guests that the lease agreement was designed to protect against squatters or made other untrue statements to fraudulently induce guests to execute the agreement and rent the units despite the legal requirement to rent the rental housing unit unfurnished, as a primary residence, for an initial term of at least one year.

v. Defendants fraudulently executed leases with the above-described clauses knowing that the Airbnb guests could not and would not comply with those provisions in order to avoid scrutiny or reporting of their violations to the City and in order to misrepresent to potential complainants, whistleblowers, the City of Santa Monica, the Santa Monica Rent Control Board, and to other enforcement officials, that they were complying with the requirements of the RLRO even as they intentionally violated the RLRO.

vi. Defendants fraudulently misrepresented the requirements of the RLRO and the meaning of the above-described lease provisions to Airbnb guests in order to induce Airbnb guests to rent furnished units for periods of less than one year without the unit being the guests' primary residence, in violation of those lease provisions and of the requirements of the RLRO, at higher rents than they could obtain by renting to long-term tenants in compliance with the RLRO.

C. Defendants' *unfair* business acts and practices, as described above, include the following:

- i. Defendants executed written lease agreements that state that the lease is for an initial minimum term of one year while knowing (1) that Airbnb guests would not stay for at least one year, and (2) that guests had booked the unit on Airbnb.com for their actual intended length of stay, which was for a period of less than one year. Defendants executed these lease agreements with the intent of thwarting the purpose of the RLRO, which

is to ensure that rental housing units are rented to long-term tenants who are or will become residents of Santa Monica rather than to short-term visitors.

ii. Defendants executed written lease agreements that state that the unit is being rented unfurnished and that the unit will be used as the occupants' primary residence while knowing that the unit was furnished and that the unit would not be the occupants' primary residence as that term is defined in SMMC section 6.22.020. Defendants executed these lease agreements with the intent of thwarting the purpose of the RLRO, which is to ensure that rental housing units are rented to long-term tenants who are or will become residents of Santa Monica rather than to short-term visitors.

iii. Defendants submitted rent control tenancy registration forms for short-term guests as if the guests were regular tenants. Defendants submitted the forms in order to be able to assert technical compliance with the Rent Control Law while intentionally thwarting the purpose of the Rent Control Law, which is to provide stability and affordability by limiting annual rent increases for long-term tenants. Because the Rent Control Law and state law allow rent increases to market rate for each new tenancy and only limit annual increases for ongoing tenancies, by violating the RLRO and renting to short-term guests, Defendants ensured no tenants in the converted units would benefit from the Rent Control Law.

VI.

SECOND CAUSE OF ACTION

(Violation of the False Advertising Law, Bus. & Prof. Code § 17500, *et seq.*)

77. The People incorporate and reallege the allegations of paragraphs 1 through 76.
78. Defendant violated Business and Professions Code section 17500 et seq. including

1 but not limited to by use of the following statements and representations that were untrue or
2 misleading, and which were known or by the exercise of reasonable care should have been
3 known, to be untrue or misleading, and which were intended to and did induce consumers to
4 rent the converted units on a short-term basis:

- 5 A. Defendants presented prospective short-term rental guests with lease addenda
6 that stated that the units were being delivered vacant and that any furniture
7 currently in the unit was for staging purposes even though Defendants knew the
8 units were not vacant and were not “unfurnished rental housing units” as that
9 term is defined in the RLRO, and that the furniture was for use by short-term
10 rental guests, not for staging purposes. Defendants included this provision in
11 order to induce concerned guests to rent the units despite the RLRO requirement
12 to rent only unfurnished units.
- 13 B. When asked about the contradiction between the rental term of less than one year
14 booked through Airbnb.com and the lease terms clearly establishing a one-year
15 minimum fixed lease term in the written lease agreement, Defendants told
16 prospective short-term rental guests that the one-year minimum lease term
17 provisions and the lease as a whole were only for the purpose of preventing
18 squatters, that the booking through Airbnb counted as lawful notice of
19 termination ending the lease before the one-year minimum term had passed, or
20 made other untrue or misleading statements to induce concerned guests to rent
21 the units despite the contradiction.
- 22 C. When asked about the primary residence requirement of the RLRO or about the
23 lease provision citing SMMC Chapter 6.22 (the RLRO) and stating that the
24 occupant must intend to reside in the unit as their sole primary residence,
25 Defendants told prospective short-term rental guests that this provision and the
26 lease as a whole were only for the purpose of preventing squatters or made other
27 untrue and misleading statements to induce concerned guests to rent the units
28 even though the guests did not intend to and would not use the units as their sole

1 primary residence.
2
3

VII.

PRAYER

5 The People pray for judgment against the Defendants, jointly and severally, as follows:

6 1. A declaration that Defendants violated Business and Professions Code section
7 17200;

8 2. A declaration that Defendants violated Business and Professions Code section
9 17500;

10 3. A preliminary and permanent injunction pursuant to Business and Professions
11 Code section 17203 and the Court's equitable powers, restraining and enjoining Defendants
12 from continuing the acts of unfair competition in violation of Business and Professions Code
13 section 17200, including by violating the Residential Leasing Requirements Ordinance, Santa
14 Monica Municipal Code Chapter 6.22, and other such orders as may be necessary to prevent
15 future acts of unfair competition by the Defendants;

16 4. A preliminary and permanent injunction pursuant to Business and Professions
17 Code section 17535 and the Court's equitable powers, restraining and enjoining Defendants
18 from continuing to make false or misleading statements in violation of Business and
19 Professions Code section 17500, and other such orders as may be necessary to prevent future
20 acts of false advertising by the Defendants;

21 5. That under Business and Professions Code sections 17203 and 17535, the Court
22 make such orders or judgments as may be necessary to restore to any person in interest any
23 money or property that may have been acquired by means of Defendants' unlawful conduct,
24 including, but not limited to, an order disgorging Defendants of earnings obtained by their acts
25 of unfair competition and requiring payment to the People as restitution;

26 6. That Defendants be ordered to pay, pursuant to Business and Professions Code
27 section 17206, a civil penalty of \$2,500 for each violation of Business and Professions Code
28 section 17200;

7. That Defendants be ordered to pay, pursuant to Business and Professions Code section 17206.1(a)(2), additional civil penalties of \$2,500 for each act of unfair competition committed against a senior citizen or disabled person;

8. That Defendants be ordered to pay, pursuant to Business and Professions Code section 17536, a civil penalty of \$2,500 for each violation of Business and Professions Code section 17500;

9. That Plaintiff recover its costs of suit, including costs of investigation; and

10. For such other relief as the Court deems just and equitable.

Dated: January 22, 2026

HEIDI VON TONGELN
Interim City Attorney

by 
JONATHAN FRANK
Deputy City Attorney

Attorneys for Plaintiff
CITY OF SANTA MONICA