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8 *Attorneys for the People of the State of California*
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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES
13

14 **THE PEOPLE OF THE STATE OF**
15 **CALIFORNIA,**

16 Plaintiff,

17 v.

18 **REALPAGE, INC.,**

19 Defendant.
20

Case No. **24STCV33415**

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL PENALTIES, AND
OTHER EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

21 The People of the State of California ("People"), by Rob Bonta, Attorney General of the
22 State of California, alleges the following on information and belief:
23

24 **INTRODUCTION**

25 1. The People bring this civil enforcement action against Defendant for violations of
26 the Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.) These violations are predicated
27 on the Consumer Credit Reporting Agencies Act ("CCRA"), as amended by the COVID-19
28 Tenant Relief Act (Assem. Bill No 81 (2021-2022 Reg. Sess.)).

2. Defendant RealPage, Inc. violated the CCRA by using COVID-19 rental debt as a negative factor in evaluating thousands of applicants for residential tenancies at California rental properties.

DEFENDANT

3. Defendant RealPage, Inc. is a publicly traded corporation that performs a variety of services for landlords and property managers across the country, including housing providers in Los Angeles County and other parts of California. Among other business activities, Defendant prepares prospective tenant screening reports by gathering data related to a residential housing applicant's rental history, credit history, and court records, and reporting that information to housing providers.

4. Defendant is incorporated in Delaware and has its principal place of business in Texas.

JURISDICTION AND VENUE

5. The Court has original jurisdiction over this action pursuant to California Constitution article VI, section 10.

6. This Court has jurisdiction over Defendant because Defendant, by marketing its tenant screening services and related products throughout California, providing screening reports to housing providers located in California, and continuing to provide technical support for those products for housing providers located in California, intentionally availed itself of the California market so as to render the exercise of jurisdiction over Defendant by the California courts consistent with traditional notions of fair play and substantial justice.

7. Venue is proper in this Court here because violations of law alleged in this complaint occurred in the County of Los Angeles.

THE COVID-19 TENANT RELIEF ACT

8. In 2020 and 2021, California enacted a series of emergency bills, commonly known as the COVID-19 Tenant Relief Act, to stabilize housing for millions of financially distressed tenants and landlords in the wake of the COVID-19 pandemic. These emergency bills provided significant eviction protections to tenants, access to rental assistance funds for unpaid

1 rent, restrictions on credit reporting, and restrictions on tenant screening based on COVID-19
2 rental debt. (Sen. Bill No 91 (2021-2022 Reg. Sess.), as amended by Assem. Bill No 81 (2021-
3 2022 Reg. Sess.).)

4 9. The restriction relating to COVID-19 rental debt, added to the Consumer Credit
5 Reporting Agencies Act (Civ. Code, § 1785.1, et seq.) and made effective in February 2021, is
6 simple—a housing provider or tenant screening company shall not use rental debt incurred during
7 the COVID-19 pandemic as a negative factor in evaluating rental housing applicants, or as the
8 basis for refusing to rent a dwelling unit to a prospective tenant. (Civ. Code, § 1785.20.4; Code
9 Civ. Proc., § 1179.02, subd. (c).)

10 **DEFENDANT’S BUSINESS PRACTICES**

11 10. Despite the enactment of Civil Code section 1785.20.4, Defendant engaged in
12 unlawful conduct by continuing to report rental debt incurred during the COVID-19 pandemic as
13 a negative factor in thousands of prospective tenant screening reports provided to California
14 housing providers.

15 11. Between February 2021 and May 2023, Defendant produced numerous
16 prospective tenant screening reports requested by California housing providers for the purposes of
17 evaluating prospective housing applications.

18 12. Each of these screening reports contained information gathered by Defendant, such
19 as the applicants’ credit history, rental history, and court records. If an applicant had a history of
20 unpaid rent, this would be reported as a negative factor.

21 13. More than 2,500 screening reports performed for California housing providers
22 reported COVID-19 rental debt as a negative factor.

23 14. A significant number of the applicants evaluated by Defendant were denied
24 housing as a result of these screening reports.

25 **FIRST CAUSE OF ACTION**

26 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

27 (Unfair Competition)

28 15. The People reallege and incorporate by reference each of the paragraphs above as

1 though fully set forth herein.

2 16. Defendant has engaged in business acts or practices that constitute unfair
3 competition within the meaning of the Unfair Competition Law, Business and Professions Code
4 section 17200 et seq. These acts or practices include, but are not limited to, reporting COVID-19
5 rental debt to housing providers as a negative factor in prospective tenant screening reports, in
6 violation of Civil Code, section 1785.20.4.

7 **PRAYER FOR RELIEF**

8 WHEREFORE, the People pray for judgment as follows:

9 1. Under Business and Professions Code section 17203, that Defendant, and its
10 agents or representatives, be permanently enjoined from committing any unlawful, unfair, or
11 fraudulent acts of unfair competition in violation of Business and Professions Code section 17200
12 as alleged in this Complaint;

13 2. That the Court make such orders or judgments as may be necessary to prevent the
14 use or employment by Defendant of any practice that constitutes unfair competition, or to restore
15 to any person in interest any money or property that may have been acquired by means of such
16 unfair competition, under the authority of Business and Professions Code section 17203;

17 3. That the Court assess a civil penalty of \$2,500 against Defendant for each
18 violation of Business and Professions Code section 17200 in an amount according to proof, under
19 the authority of Business and Professions Code section 17206;

20 4. That the Court award disgorgement in an amount according to proof, under the
21 authority of Government Code section 12527.6;

22 5. That the People recover its costs of suit, including costs of its investigation;

23 6. That the People receive all other relief to which they are legally entitled; and

24 7. For such other and further relief that the Court deems just and proper.

1 Dated: December 18, 2024

Respectfully Submitted,

2 ROB BONTA
3 Attorney General of California

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5 MICHAEL NOVASKY
6 Deputy Attorney General

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