



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO.: R26-0037
01/15/2026

PUBLIC REPORT RE: PRICE GOUGING

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 25-0006-S77

Honorable Members:

Pursuant to the motion adopted under Council File No. 25-0006-S77, the City Council directed the Office of the City Attorney to submit monthly reports on its efforts to combat unlawful price gouging of rental properties in the aftermath of the January 2025 wildfires in Los Angeles. This report supplements Report No. R25-0627, filed on December 10, 2025.

Proposed State Legislation

Our office submitted a bill proposal to the California Office of Legislative Counsel to amend Penal Code section 396(e), the state's prohibition on rental price gouging during declared emergencies. The proposed amendments clarify portions of the statute and strengthen key provisions to support future enforcement efforts.

Extension of Price Gouging Protections

On June 24, 2025, the Los Angeles County Board of Supervisors extended price gouging protections in Los Angeles to July 31, 2025. The Board then further extended protections to August 30, September 30, October 29, November 28, December 28, 2025 and most recently through and including January 26, 2026. Additionally, the County increased the fair market rent calculation for housing subject to United States

Department of Housing and Urban Development (HUD) standards from 160 percent to 200 percent.

Ongoing Matters and Investigations

The following is the January 2026 update of ongoing civil litigation and criminal filings:

Civil Litigation:

- People v. Airbnb, Inc., LA Superior Court Case No. 25STCV21244, CASE IS STILL PENDING: On July 16, 2025, our Office filed a lawsuit against Airbnb, the online short-term rental platform, alleging in part, that thousands of Airbnb listings were price gouged in violation of both Penal Code section 396(e) and LAMC section 47.12.
- People v. Akiva Nourollah, et al., LA Superior Court Case No. 25STCV07712, CASE IS STILL PENDING: On March 18, 2025, our office filed a lawsuit against a group of individuals and related business entities alleging numerous violations of Penal Code section 396(e) and the City's Home-Sharing Ordinance (LAMC section 12.22 A.32).
- People v. Blueground US, Inc., LA Superior Court Case No. 25STCV02951, CASE IS STILL PENDING: On February 3, 2025, our office filed a lawsuit against Blueground US, Inc., an entity offering furnished rentals of one month or more, alleging multiple violations of Penal Code section 396(e).

Criminal Filings:

- People v. Cooke & Perry, LA Superior Court Case No. 25CJCM00579, CASE IS STILL PENDING: Our Office charged defendants with price gouging a rental property in violation of PC 396(e) and with violating LAMC 45.36(c), the City's Tenant Anti-Harassment Ordinance. The Court granted Judicial Diversion (over the People's objection) which included fines and an order to not harass the victim tenant.
- People v. Chaves, Chaves Valdes, Chaves & PCAM LLC, LA Superior Court Case No. 25CJCM06980, CASE IS STILL PENDING: Our Office charged defendants with price gouging animal boarding services in violation of PC 396(b).
- People v. Ortega & Gibson Ranch LA LLC, LA Superior Court Case No. 25CJCM06876, CASE IS STILL PENDING: Our Office charged

defendants with price gouging animal boarding services in violation of PC 396(b).

- People v. Wetline Wildfire Defense, Michael Yakovich, and Adam Lowitz, LA Superior Court Case No. 25CJCM07363, CASE IS STILL PENDING: Our Office charged defendants with price gouging fire protection materials in violation of PC 396(b).

We expect the matters in litigation to result in restitution payments to hundreds if not thousands of rent gouging victims, substantial civil penalties paid to the City, and injunctive relief prohibiting future price gouging. Further litigation is also under evaluation, as are additional criminal filings.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



JONATHAN CRISTALL
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JC:dm