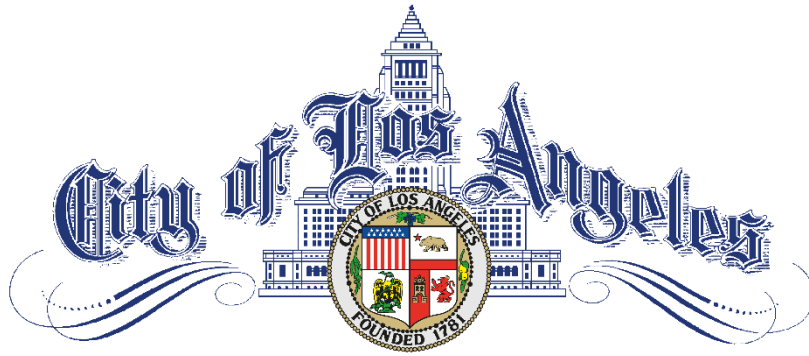




Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO.: R26-0500
8/28/2026

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 monthly report for August 2026 supplements our previous reports, which are available in the above-referenced Council File.

Proposed State Legislation

In October 2025, our office prepared a state legislative proposal to amend California Penal Code Section 396 to clarify portions of the statute and strengthen key provisions in support of future enforcement efforts. On April 14, 2026, Assistant City Attorney Kevin James presented the bill before the state Senate Judiciary Committee, which approved the measure. On April 21, 2026, Mr. James and Deputy City Attorney Alexandra Aurisch presented the bill before the state Senate Public Safety Committee, which also approved the measure. On June 16, 2026, the Assembly Judiciary Committee passed the bill. On August 13, the bill passed through the Appropriations Committee. The bill now moves to a vote before the full Assembly by the end of August and if passed, to the Governor's desk for consideration.

Status of LA County 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, January 28, February 27, March 29, April 28 and most recently through and including May 28, 2026.

The Board of Supervisors did not approve a further extension of the County's price-gouging protections. As a result, those protections expired on May 28, 2026. However, the City of Los Angeles has continued its local emergency declaration, and price-gouging protections remain in effect within the City.

Ongoing Matters and Investigations

We recently received a referral alleging price gouging involving a single-family residence in the 90094 zip code. Following a prompt investigation, we identified violations and secured a refund for the tenant totaling \$131,079.30.

The following is an update of ongoing civil litigation and criminal filings:

Civil Litigation:

- People v. Abekasis, LA Superior Court Case No. 26STCV25246, CASE PENDING: On August 11, 2026, our office filed a lawsuit against four individuals for allegedly operating illegal short-term rentals, two of whom also allegedly engaged in price gouging in violation of Penal Code section 396(e) and LAMC section 47.12.
- People v. Blueground US, Inc., LA Superior Court Case No. 25STCV02951: 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) and LAMC section 47.12. We recently obtained judgment and a five-year permanent injunction against Blueground prohibiting price gouging and requiring prospective compliance measures designed to safeguard consumers and tenants in future emergencies. The settlement also requires Blueground to provide restitution to all customers who were overcharged in violation of state or local price-gouging laws and to pay \$1.2 million in civil penalties, of which \$1 million will be paid to the City of Los Angeles.
- People v. 911 Housing Solutions, et al., LA Superior Court Case No. 26STCV01422, CASE PENDING: On January 9, 2026, our Office filed a lawsuit against 911 Housing Solutions and its owner alleging that this

short-term rental housing provider has violated Penal Code section 396(e) and LAMC section 47.12, in connection with the provision of accommodations to various insurance companies' policyholders.

- People v. Airbnb, Inc., LA Superior Court Case No. 25STCV21244, CASE 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 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). We have settled with some of the defendants for \$250,000 in civil penalties, \$350,000 in suspended penalties, and \$30,000 in restitution to tenants who were victims of price gouging.

Criminal Filings:

- People v. Cooke & Perry, LA Superior Court Case No. 25CJCM00579: 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. The defendants successfully completed their obligations and the cases were dismissed.
- People v. Chaves, Chaves Valdes, Chaves & PCAM LLC, LA Superior Court Case No. 25CJCM06980: Our Office charged defendants with price gouging animal boarding services in violation of PC 396(b). The case was dismissed upon confirmation no victim paid defendants a gouged fee in violation of PC 396.
- People v. Ortega & Gibson Ranch LA LLC, LA Superior Court Case No. 25CJCM06876: Our Office charged defendants with price gouging animal boarding services in violation of PC 396(b). The case was dismissed upon confirmation no victim paid defendants a gouged fee in violation of PC 396.
- 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). The Court granted Judicial Diversion (over the People's objection) and ordered the defendants to do community service.

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.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By /s/ Jonathan Cristall
JONATHAN CRISTALL
Assistant City Attorney

JC:hb