

April 23, 2013

City of Los Angeles v Deutsche Bank National Trust Company

[\(Click on link below to see Complaint\)](#)

<http://www.scribd.com/doc/137914455/City-of-Los-Angeles-v-Deutsche-Bank-National-Trust-Company>

A judge has denied Deutsche Bank AG's bid to dismiss a lawsuit by the City of Los Angeles accusing it of letting hundreds of foreclosed properties fall into disrepair and illegally evicting low-income tenants, a representative for the city's attorney said.

Los Angeles Superior Court Judge Elihu Berle allowed the 2011 civil enforcement action to proceed, according to the city attorney's office. "This ruling will now allow our action to move forward to trial and ultimately to holding the bank accountable for its intolerable practice or perpetuating blight," city attorney Carmen Trutanich said in a statement.

During the housing boom and subsequent bust, Deutsche Bank subsidiaries acquired the title to more than 2,000 properties in Los Angeles, according to the city's 2011 civil enforcement action. The city accused Deutsche Bank of becoming one of its largest "slumlords," allowing vacant properties to turn into nuisances, neglecting to maintain occupied properties, and illegally evicting

low-income tenants to clear the way for a potential sale. Los Angeles is one of many cities across the United States to grapple with the problem of blighted properties after a wave of foreclosures that followed the housing bust.

It has passed a law requiring banks to fix the blighted homes they own, or pay a fine, but enforcing that has proven difficult. The city's low-income areas are most affected, the city said. The blighted properties have led to decreased property value, increased crime rates and additional stress on city services, it argued in the 2011 complaint.

A spokesman for Deutsche Bank, Duncan King, said in a statement that while the bank is "disappointed in this procedural decision allowing the case to proceed, we continue to believe the Los Angeles City Attorney has sued the wrong party and will continue to defend ourselves vigorously. "Deutsche Bank said at the time the complaint was filed that third-party loan servicers are responsible for the properties.

Los Angeles is seeking a court order compelling the bank to bring foreclosed properties up to code and halting illegal evictions. It is also seeking monetary damages that could potentially reach hundreds of millions of dollars, the city said.

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