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THE PEOPLE OF THE STATE OF CALIFORNIA

Exempt from fees per Gov't Code § 6103
To the benefit of the City of San Diego

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, v. SEAN GORBAN, an individual, ALI GHORBANZADEH, individually and as Trustee of the ALI GHORBANZADEH Family Trust, dated May 9, 1991; and DOES 1 through 50, inclusive, Defendants.	Case No. **COMPLAINT FOR VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTIONS 17200 ET SEQ. (UNFAIR COMPETITION)** **UNLIMITED CIVIL CASE** Civil Penalties, Restitution, and Injunctive Relief

Plaintiff, the People of the State of California (Plaintiff), appearing by and through its attorneys, Heather Ferbert, City Attorney, and Paul Prather, Senior Deputy City Attorney, alleges the following based upon information and belief:

JURISDICTION AND VENUE

1. Plaintiff, by this action and pursuant to California Business and Professions Code sections 17203, 17204, 17206, seeks a temporary restraining order, preliminary injunction, and permanent injunction prohibiting Defendants Sean Gorban, an individual, Ali Ghorbanzadeh, individually and as the Trustee of the Ali Ghorbanzadeh Family Trust, dated May 9, 1991 (Defendants) from engaging in unfair competition and from using or maintaining a property in violation of state law provisions. Plaintiff also seeks civil penalties,

restitution, costs, and other equitable relief for Defendants' continuing violations of the law.

2. The omission or commission of acts and violations of law by Defendants as alleged in this Complaint occurred within the City of San Diego, State of California. Defendants at all relevant times mentioned in this Complaint have transacted business within the City of San Diego or are residents of San Diego County, within the State of California, or both.

3. The properties where the acts and practices described in this Complaint were performed are in the City of San Diego.

THE PARTIES

4. Plaintiff, the People of the State of California, brings this action by and through Heather Ferbert, City Attorney for the City of San Diego pursuant to Business and Professions Code section 17204.

5. Defendant Sean Gorban (Gorban) is an individual and resident of the City of San Diego.

6. Defendant Gorban is the property manager for the Ali Ghorbanzadeh Family Trust, dated May 9, 1991 (A.G. Trust).

7. Defendant Ali Ghorbanzadeh is an individual and resident of the City of San Diego.

8. Defendant Ali Ghorbanzadeh, as Trustee of the A.G. Trust (collectively as an individual and as the Trustee of the A.G. Trust, "Ghorbanzadeh"), is the owner of record and lessor of the real properties located in San Diego, including, but not limited to, 3957 Nobel Drive, Unit 202, 3965 Nobel Drive, Units 234, 236, 248 and 3969 Nobel Drive, Unit 278, in San Diego, California 92122.

9. Defendants DOES 1 through 50, inclusive, are sued as fictitious names, under the provisions of California Code of Civil Procedure section 474, as their true names and capacities are unknown to Plaintiff. Plaintiff is informed and believes that each Defendant DOES 1 through 50, is either responsible, in whole or in part, for the violations and conduct alleged, or has, or claims to have, an interest in the Property, the exact nature of which is presently

unknown to Plaintiff. When the true names and capacities are ascertained, Plaintiff will seek leave of court to amend this Complaint and to insert in lieu of such fictitious names the true names and capacities of the fictitiously named Defendants.

10. At all relevant times mentioned in this Complaint, all Defendants and DOES 1 through 50 were and are agents, principals, servants, lessors, lessees, employees, partners, associates, or joint venturers of each other and at all times were acting within the course, purpose, and scope of said relationship and with the authorization or consent of each of their co-defendants.

11. At all times relevant in this action, all Defendants and DOES 1 through 50, comprised an "organization of persons" within the meaning of California Business & Professions Code section 17201, in that they associated together for the common purpose of engaging in a course of deceptive, unlawful, unfair, and fraudulent business acts and practices alleged.

FACTUAL ALLEGATIONS

Student Group One

12. Arnav Saxena, Varun M. Sreedhar, Jared Hughes, and Shishir Iyer (Student Group One) consisted of four San Diego students who were seeking rental housing for the school year beginning in late September 2023.

13. On or about February 24, 2023, Student Group One contacted the Defendants through Venetian Condos ("Venetian") rental email account (venetiancondos@gmail.com) regarding a prospective rental. Student Group One stated that they sought a unit with at least two bedrooms and two-and-one-half bathrooms, at an anticipated total monthly rent of approximately $4,000, and requested an opportunity to visit available properties.

14. Defendant Gorban (Property Manager) responded using the venetiancondos@gmail.com address to Student Group One. Gorban provided information concerning available units and stated that the security deposit would be $2,000.00.

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15. On or about March 15, 2023, Gorban instructed Student Group One to pay a $2,000 security deposit and sign a lease by March 17, 2023. Group One was instructed that Defendant Ghorbanzadeh is the main partner. Payments were to be made to Defendant Ghorbanzadeh's bank account.

16. The draft lease sent to Student Group One did not contain an assigned unit number. Defendant Gorban stated they were finalizing their unit inventory and Student Group One would receive an updated lease identifying the assigned unit and payment account, and that first-month rent would be due before a September move-in.

17. On or about March 17, 2023, Student Group One advised Defendant Gorban they were willing to sign a lease and pay the $2,000 security deposit but requested that the lease be resent because it had not been attached to the earlier email.

18. Student Group One collectively paid the full $2,000 security deposit to Defendant Ghorbanzadeh for the benefit of the Defendant A.G. Trust. Defendant Gorban confirmed receipt of the $2,000 security deposit on March 24, 2023.

19. After confirming receipt of the $2,000 security deposit, Defendant Gorban instructed Student Group One that they must sign and return the draft lease. Defendant Gorban stated he would provide an updated lease for Fall 2023 after Defendant Gorban and Defendant Ghorbanzadeh finalized the summer inventory.

20. On or about April 23, 2023, Student Group One informed Defendant Gorban they did not wish to pursue a possible summer rental and instead intended to proceed with a fall lease commencing in September 2023.

21. On or about June 10, 2023, Gorban sent Student Group One an "updated lease" for Unit 234 at 3965 Nobel Drive, San Diego, California, and stated that the lease would be effective only if Student Group One paid the Defendant Ghorbanzadeh an additional amount of money and signed and returned the lease by June 12, 2023.

22. The updated lease materials required Student Group One to pay a $2,000 security deposit and an additional payment of $4,250, which Defendants identified as the last month's prepaid rent, for a total of $6,250.

23. Student Group One did not agree to the Defendants' terms of the updated lease, never occupied the proposed rental unit, and did not receive keys or take possession of the unit.

24. On or about June 24, 2023, Student Group One notified Defendant Gorban that they were no longer interested in leasing a condominium at the Venetian.

25. In the same June 24, 2023 communication, Student Group One requested return of their $2,000 security deposit because they did not sign the revised lease, did not occupy the proposed rental unit, and did not receive keys or take possession of the unit.

26. Defendants failed to return the $2,000 security deposit given to them by Student Group One. As of the date of this filing, Defendants have not returned Student Group One's $2,000 security deposit.

Student Group Two

27. Michael Aquilina, Anshul Garde, Romir Kant and Ritviksiddha Penchala (Student Group Two) were a group of four San Diego students, who were seeking rental housing for the school year beginning in late September 2023.

28. On or about January 28, 2023, Student Group Two contacted Defendants through Venetian email at venetiancondos@gmail.com to inquire about rental housing.

29. On or about February 2, 2023, Student Group Two confirmed with Defendant Gorban that Student Group Two wanted to lease a condominium from Defendants starting in September 2023.

30. On or about February 12, 2023, Student Group Two met with Defendant Gorban and viewed Unit 278 of the Venetian Condos. Defendant Gorban represented that Student Group Two would be assigned to this unit, subject to a later change if another comparable unit became available.

31. By February 20, 2023, all four members of Student Group Two submitted applications for rental approval to Defendant Gorban.

32. On or about March 3, 2023, Defendant Gorban provided a draft lease to Student Group Two with a term beginning on September 1, 2023. The lease did not contain a unit number.

33. Defendant Gorban stated they were "finalizing inventory" and would assign the unit and provide an updated lease.

34. On or about March 4, 2023, Defendant Gorban directed Student Group Two to send Defendant Ghorbanzadeh a $2,000 security deposit.

35. Student Group Two sent Defendant Ghorbanzadeh two separate $1,000 security deposits on or about March 10, 2023. Defendant Gorban acknowledged receipt of the first $1,000 security deposit at 10:08 a.m. and receipt of the second security deposit at 3:09 p.m. on the same day.

36. On or about May 30 and 31, 2023, Student Group Two requested a lease agreement from Defendant Gorban confirming a September 2023 commencement date and identifying Unit 234 or another comparable assigned unit.

37. Still without a final lease, Defendant Gorban agreed to meet with Student Group Two in person. The meeting was scheduled for June 17, 2023, at unit 236 of the Venetian Condominiums. Defendant Gorban failed to appear for the meeting.

38. On or about June 17, 2023, after Defendant Gorban failed to appear at the previously scheduled meeting, Defendant Gorban transmitted a proposed draft lease for Unit 236 and required its execution and payment of an additional $4,250 by June 19, 2023. Student Group Two did not agree to the terms and did not execute the proposed lease.

39. On or about June 18, 2023, Student Group Two notified Defendant Gorban they were no longer interested in a unit at the Venetian Condominiums.

40. In the same June 18, 2023, communication, Student Group Two requested return of the $2,000 security deposit because they did not sign a final lease, did not occupy the proposed rental unit, and did not receive keys or take possession of a condominium unit.

41. Defendants failed to return the $2,000 security deposit to Student Group Two. As of the date of this filing, Defendants have not returned Student Group Two's $2,000 security deposit.

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42. Plaintiff is informed and believes that Defendants' collection and retention of deposits from prospective renters was not limited to Student Groups One and Two, and that additional prospective renters paid funds to Defendants in connection with proposed residential rentals.

I.

FIRST CAUSE OF ACTION

VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 17200 (UNFAIR COMPETITION) AGAINST ALL DEFENDANTS

43. Plaintiff, the People of the State of California, incorporates by reference all allegations in paragraphs 1 through 42 of this Complaint as though fully set forth herein in their entirety.

44. California Business & Professions Code section 17200 defines unfair competition to include "any unlawful, unfair or fraudulent business act or practice."

45. As the Unfair Competition Law (UCL) contains no express intent, knowledge, or negligence requirement, the UCL "imposes strict liability." Liability may be established without showing that Defendant intended to injure anyone. *Rothschild v. Tyco Int'l, Inc*., 83 Cal. App. 4th 488, 494 (2000) (citations omitted).

46. California Business & Professions Code section 17204 authorizes a city attorney of a city having a population more than 750,000 to bring a civil enforcement action on behalf of the People of the State of California.

47. Plaintiff, the People of the State of California, by and through Heather Ferbert, City Attorney for the City of San Diego, a city with a population more than 750,000, pursuant to the authority granted by California Business & Professions Code section 17204, brings this suit both on behalf of, and for the benefit of, the People, to redress unfair and deceptive acts or practices and unfair methods of competition to ensure that individuals and entities doing business in the State, and more particularly in the City of San Diego, comply with all governing laws.

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48. A civil enforcement action can be brought against "[a]ny person who engages, has engaged, or proposes to engage in unfair competition…." See Cal. Bus. & Prof. Code § 17203.

49. Beginning on an exact date unknown to Plaintiff, but within four years prior to the filing of this Complaint, and continuing to the present, Defendants engaged in unfair competition in violation of California Business & Professions Code section 17200, including but not limited to one or more of the following unlawful, unfair, or fraudulent business acts or practices:

a. Defendants' acts of retaining the security deposit of Student Group One in violation of California Civil Code section 1950.5.

b. Defendants' acts of retaining the security deposit of Student Group Two in violation of California Civil Code section 1950.5.

50. Through the transactions described above, Defendants repeatedly solicited, accepted, acknowledged, and documented the payments at issue as "security deposits." Defendants repeatedly collected such payments before any tenancy commenced, before any final lease agreement was executed, and before any tenants took possession of a dwelling unit.

51. Plaintiff is informed and believes that Defendants thereafter repeatedly retained such payments despite the absence of any damage, occupancy, unpaid rent, returned keys, or other circumstances that would justify retention of a security deposit.

52. Defendants repeatedly described the payments collected from prospective renters as "security deposits" in emails, lease materials, payment instructions, and payment confirmations.

53. Plaintiff is informed and believes that, after prospective renters sought return of those funds, Defendants characterized the same payments as nonrefundable holding deposits or forfeited reservation payments.

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54. Plaintiff is informed and believes that Defendants obtained money from additional prospective renters through the business practices alleged herein. Certain prospective renters have not filed civil actions, obtained judgments, or otherwise recovered the funds paid to Defendants.

55. Plaintiff seeks restitution, pursuant to Business and Professions Code section 17203, on behalf of such persons according to proof.

56. Defendants wrongly obtained monies and benefits by their unfair, fraudulent, and unlawful business acts and practices to the detriment of the People of the State of California and the community.

57. Defendants repeatedly solicited and accepted payments expressly characterized as security deposits from prospective renters before any tenancy commenced, later altered or failed to finalize rental arrangements, retained the funds after cancellation, and subsequently characterized the same payments as forfeited holding deposits. This practice constituted unlawful, unfair, and fraudulent business conduct under Business and Professions Code section 17200.

58. Plaintiff is informed and believes that Defendants continue to operate rental businesses, continue to advertise units and solicit prospective tenants.

59. Unless Defendants cease such unlawful actions, the People of the State of California and the community will continue to suffer from the egregious conduct of Defendants.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the People of the State of California, prays for judgment against Defendants, and each of them, as follows:

AS TO THE FIRST CAUSE OF ACTION

Violation of California Business and Professions Code sections 17200 through 17210

1. That pursuant to California Business & Professions Code section 17203, Defendants, their officers, directors, employees, agents, representatives, partners, successors and assigns, and all persons, corporations, subsequent purchasers, or other entities, acting by,

through, under, in concert, on behalf of, or in participation with or for them be permanently enjoined from engaging in unfair competition as defined in California Business & Professions Code section 17200 anywhere in the County of San Diego, including acts and practices alleged in this Complaint, including but not limited to:

a. Misrepresenting the nature, purpose, refundability, or conditions of forfeiture of payments solicited or collected from prospective residential renters;

b. Representing that a payment constitutes a security deposit and thereafter treating that payment as a nonrefundable holding deposit, reservation deposit, or forfeited payment;

c. Misrepresenting, concealing, or failing to disclose material terms that Defendants impose concerning the nature, refundability, or claimed forfeiture of payments solicited from prospective residential renters; and

d. Retaining security deposits of tenants and prospective tenants in violation of California Civil Code section 1950.5 and for purposes not authorized by that section.

2. That pursuant to Business and Professions Code section 17203, Defendants be ordered to restore to each person in interest money or property acquired from that person through the unfair competition alleged in this Complaint and to make restitution to all persons in interest from whom Defendants obtained money through the unlawful, unfair, or fraudulent practices described in this Complaint, including prospective renters who have not otherwise recovered such funds through settlement, judgment, or other legal process, according to proof.

3. That pursuant to California Business & Professions Code section 17206, Defendants, and each of them, be assessed all civil penalties authorized by law, according to proof, for each UCL violation.

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AS TO ALL CAUSES OF ACTION:

4. That Plaintiff recovers its costs, including attorney fees, costs of investigation, and those of other law enforcement or regulatory agencies and any other amounts authorized by law as appropriate and according to proof.

5. That Plaintiff be granted such other and further relief as the nature of the case may require, and the Court deems just and appropriate as authorized by law.

Dated: October 29, 2026

HEATHER FERBERT, City Attorney



By _____
Keith Phillips
Chief Deputy City Attorney

Attorneys for Plaintiff,
THE PEOPLE OF THE STATE OF CALIFORNIA