

Press Release

For Immediate Release

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Tenants File Suit against Wells Fargo

Six tenants living in BayPoint's Emerald Park Apartments filed a lawsuit on April 5, 2011 against Wells Fargo Bank, FPI Management, Inc., and two other defendants because of the living conditions in their apartments including gas leaks, extensive mold, cockroaches and bedbugs, and lack of heat and cooking facilities for extended periods of time. The case was filed in Contra Costa Superior Court and is called Sanders v. Wells Fargo Bank (case number C11-00811).

Plaintiffs Frederick Sanders and his girlfriend Nicole McConner live in Emerald Park. Sanders said, "We started smelling gas in our apartment right after we moved in, and then started noticing other problems, like mold in the bathroom and plumbing problems with the shower." Ms. McConner added, "We told management about all of the problems, month after month. They didn't take us seriously until we found lawyers willing to help us."

In September 2010, PG&E found massive gas leaks when it inspected one of the apartment buildings. Frank James, an Emerald Park tenant who is wheelchair-bound, said about the activity at his building after PG&E's inspection, "Workers were coming in and out constantly, every day. It went on for about a week and was so noisy, dusty, and uncomfortable that I couldn't rest. When I got sick, my friend called Bay Area Legal Aid for help. Once they stepped in, I was able to move to a motel paid for by the landlord, for just a few days during the worst part of the demolitions."

According to the complaint, Wells Fargo became the owner of Emerald Park after it foreclosed on the property in 2009. After the tenants complained about hazardous and unsafe living conditions, Wells Fargo made superficial repairs to some of the apartments hoping to sell the building as quickly as possible. Some units infested with mold received new paint jobs to cover the mold problem, but the sources of the problems were not addressed.

Wells Fargo hired FPI Management, Inc., the largest third-party fee manager in California managing over 56,000 units nationwide, to manage Emerald Park onsite. Among other unlawful actions, the lawsuit accuses FPI of failing to maintain Emerald Park Apartments and misrepresenting the true living conditions to tenants and prospective tenants. A former FPI employee who did maintenance work for FPI told the

tenants' attorneys that, "FPI's practice is to maintain the property at the lowest possible cost."

Wells Fargo sold Emerald Park to local investors in December 2010, before gas leak-related repairs were complete. During the time Wells Fargo owned the building and many of Emerald Park's tenants lived in dangerous and unsuitable living conditions, the Bank made a net profit of \$12.4 billion and awarded its CEO, John Stumpf, a compensatory package of \$17.6 million.

In addition to seeking damages caused by Wells Fargo's failure to fix the harmful and unsafe conditions of its property, the lawsuit seeks an order requiring the current owners to maintain Emerald Park in safe and livable conditions.

Bay Area Legal Aid (BayLegal), is a non-profit law firm representing low-income residents in the Bay Area.

