

<p>DISTRICT COURT, BOULDER COUNTY, COLORADO 1777 Sixth Street, Boulder, CO 80302</p>	<p>DATE FILED: January 8, 2024 4:26 PM FILING ID: D67FE7FF27EB6 CASE NUMBER: 2024CV30023</p>
<p>STATE OF COLORADO, <i>ex rel.</i> PHILIP J. WEISER, ATTORNEY GENERAL; MICHAEL T. DOUGHERTY, DISTRICT ATTORNEY FOR THE 20TH JUDICIAL DISTRICT</p> <p>Plaintiffs,</p> <p>v.</p> <p>POPULUM REAL ESTATE HOLDINGS, LLC d/b/a FOUR STAR REALTY, FOUR STAR REALTY AND PROPERTY MANAGEMENT; TACONIC COMPANIES, LLC</p> <p>Defendants.</p>	<p>▲ COURT USE ONLY ▲</p>
<p>For the Attorney General:</p> <p>PHILIP J. WEISER, Attorney General MARTHA FULFORD, 53304* LAUREN DICKEY, 45773* JENNIFER H. HUNT, 29964* BRADY J. GRASSMEYER, 47479* CONOR A. KRUGER, 54111* ADAM T. RICE, 53963* 1300 Broadway, 10th Floor Denver, CO 80203 Telephone: (720) 508-6000 brady.grassmeyer@coag.gov</p> <p>For the District Attorney:</p> <p>MICHAEL T. DOUGHERTY, District Attorney CHRISTIAN GARDNER-WOOD, #38889* 1777 Sixth Street Boulder, CO 80302 Telephone: (303) 441-3700 cgardner-wood@bouldercounty.gov *Counsel of Record</p>	<p>Case No.</p> <p>Div.:</p>
<p style="text-align: center;">COMPLAINT</p>	

Plaintiffs, the State of Colorado, upon relation of Philip J. Weiser, Attorney General for the State of Colorado and Michael Dougherty, District Attorney for the 20th Judicial District (“the State”), allege as follows:

I. Introduction

1. Four Star Realty is the public name of Defendant Populum Real Estate Holdings, LLC. Four Star is a property management company. It specializes in managing off-campus housing for students in Boulder, Fort Collins, Greeley, and Denver in addition to a variety of non-student properties across Colorado.

2. The Attorney General and the District Attorney bring this action against Four Star to remedy violations of Colorado’s security deposit statute and the Colorado Consumer Protection Act. Four Star violates these laws by 1) unlawfully withholding money from its tenants’ security deposits, and 2) charging unfair and deceptive fees.

3. Four Star retains money from a tenants’ security deposits for maintenance and painting attributable to normal wear and tear, for unnecessary cleaning, for electronic rekeying, and for charges that lack any basis whatsoever.

4. Security deposits are the tenants’ property, held in trust by the landlord during the lease. A landlord can only withhold the security deposit if there is actual cause to do so; and if a landlord withholds any portion, they must provide the tenant with a written list of the exact reasons the portion was withheld. C.R.S. § 38-12-103.

5. A landlord may not withhold money from a tenant’s security deposit for “normal wear and tear.” C.R.S. § 38-12-103. “Normal wear and tear” is “deterioration that occurs, based upon the use for which a rental unit . . . is intended, without negligence, carelessness, accident, or abuse of the premises . . . by the tenant.” C.R.S. § 38-12-102(4).

6. Instead of following the security deposit statute when a tenant moves out, Four Star places all expenses on the tenant’s ledger initially, only later going back to subtract (some) charges that should be borne by the property’s owner. Four Stars’ processes are not designed to ensure that it retains only the correct amount of the tenant’s money.

7. Under Four Star’s procedures, when a tenant moves out, an employee who is typically employed on a temporary basis and receives little or no training, visits the property to take photos of the conditions. Next, a management employee reviews the photos and, without ever visiting the property, decides what work—such as maintenance, repairs, cleaning, painting, replacements, and improvements—will

be performed. The same management employee coordinates with the vendors contracted by Four Star to perform the work, without regard to the cost. Later, often weeks later, a different Four Star employee reviews the vendors' invoices and decides how much of the charges are the tenant's responsibility.

8. Some maintenance tasks, like painting, carpet cleaning, and cleaning, are scheduled months before a tenant moves out. Theoretically, if that work is not necessary when Four Star inspects the property, Four Star can cancel the vendor scheduled to perform the maintenance. But often, Four Star lets the vendor complete the work order as scheduled before determining whether the work is necessary. In fact, Four Star often lets *its vendors* decide how much painting or cleaning is "required" at a property and does not review that decision until a tenant complains about the cost.

9. This process results in Four Star using tenants' security deposits to pay for work that covers deterioration that occurs from expected, intended use of the property during a tenancy, or "normal wear and tear." For instance, and as described in detail below, Four Star's process results in departing tenants—rather than Four Star or Four Star's clients, the property owners—paying to assess the conditions of garbage disposals and other appliances to determine if repairs or replacements are necessary, to caulk tile in kitchens and bathrooms, to paint walls when the tenant may have caused only minor scuffs or scratches, to fix loose doorknobs, and many other instances of charges that are not the tenant's responsibility.

10. But the security deposit statute, C.R. S. § 38-12-103, expressly prohibits landlords from withholding money from tenants' security deposits to address normal wear and tear. When tenant disputes the charges, Four Star sometimes agrees to refund some or all of the security deposit.

11. Four Star also charges tenants unfair, and misleading junk fees.

12. For example, Four Star charged tenants a "moveout coordination fee" even though that fee was not disclosed in a tenant's lease. Despite the fact this fee has no basis in the lease, from February 2019 to November 2021, Four Star withheld the fee hundreds of times from their tenants' security deposits, only returning the fee to those tenants that disputed the charge.

13. In addition, at the beginning of a lease, Four Star provides the tenant an estimated monthly utility payment and collects that same amount each month to pay for the utilities. Four Star bases the estimated utility payment on previous usage at the property. If the flat monthly amount is less than the amount billed by the utility provider, then Four Star withholds money from the tenant's security deposit to make up the difference.

14. By contrast, if the amounts tenants pay through the estimate exceeds the amount actually billed to Four Star by the utility provider—i.e., if Four Star *overcharged* the tenant during the tenancy—Four Star does not refund the tenants for their overpayment but keeps the difference as income for itself or its clients.

15. Four Star’s business practices violate the Colorado Consumer Protection Act, C.R.S. § 6-1-101, *et. Seq.* (“CCPA”), and the landlord-tenant statute, C.R.S. § 38-12-101, *et. Seq.*

II. Parties

16. Philip J. Weiser is the Attorney General of the State of Colorado and is authorized under Colo. Rev. Stat. section § 6-1-103 to enforce the CCPA. The Attorney General also may initiate civil actions to enforce the Colorado statute that governs security deposit reconciliation. C.R.S. § 24-31-101(1)(h)(XV). The security deposit reconciliation statute is section 38-12-101, *et. Seq.*

17. Michael Dougherty is the District Attorney for the 20th Judicial District and is authorized under Colo. Rev. Stat. section § 6-1-103 to enforce the CCPA.

18. Defendant Populum Real Estate Holdings, LLC is a Colorado limited liability company, with its principal place of business at 1835 S. Pearl Street, Denver, Colorado 80210. Populum Real Estate Holdings uses several trade names: Four Star Realty and Property Management; Four Star Realty & Property Management, Inc.; Fourstar Apartment Management, Taconic Landscaping, and Four Star Realty. Throughout this Complaint, the term “Four Star” refers to these entities and trade names collectively.

19. Defendant Taconic Companies, LLC is a Colorado limited liability company with its principal place of business at 1835 S. Pearl Street, Denver, Colorado 80210. On information and belief, many of the members of Populum Real Estate Holdings, LLC are members of Taconic Companies.

III. Jurisdiction and Venue

20. Pursuant to C.R.S. §§ 6-1-103 and 6-1-110(1), this Court has jurisdiction to enter appropriate orders prior to and following an ultimate determination of liability.

21. The violations alleged herein occurred, in part, in Boulder County, Colorado. Therefore, venue is proper in Boulder County District Court pursuant to C.R.C.P. 98 and C.R.S. § 6-1-103.

IV. Four Star Charges Tenants for Normal Wear and Tear and Without Actual Cause

22. As of 2023, Four Star manages more than 4,600 properties.

23. Most of the properties that Four Star manages are owned by other individuals or entities. Four Star charges the owner a fee to find tenants, to interact with the tenants, to maintain the property during the tenancy, and to schedule maintenance after a tenant moves out. Its fee is a percentage of the gross monthly rent that the tenant pays. For some properties, Four Star's fee also includes a percentage of the expenses owners charge tenants.

24. Four Star signs leases with tenants as the "Agent for Owner." Tenants have little, if any, contact with the property owner.

25. To complete many of the maintenance tasks required at properties it manages, Four Star hires Taconic Companies, LLC. Taconic Companies is, however, owned by the same individuals that own Populum Real Estate Holdings.

26. Four Star decides what work must be done and Taconic Companies profits from the work order. Taconic Companies makes money solely from work maintaining properties, including responding to tenant maintenance requests, landscaping, snow removal, and turnover cleanings. On information and belief, more than 95% of Taconic Companies' revenue comes from work that it does at the direction of Four Star.

27. At or before the beginning of each tenancy, Four Star collects a security deposit from the tenant. Historically, Four Star has set its security deposits at approximately two months' rent, which can be thousands of dollars. For rental properties in Boulder with three or more bedrooms, security deposits between \$5,000 and \$10,000 are not uncommon.

28. Under Colorado law, security deposits are the tenant's property. During a tenancy, deposits are held in trust by the landlord as security for unpaid rent, nonpayment of utilities, abandonment-related expenses, repairing damage caused by the tenant that exceeds normal wear and tear, and cleaning contracted for by the tenant and necessitated by the tenants' failure to maintain the premises in a reasonably clean condition.

29. At the end of a lease, a landlord must return the full security deposit to the tenant unless actual cause exists to retain a portion of the security deposit. C.R.S. § 38-12-103(1). If a landlord has actual cause to retain a portion of the security deposit, the landlord must provide the tenant with a written statement "listing the

exact reason [it retained] any portion of the security deposit.” *Id.* The landlord must complete the security deposit disposition process—by returning the security deposit and/or accurately accounting for its retention in writing—within thirty days after the end of the tenancy (or up to sixty days if specific in the lease). *Id.*

30. Landlords may not, however, retain any portion of the security deposit for “normal wear and tear.” *Id.* Normal wear and tear is any deterioration that occurs based on a tenant’s use of a rental unit for its intended purpose without negligence, carelessness, accident, or abuse of the premises by the tenant. C.R.S. § 38-12-102(4).

31. The statute also outlines remedies available to tenants if their landlord fails to comply with the statute in substance or in the time limits outlined in the statute. C.R.S. § 38-12-103(2)-(7).

32. The security deposit statute protects tenants. *Martin v. Allen*, 566 P.2d 1075, 1076 (Colo. 1977). Overall, it is designed to assist tenants in vindicating their legal rights and to equalize the disparity in power which exists between landlord and tenant in conflicts over such relatively small sums. *Id.*

33. To this end, the statute promotes two important goals.

34. First, the statute was passed to control the practices of landlords who, using their superior power vis-à-vis tenants, withhold tenants’ security deposits without justification. *Mishkin v. Young*, 107 P.3d 393, 399 (Colo. 2005). This purpose is reflected in the statutory prohibition against withholding a security deposit without “actual cause[.]” C.R.S. § 38-12-103(1). In accordance with this purpose, the statute also includes a tenant-protective, anti-waiver provision, which states that “[a]ny provision, whether oral or written, in or pertaining to a rental agreement whereby any provision of this section for the benefit of a tenant or members of his household is waived shall be deemed to be against public policy and shall be void.” C.R.S. 38-12-103(7).

35. Second, the statute provides tenants with a mechanism to obtain judicial relief if they are wrongfully deprived of their security deposit. *Ball v. Weller*, 563 P.2d 371, 372 (Colo. App. 1977).

36. In 2022, the General Assembly passed House Bill 22-1082, which gave the Attorney General the authority to independently initiate and bring civil actions to enforce “part 1, of article 12, of title 38,” which includes the security deposit statute, § 38-12-103(1). 73d Gen. Assemb., 2nd Reg. Sess. (Colo. 2022) (H.B. 22-1082, Sec. 2).

37. The General Assembly gave the Attorney General this authority to address the power disparity that exists between landlords and tenants in the security deposit reconciliation process.

38. Four Star's persistent and repeated violations of the security deposit statute are an example of this problem. Four Star routinely violates the security deposit statute and, when a tenant disputes the charges, Four Star at times provides refunds, but often bargains with tenants until the tenant relents and accepts a portion of their deposit.

A. Four Star withholds money from tenants' security deposits for work attributable to normal wear and tear.

39. Four Star unlawfully requires tenants to pay for normal wear and tear. To justify those charges, Four Star provides tenants work orders but the descriptions in the work orders often show that the work could not possibly be for damage that the tenant caused beyond deterioration that resulted from the tenant living at the property.

40. For example, on occasion, Four Star has withheld security deposits for routine maintenance like tightening door hinges, tightening toilet seats, cleaning air conditioning filters, assessing sinks, lights, and appliances, and cleaning a vent fan.

B. Four Star's allocation of painting charges is unfair and results in Four Star withholding portions of security deposits for normal wear and tear.

41. Four Star elects to have some or all of each property be painted at the end of almost every tenancy. In fact, months before a tenancy ends and Four Star inspects the property to see if the walls and other surfaces are damaged, Four Star schedules a painting contractor to paint the property during the turnover period between tenancies. During turnover inspections Four Star's employees designate entire walls to be repainted even if the only imperfections on a wall are superficial scuffs, minor indentations, or faded or peeling paint.

42. As a standard practice, Four Star almost always withholds money from a tenant's security deposit to pay for painting.

43. Given the high turnover rates among its student tenants, this means that tenants—rather than Four Star or its property-owner clients—are paying to repaint the clients' properties almost every year.

44. But annual repainting between tenancies to address things like scuffs, small, isolated holes or indentations, peeling or faded paint, or simply because the

landlord wants the walls freshly painted for incoming tenants, is precisely the sort of normal wear and tear that landlords are not allowed to withhold.

45. At the end of a tenancy, after the painting contractor sends Four Star an invoice for turnover painting, Four Star allocates the painting cost between the tenant and its client, the property owner. In so doing, Four Star's standard practice is to charge to the tenant the full cost of turnover painting, except for a small concession — \$75 — that is paid by the property owner and is listed on the tenant's rental ledger as a "credit."

46. Because Four Star often requires entire walls to be repainted even though a property may only need a minor patch or touch up. As a result, the \$75 paint credit almost never compensates the tenant for even the most minor painting charges.

C. Four Star overcharges tenants for cleaning.

47. Another common issue is Four Star overcharging tenants for cleaning at the end of their lease and withholding those funds from security deposits.

48. Four Star's standard lease states that upon move out, Four Star will contract for deep cleaning at the Resident's expense if deemed necessary by Four Star. The lease also states that if the tenant cleans on their own, the tenant must give Four Star advance notice and provide a receipt, presumably to show that the tenant paid for the cleaning. Four Star, at its sole discretion, has the authority to re-clean with a contractor of its choosing.

49. Even where Four Star hires a professional cleaner, Four Star also charges the tenant for cleaning done by its own affiliated entities, services that are duplicative of the work done by the professional vendors. On some occasions, Four Star has charged for cleaning services from its affiliated entities while also charging for a preauthorized, professional cleaner.

50. On other occasions, Four Star hires an outside vendor for cleaning even though Four Star authorized the tenant to hire their own professional cleaner.

D. Tenants pay to rekey electronic locks every year.

51. Another way Four Star has unlawfully withheld money from a tenants' security deposits is by rekeying a property or charging a tenant to reprogram electronic access codes at the property. A tenant cannot avoid rekeying charges by returning their keys at the end of a lease.

52. The security deposit statute dictates the reasons for which a landlord can withhold a security deposit. Under that statute, a landlord can retain a security

deposit for nonpayment of rent, abandonment of the premises, or nonpayment of utility charges, repair work, or cleaning contracted for by the tenant.” C.R.S. § 38-12-103(1). Rekeying is not included in any of these categories.

53. Four Star’s standard lease states that rekeying costs will come out of the tenant’s security deposit and it relies on that lease language when a tenant challenges the cost.

54. Four Star, however, does not disclose the costs of rekeying. Four Star is aware, from the time a tenant moves in, that it will charge the tenant more than \$100 for rekeying when the lease ends, yet it does not inform tenants about the cost.

55. In 2021, Four Star upgraded locks at several properties from traditional keys to an electronic key system that either uses a keyfob, keypad, or allows tenants to unlock the door with their phone. At the end of every tenancy, Four Star charges tenants a “reprogramming fee” to recode the locks for the next tenant.

56. Taconic Companies did most of the work to reprogram the electronic locks and it charged tenants the same price for this work that locksmiths charged to rekey traditional locks and provide new keys.

57. That rekeying is outlined in the lease does not change the fact that it results in tenants being charged for their intended use of the property, through no fault of their own negligence, carelessness, accident, or abuse. C.R.S. § 38-12-102(4).

E. Four Star withholds from tenants’ security deposits for charges that are baseless.

58. Four Star withholds money from security deposits where they have no basis for the charge. For example, Four Star has withheld money for carpet cleaning for an apartment that did not have carpet or for large item removal when there were no large items left by the tenant. Only when a tenant disputes the charge does Four Star sometimes admit that the tenant is not responsible.

59. At the beginning of every tenancy, Four Star gives tenants an opportunity to list damage that is present when the tenant moves in. But noting damage on that list does not always mean that the item will be fixed or that the tenants will not be charged for those repairs as Four Star has charged tenants for repairs or damage that was caused by prior tenants or otherwise existed at move-in.

V. Four Star Charges Tenants Unlawful Fees

60. In addition to rent, Four Star charges tenants' fees at every property that it rents. Some of these fees are optional – like parking, fees to make payments electronically, and pet fees – but many of the fees are mandatory.

61. Four Star charges some mandatory fees once. These include application fees, lease administration fees, and move out coordination fees. Four Star charges other fees on a recurring basis, usually monthly. The monthly mandatory fees include grounds fees, administrative fees, common area maintenance fees, utility management fee, and, at some properties, a renters legal liability fee.

62. Four Star executives set the amount of fees that tenants are required to pay in its leases. Some fees are shared with property owners, and some are kept just by Four Star.

A. Move Out Coordination Fee

63. Four Star charges a moveout coordination fee at the end of every lease. It also refers to this fee as a moveout inspection fee. According to Four Star, the moveout coordination fee “is a fee associated with having to coordinate with all of the [vendors] to ensure the unit is turned properly and ready for the next round of residents.”

64. The moveout coordination fee is \$50 per property and Four Star charges it regardless of the condition that the property is left in when a tenant moves out. That fee is automatically withheld from a tenant's security deposit.

65. This fee does not provide an additional service to the vacating tenants.

66. From February 2019 to November 2021 Four Star did not disclose this move out coordination fee in the lease that tenants signed. Despite not having a basis to collect this fee in the lease, Four Star collected the \$50 each time tenants moved out of a property.

67. Four Star knew that the moveout coordination fee was not disclosed in the lease. When tenants correctly point out to Four Star that the moveout coordination fee should not be charged, Four Star sometimes claims to refund the amount “in good faith.” Other times, even after tenants complain that the move-out coordination fee is neither authorized nor disclosed in Four Star's lease, Four Star does not refund the move-out fee.

B. Four Star's utility billing system is unfair, unconscionable, and deceptive.

68. Four Star calculates the amounts that tenants pay to Four Star for utilities through its Ratio Utility Billing System (RUBS). Four Star's standard lease states that the amount of a RUBS payment is "based on the average utilities/services for the property in the previous year, plus any new increases."

69. In addition to the RUBS payment, Four Star charges to tenants an additional "monthly utility management fee." This additional fee collected by Four Star is regularly \$30 per month.

70. Four Star's determination of the RUBS amount is unique to each property and is supposed to change each year in response to the actual utility charges billed to the property by the utility provider.

71. For single unit properties, the tenant's RUBS payment covers water, sewer, and trash. Tenants in single unit buildings pay for gas and electric directly to the provider. For multi-unit buildings, the RUBS amount pays for all utilities.

72. At the end of a lease, Four Star reconciles "the total amount that the [tenant] has paid versus the total utilities and services billed during the term of this lease." Any shortfall is "considered additional rent and may be collected immediately." Four Star also has the option to increase RUBS payments during a lease term if the actual costs "are significantly in excess of" the estimated amount.

73. The lease is silent about what happens when the tenant *overpays* during their tenancy except that Four Star "does not guarantee that the utilities and services costs will match the estimated costs that are billed to the tenant."

74. Four Star never returns excess RUBS payments to the tenants.

75. In fact, at many properties Four Star does not even analyze whether there has been an overpayment. Four Star simply reviews the utility charges in aggregate, often across multiple properties for a single owner, to determine whether the tenant has underpaid. And even though the tenant is paying a monthly utility administration fee, they never benefit from this utility system.

76. Four Star's collection and administration of RUBS fees is unreasonable, unfair, unconscionable, and deceptive.

77. Four Star is the entity that signs the lease. They act as the agent for the owner and they collect the money for the RUBS payment. The tenant has no recourse against the owner for overpayment of RUBS costs.

VI. Claims For Relief

FIRST CLAIM FOR RELIEF

(Violation of Colorado Landlord Tenant Statute, C.R.S. § 38-12-101, *et. Seq.* by withholding security deposit for normal wear and tear and/or without actual cause)
(Attorney General against Populum Real Estate Holdings, LLC)

78. The Attorney General incorporates herein by reference all allegations set forth above.

79. Pursuant to C.R.S. § 24-31-101(1)(i)(XV), the Attorney General may independently initiate and bring civil actions to enforce the Colorado statute that governs return of security deposits, C.R.S. 38-12-101, *et. Seq.*

80. Defendants withheld amounts from money from tenants' security deposits for costs associated with maintenance, repairs, cleaning, painting, replacements, and improvements that covered normal wear and tear on a property.

81. Four Star engages in patterns of systemically charging tenants from their security deposits for items they should not be charged for as wear and tear.

- a. Four Star charges tenants for menial tasks like tightening doorknobs, tightening toilet seats, inspecting appliances that are clearly not caused by the tenant's negligence, carelessness, or abuse but by the tenant's intended use of the property.
- b. Four Star charges tenants for the full cost for repainting, with only an arbitrary and small credit.
- c. Four Star charges tenants for cleaning and carpet cleaning, without taking into account professional cleaning already done by the tenant.
- d. Four Star charges tenants for labor to complete projects that are the owner's responsibility and even does so when it charges the material costs to the owner.

82. Four Star's conduct violates C.R.S. § 38-12-103(1), which expressly prohibits a landlord from withholding any portion of a security deposit to cover normal wear and tear.

83. Defendants retained money from tenants' security deposit without actual cause on a property by withholding baseless charges, such as for the wrong property, for the same work, or for conditions that existed when the tenant moved in.

84. Defendants also withheld money from tenants' security deposits for rekeying of electronic locks.

85. The Attorney General is entitled to a judgment or order for restitution, unjust enrichment, or other equitable monetary relief equal to the amount of all portions of tenants' security deposit that Defendants withheld to cover normal wear and tear.

86. Additionally, pursuant to C.R.S. § 24-31-115(9), the Attorney General may seek any of the penalties or other enforcement mechanisms specified in the security deposit statute.

87. The security deposit statute, specifically C.R.S. § 38-12-103(3)(a), imposes treble damages liability for portions of a security deposit that a landlord "wrongfully withheld" and then "willful[ly]" retained for at least seven days after receiving notice of a tenant's intent to file a civil action to recover the portions of the security deposit withheld in violation of C.R.S. § 38-12-103(1). In such an action, the landlord bears the burden of proving that its withholding of any portion of the security deposit was not wrongful. C.R.S. § 38-12-103(3)(b).

88. Withholding of any portion of a security deposit is "wrongful" either if a landlord fails to timely account for the exact reasons for the withholding, or if the landlord withholds any portion of a tenant's security deposit without good faith. In such an action, the landlord bears the burden of proving that its withholding was in good faith.

89. By withholding money, often hundreds and even thousands of dollars, from tenants' security deposits for costs of work clearly associated with normal wear and tear—in violation of the express prohibition in C.R.S. § 38-12-103(1)—Four Star systematically withheld portions of tenants' security deposits without good faith.

90. In so doing, Four Star withheld portions of tenants' security deposits wrongfully for the purposes of C.R.S. § 38-12-103(3).

SECOND CLAIM FOR RELIEF

(Unfair, Unconscionable, Deceptive, Deliberately Misleading Act or Practice,
C.R.S. § 6-1-105(1)(rrr)).

(All Plaintiffs against Populum Real Estate Holdings, LLC)

91. Plaintiffs incorporate herein by reference all allegations set forth above.

92. Defendants' business practice of withholding tenants' money from their security deposit for charges beyond those permitted by tenant leases is unfair, unconscionable, deceptive, and deliberately misleading.

93. Defendants systemically charged tenants from their security deposits for tasks like tightening doorknobs, caulking, and inspecting appliances, for unnecessary overpainting, and for cleaning when tenants have already hired professional cleaners.

94. Defendants also withheld charges from tenants' security deposits for rekeying electronic locks and baseless charges without actual cause.

95. When Defendants charge tenants these charges, they do so recklessly. Defendants know that tenants are not responsible to pay for maintenance that is normal wear and tear, yet they routinely assess these charges to tenants anyway.

96. Defendants often assess these charges in the first instance and remove the charges after the tenants complain. Other tenants, who did not complain, however are forced to pay for normal wear and tear in violation of Colorado law.

97. When the Defendants withhold tenants' money from their security deposit for charges on a property, they do so in the course of their business and profession.

THIRD CLAIM FOR RELIEF

(Unfair, Unconscionable, Deceptive Act or Practice, C.R.S. § 6-1-105(1)(rrr))
(All Plaintiffs against Populum Real Estate Holdings)

98. The Plaintiffs incorporate herein by reference all allegations set forth above.

99. Populum Real Estate Holdings business practice of charging tenants for a RUBS fee, when that fee only reconciled against tenants and never in their favor is unfair, unconscionable, deliberately misleading, or deceptive.

100. When Defendants act unreasonably, unfairly, or deceptively with regard to the RUBS fee, they do so in the course of their business and profession.

FOURTH CLAIM FOR RELIEF

(Unfair, Unconscionable, Deceptive Act or Practice, C.R.S. § 6-1-105(1)(rrr))
(All Plaintiffs against Populum Real Estate Holdings)

101. The Plaintiffs incorporate herein by reference all allegations set forth above.

102. Populum Real Estate Holdings business practice of charging tenants for a moveout coordination fee when that fee is not disclosed in the tenant's lease or agreed to by the tenant is unfair, unconscionable, deliberately misleading, or deceptive.

103. When Defendants act unreasonably, unfairly, or deceptively with regard to moveout coordination fees, they do so in the course of their business and profession.

VII. Relief Requested

WHEREFORE, Plaintiffs pray for judgment against the Defendants and the following relief:

- A. An order declaring Defendant's above-described conduct to be in violation of the Colorado Consumer Protection Act, C.R.S. § 6-1-105(1)(rrr);
- B. An order declaring Defendant's above-described conduct to be in violation of Colorado's security deposit statute, C.R.S. § 38-12-103(1), for withholding portions of tenants' security deposit to cover normal wear and tear and/or without actual cause;
- C. An order declaring Defendant's above-described conduct to be a willful and wrongful withholding of tenants' security deposits in violation of C.R.S. § 38-12-103(3);
- D. An order permanently enjoining Defendants, their officers, directors, successors, assignees, agents, employees, and anyone in active concert or participation with any Defendant with notice of such injunctive orders, from engaging in any deceptive trade practice as defined in and proscribed by the CCPA, and as set forth in this Complaint;
- E. An order permanently enjoining Defendants, their officers, directors, successors, assignees, agents, employees, and anyone in active concert or participation with any Defendant with notice of such injunctive orders, from violating the security deposit statute, C.R.S. § 38-12-103, as set forth in this Complaint;
- F. Additional appropriate orders necessary to prevent Defendants' continued or future deceptive trade practices and violations of C.R.S. § 38-12-103;

- G. A judgment in an amount to be determined at trial for restitution, unjust enrichment, or other equitable relief pursuant to C.R.S § 6-1-110(1);
- H. A judgment for restitution, unjust enrichment, or other equitable relief, in an amount to be determined at trial, for all money withheld by Defendants from tenants' security deposits in violation of C.R.S. § 38-12-103(1);
- I. A judgment holding Defendants liable for treble the amount of any portion of tenants' security deposits willfully and wrongfully withheld in violation of C.R.S. § 38-12-103(3)(a);
- J. An order requiring Defendants to forfeit and pay to the General Fund of the State of Colorado civil penalties in an amount not to exceed \$20,000 per violation pursuant to C.R.S. § 6-1-112(1)(a);
- K. An order requiring Defendants to pay the costs and expenses of this action incurred by the Attorney General, including, but not limited to, Plaintiffs' attorney fees, pursuant to C.R.S. § 6-1-113(4) and C.R.S. § 38-12-103(3)(a);
- L. Any such further orders as the Court may deem just and proper to effectuate the purposes of the CCPA.

Respectfully submitted this 8th day of January, 2024.

PHILIP J. WEISER
Attorney General

For the Attorney General:



MARTHA FULFORD, 53304*

Assistant Deputy Attorney General

LAUREN DICKEY, 45773*

First Assistant Attorney General

JENNIFER H. HUNT, 29964*

BRADY J. GRASSMEYER, 47479*

Senior Assistant Attorneys General

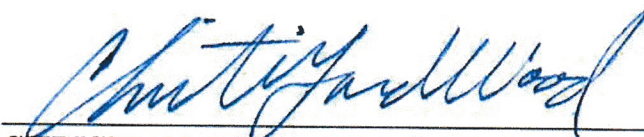
CONOR A. KRUGER, 54111*

ADAM T. RICE, 53963*

Assistant Attorneys General

MICHAEL DOUGHERTY
District Attorney for 20th Judicial District

For the District Attorney:



CHRISTIAN GARDNER-WOOD, 38889*

Chief Deputy District Attorney

*Counsel of Record

Attorneys for Plaintiffs