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**IN THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,  
Plaintiff,  
vs.  
APARTMENT HUNTERS, INC. *et al.*,  
Defendants.

No. 8:18-CV-1636-AG (DFMx)

PRELIMINARY INJUNCTION

On September 11, 2018, the Federal Trade Commission (“Commission”), filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) against Apartment Hunters, Inc., also doing business as WeTakeSection8.com, ApartmentHunterz.com, and FeaturedRentals.com, Real Estate Data Solutions, Inc., Rental Home Listings Inc., UAB Apartment Hunters LT, Steven Shayan, and Kevin Shayan. (Docket No. 1). The Commission applied for a temporary restraining order (“TRO”) and for an order to show cause why a preliminary injunction should not issue pursuant to Rule 65 of the Federal Rules of Civil Procedure. (Docket No. 9). On September 13, 2018, the Court issued a TRO against all Defendants and ordered Defendants to appear before the Court on September 24, 2018 to show cause why the Court should not enter a preliminary injunction, pending final ruling on the Complaint against Defendants, enjoining the

1 | violations of the law alleged in the Complaint, continuing the preservation of their  
2 | Assets, and imposing such additional relief as may be appropriate. (Docket No.  
3 | 14). At the September 24, 2018 hearing, the Court ruled that the Temporary  
4 | Restraining Order was converted into a Preliminary Injunction. The Court, having  
5 | considered the Complaint, declarations, exhibits, memoranda and argument  
6 | presented, makes the following findings of fact and conclusions of law:

7 | **FINDINGS**

8 |       A. This Court has jurisdiction over the subject matter of this case, and  
9 | there is good cause to believe that it will have jurisdiction over all parties hereto  
10 | and that venue in this district is proper.

11 |       B. Defendants make false, misleading, or unsubstantiated claims that  
12 | consumers who subscribe to their websites find rental housing, including housing  
13 | that is approved for Section 8 Housing Vouchers, within seven business days or  
14 | less, that the rental listings on the Defendants' websites are accurate, up-to-date,  
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1 D. There is good cause to believe that immediate and irreparable harm  
2 will result from Defendants’ ongoing violations of the FTC Act unless Defendants  
3 are restrained and enjoined by order of this Court.

4 E. There is good cause to believe that immediate and irreparable damage  
5 to the Court’s ability to grant effective final relief for consumers—including  
6 monetary restitution, rescission, disgorgement or refunds—will occur from the  
7 sale, transfer, destruction or other disposition or concealment by Defendants of  
8 their Assets, unless Defendants are immediately restrained and enjoined by order  
9 of this Court from doing so outside the ordinary course of business.

10 F. There is good cause to believe that immediate and irreparable damage  
11 to the Court’s ability to resolve the case on the merits will occur absent a Court  
12 Order requiring the preservation of Defendants’ documents, records, and databases.

13 G. Defendants have been noticed and provided an opportunity to defend  
14 Plaintiff’s request for a Preliminary Injunction.

15 H. Good cause exists permitting the Plaintiff to take limited expedited  
16 discovery.

17 I. Weighing the equities and considering Plaintiff’s likelihood of

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A. **“Advertisement”** or **“advertising”** means any written or verbal statement, illustration, or depiction that promotes the sale of a good or service or is

1 business canceled checks and check registers, bank statements, appointment books,  
2 computer records, customer or sales databases and any other electronically stored  
3 information, including Documents located on remote servers or cloud computing  
4 systems, and other data or data compilations from which information can be  
5 obtained directly or, if necessary, after translation into a reasonably usable form. A  
6 draft or non-identical copy is a separate document within the meaning of the term.

7 F. **“Housing Voucher”** means a rent subsidy voucher issued by a  
8 government housing agency pursuant to Section 8 of the United States Housing  
9 Act of 1937, 42 U.S.C. § 1437f.

10 G. **“Individual Defendants”** means Kevin Shayan and Steven Shayan,  
11 individually or collectively.

## 12 **ORDER**

### 13 **I. PROHIBITION AGAINST LISTING AND MARKETING OF** 14 **GOVERNMENT-SUBSIDIZED RENTAL HOUSING, INCLUDING** 15 **ANY RENTAL PROPERTIES THAT ACCEPT HOUSING** 16 **VOUCHERS**

17 **It is Ordered that** Defendants are restrained and enjoined from advertising,  
18 marketing, promoting, offering for sale, or selling, or assisting others in the  
19 advertising, marketing, promoting, offering for sale, or selling of, access to rental  
20 listings for properties that have been approved for, accept, or purportedly accept  
21 Housing Vouchers or any type of government rent subsidy.

### 22 **II. PROHIBITION AGAINST THE USE OF CERTAIN TERMS IN** 23 **CONNECTION WITH MARKETING OF ACCESS TO RENTAL** 24 **LISTINGS**

25 **It is further Ordered that** Defendants, Defendants’ officers, agents,  
26 employees, and attorneys, and all other persons in active concert or participation  
27 with any of them, who receive actual notice of this Order by personal service or  
28 otherwise, whether acting directly or indirectly, in connection with the advertising,

1 marketing, promoting, offering for sale, or selling of subscriptions or access to  
2 rental listings are restrained and enjoined from using in any domain names,  
3 Uniform Resource Locators (URLs) for public-facing websites, keywords  
4 purchased to advertise Defendants' services on search engines, mobile  
5 applications, or business names or aliases, any of the following terms:

- 6 • "Section 8,"
- 7 • "Voucher,"
- 8 • "Subsidized,"
- 9 • "Affordable housing,"
- 10 • "Low-income,"
- 11 • "Public housing,"
- 12 • "Income-based," or
- 13 • "Project-based."

14 **III. PROHIBITION AGAINST DECEPTIVE CLAIMS RELATING TO**  
15 **RENTAL LISTINGS, INCLUDING FALSE OR UNSUBSTANTIATED**  
16 **CLAIMS**

17 **It is further Ordered that** Defendants, Defendants' officers, agents,  
18 employees, and attorneys, and all other persons in active concert or participation  
19 with any of them, who receive actual notice of this Order by personal service or  
20 otherwise, whether acting directly or indirectly, in connection with the advertising,  
21 marketing, promoting, offering for sale, or selling of subscriptions or access to  
22 rental listings are restrained and enjoined from:

23 A. making any misrepresentation, or assisting others in making any  
24 misrepresentation, expressly or by implication:

- 25 1. about the number of listings contained in any website or  
26 database;
- 27 2. about the length of time it takes users of a website or database  
28 to find rental housing;

- 1 3. that rental listings on a website or database contain accurate
- 2 contact information for landlords;
- 3 4. that rental listings on a website or database are up to date;
- 4 5. that rental listings on a website or database are exclusive or not
- 5 found on other websites;
- 6 6. that rental listings on a website or database are available for
- 7 rent; or
- 8 7. about any other fact material to consumers concerning the
- 9 purchase of a subscription or access to rental listings, such as:
- 10 the total costs; any material restrictions, limitations, or
- 11 conditions; the nature or terms of a refund or cancellation; or
- 12 any material aspect of its performance, efficacy, nature, or
- 13 central characteristics; and

14 B. making or assisting others in making any representation, expressly or  
15 by implication, about the benefits, performance, or efficacy of websites or  
16 databases that contain rental listings (including the representations set forth in  
17 Section III.A.1-7, above), unless:

- 18 1. the representation is non-misleading;
- 19 2. there is a reasonable basis for the representation at the time the
- 20 representation is made; and
- 21 3. there is written substantiation for the representation in the
- 22 Defendants' possession at the time the representation is made.

23 **IV. PROHIBITION AGAINST MISREPRESENTATIONS RELATING TO**  
24 **ANY GOOD OR SERVICE**

25 **It is further Ordered that** Defendants, Defendants' officers, agents,  
26 employees, and attorneys, and all other persons in active concert or participation  
27 with any of them, who receive actual notice of this Order by personal service or  
28 otherwise, whether acting directly or indirectly, in connection with the advertising,

1 marketing, promoting, offering for sale, or selling of any good or service are  
2 restrained and enjoined from misrepresenting, or assisting others in  
3 misrepresenting, expressly or by implication: the total costs; any material

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1 include the names, physical addresses, phone number, and email addresses of each  
2 such person or entity who received a copy of the Order. Furthermore, Defendants  
3 shall not take any action that would encourage officers, agents, members, directors,  
4 employees, salespersons, independent contractors, attorneys, subsidiaries,  
5 affiliates, successors, assigns or other persons or entities in active concert or  
6 participation with them to disregard this Order or believe that they are not bound  
7 by its provisions.

8 **VII.**  
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1 Plaintiff is granted leave, at any time after service of this Order, to conduct limited  
2 expedited discovery for the purpose of discovering: (1) the nature, location, status,  
3 and extent of Defendants' Assets; (2) the nature, location, and extent of  
4 Defendants' business transactions and operations; (3) Documents reflecting  
5 Defendants' business transactions and operations; or (4) compliance with this  
6 Order. The limited expedited discovery set forth in this Section shall proceed as

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1 Civil Procedure and the Local Rules of this Court. The expedited discovery  
2 permitted by this Section does not require a meeting or conference of the parties,  
3 pursuant to Rules 26(d) & (f) of the Federal Rules of Civil Procedure.

4 G. The Parties are exempted from making initial disclosures under Fed.  
5 R. Civ. P. 26(a)(1) until further order of this Court.

6 **X. SERVICE OF THIS ORDER**

7 **It is further ordered that** copies of this Order may be served by any means,  
8 including facsimile transmission, electronic mail or other electronic messaging,  
9 personal or overnight delivery, U.S. Mail or FedEx, by agents and employees of  
10 Plaintiff, by any law enforcement agency, or by private process server, upon any  
11 Defendant or any Person (including any financial institution) that may have  
12 possession, custody or control of any Asset or Document of any Defendant, or that  
13 may be subject to any provision of this Order pursuant to Rule 65(d)(2) of the  
14 Federal Rules of Civil Procedure. For purposes of this Section, service upon any  
15 branch, subsidiary, affiliate or office of any entity shall effect service upon the  
16 entire entity.

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**XII. RETENTION OF JURISDICTION**

**It is further ordered that** this Court shall retain jurisdiction of this matter for all purposes, including the construction, modification, and enforcement of this Order.

**SO ORDERED**, this 27th day of September, 2018, at 10:25 a.m.



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ANDREW J. GUILFORD  
UNITED STATES DISTRICT JUDGE