

A band of immigrant tenants went to war with their \$31 billion landlord. It's a sneak peek at what's to come across America.

Tenants and Landlords Clash on Impending Rent Hike

CalPERS terminates CIM Group from project to develop vacant lot

Trump and Kushner's Little-Known Business Partner

An Entire Neighborhood Is Being Flipped by a Los Angeles Developer

CIM GROUP: In the Headlines

Message To CIM Group: Stop Hiring Irresponsible Contractors!

CIM Group Abandons Effort to Buy Crenshaw Mall; Community Members Take Victory Lap, Plan Next Steps

Residents of Troubled Supertall Tower Seek \$125 Million in Damages

LA-based CIM Group ties with Kushner and Trump World arises ethics questions

A New York Hotel deal shows how some public pension funds help to enrich Trump

A group of Denver renters are fed up with rising rents and bad conditions. So they crashed a party for landlords.

People Are Organizing to Fight the Private Equity Firms Who Own Their Homes

700 Feet Too Tall: Chinatown Fights Back Against Luxury Super Tower Plan

**PRIVATE EQUITY
STAKEHOLDER
PROJECT**

**NOV
2023**



**AFRICAN
COMMUNITIES
TOGETHER**

TABLE OF CONTENTS

Introduction	3
Problems Faced by Tenants.....	5
Furthering Gentrification that Displaces Disenfranchised Communities	8
Labor Issues and the Exploitation of Workers.....	11
Dangerous Construction and Irresponsible Development	12
Real Estate Deals with Donald Trump.....	13
CIM and Pension Fund Problems.....	14
Endnotes	18

INTRODUCTION

The CIM Group is a Los Angeles-based private equity firm that invests in commercial and residential real estate and has \$31.5 billion in assets.¹ Over the last fifteen years, CIM has been at the center of headlines in *The New York Times*,² the *Washington Post*,³ the *Los Angeles Times*,⁴ and the *Wall Street Journal*,⁵ among other media outlets. The news stories have covered a range of issues: CIM’s mistreatment of blue-collar, immigrant tenants; its gentrification of neighborhoods of color; community opposition to CIM development plans; construction defects; and CIM’s real estate deals with Donald Trump. These and other cases have also led to headlines involving the pension funds that invest in CIM and calls for pension funds to divest from CIM.

This report documents the headline risk posed by CIM to investors due to the amount of negative media coverage that CIM has received in the past and continues to receive in a number of areas, including:

- **Problems Faced By Tenants.** Several news stories in 2022 and 2023 that are included in this report have detailed problems faced by tenants at CIM-owned apartments in Alexandria, VA, Washington, DC, and Denver, CO. A [Business Insider](#) story about CIM’s purchase of an apartment complex said that “instead of improvements and upgrades, tenants received eviction notices during a nationwide ban on evictions—and mold, pest, and other maintenance issues went unresolved.”⁶ Other stories discussed how tenants have organized to bring these problems to the attention of the pension funds invested in CIM and how CIM has come under scrutiny from federal elected officials and regulators.
- **Furthering Gentrification that Displaces Disenfranchised Communities.** A number of stories since 2019 have covered community opposition to CIM’s development plans in Los Angeles and New York City. A [Los Angeles Times](#) story quoted a local pastor, “What CIM proposes is a hostile takeover of the most iconic African-American retail space west of the Mississippi River and the construction of a project that would ignore the community’s needs and wishes and possibly wipe out dozens of minority-owned businesses.”⁷ A [Bloomberg](#) story last year noted that CIM’s development was “displacing many of the Black and Latino families and entrepreneurs who gave the boulevard the distinctive character CIM is now exploiting.”⁸
- **Labor Issues and the Exploitation of Workers.** A [New Yorker](#) story last year examined the interconnected relationship between CIM and a chain of bakeries at which workers had formed a union and were engaged in a multi-year fight for a first contract.⁹

- **Dangerous Construction and Irresponsible Development.** *The New York Times* reported in 2021 that the condo board at a luxury tower sued CIM for 1,500 construction and design defects, including multiple floods, faulty elevators, and electrical explosions that knocked out power to residents. According to the Times, residents have been trapped for hours on stalled elevators “on several occasions.”¹⁰ The lawsuit is pending.
- **Real Estate Deals with Donald Trump.** *WNYC* reported in 2015 that “CIM has done at least seven real estate deals that have benefited Trump and the people around him, including Kushner.”¹¹ A *New York Times* story noted that CIM, which had purchased the Trump SoHo Hotel, was contractually obligated to pay the Trump Organization a “cut of the hotel’s revenue” even after Trump was elected president.¹²
- **CIM and Pension Fund Problems.** CIM’s connections to Trump brought significant media attention to the pension funds that were invested in CIM. A 2017 *Reuters* story said “public pension funds in at least seven U.S. states have invested millions of dollars in an investment fund that owns a New York hotel and pays one of President Donald Trump’s companies to run it.”¹³ A *Washington Post* story noted that CIM “became the target of a public pressure campaign. Democrats and liberal activists began urging state pension funds, which owned stakes in Trump SoHo through investments in CIM, to extract themselves.”¹⁴ The *Atlantic* reported that two advocacy organizations were “circulating petitions about public pension funds in several states, including California, New York and Texas, that invest in CIM Fund III, a real-estate company that owns the Trump SoHo Hotel and Condominium in New York City.”¹⁵

CIM also had previous pension fund problems. The *Los Angeles Times* reported that its “voracious appetite for public investment landed CIM in the public spotlight.” CIM had paid the former Los Angeles Deputy Mayor nearly \$16 million in fees for securing investments from the California Public Employees Retirement System (CalPERS) and the California State Employees Retirement System (CalSTRS).¹⁶ A *Wall Street Journal* story stated that CalPERS had “ratcheted up its scrutiny of the firm [CIM], writing down its small investment in a real-estate investment trust by tens of millions of dollars after staffers felt they weren’t given information they wanted on the firm’s valuation methodology.”¹⁷



CIM FOUNDERS: Shaul Kuba, Avi Shemesh, Richard Rensler

PROBLEMS FACED BY TENANTS

A BAND OF IMMIGRANTS WENT TO WAR WITH THEIR \$31 BILLION LANDLORD



Business Insider, Dec 2022

An *Insider* article detailed problems at the Southern Towers apartment complex in Northern Virginia, which CIM purchased in 2020. Southern Towers is a 2,300 unit apartment complex in Alexandria, Virginia, that has been home to thousands of hardworking, blue-collar families, the majority of whom are African immigrants. Tenants hoped that CIM would bring positive changes to the complex,

but “instead of improvements and upgrades, tenants received eviction notices during a nationwide ban on evictions—and mold, pest, and other maintenance issues went unresolved.” The article reported that tenants “were worried by their new landlord’s agenda. They wondered whether CIM wanted them gone, in favor of the 25,000 Amazon employees who would soon work at the company’s planned second headquarters just 5 miles away.”¹⁸

PEOPLE ARE ORGANIZING TO FIGHT THE PRIVATE EQUITY FIRMS WHO OWN THEIR HOMES

Vice, May 2023

Vice profiled the ways that tenants of Southern Towers have been fighting to improve their conditions. “Organizers in Alexandria, Virginia, also focused on pension funds when their apartment towers were purchased by corporate owners CIM Group in 2020. A group of mostly immigrant tenants organized by African Communities Together [ACT] wrote letters to pension funds and appeared at board meetings to talk about the company’s rent hikes and failure to make repairs.” An ACT organizer said, “It was not until we started engaging their investors that CIM Group agreed to actually sit and meet with tenants and African Communities Together. Prior to those meetings, tenants developed petitions, spoke to elected officials, held protests and rallies, and CIM Group refused to even sit with tenants.” ACT reached out to CIM’s pension fund investors, including the San Francisco Employees’ Retirement System, Pennsylvania’s Public School Employees’ Retirement System, and the University of California Board of Regents. “They also filed a complaint with Freddie Mac, which had provided CIM with a \$346 million federal loan guarantee. The complaint alleges “CIM is using the federal funds received from Freddie Mac to finance predatory behavior in an affordable community that African immigrants call home,” ACT wrote in the complaint.”¹⁹

ALEXANDRIA LEADERS VIEW MAINTENANCE PROBLEMS AT SOUTHERN TOWERS

Annandale Today, September 2023

Alexandria City Council members toured CIM-owned Southern Towers and met with tenants who showed them “broken appliances, mold, and holes in the walls. They spoke about rent increases; infestations of mice, bedbugs, and roaches; leaky pipes; broken elevators; new charges for utilities; and \$100 fees for paying rent late.” The tour was organized by African Communities Together (ACT) “to give the city leaders a first-hand look at what conditions are really like for the tenants, most of whom are immigrants.” The article states that “the most disturbing story” was from a tenant who reported to management “that his oven wasn’t working, flames sometimes burst out of the burners on the stove, and his apartment smelled like gas.” The tenant reported that after complaining about the problem for months and nothing being done, “a blaze burst out of the stove setting his jacket on fire.” He was “burned so badly, he had to have surgery and skin grafts and spent weeks in the hospital.” After getting out of the hospital, he received an eviction notice. One City Council member who toured the apartments said that CIM Group’s practices are “totally unacceptable,” while another council member said the city needs “to step up inspections and code enforcement.”

The problems at Southern Towers in Alexandria, Virginia have also received media coverage due to the attention from federal elected officials and regulators regarding CIM's use of financing from Freddie Mac to purchase the apartment complex.

WARNER, KAINE PUSH FOR AFFORDABLE HOUSING ACCOUNTABILITY

DC News Now, June 2023

Increased negative attention on CIM has also come from the federal government. US Senators Mark Warner and Tim Kaine, who represent Virginia, sent a letter to CIM stating, "As a federally-backed property, it is incumbent upon CIM to manage Southern Towers in alignment with the Federal Housing Finance Agency's mission to promote quality affordable housing."²⁰

SOUTHERN TOWERS GETS A VISIT FROM THE DIRECTOR OF THE FEDERAL HOUSING FINANCE AGENCY

ALX Now, June 2023

The Director of the Federal Housing Finance Agency visited Southern Towers, toured individual units, and met with residents. Tenants had previously filed a complaint with FHFA and Freddie Mac, stating that CIM is "using the federal funds received from Freddie Mac to finance predatory behavior in an affordable community."²¹



A GROUP OF DENVER RENTERS ARE FED UP WITH RISING RENTS AND BAD CONDITIONS

So they crashed a party for landlords.

Colorado Sun, June 2023

In June 2021, CIM acquired the Lex at Lowry, a 710-unit apartment complex. The article said that there was blood splattered in a laundry room, “likely from people who break into the complex and use intravenous drugs hastily or incorrectly.” A tenant told the reporter that she struggles financially because CIM “charges a long list of additional fees on top of rent each month that usually fluctuates without an explanation.” According to the story, yellow water comes out of the sink, and the dishwasher leaks onto the kitchen floor. When the tenant complains, “her property manager, CIM Group,

usually doesn’t respond. When maintenance workers do review her requests, they often argue with her and say she doesn’t need repairs.” CIM allegedly told the tenant that they would not renew her lease if she continued “doing activism on the property.”²²

TENANTS AND LANDLORDS CLASH ON IMPENDING RENT HIKE

Washington Informer, April 2023

CIM owns the Harvard Village apartments in the Mt. Pleasant neighborhood of Northwest DC.²³ Tenants have complained of a “bevy of housing code violations, including mold, broken locks, peeling paint, non-functioning outdoor lighting, and water damage.”²⁴

FURTHERING GENTRIFICATION THAT DISPLACES DISENFRANCHISED COMMUNITIES

AN ENTIRE NEIGHBORHOOD IS BEING FLIPPED BY A LOS ANGELES DEVELOPER

Bloomberg, April 2022

Bloomberg reported in 2022 on the gentrification of a Los Angeles neighborhood where CIM is developing 40 properties, some of which Bloomberg described as “hipster bait—industrial spaces reconfigured to lure affluent tech and entertainment professionals.”

Bloomberg noted that the gentrification is “happening in a highly racialized context, sometimes with the backing of the city and the police” and that it is “displacing many of the Black and Latino families and entrepreneurs who gave the boulevard the distinctive character CIM is now exploiting.”²⁵

CIM backed out of a deal to buy a shopping mall in the Crenshaw neighborhood of Los Angeles after residents, community activists, faith leaders, and small business owners organized to block the sale.



DEVELOPER DROPS PLAN TO BUY BALDWIN HILLS CRENSHAW PLAZA AND ADD OFFICES, NOT HOUSING

Los Angeles Times, June 2020

Opponents “called CIM Group’s plans unwelcome gentrification.” A local community leader said, “Once it became clear that we were going to apply a lot of pressure on the chief investors of CIM, the public pension funds, by exposing how their treacherous business relationship is harming the very public whose money is being used, I think CIM had to reassess the deal.” A local pastor said, “What CIM proposes is a hostile takeover of the most iconic African-American retail space west of the Mississippi River and the construction of a project that would ignore the community’s needs and wishes and possibly wipe out dozens of minority-owned businesses.”²⁶

CIM GROUP ABANDONS EFFORT TO BUY CRENSHAW MALL; COMMUNITY MEMBERS TAKE VICTORY LAP, PLAN NEXT STEPS

Streets Blog Los Angeles, June 2020

CIM’s announcement that it intended to buy the shopping mall “rocked L.A.’s Black community, as well as the larger South Central community, breathing new urgency into discussions around community ownership.” The article continued, “The move drew national attention, too, sparking conversations about community erasure across multiple social media platforms and becoming a trending topic on twitter for a day.” The article noted that CIM’s plans “didn’t even offer the pretense of being community-serving.” Faith leaders spoke out “about the fact that CIM had already acquired several properties in West Adams and was actively seeking to move a younger, wealthier population into the historic Black community just northwest of the mall.” “It’s time for the people to fight back and reject the organizations that have caused the Black community pain for years,” one pastor said. “This is our area. And all of the gentrification that’s coming in and pushing us out—we will not stand for it.”²⁷

CIM met with opposition to its proposed development of four new luxury high-rise buildings on the Lower East Side of New York City. The development was held up for several years due to lawsuits filed by community organizations.



EMBRACE IT? CHANNEL IT? OR TRY TO STOP IT ALTOGETHER? TWO BRIDGES IS DIVIDED OVER RESPONDING TO CHANGE

City Limits, March 2019

Housing advocacy organizations opposed the plan, arguing that it would “do more harm than good’ by bringing additional market-rate apartments into a neighborhood already struggling with rising housing costs, eventually leading to displacement,” when they were already seeing tenants being displaced from the area. Community members said that CIM and its partners in the development had “barely engaged with the community” in order to learn about community concerns.²⁸

700 FEET TOO TALL: CHINATOWN FIGHTS BACK AGAINST LUXURY SUPER TOWER PLAN

The Independent, January 2020

“[I]n neighborhoods like these, high-rises bringing more than 2,000 luxury apartments are an omen of gentrification and displacement—and one that locals easily recognize by now.” The Chinatown Working Group (CWG) collected 5,000 signatures on a petition calling on the city to stop the development. A CWG leader said, “Once neighborhoods are destroyed, people are displaced. It’s a crisis, and there’s really no going back.”²⁹

LAWSUIT WANTS TO HALT TWO BRIDGES TOWERS ON THE LOWER EAST SIDE

Patch.com, March 2019

A coalition of Lower East Side community groups opposed the project, stating, “This project has unmitigatable significant adverse impacts,” due to the “scale of these four towers, and the permanent negative impacts they will cause on air, sunlight, subway congestion, and population density, as well as loss of open space.”³⁰

LABOR ISSUES AND THE EXPLOITATION OF WORKERS



WHEN BAKING AND REAL ESTATE COLLIDE

The New Yorker, June 2022

In 2020, Bay Area workers of Tartine announced their decision to unionize. Tartine is a “world-renowned bakery and San Francisco institution” which had undergone a rapid expansion through a partnership with several investors, including the CIM Group. After fighting Tartine unsuccessfully for their first contract, workers began to [target CIM](#). The *New Yorker* dug deep into the relationship between Tartine and CIM, noting that Tartine’s owners

“are reluctant to talk about the company’s exact relationship with CIM.” Tartine has opened six new locations in CIM-affiliated properties. A CIM executive was Tartine’s interim CEO, and the daughter of one of CIM’s founders, who had herself worked at CIM, became Tartine’s vice-president of brand. The article also discussed the role that Tartine and CIM have played together in gentrifying California neighborhoods, stating “Tartine’s brand was symbolic of a specific era of gentrification. The presence of a Tartine seemed to suggest a neighborhood on the cusp.”³¹

DANGEROUS CONSTRUCTION AND IRRESPONSIBLE DEVELOPMENT

RESIDENTS OF TROUBLED SUPERTALL TOWER SEEK \$125 MILLION IN DAMAGES

New York Times, September 2021

The *New York Times* reported that the condo board at a luxury tower in New York City sued the CIM Group for 1,500 construction and design defects, including multiple floods, faulty elevators, and electrical explosions that knocked out power to residents. According to the Times, residents have been trapped for hours on stalled elevators “on several occasions.” The lawsuit claims that even Richard Ressler, a founder of CIM and building resident once said that the

vibration issues from the building sway were “intolerable.” “This case presents one of the worst examples of sponsor malfeasance in the development of a luxury condominium in the history of New York City,” according to the complaint, which also said, “Far from the ultra luxury spaces that they were promised, however, Unit Owners were sold a building plagued by breakdowns and failures that have endangered and inconvenienced residents.”³² The lawsuit is pending.

JUDGE’S RULING ON SUNSET/ GORDON TOWER PUTS TENANTS IN LIMBO

Los Angeles Times, October 2014

A judge ruled that the CIM Group had improperly demolished a historic building that the city of Los Angeles had required to be preserved and incorporated into CIM’s new development. The lawsuit from the neighborhood association claimed that CIM was pressing city officials to agree to its demolition plans. “CIM then rushed to the site, without obtaining all permit sign-offs, and worked past dark to create a fait accompli.” According to a subsequent [Los Angeles Times](#) article, dozens of tenants were then forced to relocate due to

the court invalidating the project’s construction permits since CIM had failed to comply with the terms of the city’s original approval of the project.³³

DEVELOPMENT IN LA IS OUT OF CONTROL...STREETS, QUALITY OF LIFE PAY THE PRICE

City Watch LA, May 2015

Former Los Angeles City Councilmember Dennis Zine said, “Money hungry developers like Shaul Kuba a principal and founder of CIM Group only care how they can enter communities from the West Coast to the East Coast and purchase land and develop with little if any regard or concern for the community.”³⁴

REAL ESTATE DEALS WITH DONALD TRUMP

TRUMP AND KUSHNER'S LITTLE-KNOWN BUSINESS PARTNER

WNYC, May 2015

“Over the years, documents show, CIM has done at least seven real estate deals that have benefited Trump and the people around him, including [Jared] Kushner. Those deals have included stabilizing the scandal-plagued Trump SoHo hotel, a key Manhattan holding for Trump and his children Ivanka, Eric, and Donald Jr.” CIM praised its partnership with Kushner, saying that it has a “strong, collaborative relationship with the team at Kushner, which has proven to be a valuable local partner.” After the 2016 election, “as the president-elect was preparing to move to the White House, the firm [CIM] did one more deal with Trump-world. CIM helped Kushner buy 85 Jay Street, a parking lot in Brooklyn for an eye-popping \$345 million.”³⁵

LA-BASED CIM GROUP TIES WITH TRUMP AND KUSHNER WORLD RAISES ETHICS QUESTIONS

KPCC, May 2017

Trump’s son-in-law Jared Kushner wanted “to remake the family business as a business that would build big developments and tall skyscrapers. CIM went in with him on a number of these deals. In fact, Kushner was so important to CIM, that if you look on their website, they point out ‘Oh, we’ve got all these Kushner developments. The problem

comes with President Trump has not given up ownership of his companies. Jared Kushner has not given up a good part of the ownership of his companies. So they are still in a position, while they’re not managing them, and they’re not having day to day control, they could profit from business decisions and also it puts CIM in this position of having made money for both the president and the son-in-law and they have a lot of business for the government. They’ve got a lot of leases from the federal government.”³⁶

TRUMP ORGANIZATION WILL EXIT FROM ITS STRUGGLING SOHO HOTEL IN NEW YORK

New York Times, November 2017

“The Trump Organization is entitled to a cut of the hotel’s revenue, although the contract also requires the Trumps to pay the owner, CIM Group, if the property fails to meet certain financial performance standards. With years remaining on the contract, CIM will pay the Trumps to end the arrangement early, according to people briefed on the matter, who described the negotiations as amicable.” A CIM executive said, “Under the seasoned management of the Trump Organization, the hotel has been established as one of the finest in New York City with recognition among top critics, including CondeNast Traveler Magazine and Forbes Travel Guide. We recognize and sincerely appreciate their contributions to this exceptional asset and the strong working relationship we have with the Trump Organization.”³⁷

CIM AND PENSION FUND PROBLEMS

CIM's connections to Trump brought significant media attention to the pension funds that were invested in CIM.

A NEW YORK HOTEL DEAL SHOWS HOW SOME PUBLIC PENSION FUNDS HELP TO ENRICH TRUMP

Reuters, April 2017

“Public pension funds in at least seven U.S. states have invested millions of dollars in an investment fund that owns a New York hotel and pays one of President Donald Trump’s companies to run it...That arrangement could put Trump at risk of violating an obscure constitutional clause, some legal experts say.” The possible problem, according to Reuters, was that Trump still earned revenue from Trump SoHo. The pension funds were

invested in CIM, which in turn paid the Trump organization 5.75% of the Trump SoHo’s operating revenues for marketing and managing the property. “That payment chain merits closer scrutiny because it could put Trump at risk of falling foul of a little-known constitutional rule prohibiting the flow of money from states to the pocket of a sitting president.” One member of the Texas Teachers Retirement System “said he would alert teachers across his state to the pension fund’s exposure to the Trump hotel and call on the state to consider divesting.”³⁸

A QUIET FINAL NIGHT FOR TRUMP SOHO CAPS A TUMULTUOUS YEAR FOR THE PRESIDENT’S COMPANY

The Washington Post, December 2017

CIM took over Trump SoHo in 2014 and retained the Trump Organization as manager. CIM “became the target of a public pressure campaign. Democrats and liberal activists began urging state pension funds, which owned stakes

in Trump SoHo through investments in CIM, to extract themselves. Their argument: These investments violated the Constitution’s domestic emoluments clause, barring the president from accepting compensation other than his salary from any of the states. ‘My view has been that Donald Trump is the first president to have been in violation of the Constitution the second he was sworn in,’ said Rep. Ted Lieu (D-Calif.) who twice wrote a California public-employee pension fund urging it to divest.”³⁹

**TRUMP'S INTERESTS VS.
AMERICA'S, DUBAI EDITION**
The Atlantic, December 2017

Two advocacy organizations “are trying to bring attention to another potential violation of the domestic emoluments clause. The two groups are circulating petitions about public pension funds in several states, including California, New York and Texas, that invest in CIM Fund III, a real-estate company that owns the Trump SoHo Hotel and Condominium in New York City. Though the details of most of the Trump Organization’s licensing agreements are private, the licensing deal for Trump SoHo, according to *The New York Times*, gives the Trump Organization equity in the property, meaning that the president’s company profits based on how well Trump SoHo performs. That means that the pension funds, which are drawn from mandatory deductions from the paychecks of more than 5 million public-sector employees across seven states, are therefore indirectly paying the Trump Organization to operate Trump SoHo.”⁴⁰

**CALPERS FACING PRESSURE
FROM CONGRESS MEMBERS
OVER TRUMP LINKS**

Responsible Investor, November 2017

“Twelve Californian members of the U.S. Congress have called on the California Public Employees Retirement System (CalPERS) to divest from Trump SoHo, the 46-story hotel in New York, co-developed and run by Trump-affiliated organizations. In a letter to CalPERS CEO Marcie Frost, the members say they are disappointed that the fund holds an interest in the CIM Group, a Los Angeles-based investment

group that owns the Trump SoHo Hotel and Condominium through one of its real estate funds.”⁴¹

**CIM LANDS IN PENSION FUND
SPOTLIGHT**

Los Angeles Times, December 2009

“CIM has secured billions of dollars in pension fund investments and tens of millions of dollars in public subsidies—chiefly by locating many of its projects in struggling neighborhoods where grants, loans and other forms of taxpayer help were readily available. In recent weeks, its voracious appetite for public investment landed CIM in the public spotlight. Recently released documents show that CIM paid former Los Angeles Deputy Mayor Alfred J.R. Villalobos nearly \$16 million in fees for securing investments from the California Public Employees’ Retirement System and the California State Teachers’ Retirement System.” CalPERS and CalSTRS were not the only pension funds whose relationship with CIM came under scrutiny. “In Los Angeles, meanwhile, the Securities and Exchange Commission has asked former Fire and Police Pensions board member Elliot Broidy to disclose his communications with CIM and other firms, according to court documents. Broidy pleaded guilty Dec. 3 to a felony corruption charge in New York, admitting that he paid \$1 million in gifts to public pension officials there to win \$250 million in investment capital for his private equity fund...Fire and Police Pensions board President George Aliano said he was not aware of the relationship between Broidy and CIM until recently, and criticized CIM for not disclosing it. ‘For me, it will be difficult to invest in them’ in the future, Aliano said.”⁴²

NOTHING IS SACRED FOR NEW LEADER OF NATION'S LARGEST PENSION FUND

Wall Street Journal, December 2019

CalPERS' then CIO scrapped a "plan by Los Angeles real-estate firm CIM Group to build Sacramento's tallest tower that had won applause from local politicians. CalPERS ratcheted up its scrutiny of the firm, writing down its small investment in a real-estate investment trust by tens of millions of dollars after staffers felt they weren't given information they wanted on the firm's valuation methodology, said a person familiar with the matter." In addition, CalPERS staffers were "looking more closely at a CIM-controlled developer of solar energy assets that some staffers believe is worth half or less of what it is valued at, a person familiar with the matter said."⁴³

CalPERS INVESTMENT PARTNER CIM TO CUT FEES, STOP USING GO-BETWEENS

Los Angeles Times, October 2012

"A major real estate investment fund has agreed to cut its fees by \$50 million over five years and not use controversial sales intermediaries to help close deals with the California Public Employees' Retirement System. CIM Group in Los Angeles entered into a 'new strategic relationship' with CalPERS." The reduction in fees was "intended to compensate CalPERS for any costs it may indirectly have paid because of the large commissions paid by

investment partners to placement agents. One such agent, Alfred J.R. Villalobos, a former CalPERS board member and Los Angeles deputy mayor, received more than \$50 million in commissions for helping investment funds, including Apollo and CIM, get money from CalPERS. According to documents released by CalPERS, Villalobos was paid \$9.6 million in commissions from CIM for investments made between 1998 and 2000. CIM paid a portion of those fees in the form of a \$1.1-million loan to Villalobos to build a 9,100 square-foot mansion in Nevada overlooking Lake Tahoe."⁴⁴

CalPERS WINS FEE BREAK FROM CIM GROUP

Infrastructure Investor, October 2010

"CIM Group, a California-based real estate firm, has a history with former CalPERS board member Alfred Villalobos, who is embroiled in a bribery scandal. According to a report in the *Sacramento Bee*, CIM Group hired Villalobos 10 years ago to pitch investments to CalPERS, paying him \$9.6 million for his work. Villalobos, who earned more than \$50 million from placing CalPERS capital with investment manager clients, was sued by California Attorney General Jerry Brown in May. Brown accused Villalobos of bribing three former officials with the pension funds. Brown filed a \$95 million civil suit against Villalobos for alleged fraud in his dealing with the pension."⁴⁵ The investment bank owned by Villalobos agreed to [settle](#) the lawsuit for \$20 million.⁴⁶

About African Communities Together (ACT)

African Communities Together is an organization of African immigrants fighting for civil rights, opportunity, and a better life for our families here in the U.S. and worldwide. ACT empowers African immigrants to integrate socially, advance economically, and engage civically. We connect African immigrants to critical services, help Africans develop as leaders, and organize our communities on the issues that matter.

africans.us  @AfricansUS

About Private Equity Stakeholder Project (PESP)

The Private Equity Stakeholder Project is a non-profit organization whose mission is to identify, engage, and connect stakeholders affected by private equity with the goal of engaging investors and empowering communities, working families, and others impacted by private equity investments.

pestakeholder.org  @PEStakeholder

ENDNOTES

1. <https://www.cimgroup.com/portfolio>
2. Ben Protess, Steve Eder, and Eric Lipton, “Trump Organization Will Walk Away From Its Struggling SoHo Hotel in New York,” *New York Times*, Nov. 22, 2017, <https://www.nytimes.com/2017/11/22/business/trump-organization-soho-hotel.html>
3. David Fahrenthold and Jonathan O’Connell, “A quiet final night for Trump SoHo caps a tumultuous year for the president’s company,” *Washington Post*, Dec. 20, 2017, https://www.washingtonpost.com/politics/a-quiet-final-night-for-trump-soho-caps-a-tumultuous-year-for-the-presidents-company/2017/12/20/5976fd32-e1df-11e7-8679-a9728984779c_story.html
4. Roger Vincent, “Developer drops plan to buy Baldwin Hills Crenshaw Plaza and add offices, not housing,” *Los Angeles Times*, June 15, 2020, <https://www.latimes.com/business/story/2020-06-15/developer-drops-plan-to-buy-baldwin-hills-crenshaw-plaza-and-add-offices-not-housing>
5. Heather Gillers, “Nothing Is Sacred for New Leader of Nation’s Largest Pension Fund,” *Wall Street Journal*, Dec. 11, 2019, <https://www.wsj.com/articles/nothing-is-sacred-for-new-leader-of-nations-largest-pension-fund-11576071146>
6. Alex Nicoll, “A band of immigrant tenants went to war with their \$31 billion landlord. It’s a sneak peek at what’s to come across America.” *Business Insider*, Dec. 7, 2022 <https://www.businessinsider.com/southern-towers-apartment-tenants-battle-investor-landlord-2022-11>
7. Gillers, “Nothing Is Sacred for New Leader of Nation’s Largest Pension Fund.”
8. Peter Waldman, “An Entire Neighborhood Is Being Flipped by a Los Angeles Developer,” Bloomberg, April 27, 2022, <https://www.bloomberg.com/news/features/2022-04-27/gentrification-battle-comes-to-los-angeles-neighborhood#xj4y7vzkg>
9. Anna Wiener, “When Baking and Real Estate Collide,” *The New Yorker*, June 16, 2022, <https://www.newyorker.com/news/letter-from-silicon-valley/when-baking-and-real-estate-collide>
10. Stefanos Chen, “Residents of Troubled Supertall Tower Seek \$125 Million in Damages,” *The New York Times*, Sep. 23, 2021, <https://www.nytimes.com/2021/09/23/realestate/432-park-avenue-lawsuit.html?login=email&auth=login-email&login=email&auth=login-email&login=ml&auth=login-ml>
11. Andrea Bernstein and Ilya Marritz, “Trump and Kushner’s Little-Known Business Partner,” WNYC, May 25, 2017, <https://www.wnyc.org/story/trump-kushner-little-known-business-partner/>
12. Ben Protess, Steve Eder, and Eric Lipton, “Trump Organization Will Walk Away From Its Struggling SoHo Hotel in New York,” *New York Times*, Nov. 22, 2017, <https://www.nytimes.com/2017/11/22/business/trump-organization-soho-hotel.html>
13. Julia Harte, “A New York hotel deal shows how some public pension funds help to enrich Trump,” Reuters, April 26, 2017, <https://www.reuters.com/article/usa-trump-hotel/a-new-york-hotel-deal-shows-how-some-public-pension-funds-help-to-enrich-trump-idUSL1N1HY1Z5>
14. David Fahrenthold and Jonathan O’Connell, “A quiet final night for Trump SoHo caps a tumultuous year for the president’s company.”
15. Jeremy Venook, “Trump’s Interests vs. America’s”, *The Atlantic*, August 9, 2017, <https://www.theatlantic.com/business/archive/2017/08/donald-trump-conflicts-of-interests/508382/>
16. Stuart Pfeifer and David Zahniser, “CIM lands in pension fund spotlight,” *The Los Angeles Times*, Dec. 26, 2009. <https://www.latimes.com/archives/la-xpm-2009-dec-26-la-fi-calpers-cim26-2009dec26-story.html>
17. Gillers, “Nothing Is Sacred for New Leader of Nation’s Largest Pension Fund.”
18. Alex Nicoll, “A band of immigrant tenants went to war with their \$31 billion landlord. It’s a sneak peek at what’s to come across America.”
19. Roshan Abraham, “People Are Organizing to Fight the Private Equity Firm Who Own Their Homes,” *VICE*, May 16, 2023, <https://www.vice.com/en/article/jg5pek/people-are-organizing-to-fight-the-private-equity-firms-who-own-their-homes>

20. Anna Chen, “Warner, Kaine push for affordable housing accountability,” DC News Now, June 27, 2023, <https://www.dcnewsnow.com/news/local-news/virginia/alexandria/warner-kaine-push-for-affordable-housing-accountability/>
21. James Cullum, “Southern Towers gets a visit from the director of the Federal Housing Finance Agency,” ALX Now, June 9, 2023, <https://www.alxnow.com/2023/06/09/southern-towers-gets-a-visit-from-the-director-of-the-federal-housing-finance-administration/>
22. Tatiana Flowers, “A group of Denver renters are fed up with rising rents and bad conditions. So they crashed a party for flowers,” *Colorado Sun*, June 26 2023, <https://coloradosun.com/2023/06/26/metro-denver-apartment-association-slummy-awards/>
23. https://www.multifamilybiz.com/news/5021/cim_group_acquires_apartment_building_portfolio_to...
24. Sam P.K. Collins, “Tenants and Landlords Clash on Impending Rent Hike,” *The Washington Informer*, April 19, 2023, <https://www.washingtoninformer.com/tenants-and-landlords-clash-on-impending-rent-hike/>
25. Peter Waldman, “An Entire Neighborhood Is Being Flipped by a Los Angeles Developer.”
26. Roger Vincent, “Developer drops plan to buy Baldwin Hills Crenshaw Plaza and add offices, not housing.”
27. Sahra Sulaiman, “CiM Group Abandons Effort to Buy Crenshaw Mall; Community Members Take Victory Lap, Plan Next Steps,” LA Streets Blog, June 18, 2020, <https://la.streetsblog.org/2020/06/18/cim-group-abandons-effort-to-buy-crenshaw-mall-community-members-take-victory-lap-plan-next-steps>
28. Sadeef Ali Kully, “Two Bridges Is Divided Over Responding to Change,” *City Limits*, March 20, 2019, <https://citylimits.org/2019/03/20/two-bridges-voices-change-lawsuits/>
29. Chelsey Sanchez, “700 Feet Too Tall: Chinatown Fights Back Against Luxury Super Tower Plan,” *The Independent*, Jan. 31, 2020, <https://independent.org/2020/01/700-feet-too-tall-chinatown-fights-back-against-luxury-super-tower-plan/>
30. Sydney Pereira, “Lawsuit Wants to Halt Two Bridges Towers on the Lower East Side,” *Patch.com*, Mar. 22, 2019, <https://patch.com/new-york/lower-east-side-chinatown/les-community-groups-sue-city-stop-two-bridges-towers>
31. Anna Wiener, “When Baking and Real Estate Collide.”
32. Stefanos Chen, “Residents of Troubled Supertall Tower Seek \$125 Million in Damages.”
33. David Zahniser, “Judge’s Ruling on Sunset/Gordon tower puts tenants in limbo,” *Los Angeles Times*, Oct. 17, 2014, <https://www.latimes.com/local/cityhall/la-me-hollywood-development-20141018-story.html>
34. Dennis P. Zine, “Development In LA Is Out of Control...Streets, Quality of Life Pay the Price,” *City Watch LA*, May 7, 2015, <https://www.citywatchla.com/archive/8969-development-in-la-is-out-of-control-streets-quality-of-life-pay-the-price?highlight=WYJjaW0iXQ==>
35. Andrea Bernstein and Ilya Marritz, “Trump and Kushner’s Little-Known Business Partner.”
36. “LA-based CIM Group ties with Kushner and Trump World raises ethics question,” KPCC, May 26, 2017, <https://www.kpcc.org/show/take-two/2017-05-26/la-based-cim-group-ties-with-kushner-and-trump-world-raises-ethics-questions>
37. Ben Protesse, Steve Eder, and Eric Lipton, “Trump Organization Will Walk Away From Its Struggling SoHo Hotel in New York,”
38. Julia Harte, “A New York hotel deal shows how some public pension funds help to enrich Trump.”
39. David Fahrenthold and Jonathan O’Connell, “A quiet final night for Trump SoHo caps a tumultuous year for the president’s company.”
40. Jeremy Venook, “Trump’s Interests vs. America’s.”
41. Vibeka Mair, “CalPERS facing pressure from Congress membes over Trump,” *Responsible Investor*, Nov. 3, 2017, <https://www.responsible-investor.com/calpers-facing-pressure-from-congress-djt/>
42. Stuart Pfeifer and David Zahniser, “CIM lands in pension fund spotlight.”
43. Heather Gillers, “Nothing Is Sacred for New Leader of Nation’s Largest Pension Fund.”
44. Marc Lifsher, “CalPERS investment partner CIM to cut fees, stop using go-betweens,” *Los Angeles Times*, Oct. 21, 2010, <https://www.latimes.com/archives/la-xpm-2010-oct-21-la-fi-calpers-cim-20101021-story.html>
45. Jenna Gottlieb “CalPERS wins fee break from CIM Group,” *Infrastructure Investor*, Oct. 20, 2010, <https://www.infrastructureinvestor.com/calpers-wins-fee-break-from-cim-group/>
46. Dale Kasler, “California to collect \$20 million in CalPERS bribery settlement,” *Sacramento Bee*, March 15, 2016, <https://www.sacbee.com/news/business/article66202527.html>