



City Attorney Dennis Herrera News Release

For Immediate Release:
September 20, 2016
Contact: Andrea Guzman
(415) 554-4653

Herrera subpoenas Millennium Tower developer over disclosures to homeowners

City Attorney invokes investigative authority to determine whether mandatory real estate transfer statements complied with state law, disclosed structural settling

SAN FRANCISCO (Sept. 20, 2016)—City Attorney Dennis Herrera today formally subpoenaed Millennium Partners as part of his office’s investigation into whether the developer complied with state law by disclosing known structural sinking issues to purchasers of more than 400 residential units in the Millennium Tower.

News accounts revealed last month that the luxury highrise at 301 Mission Street—which opened to occupants just seven years ago—has already sunk significantly beyond the one-foot settlement limit builders projected during the building’s entire lifespan. The 58-story tower sank fully 16 inches since its 2009 opening, according to reports, and now leans by two inches. According to an engineer hired by Millennium homeowners, the tower is continuing to settle at a rate of about one inch per year—and will likely continue sinking up to 15 inches further into landfill.

In the administrative subpoena served on Millennium Partners I, Inc. this morning, Herrera acknowledges that his demand for evidence is “in furtherance of an investigation.” Both the subpoena and Herrera’s accompanying cover letter cite a provision of California law that requires real estate owners to provide “Mandatory Real Estate Transfer Disclosure Statements” to purchasers that offer extensive detail about property conditions.

“I have serious concerns that the disclosures required by state law...did not contain information about the settling of the Property,” Herrera wrote in his letter.

Millennium Partners chose a concrete platform as the structural foundation for its Millennium Tower project, with piles driven approximately 80 feet deep into sand. That engineering decision at the center of the recent controversy contrasts with construction practices by developers of such

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nearby highrises as Salesforce Tower and 181 Fremont, whose foundations rest on piles drilled some 200-feet into bedrock.

Herrera's investigation is being led by his office's Complex and Affirmative Litigation Unit, which investigates and pursues civil litigation involving unfair and unlawful business practices. More information about the City Attorney's Office's is available at: <http://www.sfcityattorney.org/>.

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DENNIS J. HERRERA
City Attorney

September 20, 2016

Christopher Jeffries
Partner
Millennium Partners I, Inc.
735 Market Street
San Francisco, CA 94103

Re: Service of Administrative Subpoena on Millennium Partners I, Inc.

Dear Mr. Jeffries:

Enclosed please find an administrative subpoena seeking information regarding real estate disclosures tendered to actual purchasers of residential units located at 301 Mission Street, San Francisco, CA 94105 (the "Property").

I have serious concerns that the disclosures required by state law pursuant to California Civil Code Section 1102 et seq. did not contain information about the settling of the Property, and as such, did not accurately inform the purchasers of the more than 400 units of the conditions at the Property.

I trust that you will work to gather the responsive documents and tender them to my office in the manner and within the timelines outlined in the subpoena. Should you have any questions, or wish to discuss this matter further, please contact Deputy City Attorney Yvonne Meré at (415) 554-3874.

Very truly yours,


DENNIS J. HERRERA
City Attorney

cc: United Corporate Services, Inc.
608 University Ave
Sacramento, CA 95825



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CITY ATTORNEY

ADMINISTRATIVE SUBPOENA

To: **Millennium Partners I, Inc. Which Will Do In California as New York SF Millennium Partners I, Inc. as developers of the property located at 301 Mission Street, San Francisco, CA 94105, also known as the Millennium Tower**

Pursuant to San Francisco Administrative Code §§ 2A.231, California Civil Code §§ 3479, 3480, Code of Civil Procedure § 731, and in furtherance of an investigation, the San Francisco City Attorney's Office hereby commands you, within fifteen (15) days after service, to produce and permit inspection and copying of all documents, records, and other materials described in **Exhibit A**, by mailing such materials, together with a certification, dated and signed under penalty of perjury under the laws of the State of California that the documents provided are true, correct and complete copies of all documents responsive to this Administrative Subpoena, to the following location:

Office of the City Attorney
Attn: Yvonne R. Meré, Deputy City Attorney
1390 Market Street, 7th Floor
San Francisco, CA 94102

The subpoenaed items are relevant to an investigation of possible violations of law, including California Civil Code §§ 1102 *et seq.*, 3479, 3480 at 301 Mission Street, San Francisco, California 94105, and the documents requested are believed to contain evidence of such violations.

If you have any questions regarding compliance with this subpoena, contact:
Yvonne R. Meré, Deputy City Attorney (State Bar No. 173594), Tel. (415) 554-3874,
Fax (415) 437-4644.

Please be advised that destruction or concealment of any items requested will result in a referral to law enforcement for criminal prosecution pursuant to California Penal Code § 135.

Failure to comply with the commands of this subpoena may subject you to citation for contempt or other penalties before the Superior Court of the State of California.

Signed in the City and County of San Francisco this 20th day of September 2016.

By: _____

Yvonne R. Meré, as Deputy City Attorney for the
City and County of San Francisco

EXHIBIT A

1. Any and all disclosures required by California Civil Code § 1102.6 and tendered to actual purchasers of residential units at 301 Mission Street.

PROOF OF SERVICE

I, Sophia Garcia, declare as follows:

I am a citizen of the United States, over the age of eighteen years and not a party to the above-entitled action. I am employed at the City Attorney's Office of San Francisco, Fox Plaza Building, 1390 Market Street, Seventh Floor, San Francisco, CA 94102.

On September 20, 2016, I served the following document(s):

ADMINISTRATIVE SUBPOENA

on the following persons at the locations specified:

United Corporate Services, Inc.
608 University Ave
Sacramento, CA 95825

Christopher Jeffries
Partner
Millennium Partners I, Inc.
735 Market Street
San Francisco, CA 94103

in the manner indicated below:

- BY UNITED STATES MAIL:** Following ordinary business practices, I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and mailing with the United States Postal Service. I am readily familiar with the practices of the San Francisco City Attorney's Office for collecting and processing mail. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be deposited, postage prepaid, with the United States Postal Service that same day.
- BY PERSONAL SERVICE:** I sealed true and correct copies of the above documents in addressed envelope(s) and caused such envelope(s) to be delivered by hand at the above locations by a professional messenger service. A declaration from the messenger who made the delivery is attached or will be filed separately with the court.
- BY OVERNIGHT DELIVERY:** I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and delivery by overnight courier service. I am readily familiar with the practices of the San Francisco City Attorney's Office for sending overnight deliveries. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be collected by a courier the same day.

I declare under penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct. Executed September 20, 2016, at San Francisco, California.

Sophia Garcia