



LEIMERT PARK VILLAGE MERCHANTS ASSOCIATION

March 23, 2021

The Honorable Congresswoman Maxine Waters
Chair, U.S. House Committee on Financial Services
2221 Rayburn House Office Building
Washington, DC 20515

RE: Anti-Black Racism by Deutsche Bank’s DWS in the Sale of the Baldwin Hills Crenshaw Plaza

Dear Chairwoman Waters:

Rising at the intersection of Martin Luther King Jr. Blvd and Crenshaw Blvd in the heart of a Black Los Angeles community fighting the displacement of Black residents and merchants and the erasure of Black culture, the Baldwin Hills Crenshaw Plaza (“Crenshaw Mall”) has been a hub of Black L.A. commerce and cultural events for decades. Prior to the 1948 Supreme Court decision *Shelley v. Kraemer*, which struck down racially restrictive covenants, Black people could not legally buy property in the Crenshaw community. We write because 73 years after the landmark decision, **Deutsche Bank/DWS has effectively painted a sign across the Crenshaw Mall bridge that spans MLK Blvd that reads “Black Buyers Need Not Apply.”** We understand that no contract to sell the mall to outside gentrifiers has been signed yet, but it could any day now. From our preliminary conversations with oversight bodies and civil rights attorneys it is clear that if Deutsche Bank/DWS continues down it’s current path and they fail to negotiate a good faith purchase and sale agreement with the Black community-led and community-supported Downtown Crenshaw Rising (“DCR”) nonprofit that there is sufficient cause for administrative, legislative and legal action. **Your immediate action is needed.**

The facts show that Deutsche Bank/DWS is attempting to thwart a Black nonprofit development team that endeavors to stabilize the Black and Brown small businesses in the Crenshaw Mall and redevelop the iconic center of commerce and culture in a manner that uplifts the Black community, not uproot it. For the past 10 months, DCR has engaged in a historic and radically-inclusive community organizing and community development effort that has attracted the support of the nation and broken fundraising efforts, effectively making Black history. DCR has submitted the best bid to purchase the mall to DWS.

The failure of Deutsche Bank/DWS to accept DCR’s bid, and the failure to take the DCR bid seriously, makes absolutely no sense to any real estate professional until one recognizes the stark reality that **Deutsche Bank/DWS is engaging in overt, intentional and illegal anti-Black racism.** DCR has the

money in the bank, the identified investors to close the deal, and is backed by an [unprecedented coalition](#)¹ of organizations and civic leaders that have collectively crafted a community vision for the mall's redevelopment and model of self-determination. Furthermore, DCR has assembled a dream team of accomplished local community development professionals, global award-winning real estate powerhouses, and the largest capital raise firm in America to make the Black community's vision for a 21st century reparative restorative and green urban village a reality.

In response to the opportunity to do right by the Black community for a change, Deutsche Bank/DWS is blatantly thwarting the effort that will allow Black people to be the literal collective owners and drivers of the development of our own community. They are trampling on the civil rights laws won through blood and sacrifice, violating their fiduciary duty to the private equity fund that owns the mall and the public pension funds who make up the fund's limited partners, making a mockery of the UN Principles for Responsible Investment to which DWS and most of the pension funds are signatories, and are operating counter to Deutsche Bank's anti-racism statement made [just months ago](#).²

In the most recent February 2021 round of bidding, to our knowledge, Downtown Crenshaw Rising was the only Black-led development team and **the only Black community-led nonprofit** development team that made an offer. DCR has submitted an offer to buy the Crenshaw Mall that is higher than the offer awarded to the previous bidder in price and terms, and we believe it is higher than the current white developer Deutsche Bank/DWS is attempting to enter a contract to sell. DCR has also repeatedly expressed that they are willing to outbid any other bidder. DCR's most recent generous offer has been met with silence from DWS.

DCR ended Black history month with a historic fundraising campaign that raised over \$28 million in philanthropy, \$6 million in letters of intent from accredited investors, \$20-37 million in letters of interest from philanthropists and mission-aligned investors, and a values-aligned equity partner willing to cover any amount not raised through philanthropy and socially responsive investors. Evidence of DCR's cash-on-hand and the letters from DCR's philanthropic and investment partners who make up a who's-who of California philanthropists and impact investors have been presented to DWS.

Despite the very generous offer and impressive assembly of ultra-high net wealth philanthropists and mission-aligned investors backing the DCR bid, DWS continues to violate its fiduciary duties by failing to treat DCR as a bona fide buyer. Instead, **DWS has exhibited a pattern and practice of separate and unequal treatment of DCR, as well as other Black-led development teams in the past. Our organizations are firmly opposed to racially restrictive covenants and redlining. The actions of Deutsche Bank/DWS on the Crenshaw Mall show that both remain alive and well.** Specifically:

1. Deutsche Bank/DWS has repeatedly refused to engage the Black community-led DCR team in the same professional manner in which it has engaged white-led development teams, both in this round of bidding and in the previous round.
2. Deutsche Bank/DWS has repeatedly only entertained and awarded the bid for the Black mall in the Black community to white-led development teams (Hackman Capital Partners-DJM, CIM and LivWrk), including completely unqualified white developers with no history whatsoever of

¹ <http://www.downtowncrenshaw.com/supporters>

² https://www.db.com/newsroom_news/2020/taking-a-stand-against-discrimination-en-11627.htm

managing a mall or massive redevelopment project anywhere, let alone in a Black community with mom-and-pop merchants of color (a la LivWrk).

3. Deutsche Bank/DWS has repeatedly provided white-led development teams more time to review critical financial data, bid and negotiate a deal, and longer contract periods to close. (And despite this advantage, none of the white-led development teams have been able to close).
4. Deutsche Bank/DWS has operated in an arbitrary and capricious manner, regularly moved the goalposts and engaged in gamesmanship, including, but not limited to, offering bidders only five (5) business days to submit more voluminous bids in February.

Additionally, **we are disturbed that Deutsche Bank/DWS refuses to directly engage with the Black principals and Black developers of DCR, and that they will only speak to DCR's white emissaries.** It again harkens back to a troubling racist past.

Furthermore, given the actions of Deutsche Bank/DWS on the Crenshaw Mall, we are concerned that a company that would engage in such overt anti-Black racism remains in direct or indirect control of any assets under any public pension plan. **The pension funds who decided to give Deutsche Bank/DWS the power to control the sale of the Crenshaw Mall should terminate the contract immediately as a start, as well as other Deutsche Bank contracts.**

We look forward to promptly meeting with you to discuss specific actions that Congress can and must immediately take to address this matter and remove the racially restrictive covenant Deutsche Bank/DWS has applied to the Crenshaw Mall.

Sincerely,

Baptist Ministers Conference of Los Angeles
Black Community Clergy and Labor Alliance
Black Lives Matter-Los Angeles
Congress of Racial Equality-California
Institute of the Black World 21st Century
Leimert Park Village Merchants Association
Los Angeles South Chamber of Commerce
National Action Network-Los Angeles
NAACP-San Fernando Valley
National Association for Equal Justice in America
Southern Christian Leadership Conference-Greater Southern California

CC:

United States President Joe Biden
German Chancellor Angela Merkel
United States Vice President Kamala Harris
His Excellency António Guterres, Secretary-General, United Nations
Hon. Merrick Garland, Attorney General, United States
Mr. Gary Gensler, Chairman, Securities and Exchange Commission
Mr. Mark Branson, President, Federal Financial Supervisory Authority (BaFin)
Hon. Diane Feinstein, United States Senator (CA)
Hon. Alex Padilla, United States Senator (CA)
Hon. Karen Bass, United States Representative (CA-37th)

Hon. Betty Joyce Beatty, Chair of Congressional Black Caucus
Governor Gavin Newsom (California)
Office of California Attorney General
Hon. Letitia James, Attorney General, New York
Hon. Kathy Jennings, Attorney General, Delaware
Hon. Sydney Kamlager-Dove, State Senator, 30th District
Office of California Assembly District 54
Hon. Steven Bradford, Chair, California Legislative Black Caucus
Hon. Holly Mitchell, Supervisor, County of Los Angeles 2nd District
Hon. Eric Garcetti, Mayor, City of Los Angeles
Hon. Marqueece Harris-Dawson, Councilmember, City of Los Angeles 8th District
Hon. Mark Ridley-Thomas, Councilmember, City of Los Angeles 10th District
Hon. Curren Price, Councilmember, City of Los Angeles 9th District
Mr. Quintin Primo, III, General Partner, Capri Urban Investors, LLC
Mr. Keith Knox, Board of Investments Chair, Los Angeles County Employee Retirement Association
Mr. Santos Kreimann, CEO, Los Angeles County Employees Retirement Association
Hon. John Perez, Board of Regents Chair, University of California
Dr. Michael Drake, President, University of California
Ms. Debra Penny, Retirement Board Chair, Teachers Retirement System of the City of New York
Ms. Patricia Reilly, Executive Director, Teachers Retirement System of the City of New York
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Ms. Melanie Whinnery, Executive Director, New York City Employees Retirement System
Mr. Jarvis V. Hollingsworth, Board of Trustees Chair, Teacher Retirement System of Texas
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Mr. Brian Pendleton, Board of Commissioners President, Los Angeles Fire and Police Pension
Mr. Raymond Ciranna, General Manager, Los Angeles Fire and Police Pension
Mr. Joe Bogdahn, Investment Committee Chair, Police & Fire Retirement System of the City of Detroit
Mr. David Cetlinski, Executive Director, Police & Fire Retirement System of the City of Detroit
Hon. Rachel Eubanks, Chair, State of Michigan Investment Board
Mr. Jon Braeutigam, Chief Investment Officer, State of Michigan Bureau of Investments
Mr. Deepak Raj, State Investment Council Chair, New Jersey Division of Investment
Mr. Corey Amon, Director & Chief Investment Officer, New Jersey Division of Investment
Dr. Paul Achleitner, Chair, Deutsche Bank Supervisory Board
Mr. Christian Sewing, CEO, Deutsche Bank
Mr. Karl von Rohr, President, Deutsche Bank
Ms. Christiana Riley, CEO Americas, Deutsche Bank
Mr. W. Todd Henderson, Chair & CEO, DWS
Mr. Roy March, President, Eastdil Secured
Ms. Fiona Reynolds, CEO, Principles of Responsible Investment
Mr. Deryl Brewster, CEO, Chief Executives for Corporate Purpose