

Detroit's Case Against Real Token

A Model for Reining in Neglectful Institutional Landlords

By Brad Lipton

I. Introduction

The city of Detroit filed and won a preliminary injunction (PI) against a private equity firm, Real Token LLC, that amassed hundreds of distressed residential properties across the city and sold shares in that venture to international investors. The firm purported to use a novel cryptocurrency structure for those shares.

In the process of creating these investments, Real Token collected rent from tenants and then, the city alleges, failed to maintain the units, leaving many in blighted or uninhabitable condition. Notwithstanding the purportedly novel investment structure of the venture, Detroit brought the case under traditional housing and nuisance law and secured a preliminary injunction with respect to the firm itself as well as a variety of individual and corporate defendants, including corporate investors in the shares.

This case—likely one of the largest public nuisance lawsuits in the city's history—offers a promising model for states and municipalities seeking to protect tenants from unsafe housing conditions, especially at the hands of large institutional investors. Among other things, the case demonstrates that financial or technological complexity need not impede basic housing enforcement.

This case summary highlights the facts and claims in the Detroit case and describes the preliminary injunction that Detroit obtained. The complaint in the case, the PI, and the related exhibits filed are available in this [public file](#).

II. Facts in the Detroit Case

The defendants in the Detroit case included a [complex web of corporations](#) as well as the individual founders of Real Token, brothers Remy Jacobson and Jean-Marc Jacobson. These corporations included fractional ownership interests in the enterprise sold solely to international investors in the form of digital “tokens.” The [complaint notes](#) that Real Token touts the prospect of “6–16%” yearly return on investment from the payment of rental income.

The core factual allegations in the case fell into a few categories that may be readily recognizable to state and municipal governments across the country.

1. Failure to Maintain Occupied Properties

According to [the complaint](#), tenants living in Real Token-owned and -managed buildings were subjected to unsafe, uninhabitable, and unsanitary living conditions. Many occupied units reportedly lacked the most basic necessities, including functioning heat, hot water, smoke detectors, or secure doors and windows. The city documented a pattern in which tenants complained of life-threatening hazards such as gas leaks, raw sewage backups, and electrical wiring exposed to water intrusion. In some cases, these conditions persisted for months or years despite repeated notices, correction orders, and emergency orders issued by the city.

2. Neglect of Vacant and Blighted Properties

The complaint alleges that Real Token's widespread neglect extended well beyond its occupied housing stock. Hundreds of its vacant residential properties were left unsecured, deteriorating, and open to trespassers. Many of these structures were left without doors, windows, or locks, creating open access. Others were visibly fire-damaged or structurally unstable, posing an immediate risk of collapse or injury. These abandoned or blighted homes became magnets for criminal activity, drug use, illegal occupancy, and environmental hazards. As the [attached exhibits document](#), these conditions were readily apparent to anyone passing by.

3. Lack of Legally Required Licenses

The complaint states that Real Token operated hundreds of residential properties in Detroit without obtaining legally required Certificates of Compliance or rental registrations.¹ These certificates verify that properties meet basic safety and habitability standards under Detroit's housing code. Despite repeated notices and correction orders, Real Token failed to bring its properties into compliance.

4. Failure to Pay Required Fines and Taxes

According to the complaint, Real Token accumulated hundreds of fines for blight violations and unpaid property taxes across its Detroit portfolio. These unpaid fines and taxes total hundreds of thousands of dollars and continued to grow as new violations were issued (see the attached [exhibits noting](#) the blight citations). The city alleges that Real Token repeatedly defaulted on administrative hearings, ignored correction orders, and refused to pay outstanding judgments.

¹ See Detroit Code § 8-15-35(a).

III. Types of Claims

The city brought four principal causes of action with respect to these facts. Each claim was grounded in state and municipal law that is broadly similar to the laws of many states and localities across the country.

Specifically, Michigan law provides minimum housing requirements for the protection of the health, welfare, and safety of the community and provides authority to municipalities to address blight and nuisance conditions within their jurisdiction.² And the city of Detroit has adopted standards for the maintenance of buildings and structures.³

1. Public Nuisance

The housing law of Michigan provides minimum requirements for the prevention of blight in rental properties that create a public nuisance.⁴ A violation of Detroit's housing code is deemed to be a blight violation under Michigan law.⁵ The city alleges that the defendants' properties constitute a public nuisance because they violate Detroit's code and are harmful to the health, safety, or welfare of the public, relying on the facts described above. The city of Detroit has an interest in abating public nuisances and is authorized to bring an action to abate the nuisance conditions.

2. Failure to Obtain Certificates of Compliance

The city contends that the defendants' widespread failure to secure required certifications constitutes a breach of its statutory duty to comply with housing laws. All rental properties in the city of Detroit are required to be registered as a rental property.⁶ By continuing to collect rent on uncertified properties, the defendants not only violated Detroit ordinances but also deprived tenants of the basic protections those laws are designed to ensure.

² See Mich. Const. 1963, Art 7, Sec 22 (charter authority); MCL § 117.3(j) (public health and safety); Detroit Charter art. I § 1-102 (general powers).

³ Detroit City Code §§ 8-15-1 through 8-17-60.

⁴ MCL 125.1504(3)(e); Detroit Code § 8-15-46.

⁵ MCL 117.41(4).

⁶ Detroit Code §§ 8-15-35(a); § 8-15-81; MCL 125.529.

3. Payment of Outstanding Blight Violations

The complaint alleges that Real Token’s persistent nonpayment of fines for blight violates Detroit city code. Because an “owner” is defined under the Detroit city code as anyone who has “a legal or equitable interest in the building, premises or structure . . . or otherwise has the legal responsibility for the control and maintenance of the building, premises or structure,” all the corporate defendants, as title holders of the subject properties, are owners of the properties, responsible for maintaining them, and liable for the failure to pay the fines.⁷

4. Personal Liability of Corporate Officers

The city seeks to hold the cofounders and executives of Real Token, Remy Jacobson and Jean-Marc Jacobson, personally liable for the unlawful conditions maintained across the company’s Detroit properties. Under Michigan law, corporate officers can be held personally responsible when they intentionally maintain a public nuisance or cause their corporation to act unlawfully.⁸ Put another way, as in many other jurisdictions, the corporate form is not a shield when defendants commit an intentional tort. The complaint alleges that the Jacobsons had direct knowledge—or, through ordinary diligence, should have had knowledge—of the widespread blight, safety hazards, and code violations that rendered many Real Token properties uninhabitable and dangerous to the public.

IV. Relief Granted

Detroit’s filings emphasized that the novel ownership structure of the venture—the sale of the fractional ownership interests in the enterprise to international investors in the form of digital “tokens”—was immaterial to liability. On July 22, 2025, Judge Annette J. Berry of the Wayne County Circuit Court agreed, [granting Detroit’s motion for a temporary restraining order \(TRO\)](#) against all the defendants.

⁷ Detroit City Code § 8-15-7.

⁸ *Department of Agriculture v Appletree Marketing LLC*, 779 N.W. 2d 237 (2010).

The TRO contained several important provisions. The order declared many of Real Token’s properties to be public nuisances, requiring abatement at the defendants’ expense. The judge ordered the defendants to secure all vacant properties within 30 days and repair code violations in occupied properties within 90 days. The defendants were ordered to begin seeking Certificates of Compliance and were barred from collecting rent on or evicting tenants from properties until a Certificate of Compliance was obtained—in the meantime, the TRO required tenants to deposit that rent into an escrow account overseen by the city. On September 23, 2025, the court issued a [preliminary injunction](#) incorporating the terms of the TRO.

V. Conclusion

The Detroit Real Token case offers a promising legal framework for states and municipalities seeking to protect tenants from unsafe housing conditions, especially at the hands of large institutional investors. Using traditional nuisance and tort doctrines, tenant protection statutes, and equitable relief tools, Detroit appears to have established a clear precedent: Landlords cannot hide behind novel legal or technical structures, such as elaborate “tokenization” schemes, to avoid maintaining safe and habitable housing.



About The Roosevelt Institute

The Roosevelt Institute is a think tank, a student network, and the nonprofit partner to the Franklin D. Roosevelt Presidential Library and Museum that, together, are learning from the past and working to redefine the future of the American economy. Focusing on corporate and public power, labor and wages, and the economics of race and gender inequality, the Roosevelt Institute unifies experts, invests in young leaders, and advances progressive policies that bring the legacy of Franklin and Eleanor Roosevelt into the 21st century.