

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

FAIR HOUSING CENTER OF)
METROPOLITAN DETROIT,)

Plaintiff,)

v.)

GENERAL PROPERTIES COMPANY,)
L.L.C., d/b/a/ WHISPERING WOODS)
APARTMENTS, and ELLIOTT C.)
SCHUBINER, in his individual)
capacity,)

Defendants.)

Case Nos. 05-71426
06-11976

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

GENERAL PROPERTIES COMPANY,)
L.L.C., d/b/a/ WHISPERING WOODS)
APARTMENTS, and ELLIOTT C.)
SCHUBINER, in his individual)
capacity,)

Defendants.)

HON. GERALD E. ROSEN
U.S. DISTRICT JUDGE

CONSENT DECREE

The Fair Housing Center of Metropolitan Detroit (“Fair Housing Center”) filed suit in this matter on April 12, 2005, to enforce the provisions of the Fair Housing Act, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 et seq., 42 U.S.C. § 1982, and the

Elliott-Larsen Civil Rights Act, M.C.L.A. 37.2605 et seq. The United States subsequently filed suit on April 28, 2006, alleging that Defendants engaged in a pattern or practice of discrimination on the basis of race or color, and/or a denial of rights to a group of persons, in violation of the Fair Housing Act, 42 U.S.C. §§ 3601 et seq. Upon order of the Court, the Fair Housing Center and the United States' cases have been consolidated for discovery and trial and the parties now desire to settle both actions.

In their complaints, the Fair Housing Center and the United States allege that Defendants engaged in discriminatory treatment of prospective tenants on the basis of race or color, including instructing property management companies and their employees not rent to or otherwise discriminate against African American prospective tenants, failing to inform African American prospective tenants about, or negotiate for the rental of, available apartments, and refusing to give African American persons the opportunity to apply for an apartment unless they pay a deposit while allowing similarly situated non-African American persons to submit an application without paying any such deposit.

Defendants filed answers and raised affirmative defenses to Plaintiffs' allegations and deny they have violated the Fair Housing Act and continue by this agreement to deny any unlawful discrimination or wrongful conduct.

The parties have agreed that in order to avoid protracted and costly litigation, this controversy should be resolved without a trial or adjudication of the facts alleged by the Fair Housing Center and the United States. Therefore, the parties consent to the entry of this Decree. This agreement constitutes full resolution of the Fair Housing Center and the United States' claims in these lawsuits.

It is understood and agreed that this Consent Decree is the compromise of disputed claims and is not to be construed as an admission of liability by Defendants, and that Defendants deny and continue to deny the claims alleged by the Fair Housing Center and the United States.

I. SCOPE AND TERM OF DECREE

1. The provisions of the Decree shall apply to Defendants, their employees, agents, assigns, successors-in-interest, and all persons in active concert or participation with them.¹

2. This Decree is effective immediately upon its entry by the Court. For purposes of this Decree, the phrase "date of this Decree" shall refer to the date on which the Court adopts this document as an Order of the Court.

3. This Decree shall be in effect for a period of five (5) years from the date of this Decree.

II. INJUNCTION

4. It is hereby ORDERED, ADJUDGED AND AGREED that Defendants, their agents, employees, successors, and all persons currently in active concert or participation with any of them, are hereby enjoined from:

- A. Refusing to rent a dwelling unit, refusing or failing to provide or offer information about a dwelling unit, or otherwise making unavailable or denying a dwelling unit to any person because of race or color;

¹ This Decree shall not apply to a bona-fide purchaser of the Subject Property in which these Defendants have no legal or financial interest.

- B. Discriminating against any person in the terms, conditions or privileges of renting a dwelling unit, or in the provision of services or facilities in connection therewith, because of race or color; and
- C. Representing to any person, because of race or color, that any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, so available.

5. For the term of this Decree, and at all times during the term of the Decree, Defendants shall retain an independent management company (hereinafter "Management Company"), approved by the United States, to manage the Whispering Woods Apartment complex (a.k.a. Apple Ridge Apartments) located at 31200 Morlock Road in Livonia, Michigan (hereafter "Subject Property"). Neither Defendant Schubiner nor any member of his family may be an employee of or contractor for the Management Company. Defendants shall retain the Management Company within thirty (30) days of the date of this Decree and shall continue to retain such company at all times throughout the duration of this Decree that Defendants own the Subject Property.² The Management Company shall be responsible for all aspects of the rental process, including but not limited to advertising, showing and renting units, collecting rents, and determining whom to rent to and/or evict. Defendants shall provide to the United States a copy of any and all contracts they enter into with the Management Company. For the duration of this

² If after retaining a Management Company Defendants wish to change Management Companies, they may do so provided that any subsequent Management Companies must also be approved by the United States and comply with the requirements for the Management Company as described in this Decree. Such approval shall not be unreasonably withheld.

Decree that Defendants own any interest in the Subject Property, Defendants shall require the Management Company to do the following:

- A. Train all of its employees who will be performing any duties in relation to the Subject Property in the requirements of the Fair Housing Act, particularly as they pertain to race discrimination.
- B. Post an "Equal Housing Opportunity" sign in any rental office through which dwelling units in the Subject Property are rented, which sign indicates that all apartments are available for rent on a nondiscriminatory basis. An 11 inch x 14 inch poster that comports with 24 C.F.R. Part 110 will satisfy this requirement. Such poster shall be placed in a prominent, well-lit, and easily readable location.
- C. Require that all advertising conducted for the Subject Property in newspapers, on the Internet, in telephone directories, radio, television or other media, and all billboards, signs (including at the entrance to the property), pamphlets, brochures and other promotional literature, include either a fair housing logo, the words "equal housing opportunity provider," and/or the following sentence:

We are an equal opportunity housing provider. We do not discriminate on the basis of race, color, national origin, religion, sex, familial status or disability.

The words or logo should be prominently placed and easily legible.
- D. Send to the United States every six (6) months, a list of all new tenants at the Subject Property and tenants who have vacated the Subject Property, all of the new tenants' telephone numbers, and, based on the good faith observation of the Management Company, the race of each new or vacating tenant.

- E. Maintain all rental records, including, but not limited to, guest cards, applications, credit reports and leases, kept in relation to rental of dwelling units at the Subject Property, and allow the United States, for the purpose of ensuring compliance with the terms of this Decree, to inspect and copy all such records upon reasonable notice to Defendants and the Management Company.
 - F. Notify the United States in the event it obtains any information indicating that Defendants are in violation of this Decree.
 - G. Provide any information reasonably related to compliance with this Decree that is requested by the United States, upon reasonable notice to Defendants and the Management Company.
6. Defendants shall report to the United States in the event that they purchase, inherit, or otherwise acquire an interest in, or agree to manage or operate any residential real estate property, or in the event that they sell, transfer or otherwise dispose of any interest in the Subject Property. Such notification shall be made within thirty (30) days after the purchase, inheritance, acquisition, sale, or transfer of interest and shall include the identity of the potential purchaser(s) or person(s) to whom the interest is being transferred.

III. COMPENSATION FOR AGGRIEVED PERSONS

7. Defendants shall pay the total sum of THREE HUNDRED AND THIRTY THOUSAND DOLLARS (\$330,000.00) to compensate individuals the United States has identified as aggrieved persons under the Fair Housing Act. The amount payable to each aggrieved person for damages they allege is listed in Appendix A.

8. Within sixty (60) days after the date of entry of this Consent Decree, Defendants

shall send to the United States a check payable to each person listed in Appendix A in the amount listed in Appendix A for their alleged damages including, but not limited to, physical, financial and emotional damages. The amount paid by Defendants under this paragraph and Appendix A shall not exceed in total the amount indicated in the preceding paragraph.³ The United States shall not distribute checks to any aggrieved person until it has received from that aggrieved person an executed copy of a release of all claims, legal or equitable, in the form set out in Appendix B. If an aggrieved person declines or otherwise fails to execute a written release after the aggrieved person has received the release from the United States, and within 30 days after the United States receives payment from Defendants, then the check payable to that aggrieved person shall be returned to the Defendants, and Defendants shall no longer be liable to pay damages to that aggrieved person under the terms of this Decree. However, nothing in this Decree shall be construed to foreclose or otherwise affect any claim the person who declines or fails to execute the release may have against Defendants, including but not limited to, any claims arising under the Fair Housing Act.

IV. DAMAGES TO THE FAIR HOUSING CENTER

9. Defendants shall pay THREE HUNDRED AND FIFTY THOUSAND dollars (\$350,000) to the Fair Housing Center to compensate the Fair Housing Center for its damages including, but not limited to, expenses, fees, costs, diversion of resources and frustration of purpose. Defendants shall forward a check for THREE HUNDRED AND FIFTY THOUSAND

³ If any of the payments required under this Decree are made after the prescribed time, for whatever reason, such payments shall include interest from the prescribed time of payment, calculated by the formula set forth in 28 U.S.C. § 1961. Payment of such interest shall be in addition to any other remedies available to the United States or the Fair Housing Center for delays in payment.

dollars made payable to the Fair Housing Center of Metropolitan and its counsel within sixty (60) days of the entry of this Decree.

V. CIVIL PENALTY

10. In order to vindicate the public interest, Defendants shall pay FORTY-FIVE THOUSAND DOLLARS (\$45,000.00) as a civil penalty. Defendants shall forward a check for FORTY-FIVE THOUSAND DOLLARS, made payable to The United States Treasury, to counsel for the United States within sixty (60) days of the entry of this Decree.

11. If, in the future, Defendants engage in violation(s) of the Fair Housing Act, such violation(s) shall constitute a "subsequent violation" pursuant to 42 U.S.C. § 3614(d).

VI. COURT JURISDICTION

12. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce the terms of the Decree, after which time the case shall be dismissed with prejudice. Any party to this Consent Decree may apply to the Court for such further orders as may be necessary for, or consistent with, the enforcement of this Consent Decree, including, but not limited to, moving the Court to extend the duration of the Decree in the interests of justice.

VII. REMEDIES FOR NON-PERFORMANCE

13. The parties to this Consent Decree shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Decree prior to bringing such matters to the Court for resolution. However, in the event of a failure by any party to perform in a timely manner any act required by this Decree or in the event of any other act violating any provision hereof, any party may move this Court to reopen the case and impose any

remedy authorized by law or equity, including, but not limited to, an order requiring performance or non-performance of certain acts and an award of any damages, costs, and attorneys' fees which may have been occasioned by non-actions or actions.

VIII. COSTS OF LITIGATION

14. The Parties shall each bear their own costs and attorneys' fees associated with this litigation.

IX. TIME FOR PERFORMANCE

15. Any time limits imposed by this Decree may be extended by mutual agreement, in writing, of the parties.

Ordered this 29TH day of August, 2007.

s/Gerald E. Rosen
HONORABLE GERALD E. ROSEN
UNITED STATES DISTRICT JUDGE

The undersigned apply for and consent to the entry of this Decree:

For the United States:

WAN J. KIM
Assistant Attorney General

By:

s/Steven H. Rosenbaum/with consent
STEVEN H. ROSENBAUM
Chief
TIMOTHY J. MORAN
Deputy Chief

JOSEPH GAETA
Attorney
U.S. Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
1800 G. Street, N.W.
Washington, DC 20530
(202) 514-4838

STEPHEN J. MURPHY
United States Attorney

By:

s/Judith E. Levy
JUDITH E. LEVY
Assistant U.S. Attorney
Eastern District of Michigan
211 West Fort Street, Ste. 2001
Detroit, Michigan 48226
(313)226-9727

For the Fair Housing Center:

s/Saul A. Green, with consent
SAUL A. GREEN
P. RIVKA SCHOCHET
Miller, Canfield, PADDOCK & STONE
150 W. Jefferson Avenue
Suite 2500
Detroit, MI 48226-4415
313-963-6420

For the Defendants:

s/Robert Tice/with consent _____

ROBERT TICE

Pilchak Cohen & Tice, P.C.

3062 East Walton Boulevard

Auburn Hills, MI 48326

(248)409-1900

APPENDIX A

Kalyn Jones	\$24,000
Patti Byrd	\$24,000
Ramondo Jennings	\$24,000
Jay Arington	\$24,000
Richard Jones	\$24,000
Tatia Hardy	\$24,000
Sonya Hill	\$24,000
William Bradley	\$18,000
Arneisha Glover	\$12,000
Joy Young	\$12,000
Dewayne Harris	\$12,000
Marcell Broon	\$12,000
Diamond Hamilton	\$12,000
Rosie Scott	\$12,000
Kizzy Scott	\$12,000
Linda Gardner	\$12,000
Angela Smith	\$12,000
Angela Gosa	\$12,000
Lanetia Norris	\$12,000
Brenda Bullock	\$6,000
Ethel Anderson	\$6,000

APPENDIX B

RELEASE

In consideration for the parties' agreement to the terms of the Consent Decree entered in Fair Housing Center v. General Properties Company, et al. and United States v. General Properties Company, et al., and the Defendants' payment to me of

\$_____, I, _____, hereby agree, effective upon receipt of payment, to remise, release and forever discharge all claims of any kind, nature or description whatsoever, related to the facts at issue in the litigation referenced above, or in any way related to that litigation, and any other claims arising from alleged housing discrimination up to and including the date of execution of this release, that I may have against Defendants General Properties Company, LLC, d/b/a Whispering Woods and Apple Ridge Apartments, and Elliott Schubiner, and their agents, employees, officers, heirs, executors, administrators, successors or assigns.

I acknowledge and understand that, by signing this Release and accepting this payment, I am waiving any right to pursue my own legal action based on the discrimination alleged by the Fair Housing Center and the United States in this case. I hereby represent and warrant that I have not assigned my alleged claim to any other party.

I also acknowledge that I have been informed that I may review the terms of this Release with an attorney of my choosing, and to the extent that I have not obtained legal advice, I voluntarily and knowingly waive my right to do so.

I waive any claims I may have against the Fair Housing Center and/or the United States arising out of this action.

This General Release constitutes the entire agreement between Defendants General Properties Company, LLC, d/b/a Whispering Woods Apartments, and Elliott Schubiner and me, without exception or exclusion.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____, 2007.

Name