

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 and)
)
 ANNETTE REDDICK,)
 TASHA REDDICK,)
 TIESE MITCHELL,)
 J.M., an infant, by his next friend, Tiese Mitchell,)
 J.M., an infant, by her next friend, Tiese Mitchell,)
 CRYSTAL LEWIS,)
 J.J., an infant, by his next friend, Crystal Lewis,)
 ARLENE CARTER,)
 R.C., an infant, by her next friend, Arlene Carter,)
 and)
 Z.C., an infant, by her next friend, Arlene Carter,)
)
 Intervening Plaintiffs,)
)
 v.)
)
)
 JOHN CROCKETT HENRY)
 a/k/a JOHN CROCKETT HENRY, JR.)
 a/k/a JAMES CROCKETT HENRY)
 a/k/a J. C. HENRY)
 and HENRY LLC OF VIRGINIA BEACH,)
)
)
 Defendants.)

Civil Action No. 2:07cv342

CONSENT DECREE

I. Factual and Procedural Background

The United States initiated this action on July 25, 2007, against John Crockett Henry a/k/a John Crockett Henry, Jr. a/k/a James Crockett Henry a/k/a J.C. Henry (“defendant Henry”)

and Henry LLC of Virginia Beach (“Henry LLC”). In its complaint, the United States alleges that defendants violated the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 - 3619 (“the Act”), by discriminating on the bases of race or color, and familial status with respect to the rental of residential rental units at the 15½ Street Apartments in Virginia Beach, Virginia (“the subject premises”).

The United States alleges that, were this case to proceed to trial, the United States would present evidence, including the following:

At all relevant times prior to the filing of this lawsuit, the defendants owned the subject premises and defendant Henry served as the site manager. At all relevant times prior to the filing of this lawsuit, the Defendants operated the subject premises under the federally-subsidized Section 8 Housing Choice Voucher Program a/k/a the Section 8 Moderate Rehabilitation Program, pursuant to 24 C.F.R. § 882, et seq. The City of Virginia Beach administered the housing subsidy program at the subject premises under a contract with the United States Department of Housing and Urban Development (“HUD”).

Between August 2006 and March 2007, Crystal Lewis, Arlene Carter, Annette Reddick, Tasha Reddick, and Tiese Mitchell (“the HUD Complainants”) filed and/or amended complaints of discrimination against the defendants with HUD, alleging that the defendants discriminated on the basis of race and/or that they retaliated in connection with the rental of the subject premises in violation of the Act. In addition, between February and May 2007, three additional individuals (“the Subsequent HUD Complainants”) filed complaints of discrimination against the defendants with HUD, alleging that the defendants discriminated on the bases of race, national origin, sex, and/or familial status in connection with the rental of the subject premises in violation of the Act.

The HUD Complainants and the Subsequent HUD Complainants are aggrieved persons within the meaning of the Act, 42 U.S.C. § 3602(i). As required by the Act §§ 3610(a) and (b), the Secretary of HUD (“the Secretary”) conducted an investigation of the claims of the HUD Complainants, attempted conciliation without success, and prepared a final investigative report. Based on the information gathered in this investigation, the Secretary, under 42 U.S.C. § 3610(g)(1), determined that, with respect to the HUD Complainants, reasonable cause exists to believe that illegal discriminatory housing practices occurred at the subject premises. Therefore, on or about April 26, 2007, the Secretary issued a Determination of Reasonable Cause and a Charge of Discrimination (“the Charge”), under 42 U.S.C. § 3610(g)(2)(A), charging the defendants with engaging in discriminatory practices in violation of the Act.

On or about May 18, 2007, the HUD Complainants elected to have the claims asserted in the Charge resolved in a federal civil action, under 42 U.S.C. § 3612(a). The Secretary subsequently authorized the Attorney General to commence this action, under 42 U.S.C. § 3612(o).

By Order dated October 1, 2007, the Court granted a motion to intervene filed by the HUD Complainants and their minor children. On October 1, 2007, the intervening plaintiffs filed a complaint alleging, *inter alia*, that the defendants violated the Act by discriminating on the bases of race, color, and familial status with respect to the rental of dwelling units at the subject premises.

The United States and the intervening plaintiffs allege that the defendants, individually or through their agents, have engaged in discriminatory housing practices at the subject premises, including, but not limited to, the following practices:

- A. Issuing termination of tenancy notices to black tenants and otherwise threatening to evict black tenants because of their race or color;
- B. Making statements with respect to the rental of dwellings that indicate a preference, limitation, or discrimination based on race or color;
- C. Imposing different terms and conditions of the rental of dwellings because of race or color, including, but not limited to: issuing “no trespass” notices against the guests of black tenants, imposing a “quiet time” and other restrictive rules and regulations against black tenants, verbally harassing black tenants with racial slurs and epithets, conducting intrusive surveillance of black tenants’ activities, entering black tenants’ apartments without cause or notice, disrupting a black tenant’s utility service without cause or notice, and restricting black tenants’ use of public areas of the subject premises; and
- D. Refusing to rent to tenants and evicting tenants on the basis of familial status by enforcing a limit of two (2) children per family at the subject premises.

The United States and intervening plaintiffs allege that the conduct of the defendants as described in the preceding paragraphs constitutes a refusal to rent, a refusal to negotiate for the rental of, or otherwise making unavailable or denying dwellings to persons because of familial status in violation of 42 U.S.C. § 3604(a); discrimination against persons in the terms, conditions or privileges of rental, or in the provision of services or facilities in connection therewith, because of race, color, or familial status, in violation of 42 U.S.C. § 3604(b); the making of statements

that indicate a preference based on race, color, or familial status, in violation of 42 U.S.C. §3604(c); and interference, coercion, or intimidation, in violation of 42 U.S.C. § 3617.

The United States further alleges that the defendants' conduct as described above constitutes a pattern or practice of resistance to the full enjoyment of rights granted by the Act, and a denial to a group of persons of rights granted by the Act, which denial raises an issue of general public importance, in violation of 42 U.S.C. § 3614(a).

All parties desire to avoid costly and protracted litigation and agree that the claims against the defendants should be settled and resolved without the necessity of a trial. The parties have agreed to the entry of this Consent Decree, as indicated by the signatures below, as a full and final resolution of all claims of violation of the Act based on race, color, or familial status that were alleged or could have been alleged in this action pursuant to 42 U.S.C. §§ 3604(a), 3604(b), 3604(c), 3617, and 3614(a), except to the extent provided in Section XIII of this Consent Decree. Furthermore, except to the extent provided in Section XIII of this Consent Decree, this settlement resolves all other claims of discrimination based on race, color, or familial status that were alleged or could have been alleged in this action by the intervening plaintiffs under 42 U.S.C. §§ 1981 and 1982, the Virginia Fair Housing Law, Virginia Code Sections 36-96.1 -36-96.23, and the Virginia Residential Landlord and Tenant Act, Virginia Code Sections 55-248.2 - 55-248.40.

Therefore, it is **ORDERED, ADJUDGED and DECREED** as follows:

II. Injunction

The defendants, their officers, agents, employees, successors, heirs, and assigns, and all persons in active concert or participation with them are hereby enjoined, with respect to the rental of dwellings, from:

- A. Refusing to rent a dwelling, refusing or failing to provide or offer information about a dwelling, or otherwise making unavailable or denying a dwelling to any person because of race, color, or familial status;
- B. Discriminating against any person in the terms, conditions or privileges of renting a dwelling because of race, color, or familial status;
- C. Making statements that indicate a preference based on race, color, or familial status;
- D. Misrepresenting to any person because of race, color, or familial status that any dwelling is not available for inspection or rental when such dwelling is, in fact, so available; or
- E. Coercing, intimidating, threatening, or interfering with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any rights protected by the Act.

III. Nondiscrimination Policies and Procedures

- A. The defendants' responsibilities under this Consent Decree shall apply to each and every dwelling unit in which any defendant has an ownership, management, or other financial interest. Dwelling units subject to this Consent Decree are

hereinafter referred to as “covered dwelling units,” a current list of which is attached as Exhibit A. The defendants’ signatures to this Consent Decree serve as a certification of the completeness and accuracy of this list.

- B. The defendants shall prepare and implement uniform, non-discriminatory policies and procedures (“Nondiscrimination Policies and Procedures”) regarding the rental of covered dwelling units that shall be applied equally to all actual and prospective tenants, regardless of their race, color, or familial status. The text of the Nondiscrimination Policies and Procedures shall be as set forth in Exhibit B, attached hereto. The defendants shall continue to implement the Nondiscrimination Policies and Procedures throughout the term of this Consent Decree.

IV. Notice to Public of Nondiscrimination Policies

Within thirty (30) days after the date of entry of this Consent Decree, the defendants shall take the following steps to notify the public of their Nondiscrimination Policies and Procedures:

- A. Prominently post at all rental offices the defendants currently or subsequently use for the rental of dwellings, a fair housing sign, no smaller than eleven (11) inches by fourteen (14) inches, indicating that all apartments are available for rent on a nondiscriminatory basis. A poster that includes the content required by 24 C.F.R. § 110.25 and otherwise comports with 24 C.F.R. Part 110 will satisfy this requirement.
- B. Whenever any covered dwelling unit is available for rent, the defendants shall prominently post an easily readable “For Rent” or “Vacancy” sign or notice at the

apartment building in which the dwelling unit is vacant. The sign or notice shall include the fair housing logo depicted in 24 C.F.R. § 110.25 (“the fair housing logo”) above the phrase “Equal Housing Opportunity.” Such phrase and fair housing logo shall be prominently displayed and easily readable.

- C. Include the phrase “Equal Housing Opportunity” and the fair housing logo in all rental advertising conducted by the defendants, and/or by their agents or employees, in newspapers, flyers, handouts, telephone directories and other written materials; on radio, television, the Internet, or other media; and on all billboards, signs, pamphlets, brochures and in all other promotional literature.

This requirement does not compel the defendants to advertise in any of these media, but does require compliance with this provision whenever the defendants so advertise. The words and fair housing logo shall be prominently placed and easily readable.

- D. Include the following phrase in the standard rental application and the standard rental agreement used for covered rental dwelling units, using letters of equal or greater size to those of the text in the body of the document:

We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, national origin, religion, disability, or familial status [having children under age eighteen (18)].

- E. Within thirty (30) days of the entry of this Consent Decree, provide written notification to the designated organizations listed in Exhibit C, stating that the defendants rent apartments, providing the names and addresses of all covered dwelling units owned or operated by the defendants, and stating that their policy is

to rent apartments subject to uniform, nondiscriminatory standards to all qualified persons without regard to race, color, national origin, religion, sex, disability, or familial status [having children under age eighteen (18)].

V. Mandatory Training

- A. Within thirty (30) days of the entry of this Consent Decree, the defendants shall provide a copy of this Consent Decree and the Nondiscrimination Policies and Procedures to their employees, agents, and persons acting under their direction, whose duties, in whole or in part, involve the showing, renting, or managing of any covered dwelling units (“employees”) and secure the signed statement from each such employee acknowledging that he or she has received and read the Consent Decree and the Nondiscrimination Policies and Procedures, has had the opportunity to have his or her questions, if any, answered by the defendants’ counsel about the Consent Decree and Nondiscrimination Policies and Procedures, and agrees to abide by the relevant provisions of the Consent Decree and said policies and procedures. This statement shall be in the form of Exhibit D. The defendants’ counsel shall review these policies and procedures with and conduct a question and answer session(s) with such employees, on an annual basis thereafter.
- B. During the term of this Consent Decree, within five (5) days after each new agent or employee becomes involved in showing, renting, or managing any covered dwelling unit(s), the defendants shall provide a copy of this Consent Decree and the Nondiscrimination Policies and Procedures to said agent or employee and secure the signed statement, in the form of Exhibit D, from each agent or

employee acknowledging that he or she has received and read the Consent Decree, has had the opportunity to have his or her questions, if any, about the Consent Decree answered by defendants' counsel, and that he or she has also received and read the Nondiscrimination Policies Procedures, and agrees to abide by said polices and procedures and the relevant provisions of the Consent Decree.

- C. Within one hundred eighty (180) days from the date of entry of this Consent Decree, defendant Henry and each owner or officer of Henry LLC involved in management or administration, and all agents and employees of Henry LLC involved in showing, renting, or managing any covered dwelling units, shall undergo in-person training on the Act, with specific emphasis on discrimination on the bases of race, color, and familial status. The training shall be conducted by an independent, qualified third party, approved in advance by the United States, and any expenses associated with this training shall be borne by the defendants. The defendants shall obtain from the trainer certifications of attendance, executed by each individual who received the training, confirming their attendance, in a form acceptable to the United States. This confirmation shall include the name of the course, the date the course was taken, and the length of the course and/or time within which the course was completed.

VI. Reporting Requirements

- A. Within ninety (90) days of the date of entry of this Consent Decree, and every six (6) months thereafter for the duration of this Consent Decree, the defendants shall

deliver to counsel for the United States¹ a report containing information about the defendants' compliance efforts during the preceding reporting period, including but not limited to: Copies of all mandatory education acknowledgments signed by the defendants, their agents and employees, and all certifications of attendance of each participant in such educational program, pursuant to Section V of this Consent Decree;

- B. During the period in which this Consent Decree is in effect, the defendants shall notify counsel for the United States in writing within fifteen (15) days of receipt of any written or oral complaint against the defendants, or the defendants' agents or employees, regarding discrimination in housing on the basis of race, color, or familial status. If the complaint is written, the defendants shall provide to the United States a copy of it with the notification. The notification shall include the full details of the complaint, including the complainant's name, address, and telephone number. The defendants shall also promptly provide the United States all information it may request concerning any such complaint and shall inform the United States within fifteen (15) days of any resolution of such complaint.

¹All documents or other communications required by this Consent Decree to be sent to counsel for the United States shall be addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, DJ 175-79-439, United States Department of Justice, 950 Pennsylvania Avenue N.W.- G St., Washington, D.C. 20530, or as otherwise directed by the United States. If the Consent Decree requires transmission by facsimile, the defendants shall also send the communication via facsimile to (202) 514-1116.

VII. Compensation of Aggrieved Persons

- A. The intervening plaintiffs have agreed to a confidential monetary settlement and to resolve claims against defendants (“Intervening Plaintiffs’ Settlement”). The monetary relief will be in the amount indicated in the confidential Intervening Plaintiffs’ Settlement, and subject to the terms set forth therein.
- B. The defendants shall pay eighty-four thousand dollars (\$84,000.00) in monetary damages to the Subsequent HUD Complainants that have been identified by the United States. A list of the Subsequent HUD Complainants and the specific amount paid to each such Subsequent HUD Complainant is attached as Exhibit F. Within ten (10) business days after entry of this Consent Decree, the defendants shall deliver to counsel for the United States a check for each Subsequent HUD Complainant, made payable to the Subsequent HUD Complainant in the amount listed next to his or her name in Exhibit F. Upon receipt of the defendants’ checks, counsel for the United States shall send to the defendants’ counsel releases of all claims, legal or equitable, that the Subsequent HUD Complainants have or might have against the defendants relating to the claims asserted in this action, except to the extent provided in Section XIII of this Consent Decree. The release shall be in the form of Exhibit E. Counsel for the United States shall then distribute the individual payments to each of the Subsequent HUD Complainants as required by this paragraph.
- C. Within ten (10) business days after entry of this Consent Decree, the defendants shall deposit the sum of two hundred thirty-five thousand dollars (\$235,000.00)

into an interest-bearing account for the purpose of compensating persons whom the Court determines may have been harmed by the defendants' discriminatory rental practices (hereinafter "aggrieved persons"). In addition, within ten (10) business days of the entry of this Consent Decree, the defendants shall submit proof to the United States that this account has been established and that the funds have been deposited therein.

- D. Within sixty (60) days after entry of this Consent Decree, the defendants shall arrange and publish a Notice to Potential Victims of Housing Discrimination ("Notice") as follows:
1. The Notice shall be published on at least four (4) occasions in the 'A' Section (or News Section) of the Virginian Pilot including at least two (2) occasions on Sunday, in a space measuring at least one-eighth (1/8) of a page;
 2. The Notice shall also be published on at least four (4) occasions in the 'A' Section (or News Section) of the Hampton Roads Business Journal, Inside Business, in a space measuring at least one-eighth (1/8) of a page;
 3. The Notice shall also be published on at least four (4) occasions in the 'A' Section (or News Section) of the New Journal and Guide in a space measuring at least one-eighth (1/8) of a page;
 4. Each Notice shall set forth a summary of the legal and evidentiary contentions of the United States and a general statement of the relief provided under this Consent Decree. Each Notice shall also contain a

statement that the United States seeks information from any persons who claim to have been subjected to discrimination by the defendants on the basis of race, color, or familial status, in connection with inquiring about, applying for or obtaining rental housing, or with respect to the terms or conditions or privileges of rental housing. Each Notice shall invite such persons to contact counsel for the United States concerning their complaints within one hundred twenty (120) days from the entry of this Consent Decree. The Text of this Notice is set forth in Exhibit G;

- a. The defendants shall provide a copy of the newspapers containing each such Notice to counsel for the United States within ten (10) days after publication of the Notice. Within fifteen (15) days of the entry of this Consent Decree, the defendants shall also send a copy of the Notice to each of the organizations identified in Exhibit C.
- b. The defendants shall produce any rental/tenancy records, or any other records in the possession or control of the defendants, their agents or employees, upon notice to the defendants' counsel, which the United States believes to be useful in identifying persons who may be entitled to relief under this Consent Decree. Upon reasonable notice, the defendants shall provide such rental/tenancy records or shall permit representatives of the United States to receive copies of such rental/tenancy records through the

defendants' counsel.

- c. Nothing in this Consent Decree shall prevent the United States from making any additional efforts that it deems appropriate to locate and provide notice to potential aggrieved persons.
- E. Aggrieved persons, as described above in paragraph VII(C), shall have one hundred twenty (120) days from the date of the entry of this Consent Decree to contact the United States in response to this Notice.
- F. The United States shall investigate the claims of the aggrieved persons and, within one hundred eighty (180) days from the entry of this Consent Decree, shall make a preliminary determination of which persons are aggrieved and an appropriate amount of damages that should be paid to each such person. The United States will inform the defendants in writing of its preliminary determinations, together with a copy of a sworn declaration from each aggrieved person setting forth the factual basis of his or her claim. The defendants shall have thirty (30) days from the date on which the United States informs the defendants of its preliminary determinations to review the declarations and provide any documents or information that they believe may refute the claims to the United States.
- G. After receiving the defendants' comments, the United States shall submit its final recommendations to the Court for approval, identifying the aggrieved persons and an appropriate amount of damages that should be paid to each such person, together with a copy of the sworn declarations and any documents or information submitted by the defendants. Within ten (10) days of a Court order providing for

the distribution of funds to aggrieved persons, the defendants shall deliver to counsel for the United States checks payable to the aggrieved persons in the amounts approved by the Court.

- H. In no event shall the aggregate of all checks to the aggrieved persons exceed the sum of two hundred thirty-five thousand dollars (\$235,000.00) plus accrued interest.
- I. When counsel for the United States has received a check from the defendants payable to an aggrieved person and a signed release in the form of Exhibit E from the aggrieved person, counsel for the United States shall deliver the check to the aggrieved person and the original, signed release to counsel for the defendants. No aggrieved person shall be paid until he or she has signed and delivered to counsel for the United States the release as required by this paragraph.
- J. After the satisfaction of paragraphs VII (C-I), above, and expiration of the corresponding time periods, any money remaining in the Settlement Fund shall be released to the defendants.

VIII. Civil Penalty

Within thirty (30) days after the entry of this Consent Decree, the defendants shall pay a total of forty-two thousand dollars (\$42,000.00) to the United States as a civil penalty, pursuant to 42 U.S.C. § 3614(d)(1)(C). This payment shall be delivered to counsel for the United States in the form of a cashier's check payable to the "United States Treasury."

IX. Independent Management Company

- A. For the term of this Consent Decree, the defendants shall retain an independent management company, which may include an independent individual, approved by the United States (hereinafter "Management Company"), to manage the rental of the subject premises and any and all residential rental properties in which either defendant has or acquires a direct or indirect ownership, management, or other financial interest.
- B. The defendants shall retain the Management Company within thirty (30) days of the date of this Consent Decree and shall continue to retain such company for the duration of this Consent Decree. This requirement shall be in effect during any and all such times during the duration of this Consent Decree in which either defendant has a direct or indirect ownership, management, or other financial interest in any residential rental dwelling unit. If after retaining an independent Management Company, the defendants wish to change to another independent management company, the defendants may do so, provided that any such subsequent management company must also be approved in advance by the United States and comply with the requirements for the Management Company as described in this Consent Decree.
- C. The Management Company shall be responsible for all aspects of management of the defendants' properties that are rented or available for rent, including showing and renting units, making repairs, collecting rents, determining whom to rent to and/or evict, and all other aspects of the rental process.

- D. The defendant Dr. Henry shall refrain from entering the premises of the defendants' residential rental properties, except that he may do so: 1. if he is accompanied by a Management Company representative; and 2. when it is necessary for him to inspect the property or show it to a prospective buyer, if that function cannot be reasonably delegated to an agent. However, in exigent circumstances requiring immediate aid or action, the defendant Dr. Henry may enter the premises unaccompanied for the period of the exigency.
- E. The defendants shall report to the United States in the event that either defendant purchases, inherits, or otherwise acquires an interest in any residential real estate property, or sells, transfers or otherwise disposes of any interest in any of the subject properties. Such written 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 or has been transferred.

X. Transfer of Interest in Covered Dwelling Units

- A. If, at any time during the term of this Consent Decree, any defendant acquires a direct or indirect ownership, management, or other financial interest in any other dwelling unit, said unit shall become a "covered dwelling unit" subject to all relevant provisions of this Consent Decree. The defendant(s) shall notify counsel for the United States within thirty (30) days of acquiring said interest. The notice shall include identification of the nature of each defendant's interest in the property; the address; the number of individual dwelling units acquired; the

number of bedrooms in each unit; the names of any existing tenants; and the race or color of each such tenant, based on the good-faith observation of a defendant, employee or agent; and each tenant's family composition, including the number of, ages, and gender of the tenant's children. The defendants shall also include in their notice to counsel for the United States a copy of the documents memorializing the transfer in interest and a copy of the lease(s) for any existing tenant(s).

B. Transfer of Interest in a Dwelling Unit

1. If at any time while this Consent Decree remains in effect, a defendant ("transferring defendant") decides to transfer all or part of said defendant's direct or indirect ownership, management, or other financial interest in a covered dwelling unit to an unrelated party ("purchaser" or "transferee") in an arms-length transaction,² the transferring defendant shall take the following steps:

a. At least thirty (30) days prior to completion of the sale or transfer, provide to each prospective purchaser or other transferee a copy of this Consent Decree along with written notice that the subject dwelling unit(s) is or are subject to Sections II - VI and IX - XII of the Consent Decree;

²For purposes of this Consent Decree, "arms-length transaction" is defined as a transaction such as a contract or agreement that has been arrived at in the marketplace between independent, non-affiliated persons, unrelated by blood or marriage, with opposing economic interests regarding that contract.

- b. At least thirty (30) days prior to completion of the sale or transfer, provide to the United States, by facsimile and first-class mail, written notice of its intent to sell or otherwise transfer the defendant's interest in the dwelling unit(s), along with a copy of the notice sent to each prospective transferee, containing each prospective transferee's name, address and telephone number;
- c. Within thirty (30) days following completion of the sale or other transfer, the transferring defendant shall provide to the United States by first-class mail a copy of the documents memorializing the transfer in interest of the dwelling unit(s);
- d. The transferring defendant shall require the transferee, as a condition of the sale or other transfer, to agree in writing to perform all obligations and be liable for compliance with Sections II - VI and IX - XII of this Consent Decree for the duration of this Consent Decree, with respect to the subject dwelling unit(s). If the sale or other transfer conveys only part of the transferring defendant's interest, the transferring defendant and the transferee shall be jointly and severally liable for any violations of Sections II - VI and IX - XII of this Consent Decree with respect to the relevant dwelling unit(s) for the duration of the Consent Decree;
- e. If the transferring defendant complies with parts (a), (b), (c), and (d), above, and transfers all of defendant's ownership,

management, or other financial interest in the dwelling unit(s) to the purchaser or other transferee, said defendant will thereafter be relieved of the defendant's obligations under Sections II - VI and IX - XII of this Consent Decree, but only with respect to the dwelling units in which all interest was so transferred. The defendant shall otherwise remain liable for compliance with all sections of the Consent Decree and with respect to all other covered dwelling units.

2. If the proposed transfer of interest is not an arms-length transaction, the transferring defendant must comply with each requirement set out in subparagraphs X (B)(1) parts (a) - (d), above. In addition, the transferring defendant shall remain jointly and severally liable, along with the purchaser or other transferee, for any violations of Sections II - VI and IX - XII of this Consent Decree with respect to the relevant dwelling unit(s) for the duration of the Consent Decree. In addition, the transferring defendant shall otherwise remain liable for compliance with the Consent Decree with respect to all other covered dwelling units.

XI. Scope and Duration of Consent Decree

- A. The provisions of this Consent Decree shall apply to all the defendants, their officers, agents, employees, successors, heirs, and assigns, and all persons in active concert or participation with them.
- B. This Consent Decree is effective immediately upon its entry by the Court and shall

remain in effect for three (3) years.

C. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce the terms of the Consent Decree, as well as any other orders, injunctions, or writs issued in this action, ~~after which time the case shall be dismissed with prejudice.~~ - *res*

D. All parties shall be responsible for their own attorney's fees and court costs, except as provided for in Section VII(A), above, and Section XII, below.

XII. Remedies for Non-Compliance, Time for Performance, and Modifications

A. The United States may move the Court to extend the period in which this Consent Decree is in effect if any defendant violates one (1) or more terms of the Consent Decree or if the interests of justice otherwise require an extension of the terms of the Consent Decree.

B. Any time limit for performance imposed by this Consent Decree may be extended by mutual written agreement of the parties. The other provisions of this Consent Decree may be modified by written agreement of the parties or by motion to the Court. If a modification is by written agreement of the parties, then such modification will be effective within thirty (30) days of filing the written agreement with the Court, and shall remain in effect for the duration of the Consent Decree or until such time as the Court indicates through written order that it has not approved the modification.

C. The parties to this Consent Decree shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this

Consent Decree prior to bringing such matters to the Court for resolution.

However, in the event that the intervening plaintiffs or the United States contends that there has been a failure by any of the defendants, whether willful or otherwise, to perform in a timely manner any act required by this Consent Decree or otherwise to comply with any provision thereof, the intervening plaintiffs or the United States may move this Court to impose any remedy authorized by law or equity, including, but not limited to, an order requiring performance of such act or deeming such act to have been performed, and an award of any damages, costs, and attorney's fees which may have been occasioned by the defendant's violation or failure to perform.

- D. The parties agree that in the event that any defendant engages in a violation of the Act after the date of entry of this Consent Decree, such violation shall constitute a "subsequent violation" under 42 U.S.C. § 3614(d).

XIII. Claims Arising from the "White Letter"

- A. Non-party William "Bill" A. White ("White") sent a letter dated May 23, 2005 (the "White Letter") to a number of tenants at 15 ½ Street apartments. The White Letter was on letterhead bearing the name, "American National Socialist Workers Party" (the "ANSWP"). This settlement and release does not limit the United States from later pursuing a claim against White, defendants, or any other person – under any applicable statute, rule, or regulation – arising from the White Letter.
- B. Defendants covenant and warrant that (1) they did not take any act to cause or contribute to the publication of the White Letter, (2) neither they, nor any agent

acting on their behalf, colluded, conspired, or worked with White or any other person to cause or bring about the publication of the White Letter, (3) neither they, nor any agent acting on their behalf, knows White or otherwise has any association with him or the ANSWP, and (4) neither they, nor any agent acting on their behalf, have ever communicated with White or any other agent of the ANSWP.

Dated: ~~April~~ ^{MAY} 12, 2008

^{/s/}
Rebecca Beach Smith
United States District Judge *RBS*
UNITED STATES DISTRICT JUDGE

UNITED STATES OF AMERICA

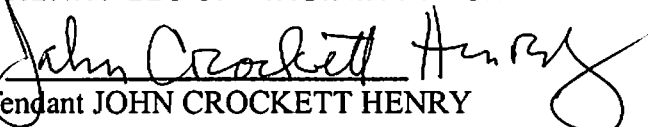
CHUCK ROSENBERG
UNITED STATES ATTORNEY
Eastern District of Virginia

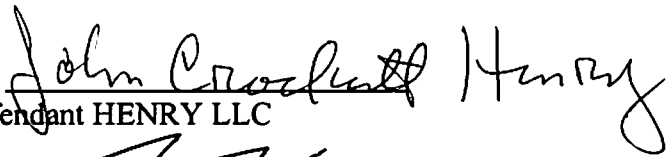
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JOHN CROCKETT HENRY
and HENRY LLC OF VIRGINIA BEACH

By: 
Defendant JOHN CROCKETT HENRY

By: 
Defendant HENRY LLC

By: 
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Civil Action No. 2:07cv342

Consent Decree
United States, et al. v. John Crockett Henry, et al.

Exhibit A

LIST OF COVERED DWELLING UNITS

<u>Address</u>	<u>No. of Rental Units</u>
815 15 ½ Street, Virginia Beach, Virginia	3
817 15 ½ Street, Virginia Beach, Virginia	4
819 15 ½ Street, Virginia Beach, Virginia	3
821 15 ½ Street, Virginia Beach, Virginia	5
823 15 ½ Street, Virginia Beach, Virginia	5
825 15 ½ Street, Virginia Beach, Virginia	6
827 15 ½ Street, Virginia Beach, Virginia	4

Exhibit B

NONDISCRIMINATION POLICY

It is the policy of Henry LLC of Virginia Beach and of John Crockett Henry, Jr. to comply with Title VIII of the Civil Rights Act of 1968, as amended (commonly known as the Fair Housing Act), by ensuring that apartments are available to all persons without regard to race, color, religion, national origin, disability, familial status or sex. This policy means that, among other things, Henry LLC and John Crockett Henry, Jr. and all their agents or employees with the responsibility for renting, managing or administering any dwelling units must not discriminate in any aspect of the rental of dwellings against qualified applicants or tenants because of race, color, religion, national origin, disability, familial status [having children under age eighteen (18)], or sex. Such agents and employees may not:

A. Refuse to rent after the making of a bona fide offer, or refuse to negotiate for the rental of, or otherwise make unavailable or deny a dwelling to any renter because of race, color, religion, national origin, disability, familial status, or sex;

B. Discriminate against any person in the terms, conditions or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, national origin, disability, familial status, or sex;

C. Make, print or publish, or cause to be made, printed or published, any notice, statement or advertisement, with respect to the rental of a dwelling that indicates a preference, limitation, or discrimination, or an intent to make such a preference, limitation or discrimination, based on race, color, religion, national origin, disability, familial status, or sex;

D. Represent to any person, because of race, color, religion, national origin, disability, familial status or, sex, that a dwelling is not available for rental when such dwelling is in fact available; or

E. Coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by the Fair Housing Act.

Any agent or employee who fails to comply with this non-discrimination policy will be subject to appropriate disciplinary action, which may include termination and/or eviction. Any action taken by an agent or employee that results in unequal conditions for, service to, or treatment of tenants on the basis of race, color, religion, national origin, disability, familial status, or sex may constitute a violation of state and federal fair housing laws.

Exhibit C

LIST OF ORGANIZATIONS TO RECEIVE NOTICE FROM DEFENDANTS

The Southeastern Tidewater Opportunity Project, Inc.
2551 Almeda Avenue
Norfolk, Virginia 23513-2443

Newport News Office of Human Affairs
392 Maple Avenue
Newport News, Virginia 23607

Catholic Charities of Eastern Virginia
5361-A Virginia Beach Boulevard
Virginia Beach, Virginia 23452

Portsmouth Redevelopment and Housing Authority
801 Water Street
Suite 200
Portsmouth, Virginia 23705

Exhibit D

**EMPLOYEE/AGENT ACKNOWLEDGMENT OF RECEIVING AND
REVIEWING CONSENT DECREE AND NONDISCRIMINATION
POLICIES AND PROCEDURES**

I have received a copy of the Consent Decree entered in United States v. John Crockett Henry, et al., Civil No. 2:07cv342 (E.D. Va.). I have also received a copy of my employer's [or contractor's] Nondiscrimination Policies and Procedures. The Consent Decree and the Nondiscrimination Policies and Procedures were explained to me by my employer's [or contractor's] attorney, and he or she answered all of my questions concerning these documents. I have read and understood the Consent Decree and the Nondiscrimination Policies and Procedures.

DATE

EMPLOYEE/AGENT NAME (PRINT)

EMPLOYEE/AGENT SIGNATURE

Exhibit E

RELEASE

In consideration for the parties' agreement to the terms of the Consent Decree entered in United States v. John Crockett Henry, et al., Civil No. 2:07cv342 (E.D. Va.), and the defendants' payment to me of \$ _____, pursuant to the Consent Decree, I hereby release and forever discharge all claims 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 the housing discrimination alleged in that litigation up to and including the date of execution of this release, that I may have against any of the defendants, their officers, agents, employees, successors, heirs, and assigns.

Executed this ____ day of _____, 2008.

[Print Name]

[Signature]

Exhibit F

SUBSEQUENT HUD COMPLAINANTS AND AMOUNTS TO BE PAID

<u>Name</u>	<u>Total Amount Due</u>
[REDACTED]	\$28,000.00
[REDACTED]	\$28,000.00
[REDACTED]	\$28,000.00



Exhibit G

**NOTICE TO POTENTIAL VICTIMS OF HOUSING
DISCRIMINATION BECAUSE OF RACE, COLOR, OR
FAMILIAL STATUS AT THE
15½ STREET APARTMENTS IN
VIRGINIA BEACH, VIRGINIA**

On _____, 2008, the United States District Court for the Eastern District of Virginia entered a Consent Decree resolving a housing discrimination lawsuit brought by the United States and by several aggrieved persons against John Crockett Henry and Henry LLC of Virginia Beach. The lawsuit alleged that the defendants engaged in a pattern or practice of housing discrimination based on race, color, or familial status at the 15½ Street Apartments in Virginia Beach, Virginia, in violation of the federal Fair Housing Act and other laws. The defendants denied the allegations, and the parties agreed to enter into a Consent Decree rather than go to trial.

Under the Consent Decree, a Settlement Fund has been established to compensate persons whose rights may have been violated by one (1) or more of the defendants listed above. You may qualify to recover from this Settlement Fund if you asked about renting, applied to rent, or lived in the 15½ Street Apartments in Virginia Beach, Virginia and, – *because of your race, color, or familial status [having children under the age of eighteen (18)], or that of someone who resided or would have resided with you* – you were denied an opportunity to rent an apartment; were not informed of or offered all available apartments; or were otherwise discriminated against in connection with your tenancy or attempt to rent a unit.

*If you believe you have been discriminated against because of
race, color, or familial status*

in connection with any of the above-listed properties, please contact the United States

Department of Justice at: 1-800-896-7743, mailbox 6.

*You may also write to: United States Department of Justice, Civil Rights Division
Housing and Civil Enforcement Section, 950 Pennsylvania Ave. N.W. -G St, Washington, DC
20530. Attn: 175-79-439*

**You must call or write on or before [no more than 120 days after _____, 2008,] and
your message or letter must include your name, address, and, if possible, at least TWO (2)
telephone numbers where you may be reached.**