

FILED

OCT 30 2008

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY _____
DEPUTY CLERK

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

UNITED STATES OF AMERICA,

Petitioner,

v.

**HARTLAND REALTY, Inc. and
KRISTI TAYLOR,**

Respondents.

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CIVIL NO. W08CA311

**PETITION TO ENFORCE SUBPOENA ISSUED BY THE UNITED STATES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Petitioner, United States of America, respectfully requests that this Court issue an Order directing that Respondents Hartland Realty, Inc. and Kristi Taylor produce documents requested in an administrative Subpoena *Duces Tecum* issued by the United States Department of Housing and Urban Development ("HUD"). This Petition is made pursuant to 42 U.S.C. § 3614(c).

In support of this Petition, the United States of America states as follows:

Parties

1. Petitioner is the United States of America.
2. Respondents are Hartland Realty, Inc., 110 W. Rancier Avenue, Killeen, Texas 76541-3347 ("Hartland Realty"), and Kristi Taylor, 110 W. Rancier Avenue, Killeen, Texas 76541-3347. Both Respondents are located within this judicial district and division.
3. Kristi Taylor is, and at all times mentioned herein has been, an employee of Hartland Realty.
4. Hartland Realty is the property management company for 2210A and 2210B Hunt Dr., Killeen, Texas 76542 ("subject property").

Jurisdiction

5. This Court has jurisdiction over this action under 42 U.S.C. § 3614(c), which provides that the Attorney General, on behalf of the Secretary of HUD, may enforce an administrative subpoena issued by HUD under the Fair Housing Act, 42 U.S.C. §§ 3601-3619.

6. Venue is proper in this Court under 28 U.S.C. §1391(b). Venue is also proper under 42 U.S.C. § 3614(c), which provides that an action to enforce an administrative subpoena issued by HUD may be brought “in appropriate proceedings in the United States district court for the district in which the person to whom the subpoena was addressed resides, was served, or transacts business.” The Subpoena was served on Hartland Realty and Kristi Taylor at 110 W. Rancier Avenue, Killeen, Texas. Attached is a true and correct copy of the Subpoena *Duces Tecum* and the Return of Service. See Sweeney Decl. ¶ 5, Exhibit C.¹

Statutory Background

7. HUD is the federal agency charged with the administration and enforcement of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (“Fair Housing Act”). HUD is responsible for, *inter alia*, investigating charges of unlawful housing discrimination. 42 U.S.C. §§ 3610, 3611. In connection with such investigations, the Secretary of HUD may issue subpoenas. 42 U.S.C. § 3611(a).

8. Title 42 U.S.C. § 3614(c) authorizes the Attorney General to seek judicial enforcement of administrative subpoenas issued by HUD through the initiation of appropriate proceedings before the United States district courts.

Factual Background

9. HUD has initiated an investigation of Hartland Realty and Kristi Taylor, based upon the administrative complaint captioned: *Ronald and Joanne Caines v. Hartland Realty*,

¹ The Declaration of Garry L. Sweeney is attached as Exhibit 1.

Inc., No. 06-07-0707-8. The amended complaint alleges that Respondents discriminated against Ronald and Joanne Caines because of their race in violation of the Fair Housing Act. The amended complaint further alleges that Respondents denied the Caines's the opportunity to rent the subject property because of their race. Attached is a true and correct copy of the Caines's amended complaint. See Sweeney Decl. ¶ 2, Exhibit A.

10. Specifically, in or about April 2007, Kristi Taylor allegedly refused to provide the Caines's with a key to inspect the subject property. Id. Exhibit A, p. 7. In addition, Taylor allegedly refused to provide the Caines's with a rental application for the property because the owners of the property wanted their tenants to have "A-1 credit." Id.

11. HUD's investigation has revealed that Andrew and Beatrice Thompson (the "Thompsons") own the subject property. Sweeney Decl. ¶ 3. The Thompsons also own a rental property located at 1709 Willowbend, Killeen, Texas ("Willowbend property"). Id.

12. The Respondents have had a Management Agreement with the Thompsons since August 1985 through at least October 2007. Id. The Management Agreement included both the subject property and the Willowbend property. Id.

Issuance and Service of the Subpoena

13. Between May 23, 2007 and May 28, 2008, HUD sent Respondents several written requests for information relevant to the investigation. HUD's written requests of August 16, 2007 and May 28, 2008 sought the information requested in the Subpoena. Id. ¶¶ 4-5. Through the written requests, HUD sought Respondents' voluntary cooperation with the investigation. HUD received little or no cooperation from the Respondents. Id. ¶ 4. Attached are true and correct copies of the information requests sent by HUD. Id., Exhibit B.

14. On July 14, 2008, Respondents were served with a Subpoena *Duces Tecum*. The

Subpoena contained six (6) narrowly-tailored requests for information relevant to HUD's investigation. Id. ¶ 5, Exhibit C, p. 2.

15. HUD seeks an Order from this Court directing that Respondents provide complete responses to Requests Nos. 3, 4, 5, and 6. Those Requests are as follows:

3. Provide a list of all the properties that were managed or controlled by Kristi Taylor, Property Manager, during the period January 1, 2005, to July 1, 2008. Include the following documents: (a) name of the properties; (b) name of the owners; (c) mailing addresses; and (d) telephone numbers.
4. Provide the following documents from the files of successful and non-successful applicants for the property located at 1709 Willowbend, Killeen, TX during the period January 1, 2005, to July 1, 2008: tenants' rental application packet including (a) drivers' license, (b) military identification card, and (c) credit report for the property during the period January 1, 2005, to July 1, 2008.
5. Provide copies of all rental applications and supporting documents that pertain to potential applicants for Hartland Realty, Inc., for properties that were managed by Kristi Taylor, Property Manager, during the period January 1, 2005, to July 1, 2008. Include the following documents: (a) telephone logs of initial inquiries, (b) written notes of conversations, (c) information cards, and (d) guest sign-in register.
6. Provide copies of the following documents from the files of successful and non-successful applicants of Hartland Realty, Inc. during the period January 1, 2005, to July 1, 2008. Include tenants' rental application packet and the following documents: (a) drivers' license, (b) military identification card, and (c) credit report.

Id.

16. On July 28, 2008, Respondents served their objections to the Subpoena. Their response consists of boilerplate objections based on unfounded claims of attorney work product, invasion of privacy, undue burden, relevance, and admissibility. Attached is a true and correct copy of Respondents' objections. Id. ¶ 6, Exhibit D.

17. The only information Respondents provided in response to the Subpoena were "rent lists." See Response to Request No. 3. However, Respondents' response to Request No. 3

is incomplete because they did not provide the names of the properties, the name of the owners, or the telephone numbers of the properties, as requested. *Id.* ¶ 6.

18. By letter dated September 4, 2008, HUD referred this matter to the Housing and Civil Enforcement Section, Civil Rights Division, which in turn referred this matter to the Office of the United States Attorney for the Western District of Texas. HUD requested that the Attorney General initiate appropriate proceedings to enforce the subpoena pursuant to 42 U.S.C. § 3614(c).

19. On September 11, 2008, the undersigned counsel spoke with Respondents' attorney to discuss whether Respondents would reconsider their objections and provide the requested information. The undersigned explained that the government would have no choice but to file a petition to enforce the Subpoena if the parties could not resolve this issue informally. Counsel for the Respondents stated that he would discuss the Subpoena with the Respondents. However, as of the filing of this Petition, Respondents still have not produced complete responses to Requests Nos. 3, 4, 5, and 6 in the Subpoena.

Law and Argument

20. Respondents' attorney work product objections are baseless. Title 42 U.S.C. § 3611(a) states that "subpoenas and discovery may be ordered to the same extent and subject to the same limitations as would apply if the subpoenas or discovery were ordered or served in aid of a civil action in the United States district court for the district in which the investigation is taking place." Under FED.R.CIV.P. 45(d)(2)(A)(ii), a person responding to a subpoena who asserts a privilege or protection must "describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim."

Respondents have not met their burden of establishing attorney work product protection. Respondents have not described the withheld documents in any detail. Moreover, the documents requested are not the type of documents that typically fall within the attorney work product doctrine. The requests seek lists of all properties managed by Kristi Taylor and application materials submitted by prospective renters. None of those documents were created by or for an attorney in anticipation of litigation. Thus, it is far from clear how the documents could be protected by the attorney work product doctrine.

21. Respondents' privacy objections are also unfounded. Respondents have not identified any specific statutory provision or common law doctrine that affords them privacy protection in the requested materials. Instead, they vaguely assert protection based on "any [of] the federal or state statutes regarding privacy." See Sweeney Decl. ¶ 6, Exhibit D, Responses to Requests Nos. 3, 4, 5, and 6. To the extent Respondents may be relying on state law privacy protections, the federal Fair Housing Act preempts applicable state law provisions. EEOC v. City of Orange, Texas, 905 F.Supp. 381, 382 (E.D. Tex. 1995).

22. Moreover, Respondents cannot resist discovery by asserting unsubstantiated claims of undue burden and financial hardship. To aid the Court in ruling on their objections, Respondents must, at a minimum, provide an affidavit stating: (1) the approximate number of documents at issue; (2) the approximate number of hours it would take to respond to the Subpoena; (3) the costs that Respondents would incur in responding to the Subpoena; and (4) the Respondents' gross income for the years at issue (*i.e.*, 2005 to 2008). Then, and only then, would the Court be in a position to assess the Respondents' undue burden and financial hardship objections.

Contrary to Respondents' assertions, the requests are narrowly-tailored and are limited to

a reasonable timeframe. All four requests at issue seek documents for the January 1, 2005 to July 1, 2008 timeframe. The requests also seek discrete categories of information that should be easily retrievable (*i.e.*, a list of the properties managed by Kristi Taylor, application materials for the Willowbend property, application materials for properties managed by Taylor, etc.). Instead of proposing alternatives to minimize their alleged burden and alleged financial hardship, Respondents assert blanket objections that are dubious at best.²

Even if Respondents could provide facts, under oath, to substantiate their objections, Circuit law is clear that it is reversible error for a trial court to require a government agency to “restructure its subpoena merely because full and complete compliance [is] arguably troublesome and expensive to the employer,” or “merely because [the subpoena] required the company to make compilations.” New Orleans Public Service, Inc. v. Brown, 507 F.2d 160, 164 (5th Cir. 1975). As the Fifth Circuit has stated:

No doubt an investigation may, as the bill asserts, stir up some feeling among employees and cause some inconvenience by taking witnesses from their work, but these things are incident to every sort of trial and are part of the social burden of living under government. They are not the irreparable damage which equity will interfere to prevent. .

Id. at 165 (quoting Bradley Lumber Co. of Arkansas v. Nat’l Labor Relations Bd., 84 F.2d 97 (5th Cir. 1936)); see also Hurt v. Dime Savings Bank, 151 F.R.D. 30, 31 (E.D.N.Y. 1993) (“the cost to businesses of complying with governmental subpoenas are normal costs of doing business which should be borne by the company”).

23. Respondents’ relevancy and admissibility objections are also without merit.

Under the Federal Rules, discovery is not limited to matters that are admissible at trial.

FED.R.CIV.P. 26(b)(1). Rather, the information sought need only be “reasonably calculated to

² Respondents cannot seriously maintain that providing the name of the owners, the mailing addresses, and the telephone numbers of the properties covered by Request No. 3 is unduly burdensome.

lead to the discovery of admissible evidence.” FED.R.CIV.P. 26(b)(1). Regarding government investigations into allegations of discrimination, the Fifth Circuit has stated that “liberality of discovery is an essential element in such an investigation.” Brown, 507 F.2d at 165; see also New Orleans Steamship Assoc. v. EEOC, 680 F.2d 23, 26 (5th Cir. 1982) (stating that relevancy during a preliminary investigation into possible violations of the federal antidiscrimination laws “is to be interpreted expansively”); EEOC v. The Quadrant Club, Inc., No. CA 3-84-0329-R, 1984 WL 48980 (N.D.Tex. June 7, 1984) (“courts have broadly construed the relevancy requirement with respect to preliminary investigations into possible discriminatory practices”).

In this matter, information regarding the properties managed by Kristi Taylor (Request No. 3) and application materials for properties managed by Taylor (Request No. 5) are reasonably calculated to lead to the discovery of admissible evidence because Taylor is the person who allegedly discriminated against Ronald and Joanne Caines.

Moreover, each of the four requests at issue seeks information relating to Respondents’ treatment of similarly situated applicants and/or comparative/statistical evidence regarding other applicants and other properties managed by Hartland Realty. That type of information is reasonably calculated to lead to the discovery of admissible evidence because it may serve as a basis for inferring discriminatory intent. See EEOC v. The Quadrant Club, Inc., No. CA 3-84-0329-R, 1984 WL 48980 (N.D.Tex. June 7, 1984) (stating that courts have “recognized that, in discrimination cases, the EEOC must be able to obtain comparative data in order to thoroughly investigate discrimination charges. . . the EEOC could not reasonably be expected to discern discrimination by examining only data related to the two individuals involved in the incident giving rise to the charge”).

Relief Requested

24. For the foregoing reasons, the Subpoena *Duces Tecum* is proper and should be enforced by this Court. Accordingly, the United States of America respectfully requests enforcement of the Subpoena as follows:

- a. That Respondents Hartland Realty and Kristi Taylor be ordered to produce complete responses to the information requested in Request Nos. 3, 4, 5, and 6 of the Subpoena, within eleven (11) days after being served with an appropriate Order from this Court; or
- b. If Respondents do not produce timely and complete responses to Request Nos. 3, 4, 5, and 6, that they be ordered to appear and show cause before this Court why they should not be held in contempt for failing to produce the information ordered by this Court; and
- c. That the Court grant the United States of America such other and further relief as may be necessary and proper to effectuate the Court's Order.


A proposed Order is attached for the Court's review and entry.

DATED: October 29, 2008

Respectfully submitted,

JOHNNY SUTTON
United States Attorney

By:



JOSEPH C. RODRIGUEZ
Assistant United States Attorney
601 NW Loop 410, Suite 600
San Antonio, Texas 78216-5597
Ohio Bar No. 0072958
Tel. (210) 384-7305
Fax. (210) 384-7312
ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

I hereby certify that on this 29 day of October 2008, I served a true and correct copy of the foregoing, via certified mail, to the following:

Hartland Realty, Inc., 110 W. Rancier Avenue, Killeen, Texas 76541

Kristi Taylor, 110 W. Rancier Avenue, Killeen, Texas 76541

Jay R. Beatty, Michalk, Beatty & Alcozer, 3106 South W.S. Young Drive, Bldg., D., Suite 401, Killeen, Texas 76542



JOSEPH C. RODRIGUEZ
Assistant United States Attorney

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION

UNITED STATES OF AMERICA,

Petitioner,

v.

HARTLAND REALTY, Inc. and
KRISTI TAYLOR,

Respondents.

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CIVIL NO. **W08CA311**

ORDER

On this day the Court considered the United States of America's Petition to Enforce Subpoena Issued by the United States Department of Housing and Urban Development. After careful consideration, the Court grants the Petition.

It is therefore Ordered that Respondents Hartland Realty, Inc. and Kristi Taylor produce, within eleven (11) days after service of this Order, complete responses to the information requested in Request Nos. 3, 4, 5, and 6 of the Subpoena. Such information shall be transmitted to William J. Daley, Regional Counsel, Office of General Counsel, U.S. Department of Housing and Urban Development, 801 Cherry Street, Unit #45, Suite 2500, Fort Worth, Texas 76102.

In the event Respondents do not produce timely and complete responses to the requested information as set forth above, it is further Ordered that Respondents appear before the United States District Court for the Western District of Texas, Waco Division, 800 Franklin Avenue, Waco, Texas 76701, Courtroom No. _____, on the _____ day of _____, 2008 at _____ .m., and show cause why they should not be held in contempt for failing to produce the information designated in this Order.

Signed and entered this _____ day of _____, 2008.

Honorable Walter S. Smith, Jr.
Chief United States District Judge

W08CA311

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS
United States of America

DEFENDANTS
Hartland Realty, Inc. and Kristi Taylor

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant Bell
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

(c) Attorney's (Firm Name, Address, and Telephone Number)
U.S. Attorney's Office, Western District of Texas, 601 NW Loop 410, Suite 600, San Antonio, Texas 78216

Attorneys (If Known)
Jay R. Beatty, Michalk, Beatty & Alcozer, 3106 South W.S. Young Drive, Bldg. D, Suite 401, Killeen, Texas 76542

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government Not a Party)
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State
Citizen of Another State
Citizen or Subject of a Foreign Country
PTF DEF
1 1
2 2
3 3
Incorporated or Principal Place of Business In This State
Incorporated and Principal Place of Business In Another State
Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Property Damage, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from another district (specify)
6 Multidistrict Litigation
7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
42 USC 3614(c)
Brief description of cause:
Petition to enforce administrative subpoena issued by Department of Housing and Urban Development

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 10/29/08 SIGNATURE OF ATTORNEY OF RECORD Joseph Rodriguez, AUSA

FOR OFFICE USE ONLY RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION

UNITED STATES OF AMERICA,

Petitioner,

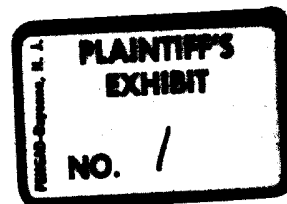
v.

HARTLAND REALTY, Inc. and
KRISTI TAYLOR,

Respondents.

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CIVIL NO.



DECLARATION OF GARRY L. SWEENEY

I, Garry L. Sweeney, declare as follows:

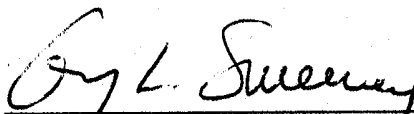
1. I have been employed as the Director of the Fort Worth Regional Office of Fair Housing and Equal Opportunity with the United States Department of Housing and Urban Development ("HUD") since 2001. I make this declaration voluntarily and based upon personal knowledge.
2. My duties as Director include management of fair housing and equal opportunity in Region 6, which consists of New Mexico, Oklahoma, Arkansas, Louisiana, and Texas. I am responsible for making determinations in all complaints filed in this region under the federal fair housing laws. The Fort Worth office is investigating a complaint and amended complaint filed by Ronald and Joanne Caines against Hartland Realty, Inc. ("Hartland Realty") and Kristi Taylor titled, *Ronald and Joanne Caines v. Hartland Realty, Inc.*, No. 06-07-0707-8. Attached as Exhibit A is a true and correct copy of the Caines's complaint and amended complaint.
3. HUD's investigation has revealed that Andrew and Beatrice Thompson (the "Thompsons") own 2210A and 2210B Hunt Dr., Killeen, Texas 76542 ("subject property"). The Thompsons also own a rental property located at 1709 Willowbend, Killeen, Texas ("Willowbend property"). The Respondents had a Management Agreement with the Thompsons since August 1985 through at least October 2007. The Management Agreement included both the subject property and the Willowbend property.
4. Between May 23, 2007 and May 28, 2008, HUD sent Respondents several written requests for information relevant to the investigation. Those written requests included the information sought in the Subpoena *Duces Tecum* that is at issue. Through the written requests, HUD sought Respondents' voluntary cooperation with the investigation. HUD received little or no cooperation from the Respondents. Attached as Exhibit B are true and correct copies of the information requests that HUD sent the Respondents.

5. HUD served Respondents with the Subpoena on July 14, 2008. Attached as Exhibit C is a true and correct copy of the Subpoena *Duces Tecum* and the Return of Service. The information sought in Requests No. 3, 4, 5, and 6 in the Subpoena were previously sought in the following HUD letters: Request No. 3: item 1 in HUD's August 16, 2007 letter and item 4 in HUD's May 28, 2008 letter; Request No. 4: item 2 in HUD's May 28, 2008 letter; Request No. 5: item 4 in HUD's May 28, 2008 letter; and Request No. 6: item 1 in HUD's May 28, 2008 letter. See Exhibit B.

6. On July 28, 2008, Respondents served their objections to the Subpoena. Attached as Exhibit D is a true and correct copy of the Respondents' objections. The only information that Respondents provided in response to the Subpoena was a partial response to Request No. 3. Although Respondents provided the street names for the properties, they did not provide the names of the properties, the name of the owners, or the telephone numbers of the properties as requested.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Signed this 24th day of September 2008.



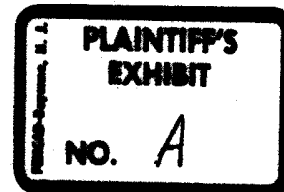
Garry L. Sweeney
Director

Fort Worth Regional Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development

April 24, 2007

HOUSING DISCRIMINATION COMPLAINT

CASE NUMBER: 06-07-0707-8



1. **Complainants**

Joanne Caines
3214 Carpet Lane
Killeen, TX 76549

2. **Other Aggrieved Persons**

Ronald Caines, Sr.
3214 Carpet Lane
Killeen, TX 76549

3. **The following is alleged to have occurred or is about to occur:**

Discriminatory refusal to rent.

4. **The alleged violation occurred because of:**

5. **Address and location of the property in question (or if no property is involved, the city and state where the discrimination occurred):**

2210A & B Hunt
Killeen, TX 76542

6. **Respondent(s)**

Hartland Realty, Inc.
110 W. Rancier Ave.
Killeen, TX 76541-3347

Representing Hartland Realty, Inc.:

Guyon A. Taylor, Registered Agent
Hartland Realty, Inc.
110 West Rancier
Killeen, TX 76541
Phone: Fax:

7. **The following is a brief and concise statement of the facts regarding the alleged violation:**

①

The complainant stated that she and her husband are African Americans who inquired about renting a duplex on 4/6/2007. She stated that they were qualified to rent the duplex. The white lady in the office told them that she would save them time, gas, and money because the owner of the property wanted the applicant to have A-1 credit. She refused to provide them with a key to look at the property and refused to give them an application. She feels that if they had been white, they would not have been treated in this manner. She believes that they were denied the opportunity to apply for the duplex and denied rental based on their race.

8. The most recent date on which the alleged discrimination occurred:

April 6, 2007.

9. Types of Federal Funds identified:

None.

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:

Section 804a or f of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988.

Please sign and date this form:

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

Joanne Caines
Joanne Caines

5/1/07
(Date)

N O T E : HUD WILL FURNISH A COPY OF THIS COMPLAINT TO THE PERSON OR ORGANIZATION AGAINST WHOM IT IS FILED.

AMENDMENT #1

HOUSING DISCRIMINATION COMPLAINT

CASE NUMBER: 06-07-0707-8

INQUIRY NUMBER: 230807

1. Complainants

Ronald & Joanne Caines
3214 Carpet Lane
Killeen, TX 76549

2. Other Aggrieved Persons

None

3. The following is alleged to have occurred or is about to occur:

Discriminatory refusal to rent

4. The alleged violation occurred because of:

Race, Black

5. Address and location of the property in question (or if no property is involved, the city and state where the discrimination occurred):

2210 Hunt Drive (A & B)
Killeen, TX 76542

6. Respondents

✓ Kristi Taylor, Property Manager
Hartland Realty, Inc.
110 W. Rancier Avenue
Killeen, TX 76541-3347

Representing Kristi Taylor, Property Manager:

Jay R. Beatty, Attorney at Law
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542
Phone: 254-526-3024 Fax: 254-526-2545

AMENDMENT #1

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AMENDMENT #1

Hartland Realty, Inc.
c/o Jackie Taylor
110 W. Rancier, Avenue
Killeen, TX 76541-3347

Billy Guyon Taylor, Partners, LTD.
Billy Guyon Taylor, General Partner
Guyon Anthony Taylor, General Partner
2935 County Road 114
Copperas Cove, TX 76522-7009

Andrew & Beatrice W. Thompson
102 E. Briarwood Lane
Harker Heights, TX 76548-1617

Registered Agent:

Guyon A. Taylor
Hartland Realty, Inc.
110 West Rancier
Killeen, TX 76541

7. The following is a brief and concise statement of the facts regarding the alleged violation:

Complainants stated that they are African Americans who inquired about renting a duplex on April 6, 2007. They stated that they were qualified to rent the duplex. Kristi Taylor, Property Manager, told them that she would save them time, gas, and money because the owner of the property wanted the applicant to have "A-1 credit." Kristi Taylor, Property Manager, refused to provide Complainants with a key to look at the property and refused to give them an application. Complainants believe if they had been white, they would not have been treated in this manner. Complainants believe they were denied the opportunity to apply for the double and denied rental based on their race, Black.

8. The most recent date on which the alleged discrimination occurred:

April 6, 2007

9. Types of Federal Funds identified:

None

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:

Section 804a or f of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988.

AMENDMENT #1

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AMENDMENT #1

Please sign and date this form:

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

Ronald Caines 10-2-07
Ronald Caines (Date)

Joanne Caines 10/2/07
Joanne Caines (Date)

N O T E: HUD WILL FURNISH A COPY OF THIS COMPLAINT TO THE PERSON OR ORGANIZATION AGAINST WHOM IT IS FILED.

AMENDMENT #1

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AMENDMENT #2

HOUSING DISCRIMINATION COMPLAINT

CASE NUMBER: 06-07-0707-8 (Title VIII)
INQUIRY NUMBER: 230807

1. Complainants

Ronald & Joanne Caines
3214 Carpet Lane
Killeen, TX 76549

2. Other Aggrieved Persons

None

3. The following is alleged to have occurred or is about to occur:

Discriminatory refusal to rent

4. The alleged violation occurred because of:

Race, Black

5. Address and location of the property in question (or if no property is involved, the city and state where the discrimination occurred):

2210 Hunt Drive (A & B)
Killeen, TX 76542

6. Respondents

Kristi Taylor, Property Manager
Hartland Realty, Inc.
110 W. Rancier Avenue
Killeen, TX 76541-3347

Representing Kristi Taylor, Property Manager:

Jay R. Beatty, Attorney at Law
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542
Phone: 254-526-3024 Fax: 254-526-2545

AMENDMENT #2

6

AMENDMENT #2

Hartland Realty, Inc.
110 W. Rancier, Avenue
Killeen, TX 76541-3347

Representing Hartland Realty, Inc.:

Jay R. Beatty, Attorney at Law
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542
Phone: 254-526-3024 Fax: 254-526-2545

Registered Agent:

Guyon Anthony Taylor
Hartland Realty, Inc.
110 West Rancier
Killeen, TX 76541

Representing Guyon Anthony Taylor

Jay R. Beatty, Attorney at Law
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542
Phone: 254-526-3024 Fax: 254-526-2545

7. The following is a brief and concise statement of the facts regarding the alleged violation:

Complainants stated that they are African Americans who inquired about renting a duplex on April 6, 2007. They stated that they were qualified to rent the duplex. Kristi Taylor, Property Manager, told Complainants that she would save them time, gas, and money because the owners of the subject property wanted the applicant to have "A-1 credit." Kristi Taylor, Property Manager, refused to provide Complainants with a key to inspect the vacant property and refused to give them an application. Complainants believe if they had been white, they would not have been treated in this manner. Complainants believe they were denied the opportunity to inspect the vacant unit and denied a rental application based on their race, Black.

AMENDMENT #2

7

AMENDMENT #2

8. The most recent date on which the alleged discrimination occurred:

April 6, 2007

9. Types of Federal Funds identified:

None

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:

Section 804a or f of Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Act of 1988.

Please sign and date this form:

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

Ronald Caines

Ronald Caines

1/18/08
(Date)

Joanne Caines

Joanne Caines

1/18/08
(Date)

N O T E: HUD WILL FURNISH A COPY OF THIS COMPLAINT TO THE PERSON OR ORGANIZATION AGAINST WHOM IT IS FILED.

AMENDMENT #2

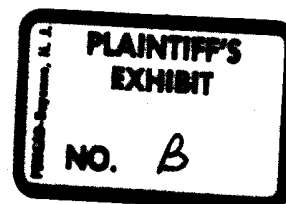
8



U.S. Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Telephone: (817) 978-5900 Facsimile: (817) 978-5878

May 23, 2007

Kristi Taylor, Property Manager
Hartland Realty
110 W. Rancier
Killeen, TX 76541



Subject: Joanne Caines v. Hartland Realty
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807

Dear Ms. Taylor:

The Fair Housing Act (the Act) requires this Office to investigate complaints of housing discrimination, unless and until the parties agree to resolve the complaint through the process of conciliation, or the Assistant Secretary determines whether or not reasonable cause exists to believe that a discriminatory act occurred, or was about to occur. Title 24, Code of Federal Regulations, Subpart D, Section 103.215 (a), which implements the Act, states:

"In conducting investigations under this part, the Assistant Secretary will seek the voluntary cooperation of all persons to obtain access to premises, records, documents, individuals, and other possible sources of materials; and to take and record testimony or statements of persons reasonably necessary for the furtherance of the investigation."

This letter represents an effort to seek your voluntary cooperation in permitting the investigator to gain access to information that is necessary to further this investigation.

Pursuant to Section 810 (a)(1)(B)(iv) of the Act, and Section 103.215 (a) of the implementing regulations, we request that you answer the following questions in writing, and produce the documents that have been identified in this letter:

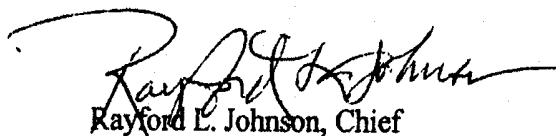
- 1) Provide the names of all persons with ownership interest of the subject property. Provide a list of all the properties in the state of Texas that are owned by these owners. If corporate, provide the name of the statutory agents. Provide a list of all federal funds the respondents receive.

- 2) Provide a copy of management's written rules, policies and procedures regarding rental used in the complainant's case.
- 3) Provide a copy of the newspaper ad advertising the duplex located at 2210 Hunt Dr., Killeen, TX that was for rent. Provide the name, race and capacity of any staff person(s) who came in contact with the Complainant.
- 4) Provide a copy of all applications that were rejected and accepted for rental beginning December 1, 2006 to the present, signifying the applicant's race. Provide the name(s), and race(s) of all tenants who occupied the duplex at 2210 Hunt Dr., Killen, TX, beginning December 1, 2006 to the present. Provide copies of all tenants' applications beginning June 1, 2006 to the present, for all the properties that are owned by the Respondents.

Please be advised that this request is not exhaustive. As the investigation proceeds, additional information may be required.

You are requested to respond to: **U.S. Department of Housing and Urban Development, Fort Worth Regional Office, Region VI, Office of Fair Housing & Equal Opportunity, Attn: Lisa W. Campbell, Equal Opportunity Specialist, 801 Cherry Street, Fort Worth, TX 76102** within seven (7) days of the receipt of this letter. If you have any questions concerning this request, please contact Lisa W. Campbell, Investigator, at (817) 978-5920.

Sincerely,



Rayford L. Johnson, Chief
Enforcement Branch
Fort Worth FHEO Center



**U.S. Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Telephone: (817) 978-5900 Facsimile: (817) 978-5876**

July 25, 2007

Jay R. Beatty, Attorney
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542

Subject: Joanne Caines v. Hartland Realty
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807

Dear Mr. Beatty:

The Fair Housing Act (the Act) requires this Office to investigate complaints of housing discrimination, unless and until the parties agree to resolve the complaint through the process of conciliation, or the Assistant Secretary determines whether or not reasonable cause exists to believe that a discriminatory act occurred, or was about to occur. Title 24, Code of Federal Regulations, Subpart D, Section 103.215 (a), which implements the Act, states:

"In conducting investigations under this part, the Assistant Secretary will seek the voluntary cooperation of all persons to obtain access to premises, records, documents, individuals, and other possible sources of materials; and to take and record testimony or statements of persons reasonably necessary for the furtherance of the investigation."

This letter represents an effort to seek your voluntary cooperation in permitting the investigator to gain access to information that is necessary to further this investigation.

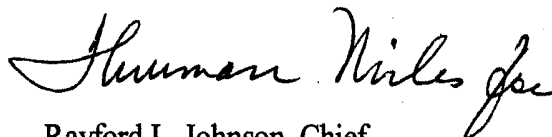
Pursuant to Section 810 (a)(1)(B)(iv) of the Act, and Section 103.215 (a) of the implementing regulations, we request that you answer the following questions in writing, and produce the documents that have been identified in this letter:

- 1) Provide the ownership/ management structure for Hartland Realty, and the address(s) and telephone number(s).

Please be advised that this request is not exhaustive. As the investigation proceeds, additional information may be required.

You are requested to respond to: **U.S. Department of Housing and Urban Development, Fort Worth Regional Office, Region VI, Office of Fair Housing & Equal Opportunity, Attn: Lisa W. Campbell, Equal Opportunity Specialist, 801 Cherry Street, Suite 2500, Fort Worth, TX 76102-6832** within seven (7) days of the receipt of this letter. If you have any questions concerning this request, please contact Lisa W. Campbell, Investigator, at (817) 978-5920.

Sincerely,

A handwritten signature in cursive script that reads "Rayford L. Johnson".

Rayford L. Johnson, Chief
Enforcement Branch
Fort Worth FHEO Center



**U.S. Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Telephone: (817) 978-5900 Facsimile: (817) 978-5876**

August 16, 2007

Jay R. Beatty, Attorney
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542

Subject: Joanne Caines v. Hartland Realty
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807

Dear Mr. Beatty:

The Fair Housing Act (the Act) requires this Office to investigate complaints of housing discrimination, unless and until the parties agree to resolve the complaint through the process of conciliation, or the Assistant Secretary determines whether or not reasonable cause exists to believe that a discriminatory act occurred, or was about to occur. Title 24, Code of Federal Regulations, Subpart D, Section 103.215 (a), which implements the Act, states:

"In conducting investigations under this part, the Assistant Secretary will seek the voluntary cooperation of all persons to obtain access to premises, records, documents, individuals, and other possible sources of materials; and to take and record testimony or statements of persons reasonably necessary for the furtherance of the investigation."

This letter represents an effort to seek your voluntary cooperation in permitting the investigator to gain access to information that is necessary to further this investigation.

Pursuant to Section 810 (a)(1)(B)(iv) of the Act, and Section 103.215 (a) of the implementing regulations, we request that you answer the following questions in writing, and produce the documents that have been identified in this letter:

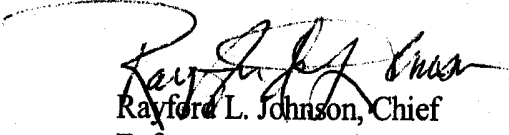
- 1) Please provide the ownership/management structure for Hartland Realty. Also, please provide the name of the registered agent. Please provide documents to show all the properties that are managed by Kristi Taylor, Property Manager.

- 2) Please state the entity responsible for posting the rental sign at the subject property, and state the date the sign was posted. Also, include the information that's stated on the rental sign.
- 3) In the attached document, Ms. Taylor indicated that she gave Ms. Caines information regarding rent, deposit and qualifications. However, during the onsite interview, Ms. Taylor stated she did not remember Ms. Caines. Please explain.
- 4) In the attached document, Ms. Taylor indicated that she discussed the lack of rental qualification of Ms. Caines' son. However, during the onsite interview, Ms. Taylor stated she did not remember Ms. Caines' son. Please explain.
- 5) Please state whether there has been a black applicant who was successful in renting the subject property during Ms. Taylor's tenure as Property Manager.

Please be advised that this request is not exhaustive. As the investigation proceeds, additional information may be required.

You are requested to respond to: **U.S. Department of Housing and Urban Development, Fort Worth Regional Office, Region VI, Office of Fair Housing & Equal Opportunity, Attn: Lisa W. Campbell, Equal Opportunity Specialist, 801 Cherry Street, Suite 2500, Fort Worth, TX 76102-6832** within fifteen (15) days of the receipt of this letter. If you have any questions concerning this request, please contact Lisa W. Campbell, Investigator, at (817) 978-5920.

Sincerely,



Rayford L. Johnson, Chief
Enforcement Branch
Fort Worth FHEO Center

Enclosure



**U.S. Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Telephone: (817) 978-5900 Facsimile: (817) 978-5876**

November 7, 2007

Jay R. Beatty, Attorney
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542

**Subject: Ronald & Joanne Caines v. Hartland Realty
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807**

Dear Mr. Beatty:

The Fair Housing Act (the Act) requires this Office to investigate complaints of housing discrimination, unless and until the parties agree to resolve the complaint through the process of conciliation, or the Assistant Secretary determines whether or not reasonable cause exists to believe that a discriminatory act occurred, or was about to occur. Title 24, Code of Federal Regulations, Subpart D, Section 103.215 (a), which implements the Act, states:

"In conducting investigations under this part, the Assistant Secretary will seek the voluntary cooperation of all persons to obtain access to premises, records, documents, individuals, and other possible sources of materials; and to take and record testimony or statements of persons reasonably necessary for the furtherance of the investigation."

This letter represents an effort to seek your voluntary cooperation in permitting the investigator to gain access to information that is necessary to further this investigation.

Pursuant to Section 810 (a) (1) (B) (IV) of the Act, and Section 103.215 (a) of the implementing regulations, we request that you answer the following questions in writing, and produce the documents that have been identified in this letter:

- 1) Please provide a letter of representation on behalf of your clients.
- 2) Please provide clarification of the entities named in the amended complaint. Specifically, provided clarification for Hartland Realty, Billy Guyon Taylor, Partners, LTD; Billy Guyon Taylor, General Partner; and Guyon Anthony Taylor, General Partner.

- 3) Please provide a copy of the rental application of the current successful tenant for the subject property.
- 4) Please provide a copy of the Property Manager's Agreement dated in 1970, between Andrew & Beatrice Thompson the owners of the subject property, and Hartland Realty

Please be advised that this request is not exhaustive. As the investigation proceeds, additional information may be required.

You are requested to respond to: U.S. Department of Housing and Urban Development, Fort Worth Regional Office, Region VI, Office of Fair Housing & Equal Opportunity, Attn: Lisa W. Campbell, Equal Opportunity Specialist, 801 Cherry Street, Suite 2500, Fort Worth, TX 76102-6832 within seven (7) days of the receipt of this letter. If you have any questions concerning this request, please contact Lisa W. Campbell, Investigator, at (817) 978-5920.

Sincerely,



Rayford L. Johnson, Chief
Enforcement Branch
Fort Worth FHEO Center



U.S. Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Telephone: (817) 978-5900 Facsimile: (817) 978-5876

May 28, 2008

COPY

Jay R. Beatty, Attorney
Michalk, Beatty & Alcozer, L.P.
3106 South W.S. Young
Building D, Suite 401
Killeen, TX 76542

Subject: Ronald & Joanne Caines v. Hartland Realty
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807

Dear Mr. Beatty:

The Fair Housing Act (the Act) requires this Office to investigate complaints of housing discrimination, unless and until the parties agree to resolve the complaint through the process of conciliation, or the Assistant Secretary determines whether or not reasonable cause exists to believe that a discriminatory act occurred, or was about to occur. Title 24, Code of Federal Regulations, Subpart D, Section 103.215 (a), which implements the Act, states:

"In conducting investigations under this part, the Assistant Secretary will seek the voluntary cooperation of all persons to obtain access to premises, records, documents, individuals, and other possible sources of materials; and to take and record testimony or statements of persons reasonably necessary for the furtherance of the investigation."

This letter represents an effort to seek your voluntary cooperation in permitting the investigator to gain access to information that is necessary to further this investigation.

Pursuant to Section 810 (a) (1) (B) (IV) of the Act, and Section 103.215 (a) of the implementing regulations, we request that you answer the following questions in writing, and produce the documents that have been identified in this letter:


- 1) On August 16, 2007, Rayford L. Johnson, Chief, and Lisa W. Campbell, Investigator, conducted a telephone interview with you, at which time you stated that 80% to 90% of Hartland Realty's residents were to minorities. Please provide documents to support your statement, e.g., tenant rosters, etc., and please identify the race of each tenant.

- 2) Please provide documents to support your written response of September 17, 2007, where you stated that during the year 2005, two out of three residents were African-Americans who successfully rented the subject property. Please state whether the successful applicants' rentals were with one of the following two properties: 2210 (a) & (b) Hunt Drive, Killeen, TX and 1709 Willowbend, Killeen, TX. Also, please provide the race of each applicant.
- 3) Please explain Hartland Realty's policies and procedures that were used to verify the credit status of all potential applicants during the period January 1, 2005, to the present.
- 4) Please provide evidence to support your written response of September 17, 2007, where you stated that Kristi Taylor is responsible for 178 properties. Please provide documents to show the racial composition of properties owned and managed by Hartland Realty during the period January 1, 2005 to the present.

Please be advised that this request is not exhaustive. As the investigation proceeds, additional information may be required.

You are requested to respond to: U.S. Department of Housing and Urban Development, Fort Worth Regional Office, Region VI, Office of Fair Housing & Equal Opportunity, Attn: Lisa W. Campbell, Equal Opportunity Specialist, 801 Cherry Street, Suite 2500, Fort Worth, TX 76102-6832 **within ten (10) days of the receipt of this letter.** If you have any questions concerning this request, please contact Lisa W. Campbell, Investigator, at (817) 978-5920.

Sincerely,


Rayford L. Johnson, Chief
Enforcement Branch
Fort Worth FHEO Center

**United States Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

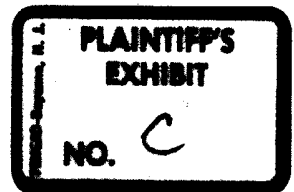
Ronald & Joanne Caines)

Complainant))

v) Case Number: 06-07-0707-8)

Hartland Realty, Inc.)

Respondent))



SUBPOENA DUCES TECUM

**TO: Kristi Taylor, Property Manager
Hartland Realty, Inc.
110 W. Rancier Avenue
Killeen, TX 76541-3347**

**CASE OF: U.S. Department of Housing & Urban Development
Office of Fair Housing & Equal Opportunity
415 Seventh Street, S.W., Room 5208
Washington D.C. 20410**

Pursuant to Section 811(a) of the Fair Housing Act, 42 U.S.C. Section 3611(a), and 24 C.F.R Section 103.215 and 180.545, and in connection with the conduct of the above-captioned investigation under Section 804 of the Fair Housing Act, 42 U.S.C. Section 3604, you are hereby commanded to bring with you, and make available for copying the documents identified below to Rayford L. Johnson, Chief, and Lisa W. Campbell, Equal Opportunity Specialist, Office of Fair Housing and Equal Opportunity, United States Department of Housing and Urban Development at The W.R. Poage Federal Office Building, Conference room, located at 101 South Main Street (Corner of Main Street & Avenue A), Temple, Texas 76501-7686, on the 29th day of July, 2008, at 10:30 a.m.

DOCUMENTS REQUESTED

1. Provide originals of all documents that explain Hartland Realty Inc's operating procedures used to verify the credit status of all tenants and applicants to properties managed by Hartland Realty Inc., during the period January 1, 2005, to July 1, 2008.
2. Provide the document(s) that show the name, address and telephone number of the credit agency that was used to verify potential applicants' credit during the period January 1, 2005, to July 1, 2008.
3. Provide a list of all the properties that were managed or controlled by Kristi Taylor, Property Manager, during the period January 1, 2005, to July 1, 2008. Include the following documents: (a) name of the properties, (b) name of the owners, (c) mailing addresses, and (d) telephone numbers.
4. Provide the following documents from the files of successful and non-successful applicants for the property located at 1709 Willowbend, Killeen, TX during the period January 1, 2005, to July 1, 2008: tenants' rental application packet including (a) drivers' license, (b) military identification card, and (c) credit report for the property during the period January 1, 2005, to July 1, 2008.
5. Provide copies of all rental applications and supporting documents that pertain to potential applicants for Hartland Realty, Inc., for properties that were managed by Kristi Taylor, Property Manager, during the period January 1, 2005, to July 1, 2008. Include the following documents: (a) telephone logs of initial inquiries, (b) written notes of conversations, (c) information cards, and (d) guest sign-in register.
6. Provide copies of the following documents from the files of successful and non-successful applicants of Hartland Realty, Inc., during the period January 1, 2005, to July 1, 2008. Include tenants' rental application packet and the following documents: (a) drivers' license, (b) military identification card, and (c) credit report.

Definitions

The word "**document**" as used in this subpoena is used in the broadest sense permitted by the Federal Rules of Civil Procedure and means:

(i) the original, all nonidentical copies and drafts of writing of any kind, including, but not limited to, notes, correspondence, memoranda, reports, minutes, pamphlets, letters, telegrams, messages (including reports, notes, and memoranda of telephone conversations and conferences), calendar and diary entries, records, data, computerized documents, compilations, drawings, graphs, charts, data compilations, telephone logs, signs; and

(ii) photographs, audio tapes, films, videotapes, sound recordings, and similar means of reproduction from which information can be obtained.

All attachments or enclosures to a document are deemed to be part of such documents.

Protections and Duties of Persons Subject To Subpoenas Issued During Fair Housing Investigations

Subpoenas issued in aid of fair housing investigations are subject to the protections and duties set forth in Federal Rule of Civil Procedure 45 (FRCP 45) and the regulations governing the issuance of subpoenas under the Fair Housing Act found at 24 C.F.R. §103.215(b) (2000), the Assistant Secretary for Fair Housing and Equal Opportunity, or his/her designee, has the power to issue subpoenas described herein, in support of an investigation.

Objections to, and motions to quash subpoenas as referenced in Section (c)(2)(B) and (c)(3)(A) below, should be directed to the Assistant Secretary for Fair Housing and Equal Opportunity. Pursuant to 24 C.F.R. § 180.545(f) (2000), objections to subpoenas (referred to in (c)(2)(B) below) must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity "within 14 days after service of the subpoena (but in any event not less than the time specified in the subpoena for compliance.)"

During a fair housing investigation (as distinguished from a fair housing administrative hearing), every reference to "court" in the provisions, which follow, should be understood as referring to the Assistant Secretary for Fair Housing and Equal Opportunity.

FRCP 45 - Subpoena

(c) Protection of Persons Subject to Subpoena

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earning and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents, or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing, or trial.

(B) Subject to paragraph (d)(2) of Rule 45 of the Federal Rules of Civil Procedure, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objections are made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which the subpoena was issued shall quash or modify the subpoena if it;

(I) Fails to allow reasonable time for compliance;

(II) Requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(III) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(III) Requires disclosure of privileged or other protected matter and not exception or waiver applies, or

(IV) Subjects a person to undue burden.

(B) If a subpoena:

(I) Requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(II) Requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the experts study made not at the request of any party, or

(III) Requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) Duties in Responding to Subpoena.

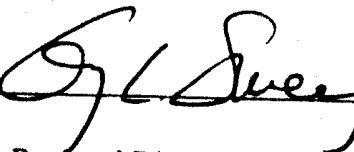
(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

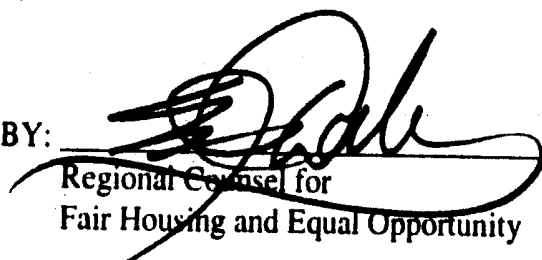
PENALTY: Section §11(c)(1) of the Fair Housing Act, 42 U.S.C. §3611(c)(1), provides that any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence, if it is in such person's power to do so, in obedience to the subpoena or lawful order under subsection (a), shall be fine not more than \$100,000 or imprisoned not more than one year, or both.

I have signed this subpoena and caused the seal of the United States Department of Housing and Urban Development to be affixed thereto at the Fort Worth Regional Office on July 9, 2008.

By: _____



Regional Director, Office of Fair
Housing and Equal Opportunity

APPROVED BY: 
Regional Counsel for
Fair Housing and Equal Opportunity

Date: 7/9/8

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Subpoena Duces Tecum, in reference to HUD case
Number 06-07-0707-8, was sent by Certified Mail Return Receipt Requested, Certified
Receipt Number _____, on this _____ day of
_____, 2008 to the following:

**Kristi Taylor, Property Manager
Hartland Realty, Inc.
110 W. Rancier Ave.
Killeen, TX 76541-3347**

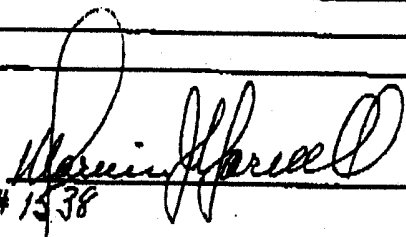
Signature

Date

RETURN OF SERVICE OF SUBPOENA

I, MARVIN I. YARWELL, delivered a copy of this subpoena to KRISTI TAYLOR, PROPERTY MANAGER located at 11012 DANFIER AVENUE, KILLEEN, WELL County, Texas, on July 14, 2008, at 6:50 o'clock P.m., and tendered to the witness a fee of \$ 0 in cash.

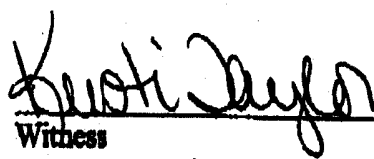
I, _____, was unable to deliver a copy of this subpoena to _____ for the following reasons:

By: 
SC# 1538

ACCEPTANCE OF SERVICE OF SUBPOENA BY

WITNESS UNDER RULE 176 OF THE TEXAS RULES OF CIVIL PROCEDURE

I accept service of this subpoena.


Witness

7/14/08
Date

FEE FOR SERVICE OF SUBPOENA: \$ _____



MICHALK, BEATTY & ALCOZER, L.P.
Attorneys and Counselors at Law

COPY

Glenn W. Michalk
Of Counsel

Jay R. Beatty
Attorney &
Counselor At Law

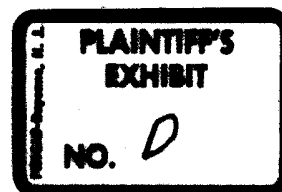
Manuel Alcozer
Attorney &
Counselor At Law

Jesse T. Hernandez
Attorney &
Counselor At Law

July 28, 2008

Lisa W. Campbell, Investigator
Enforcement Branch
Fort Worth FHEO Center
U.S. Department of Housing and
Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity
Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102

VIA FACSIMILE NO. 817-978-5876
& VIA U.S. REGULAR MAIL



RE: *Joanne Caines v. Hartland Realty*
HUD Case No.: 06-07-0707-8 (Title VIII)
Inquiry No.: 230807

Dear Ms. Campbell:

Enclosed please find Objection to Subpoena Duces Tecum on behalf of Hartland Realty, Inc., Kristi Taylor and myself regarding the above-referenced matter.

Thank you for your time and consideration in this regard.

Sincerely,

MICHALK, BEATTY & ALCOZER, L.P.

JAY R. BEATTY
Attorney at Law

JRB:bb
Enclosures

cc: Client

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UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

Ronald & Joanne Caines)	
)	
Complainant)	
)	
vs.)	Case Number: 06-0-0707-8
)	
Hartland Realty, Inc.)	
)	
Respondent)	

OBJECTION TO SUBPOENA DUCES TECUM

TO: Assistant Secretary for Fair Housing and Equal Opportunity, United States Department of Housing and Urban Development, 415 Seventh Street, S.W., Room 5208, Washington, D.C. 20410; and Assistant Secretary for Fair Housing and Equal Opportunity, United States Department of Housing and Urban Development, Texas State Office, Southwest Region, Office of Fair Housing and Equal Opportunity, Burnett Plaza, 801 Cherry Street, Fort Worth, Texas 76102

Comes now **HARTLAND REALTY, INC., KRISTI TAYLOR, and JAY R. BEATTY,** and submit this, their Objections to Complainant's Subpoena Duces Tecum to Respondent.

Respectfully submitted,

MICHALK, BEATTY & ALCOZER, LP
3106 SOUTH W. S. YOUNG DRIVE
BUILDING D, SUITE 401
KILLEEN, TEXAS 76542
PHONE: (254) 628-9190
FAX: (254) 628-9192

BY: _____

JAY R. BEATTY
State Bar No. 01992450
Attorney for Respondent

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing instrument was delivered to the following individual(s) on this 28th day of **July, 2008**:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
415 Seventh Street, S.W., Room 5208,
Washington, D.C. 20410; and

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
Texas State Office, Southwest Region
Office of Fair Housing and Equal Opportunity, Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102



JAY R. BEATTY

**RESPONDENT'S OBJECTIONS TO
COMPLAINANT'S SUBPOENA DUCES TECUM**

1. Provide originals of all documents that explain Hartland Realty Inc.'s operating procedures used to verify the credit status of all tenants and applicants to properties managed by Hartland Realty Inc., during the period January 1, 2005, to July 1, 2008.

RESPONSE:

HARTLAND REALTY, INC., KRISTI TAYLOR nor JAY R. BEATTY do not have documents responsive to this request.

2. Provide the document(s) that show the name, address and telephone number of the credit agency that was used to verify potential applicants' credit during the period January 1, 2005 to July 1, 2008.

RESPONSE:

Respondent objects to this request as it requests information which is protected from disclosure pursuant to any the federal or state statutes regarding privacy. As such, Respondent is prohibited by law from disclosing to any third parties personally identifiable identification of any of Respondent's current or former clients. Furthermore, this request amounts to nothing more than an attempt by a governmental agency to go on a fishing expedition. Furthermore, this request is unduly burdensome and designed to create undue expense on Respondent as it would literally require Respondent to go through all business records from January 1, 2005 through the current date which would amount to thousands or potentially tens of thousands of documents. Accordingly, said request is being made to further cause HARTLAND REALTY, INC. to suffer financial hardship in an attempt by the Government to force a financial payoff to the Complainant. This request also requires HARLAND REALTY, INC. to be closed down for several days, if not weeks, to gather these records.

This request is also seeking documents related to Respondent's business transactions and customers which are not relevant to any claim alleged or being made and would not likely lead to any evidence which would be admissible in any proceeding. Subject to and without waiving said objection, HARTLAND REALTY, INC. utilizes TELE-DATA COMMUNICATIONS which is an on-line credit screening service through EXPERIAN.

3. Provide a list of all the properties that were managed or controlled by Kristi Taylor, Property Manager, during the period January 1, 2005, to July 1, 2008. Include the following documents: (a) name of the properties, (b) name of the owners, (c) mailing addresses, and (d) telephone numbers.

RESPONSE:

This request is objected to in that it invades the attorney's work product. Such information is protected by Tex. R. Civ. P. 192.5, in that it constitutes the mental impressions, conclusions, opinions or legal theories of an attorney. See, *Hickman v. Taylor*, 329 U.S. 495 (1946); *Huie v. DeShazo*, 922 S.W.2d 927 (Tex. 1996); *Occidental Chem. Corp. V. Banales*, 907 S.W.2d 488 (Tex. 1995); *Owens-Corning Fiberglass Corp. V. Caldwell*, 818 S.W.2d 749 (Tex. 1991) (orig. Proceeding); *Wiley v. Williams*, 769 S.W.2d 715 (Tex. App.--Austin 1989, orig. proceeding); *Toyota Motor Sales, U.S., Inc. V. Heard*, 774 S.W.2d 316 (Tex. App.--Houston [14th Dist.] 1989, orig. proceeding).

Respondent objects to this request as it requests information which is protected from disclosure pursuant to any the federal or state statutes regarding privacy. As such, Respondent is prohibited by law from disclosing to any third parties personally identifiable identification of any of Respondent's current or former clients. Furthermore, this request amounts to nothing more than an attempt by a governmental agency to go on a fishing expedition. Furthermore, this request is unduly burdensome and designed to create undue expense on Respondent as it would literally require Respondent to go through all business records from January 1, 2005 through the current date which would amount to thousands or potentially tens of thousands of documents. Accordingly, said request is being made to further cause HARTLAND REALTY, INC. to suffer financial hardship in an attempt by the Government to force a financial payoff to the Complainant. This request also requires HARLAND REALTY, INC. to be closed down for several days, if not weeks, to gather these records.

This request is also seeking documents related to Respondent's business transactions and customers which are not relevant to any claim alleged or being made and would not likely lead to any evidence which would be admissible in any proceeding. Subject to and without waiving said objections, rent lists have been included.

4. Provide the following documents from the files of successful and non-successful applicants for the property located at 1709 Willowbend, Killeen, TX during the period January 1, 2005 to July 1, 2008; tenants' rental application packet including (a) drivers' license, (b) military identification card, and (c) credit report for the property during the period January 1, 2005 to July 1, 2008.

RESPONSE:

Respondent objects to this request as it requests information which is protected from disclosure pursuant to any the federal or state statutes regarding privacy. As such, Respondent is prohibited by law from disclosing to any third parties personally identifiable identification of any of Respondent's current or former clients. Furthermore, this request amounts to nothing more than an attempt by a governmental

agency to go on a fishing expedition. Furthermore, this request is unduly burdensome and designed to create undue expense on Respondent as it would literally require Respondent to go through all business records from January 1, 2005 through the current date which would amount to thousands or potentially tens of thousands of documents. Accordingly, said request is being made to further cause HARTLAND REALTY, INC. to suffer financial hardship in an attempt by the Government to force a financial payoff to the Complainant. This request also requires HARLAND REALTY, INC. to be closed down for several days, if not weeks, to gather these records.

This request is also seeking documents related to Respondent's business transactions and customers which are not relevant to any claim alleged or being made and would not likely lead to any evidence which would be admissible in any proceeding.

5. Provide copies of all rental applications and supporting documents that pertain to potential applicants for Hartland Realty, Inc., for properties that were managed by Kristi Taylor, Property Manager, during the period January 1, 2005 to July 1, 2008. Include the following documents: (a) telephone logs of initial inquiries, (b) written notes of conversations, (c) information cards, and (d) guest sign-in register.

RESPONSE:

Respondent objects to this request as it requests information which is protected from disclosure pursuant to any the federal or state statutes regarding privacy. As such, Respondent is prohibited by law from disclosing to any third parties personally identifiable identification of any of Respondent's current or former clients. Furthermore, this request amounts to nothing more than an attempt by a governmental agency to go on a fishing expedition. Furthermore, this request is unduly burdensome and designed to create undue expense on Respondent as it would literally require Respondent to go through all business records from January 1, 2005 through the current date which would amount to thousands or potentially tens of thousands of documents. Accordingly, said request is being made to further cause HARTLAND REALTY, INC. to suffer financial hardship in an attempt by the Government to force a financial payoff to the Complainant. This request also requires HARLAND REALTY, INC. to be closed down for several days, if not weeks, to gather these records.

This request is also seeking documents related to Respondent's business transactions and customers which are not relevant to any claim alleged or being made and would not likely lead to any evidence which would be admissible in any proceeding.

6. Provide copies of the following documents from the files of successful and non-successful applicants of Hartland Realty, Inc., during the period January 1, 2005, to July 1, 2008. Include tenants' rental application packet and the following documents: (a) drivers' license, (b) military identification card, and (c) credit report.

RESPONSE:

Respondent objects to this request as it requests information which is protected from disclosure pursuant to any the federal or state statutes regarding privacy. As such, Respondent is prohibited by law from disclosing to any third parties personally identifiable identification of any of Respondent's current or former clients. Furthermore, this request amounts to nothing more than an attempt by a governmental agency to go on a fishing expedition. Furthermore, this request is unduly burdensome and designed to create undue expense on Respondent as it would literally require Respondent to go through all business records from January 1, 2005 through the current date which would amount to thousands or potentially tens of thousands of documents. Accordingly, said request is being made to further cause HARTLAND REALTY, INC. to suffer financial hardship in an attempt by the Government to force a financial payoff to the Complainant. This request also requires HARLAND REALTY, INC. to be closed down for several days, if not weeks, to gather these records.

This request is also seeking documents related to Respondent's business transactions and customers which are not relevant to any claim alleged or being made and would not likely lead to any evidence which would be admissible in any proceeding.