

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
ROBERT WONES; RL ONE, INC.;)
d/b/a S&R PROPERTY)
MANAGEMENT;)
HOWARD MELIN; WELTY)
PROPERTIES, INC.; MELISSA)
WONES d/b/a SHUMEL)
MANAGEMENT,)
)
Defendants.)
)

CASE NO. 04-05024 (JRT/FLN)

CONSENT DECREE

I. INTRODUCTION

This action was filed by the United States to enforce the provisions of Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), as amended by the Fair Housing Act Amendments of 1988, 42 U.S.C. §§ 3601 et seq. The United States alleges that Defendants engaged in a pattern or practice of discrimination on the basis of sex, and/or a denial of rights to a group of persons, in violation of 42 U.S.C. § 3614.

In its complaint, the United States alleges that Defendant Robert Wones engaged in a pattern or practice of discrimination on the basis of sex, in the rental of dwelling units he owned and/or managed in and around Minneapolis/St. Paul, Minnesota. The properties owned and/or managed wholly or in part by Defendant Robert Wones shall be referred to herein collectively as the "subject properties."

Specifically, the United States alleges that Defendant Robert Wones has subjected female tenants of the subject properties to discrimination on the basis of sex, including severe, pervasive, and unwelcome sexual harassment. Such conduct is alleged to have included, but is not limited to, unwelcome sexual touching; unwelcome verbal sexual advances; conditioning the terms and conditions of women's tenancy on the granting of sexual favors; entering the apartments of female tenants without permission or notice; and taking adverse action against female tenants when they refused or objected to his sexual advances, all in violation of 42 U.S.C. §§ 3604 (b) and (c). The United States alleges that this conduct resulted in the denial of housing to some female tenants, in violation of 42 U.S.C. § 3604(a). The United States also alleges that Robert Wones engaged in threatening, intimidating, and retaliatory behavior toward female tenants, in violation 42 U.S.C. § 3617.

The United States alleges that Defendants RL One, Inc. d/b/a S&R Management, Melissa Wones d/b/a Shumel Management, Welty Properties Inc., and Howard Melin are liable for the above-described discriminatory conduct of its agent and principal, Defendant Robert Wones, which conduct occurred within the scope of his employment and/or agency.

Defendants deny the allegations of the United States and nothing contained herein shall be deemed an admission of liability or damages.

The parties have agreed that in order to avoid protracted and costly litigation over damages, this controversy should be resolved without a trial. Therefore, the parties consent to the entry of this Decree.

II. SCOPE AND TERM OF DECREE

1. The provisions of the Order shall apply to Defendants, including Robert Wones, RL One, Inc., d/b/a S&R Property Management; Howard Melin, Mark Welty, Kim Welty, Welty Properties, Inc., Melissa Wones d/b/a Shumel Management, their employees, agents, successors, and all persons in active concert or participation with any of them.

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

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

4. This Decree is intended to resolve all claims brought or that could have been brought by the United States in this lawsuit, pursuant to 42 U.S.C. §3614(a), including claims on behalf of identified and unidentified aggrieved persons that lived at or applied to live at properties identified in Appendix A and Appendix A(1) at any time prior to the date this Consent Decree is entered by the Court.

III. INJUNCTION

A. Defendants Robert Wones, RL One, Inc. d/b/a S&R Management, Melissa Wones d/b/a Shumel Management, Welty Properties Inc., and Howard Melin

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

- (a) Refusing to rent a dwelling unit, refusing or failing to provide or offer information about a dwelling unit, or otherwise making unavailable or denying a

dwelling unit to any person because of sex;

(b) Discriminating against any person in the terms, conditions or privileges of renting a dwelling unit, or in the provision of services or facilities in connection therewith, because of sex;

(c) Making, printing, publishing, or causing to be made, printed, or published any notice, statement or advertisement with respect to the rental of a dwelling unit that states any preference, limitation or discrimination based on sex; or

(d) Coercing, intimidating, threatening or interfering with any person in the exercise or enjoyment of, or on account of her having exercised or enjoyed, or on account of her having aided and encouraged any other person in the exercise or enjoyment of, any right granted by 42 U.S.C. §§ 3603-3606.

B. Defendant Robert Wones

6. Defendant Robert Wones and RL One Inc., d/b/a S&R Property Management have represented that Robert Wones does not currently own or manage any residential rental properties.

It is hereby **ORDERED, ADJUDGED AND AGREED** that for the term of this Decree, in the event that Defendant Robert Wones owns residential rental property, he shall retain an independent management company, approved by the United States (hereinafter "Management Company"), to manage all of the residential rental properties which he owns (the "subject properties").¹ Defendant Robert Wones shall retain the Management Company within thirty (30) days of the date of this Decree and shall continue to retain such company for the duration of this

¹ "Subject Properties" is defined as any additional residential rental properties which Defendant Robert Wones may purchase or acquire during the term of this Decree.

Decree that Defendant owns any residential rental properties.² The Management Company shall be responsible for all aspects of management of the subject properties, 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. Defendant Robert Wones shall refrain from entering the premises of the subject properties except that he may do so, when accompanied by a Management Company representative, when it is necessary for him to inspect the property or show it to a prospective buyer and that function cannot be reasonably delegated to an agent. However, in exigent circumstances requiring immediate aid or action, Defendant Robert Wones may enter the premises unaccompanied for the period of the exigency. For the duration of this Decree that Defendant Robert Wones owns any interest in the subject properties, Defendant shall require the Management Company to do the following:

(a) Implement, subject to the United States' approval, a written policy against sexual harassment, including a formal complaint procedure. A copy of this policy and procedure shall be provided to counsel for the United States within thirty (30) days after the date of entry of this Decree. This policy and procedure shall be implemented within fifteen (15) days if it is satisfactory to the United States, and at that time the Manager shall notify all new and current tenants at the subject properties of the policy and procedure.

(b) The Management Company shall ensure that all of its employees who will be performing any duties in relation to the subject properties are familiar with the

² If Defendant Robert Wones does not own any residential rental properties at the time of the entry of the decree, he shall retain the independent management company within thirty (30) days of acquiring ownership of any residential rental properties. If after retaining an independent management company, Defendant Robert Wones wishes to change independent management companies, he may do so, provided that any subsequent management company must also be approved by the United States and comply with the requirements for the Management Company as described in this Decree.

requirements of the Fair Housing Act, particularly as they pertain to sex discrimination and sexual harassment.

(c) Post an "Equal Housing Opportunity" sign in any rental office through which the subject properties are rented, which sign indicates that all apartments are available for rent on a nondiscriminatory basis. An 11-inch-by-14-inch poster substantially equivalent to the Fair Housing Logo, as published in HUD Form 928.1, will satisfy this requirement. Such poster shall be placed in a prominent, well-lit, and easily readable location. Copies of HUD Form 928 are available free of charge by calling HUD directly at 800-669-9777, 800-765-9372, TTY 312-353-7143, or 312-353-7776.

(d) Require that all advertising conducted for any of the subject properties in newspapers, telephone directories, radio, television or other media, and all billboards, signs (including at the entrance to the property), pamphlets, brochures and other promotional literature, include either a fair housing logo, the words "equal housing opportunity provider," and/or the following sentence:

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

The words or logo should be legible and prominently placed.

(e) Send to the United States every six (6) months, a list of all tenants at the subject properties and their telephone numbers. Maintain all rental records kept in relation to rental of the subject properties, and allow the United States to inspect and copy all such records upon reasonable notice.

(f) Notify the United States in the event it obtains any information indicating

that

Defendant Robert Wones is in violation of this Decree.

(g) Provide any information reasonably related to compliance with this Decree that is requested by the United States.

7. Defendant Robert Wones shall report to the United States in the event that he purchases, inherits, or otherwise acquires an interest in any residential rental real estate property, or in the event that he sells, transfers or otherwise disposes of any interest in any of the subject properties. Such notification shall be made within thirty (30) days after the purchase, inheritance, acquisition, sale, or transfer of interest and shall include the identity of the potential purchaser(s) or person(s) to whom the interest is being transferred.

8. For the duration of the Decree, Defendant Robert Wones shall not manage rental property except as set forth in Paragraph 6.

IV. COMPENSATION OF AGGRIEVED PERSONS

C. Monetary Relief for Aggrieved Persons

9. Within fifteen (15) days after the date of this Order, Defendants shall arrange to have the total sum of \$352,500 (Three Hundred Fifty-Two Thousand Five Hundred Dollars) deposited in a Trust account administered by the law firm of Rider Bennett, LLP. This amount is for the purpose of compensating the aggrieved persons and shall be distributed in the following manner. Within seven (7) days from the date of the deposit of all funds in the trust account, the law firm of Rider Bennett shall send to counsel for the United States checks made payable to each of the aggrieved persons for the amounts indicated in Appendix B. All such payments shall be sent to the undersigned counsel for the United States, via overnight mail, at the following address:

**United States Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
1800 G Street, N.W. Suite 7020
Washington, D.C. 20530**

10. Each aggrieved person shall execute and deliver to counsel for the United States the release at APPENDIX C prior to receiving any payment. Copies of the executed releases will be mailed to all defense counsel.

V. CIVIL PENALTY

11. Within thirty (30) days after the date of this Order, Defendants shall issue a certified check or money order in the amount of \$35,000 (Thirty-Five Thousand Dollars), payable to the United States Treasury as a civil penalty, pursuant to 42 U.S.C. §3614(d)(1)(C), to vindicate the public interest. Defendants shall deliver this payment to counsel for the United States, via overnight mail, at the address listed above.

12. In the event that Defendants, their agents or employees are found to have engaged in any future violation(s) of the Fair Housing Act, such violation(s) shall constitute a "subsequent violation" pursuant to 42 U.S.C. § 3614(d).

VI. MISCELLANEOUS PROVISIONS

13. Any time limits for performance imposed by this Order may be extended by mutual agreement of the parties.

VII. DISMISSAL

14. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce the terms of the Decree, after which time the case shall be dismissed with prejudice. Plaintiff may move the Court to extend the duration of the Decree in the interests of justice.

15. The parties to this Consent Order shall endeavor in good faith to resolve

informally any differences regarding interpretation of and compliance with this Order prior to bringing such matters to the Court for resolution. However, in the event of a failure by Defendants, whether willful or otherwise, to perform in a timely manner any act required by this Order or in the event of any other act violating any provision hereof, any party may move this Court to reopen the case and impose any remedy authorized by law or equity, including, but not limited to, an order requiring performance or non-performance of certain acts and an award of any damages, costs, and attorneys' fees which may have been occasioned by non-actions or actions.

Ordered this _____ day of _____, 2006.

UNITED STATES DISTRICT JUDGE

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

FOR PLAINTIFF THE UNITED STATES:

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HOWARD MELIN
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APPENDIX A

List of residential rental properties previously or currently owned by
Defendant Robert Wones

5711 Quincy Street
Moundsview, MN

6551 Channel Road
Fridley, MN

6571 Channel Road
Fridley, MN

330 8th Street, S.E.
Minneapolis, MN

2440 Harriet Avenue S.
Minneapolis, MN

APPENDIX A(1)

List of rental properties previously managed by Defendants Robert Wones and/or S&R Properties, Inc.

7700 - 12th Avenue S.
Richfield, MN
a/k/a West Virginian Apartments

141 McBoal Street
St. Paul, MN
a/k/a Irvine Park Estates

231, 233, 235, 237 and 239 - 26th Avenue N.E.
Minneapolis, Minnesota

5711 Quincy Street
Moundsview, MN

6551 Channel Road
Fridley, MN

6571 Channel Road
Fridley, MN

1304 University Avenue
Minneapolis, MN

330 Eighth Street SE
Minneapolis, MN

339 13th Avenue NE
Minneapolis, MN

2440 Harriet Avenue S.
Minneapolis, MN

11662 Narcissus Street
Minneapolis, MN

3108 Clinton Avenue S.
Minneapolis, MN

2856 Johnston NE
Minneapolis, MN

350 26th Avenue NE
Minneapolis, MN

625 Chasworth
Minneapolis, MN

990 Lafond
Minneapolis, MN

716 Como
Minneapolis, MN

701 Lawson
Minneapolis, MN

372 Cook
Minneapolis, MN

628 University Avenue SE
Minneapolis, MN

746 Geranium Avenue E.
Minneapolis, MN

1236 Poppyseed
Minneapolis, MN

2937 36th Avenue S.
Minneapolis, MN

3506 Benjamin Street NE
Minneapolis, MN

2206 6th Street N.
Minneapolis, MN

APPENDIX B

SETTLEMENT DISTRIBUTION TO AGGRIEVED PERSONS

AGGRIEVED PERSON	AMOUNT
Etoya Stallworth	\$38,085
Tara Knox	\$38,083
Joy Young	\$38,083
Elnora Washington	\$38,083
Erica Jackson	\$38,083
Iesha Meeks	\$38,083
Princess Miles	\$20,000
Tracey Johnson	\$19,000
Kizia Stallworth	\$10,000
Dana Hanley	\$10,000
Franzina Boyd	\$10,000
Lakari Cobb	\$10,000
Latoya Smith	\$10,000
June Nelson	\$5,000
Marilyn Tyus	\$5,000
Tasha Nelson	\$5,000
Vernetta Johnson	\$5,000
Michele Ash	\$5,000
Shawn Teetzel	\$5,000
Delaina Lampley	\$5,000

APPENDIX C

FULL AND FINAL RELEASE OF CLAIMS

In consideration for the parties' agreement to the terms of the Consent Decree entered in United States v. Wones, et al., and the Defendants' payment to me of \$_____, I, _____, hereby agree, effective upon receipt of payment, to remise, release and forever discharge any and all claims of any kind, nature or description whatsoever, related to the facts at issue in the litigation referenced above, or in any way related to that litigation, or any other claims arising from alleged housing discrimination by these defendants up to and including the date of execution of this release, or any claims which were or could have been pursued based upon the allegations in the Consent Decree or made during the litigation referenced above that I may have against Defendants and their agents, employees, officers, heirs, executors, spouses, administrators, successors, assigns or owners.

I acknowledge and understand that, by signing this Release and accepting this payment, I am waiving any right to pursue my own legal action based on the discrimination alleged by the United States in this case.

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

The Release constitutes the entire agreement between Defendants and me, without exception or exclusion.

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

Executed this _____ day of _____, 2006.

Name