



**PARTIES**

3. At all relevant times, Defendant Lowrey Hotel & Cafe, LLC, has been a business operating at 116 West 3rd Street, New Richmond, St. Croix County, Wisconsin, 54017 (“subject property”). The subject property is a thirty-seven-room residential hotel that provides rental housing on a month-to-month basis. Many tenants placed at the hotel are homeless and have nowhere else to go and no residence to return to. The property is a dwelling within the meaning of the Fair Housing Act, 42 U.S.C. § 3602(b).

4. Lowrey Hotel & Cafe, LLC is a limited liability corporation with its principal place of business at 116 West 3rd Street, New Richmond, Wisconsin, 54017. At all relevant times, Lowrey Hotel & Café, LLC had two full-time employees: Stacy Wright and Gerald Hoglund.

5. At all relevant times, Defendant Stacy Wright was the owner and co-manager of Lowrey Hotel & Cafe, LLC. Wright was responsible for overseeing the day-to-day operations of the business.

6. At all relevant times, Defendant Gerald Hoglund was the fiancé of Defendant Wright and a co-manager of the Lowrey Hotel & Café. As a manager and employee of Defendant Lowrey Hotel & Café, LLC, and as an agent of the owner, Defendant Hoglund was involved in the day-to-day operations of the business. He performed his duties on behalf of Defendants Lowrey Hotel & Café, LLC and Wright.

7. At all relevant times, Wright’s and Hoglund’s duties included, but were not limited to, accepting rent money, providing new tenants with rooms and keys, working

in the café, supervising tenants or other employees who did work for the hotel and café, doing various upkeep, cleaning and repairs on the hotel, and evicting tenants.

**FACTUAL ALLEGATIONS**

8. On or about January 5, 2009, Ruth Miller-Kahler moved into the Lowrey Hotel with her husband, John Mathiasen. Ms. Miller-Kahler and Mr. Mathiasen had been referred by a local food pantry because they were homeless. Ms. Miller-Kahler and Mr. Mathiasen met with Defendant Hoglund at the Lowrey Hotel, and arranged to rent a room for \$350.00 per month.

9. In January 2009, shortly after moving into the Lowrey Hotel, Ms. Miller-Kahler and Mathiasen were in the hallway when they saw another tenant, Teri Broten, yell at Defendant Wright to tell Hoglund to keep his hands off Broten. Defendant Wright replied that it was not her fault and she could not keep track of what Defendant Hoglund does, or similar words to that effect. On a separate occasion, Defendant Wright told Broten not to accept gifts from Defendant Hoglund because "he just wants a blow job," or similar words to that effect. Ms. Miller-Kahler saw Teri Broten escorted by police from the premises and evicted from the Lowrey Hotel after Broten told Defendant Wright to have Defendant Hoglund keep his hands off her.

10. Because Ms. Miller-Kahler and Mr. Mathiasen were unemployed, Ms. Miller-Kahler asked Defendant Wright about working at the subject property to offset her February and March rent. Defendant Wright agreed to allow Ms. Miller-Kahler to do odd jobs at the property such as general cleaning and folding laundry. Defendant

Wright told Ms. Miller-Kahler that if Defendant Hoglund said anything inappropriate, like asking Ms. Miller-Kahler for a "blow job," Ms. Miller-Kahler should just tell him it was inappropriate for him to ask that question, or words to that effect.

11. In or around February, 2009, Defendant Wright told Ms. Miller-Kahler that she believed in men having multiple wives so she would always have one woman around to help her out, or similar words to that effect. Ms. Miller-Kahler was uncomfortable with the subject matter of the conversation and told Defendant Wright that she "could never do that," or words to that effect.

12. On several occasions in January or February 2009, Defendant Hoglund made unwelcome requests to Ms. Miller-Kahler for oral sex, which she declined.

13. After Ms. Miller-Kahler refused Hoglund's requests for oral sex, Defendant Wright stopped giving Ms. Miller-Kahler work to do. When Ms. Miller-Kahler asked Defendant Wright for work, Defendant Wright told her that she would have to see Defendant Hoglund. Even though Ms. Miller-Kahler wished to avoid Defendant Hoglund, she had no other means of making money to pay her rent so she went to Defendant Hoglund for work.

14. On or about February 23 or 24, 2009, when Ms. Miller-Kahler was assisting Defendant Hoglund with work, Defendant Hoglund locked the door to the room from the inside asked Ms. Miller-Kahler to perform oral sex on him, telling her that if she did enough for him he could possibly get her a job. Defendant Hoglund also exposed his

penis to Ms. Miller-Kahler at this time. Defendant Hoglund also asked Ms. Miller-Kahler if she would be willing to perform oral sex on other people that he picked out.

15. On or about February 26, 2009, Ms. Miller-Kahler's husband, John Mathiasen, confronted Defendant Hoglund about the incident described above. Defendant Hoglund demanded that Mr. Mathiasen leave the Lowrey Hotel.

16. On one occasion on or about late February or early March, 2009, Defendant Hoglund drove Ms. Miller-Kahler to the residence he shared with Defendant Wright so Ms. Miller-Kahler could help him clean out the garage. While they were there, Defendant Hoglund told Ms. Miller-Kahler that they were not leaving until she performed oral sex on him.

17. On another occasion on or about late February or early March, 2009, Defendant Hoglund called Ms. Miller-Kahler into his office and told her she owed rent money. Ms. Miller-Kahler did not have any money. Defendant Hoglund made it clear that if he did her a favor, she would have to give him a sexual favor in exchange.

18. On or about March 6, 2009, Ms. Miller-Kahler told Defendant Hoglund that she was having difficulty finding a job. Defendant Hoglund then responded, "Well what do you think about this whole blow job thing?" or words to that effect.

19. On several other instances while Ms. Miller-Kahler resided in the Lowrey Hotel, Defendant Hoglund would gesture to Ms. Miller-Kahler by shaking his genitals in one hand.

20. Ms. Miller-Kahler told others, including a social worker and some tenants, about Defendant Hogleund's conduct.

21. On or about March 14, 2009, Defendant Hogleund told Ms. Miller-Kahler that he had heard from three different people that Ms. Miller-Kahler said he was sexually harassing her, or words to that effect. Defendant Hogleund told her she could not stay at the Lowrey Hotel any longer, and Ms. Miller-Kahler left the hotel.

22. In taking the actions described above in paragraphs 8-21, Defendant Hogleund was acting within the scope of his authority as a manager of the Lowrey Hotel and Café and on behalf of Defendants Lowrey Hotel & Café, LLC and Wright.

23. Defendant Wright knew or should have known of the discriminatory conduct of her agent, Defendant Hogleund, yet she failed to take reasonable preventive or corrective measures on her own behalf and on behalf of Defendant Lowrey Hotel & Café, LLC.

#### **HUD ADMINISTRATIVE PROCESS**

24. On or about June 15, 2009, Ms. Miller-Kahler timely filed a complaint with HUD, alleging discrimination on the basis of sex. The complaint was closed in October, 2009, because HUD investigators could not locate Ms. Miller-Kahler. On or about February 18, 2010, Miller-Kahler again timely filed a complaint with HUD, alleging discrimination on the basis of sex.

25. Pursuant to 42 U.S.C. § 3610(a) and (b), the Secretary of HUD conducted and completed an investigation of the complaint, attempted conciliation without success, and prepared a final investigative report. Based upon the information gathered in the

investigation, the Secretary, pursuant to 42 U.S.C. § 3610(g)(1), determined that reasonable cause existed to believe that illegal discriminatory housing practices had occurred because of sex. As a result, on September 30, 2011, the Secretary issued a Charge of Discrimination, pursuant to 42 U.S.C. § 3610(g)(2)(A), charging that Defendants had engaged in discriminatory practices, in violation of 42 U.S.C. §§ 3604(a), (b) and 3617.

26. On October 24, 2011, Ms. Miller-Kahler elected to have the claims asserted in HUD's Charge of Discrimination decided in a civil action pursuant to 42 U.S.C. § 3612(a).

27. On October 24, 2011, an Administrative Law Judge issued a Notice of Election to Proceed in United States Federal District Court and terminated the administrative proceedings on the complaint filed with HUD by Ms. Miller-Kahler.

28. Following this Notice of Election, the Secretary of HUD authorized the Attorney General to commence a civil action, pursuant to 42 U.S.C. § 3612(o).

#### **FAIR HOUSING ACT VIOLATIONS**

29. Plaintiff re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 23, above.

30. By the actions and statements set forth above, Defendants have:

- a. Made unavailable or denied a dwelling to a person on the basis of sex, in violation of Section 804(a) of the Fair Housing Act, 42 U.S.C. § 3604(a);  
and

- b. Discriminated in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith, because of sex, in violation of Section 804(b) of the Fair Housing Act, 42 U.S.C. § 3604(b).
- c. Made statements with respect to the rental of a dwelling indicating a preference, limitation, or discrimination based on sex, and an intention to make such a preference, limitation, or discrimination based on sex, in violation of Section 804(c) of the Fair Housing Act, 42 U.S.C. § 3604(c).
- d. Interfered with the exercise or enjoyment of a right granted or protected by section 818 of the Fair Housing Act, in violation of 42 U.S.C. § 3617.

31. Ms. Miller-Kahler is an “aggrieved person” within the meaning of 42 U.S.C. § 3602(i).

32. As a result of Defendants’ discriminatory conduct, Ms. Miller-Kahler has suffered damages.

33. Defendants’ discriminatory actions and statements as set forth above were intentional, willful, and taken in disregard of the federally-protected rights of Ms. Miller-Kahler.

**RELIEF REQUESTED**

WHEREFORE, the United States of America requests the following relief:

- a. A declaration that the discriminatory conduct of Defendants, as set forth above, violates the Fair Housing Act, as amended, 42 U.S.C. §§ 3601-3631.



- b. An injunction against Defendants and their officers, their agents, employees, and successors, and all other persons in active concert or participation with any of them, from:
  - i. discriminating on the basis of sex in violation of the Fair Housing Act, in violation of the Fair Housing Act, as amended, 42 U.S.C. §§ 3601-3631;
  - ii. failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of their unlawful practices; and
  - iii. failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, Ms. Miller-Kahler to the position she would have been in but for the discriminatory conduct.
- c. An award of monetary damages to Ms. Kahler-Miller, pursuant to 42 U.S.C. §§ 3612(o)(3) and 3613(c)(1);
- d. The United States further requests such additional relief as the interests of justice may require.

Dated this 23<sup>rd</sup> day of November, 2011.

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Respectfully submitted,

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