

FILED 10 OCT 6 16:4E 2010

**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
MEDFORD DIVISION**

**UNITED STATES OF AMERICA,**  
Plaintiff,  
and  
**FAIR HOUSING COUNCIL OF OREGON,**  
Plaintiff-Intervenor,  
v.  
**MELISSA JACKSON AND MATTHEW L.  
RYSER, Individuals and Co-Personal  
Representatives for the Estate of VIRGINIA  
RUTH HADLOCK,**  
Defendants.

Civil Case No. CV. 08-3074-CL

**CONSENT DECREE**

**I. INTRODUCTION**

On July 9, 2008, the United States filed a civil action against Virginia Ruth Hadlock, charging her with housing discrimination under Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601 - 3619. The complaint alleged that Ms. Hadlock discriminated against families with children in the rental of dwellings, in violation of the Fair Housing Act (hereinafter FHA or the Act). 42 U.S.C. § 3604(a) and (c). The provision in the FHA making it unlawful to discriminate on the basis of "familial status" – discrimination against parents and other custodians living with children under the age of 18 – was added by Congress in 1988. Fair Housing Amendments Act of 1988, Pub. L. No. 100-430, 102 Stat. 1620.

On September 30, 2008, the Court granted the Fair Housing Council of Oregon (FHCO)'s motion to intervene in the case as a plaintiff. On January 27, 2010, the Court granted the plaintiffs' motion for partial summary judgment as to liability, finding undisputed material facts establishing a prima facie case that Ms. Hadlock had violated Sections 3604(a) and (c) of the FHA on the basis of familial status. A copy of the Order is attached as Exhibit A. Following this Court's Order on partial summary judgment, the sole remaining issues to be determined related to the remedies of damages and injunctive relief. On May 29, 2010, Ms. Hadlock died. The Co-Personal Representatives of Ms. Hadlock's Estate have been substituted as defendants and agree to be bound in that capacity, and further agree to continue to be bound by this agreement in their individual capacities. The parties enter into this Consent Decree to avoid the costs of additional litigation. The parties agree that the damage claims and injunctive relief against Ms. Hadlock should be settled and resolved without the necessity of a trial. The parties have agreed to the entry of this Consent Decree, as indicated by the signatures below.

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

## II. INJUNCTION

1. Defendants, their agents, employees, successors, and all persons in active concert or participation with them are hereby enjoined, with respect to the sale or rental of dwellings, from:

a. Refusing to allow the sale or rental of, or the negotiating for the sale or rental of, or otherwise making unavailable or denying, a dwelling to any person because of familial status;

and

b. Making, printing, or publishing, or causing to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination.

### **III. NONDISCRIMINATION POLICY AND MANAGEMENT OF RENTALS**

2. Defendants' responsibilities under this Consent Decree shall apply to each and every dwelling unit in which Virginia Ruth Hadlock had at the time of her death an ownership, management, or other financial interest, a current list of which is attached as Exhibit B. Defendants' signatures to this Decree serve as a certification of the completeness and accuracy of this list.

3. Defendants agree to not rent any property listed in Exhibit B unless and until Defendants retain a professional management company, approved by the United States, to manage all the dwelling units identified in Exhibit B.

4. Defendants shall ensure that such management company adopts the nondiscrimination policy attached as Exhibit C. Furthermore, Defendants shall ensure that all advertisements, circulars, flyers, or newsletters involving Defendants' rental properties includes language indicating that the property is operated and managed on a nondiscriminatory basis and that "families are welcome."

### **IV. MANDATORY TRAINING**

5. Within six (6) months of the entry of this Consent Decree, Defendants shall ensure that persons who have responsibilities related to the management or rental of the dwelling units listed in Exhibit B shall attend, at Defendants' expense, a training program regarding the discrimination

provisions of federal, state, and local fair housing laws. The training shall be conducted by a qualified third party (i.e., HUD), approved by the United States and the Fair Housing Council of Oregon, and unconnected to Defendants or their employees, agents, or counsel.

6. Defendants must notify the Plaintiffs of the name(s), address(es), and telephone number(s) of the trainer(s) as well as the time and location of such training program at least thirty (30) days prior to the program. In the alternative, the management company may provide proof of prior training consistent with the requirements of paragraph 5 if attendance has been within the year before the date of entry of this Consent Decree.

7. Defendants shall provide a copy of this Consent Decree and all attachments to the management company within five (5) days of retaining the management company and secure a signed statement from each employee of the management company who has responsibility over any of the properties listed in Exhibit B, acknowledging that he or she has received and read the Decree and the Nondiscrimination Policy and has had the opportunity to have questions answered about the Decree and Nondiscrimination Policy and agrees to abide by the relevant provisions of the Decree and said policies and procedures. This statement shall be in the form of Exhibit D.

#### **V. REPORTING AND RECORD-KEEPING REQUIREMENTS**

8. Defendants shall, no later than 15 days after occurrence, provide to counsel for the United States<sup>1</sup> and [counsel for] the plaintiff-intervenor notification and documentation of the following events:

---

<sup>1</sup> All documents or other communications required by this Decree to be sent to counsel for the United States shall be addressed as follows: AUSA Adrian Brown, U.S. Attorney's Office, 1000 S.W. Third Ave., Suite 600, Portland, Oregon 97204-2902.

- A. The name of the management company identified in paragraph 3 and confirmation that it has adopted the policy in Exhibit C;
- B. The executed copies of a statement in the form of Exhibit D;
- C. The training attended pursuant to Section IV, including a certification executed by the trainer(s) confirming attendance;
- D. Any denial by the management company of a rental application for one of the dwelling units listed in Exhibit B, if such application was by a family with children as defined by the Fair Housing Act, including the resident's name, address, and telephone number and details of the request and the reason(s) for its denial; and,
- E. Any written or oral complaint against the Defendants regarding discrimination on the basis of familial status, or conduct prohibited by 42 U.S.C. § 3617, including a copy of the written complaint itself or a written summary of an oral complaint and the name, address, and telephone number of the complainant. The Defendants shall also promptly provide the United States information concerning the complaint's resolution.

9. Defendants shall submit annually on the anniversary date of the entry of this Consent Decree, with the last report occurring ninety days before the expiration of the Decree, a written report that includes the following information:

- A. The information requested in paragraph 8, above, if not yet reported;
- B. Any sale, transfer, or other disposition of any interest in the rental properties listed in Exhibit B, including the identity of the purchaser(s) or person(s) to whom the interest is being transferred;
- C. A sample of any new leases executed for the rental properties listed in Exhibit B,

identifying any changes in the portion of the lease that outlines the management company's nondiscrimination policy;

- D. The number of vacancies in the dwelling units listed in Exhibit B;
- E. The number of applicants for each vacancy;
- F. The identities of applicants for each vacancy;
- G. The disposition of each application and the dates of such disposition;
- H. If an application is denied (and is not covered in paragraph 8(E), above):
  - i. An explanation of why the applicant was denied;
  - ii. The identity of the employee or agent of the management company who made the decision to deny the applicant; and
  - iii. The identity of the applicant who was accepted for the vacancy.

10. For the duration of the Consent Decree, the Defendants shall require the management company to preserve all records relating to the following:

- A. Complaints against them or their agents or employees of discrimination in housing on the basis of familial status at any of Defendants' properties;
- B. All rental records maintained in the normal course of their business relating to any of the rental properties listed in Exhibit B --including, but not limited to, inquiry logs, applications, tenant files, leases, and all records relating to actual or threatened evictions -- created from the date of the entry of this Consent Decree; and
- C. Any advertising conducted by the management company pursuant to paragraph 4.

11. Upon reasonable notice to Defendants and the management company, the U.S. Attorney's Office for the District of Oregon shall be permitted to inspect and copy any records

relating to compliance with the terms of the Consent Decree, provided, however, that the U.S. Attorney's Office shall endeavor to minimize any inconvenience and administrative burden from such inspections.

#### **VI. MONETARY RELIEF**

12. No later than thirty (30) days from the entry of this Consent Decree, Defendants shall pay the total sum of Thirty Thousand Dollars (\$30,000.00), for the purpose of compensating Plaintiff-Intervenor Fair Housing Council of Oregon for damages, by check made payable to Fair Housing Council of Oregon.

13. No later than thirty (30) days from the entry of this Consent Decree, Defendants shall pay the total of Fifty-Six Thousand Eight Hundred Seventy-Five Dollars and Sixty-Eight Cents (\$56,875.68) in attorney's fees to counsel for the Fair Housing Council of Oregon, by check made payable to Kell, Alterman & Runstein, LLP.

14. Tender of the checks described in paragraphs 12 and 13, above, shall be made to Dennis Steinman, Kell, Alterman and Runstein, LLP, 520 SW Yamhill, Suite 600, Portland, Oregon 97204, no later than thirty (30) days from entry of this Consent Decree. In exchange for receipt of payments in paragraphs 12 and 13, above, the Fair Housing Council of Oregon will execute a written release of all claims, legal or equitable, that it might have against Defendants relating to the claims asserted in this lawsuit. A copy of the Release is attached as Exhibit E.

#### **VII. COURT JURISDICTION, SCOPE, AND DURATION OF CONSENT DECREE**

15. The Parties stipulate that the Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. §3612(o) and that this Consent Decree is effective immediately upon its entry by the Court.

16. The Court shall retain jurisdiction over the action and over the Defendants for three (3) years from the date of entry of the Consent Decree to enforce its terms, after which time the case shall be dismissed with prejudice. The United States or plaintiff-intervenor may move the Court to extend the duration of the Consent Decree in the interests of justice.

17. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Consent Decree prior to bringing such matters to the Court for resolution. However, in the event of a failure by Defendants to perform in a timely manner any act required by this Consent Decree or otherwise to act in conformance with any provision thereof, Plaintiffs may move the Court to impose any remedy authorized by law or equity, including, but not limited to, an order requiring performance of such act or deeming such act to have been performed, and an award of any damages, costs, and reasonable attorney's fees if applicable, which may have been occasioned by the violation or failure to perform.

DATED this 30<sup>th</sup> day of Sept., 2010.

Respectfully submitted,

DWIGHT C. HOLTON  
Acting United States Attorney

s/ Adrian L. Brown  
ADRIAN L. BROWN  
Attorneys for United States

KELL, ALTERMAN & RUNSTEIN, LLP

s/ Dennis Steinman  
DENNIS STEINMAN, OSB NO. 95425  
Attorneys for FHCO



BRANDSNESS, BRANDSNESS, & RUDD, P.C.

*William P. Brandsness*

**WILLIAM P. BRANDSNESS**  
Attorney for Defendants

*Melissa D. Jackson*

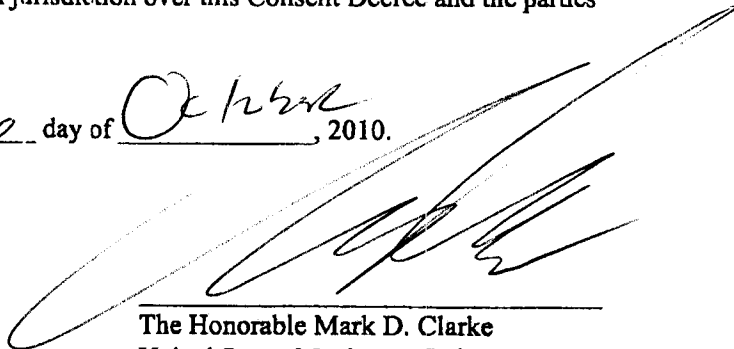
**MELISSA JACKSON**  
Defendant as Co-Personal Representative  
and in an Individual Capacity

*Matthew L. Ryser*

**MATTHEW L. RYSER**  
Defendant as Co-Personal Representative  
and in an Individual Capacity

Based upon the stipulation of the parties to this action, the terms of this Consent Decree are hereby approved. This Court shall retain jurisdiction over this Consent Decree and the parties' compliance with this Consent Decree.

ENTERED and ORDERED, this 6 day of October, 2010.



The Honorable Mark D. Clarke  
United States Magistrate Judge

Exhibit A

[RESERVED FOR SUMMARY JUDGMENT ORDER]

**Exhibit B**

**LIST OF COVERED DWELLING UNITS**

**(All units are located within the city and county of Klamath Falls, Oregon)**

- (1) 2224 Main Street
- (2) 2226 Main Street
- (3) 125 Sheldon Street
- (4) 2238 Main Street
- (5) 119 Wendling Way
- (6) 4224 Laverne Avenue

## Exhibit C

**NONDISCRIMINATION POLICY**

It is the policy of \_\_\_\_\_ management company to comply with the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, *et seq.*, by ensuring that dwellings are available to all persons without regard to familial status. "Familial status" means one or more individuals (who have not attained the age of 18 years) being domiciled with a parent or another person having legal custody of such individual or individuals, or the designee of such parent or other person having such custody, with the written permission of such parent or other person. This policy means that, among other things, the \_\_\_\_\_ management company and all its employees and agents must not discriminate in any aspect of the sale or rental of dwellings against prospective buyers or renters because of familial status. Such employees and agents may not:

a. Refuse to allow the sale or rental after the making of a bona fide offer, or refuse to allow the negotiation for sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of familial status;

b. Make, print, or publish, or cause to be made, printed or published any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination; or

c. Represent to any person because of familial status that a dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

Any employee or agent who fails to comply with this non-discrimination policy will be subject to appropriate disciplinary action, which may include termination. Any action taken by an agent or employee that results in the unequal service, treatment or behavior to residents on the basis of familial status may constitute a violation of state and federal fair housing laws.

Exhibit D

**Officer Acknowledgment of  
Receiving and Reviewing Order and Nondiscrimination Policy**

I \_\_\_\_\_ have received a copy of the Consent Order entered in *United States & Fair Housing Council of Oregon v. Melissa Jackson and Matthew L. Ryser, Co-personal representatives for the estate of Virginia Ruth Hadlock*, Civil Action No. 08-cv-0374-CL (District of Oregon). I have also received a copy of the Nondiscrimination Policy. The Consent Order and the Nondiscrimination Policy were explained to me by \_\_\_\_\_ management company, and all questions concerning these documents were answered. I have read and understood the Consent Order and the Nondiscrimination Policy.

DATE: \_\_\_\_\_

OFFICER NAME (PRINT): \_\_\_\_\_

OFFICER SIGNATURE: \_\_\_\_\_

## Exhibit E

**RELEASE**

In consideration for the parties' agreement to the terms of the Consent Order entered in *Fair Housing Council of Oregon v. Melissa Jackson and Matthew L. Ryser, Co-personal representatives for the estate of Virginia Ruth Hadlock*, Civil Action No. 08-cv-0374-CL (District of Oregon) (the "Lawsuit"), and Defendants' payment to Fair Housing Council of Oregon (FHCO) of \$30,000 and payment of \$56,875.68 in attorney's fees, FHCO fully and forever releases and discharges the Defendants, related entities, parents, predecessors, successors, subsidiaries and affiliates, and all of their past and present directors, officers, agents, managers, supervisors, and employees and their heirs, executors, administrators, successors or assigns, from any and all claims, demands, causes of action, and liabilities that exist as of the date FHCO signs this Release, whether presently asserted or unasserted, known or unknown, for acts or omissions of Ms. Hadlock prior to the date this Release is executed, and specifically including all claims for attorney's fees, liquidated or punitive damages and costs in connection with any such claim, as alleged in the Complaint filed in the Lawsuit by Plaintiffs. FHCO intends by this release to eliminate completely and permanently all claims of every nature whatsoever against Ms. Hadlock's estate for acts or omissions prior to the date of this Agreement and this release shall be broadly construed to that end.

Executed this \_\_\_ day of \_\_\_\_\_, 2010.

FAIR HOUSING COUNCIL OF OREGON

By \_\_\_\_\_  
Moloy K. Good, Executive Director