

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

UNITED STATES OF AMERICA)	CIVIL CASE No. 03-3599
)	
Plaintiff,)	Judge Michael J. Davis
)	Magistrate Judge Jeanne J. Graham
v.)	
)	
ROBERT L. KREISLER, JR., a/k/a BOB PETERSON, KREISLER REAL ESTATE COMPANY, WHITTIER REAL ESTATE COMPANY, and WHITTIER COMMUNITY APARTMENTS,)	CONSENT DECREE
)	
Defendants.)	
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This action was filed by the United States on July 9, 2003, 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 race and/or a denial of rights to a group of persons, in violation of 42 U.S.C. § 3614.

Specifically, the United States alleges that Defendants, in violation of the Fair Housing Act, 42 U.S.C. §§ 3604: evicted black tenants and/or gave them notices to vacate their apartments, while not evicting or asking to vacate similarly situated non-black tenants; allowed non-black tenants who were initially given notices to vacate their apartments the option of either staying in their apartments or moving

to other apartments, while not allowing similarly-situated black tenants such options; discriminated in the terms, conditions, and privileges of the rental of a dwelling, because of race, by failing to provide necessary and requested maintenance to black tenants while providing such maintenance to non-black tenants; and denied the availability of dwellings, both for inspection and for rent, to black persons, while dwellings were, in fact, available and/or while at the same time telling non-black persons about the availability of dwellings for inspection or rent. The United States alleges that this conduct resulted in the denial of housing to black tenants and the constructive eviction of black tenants, in violation of 42 U.S.C. §§ 3604(a), (b), and (d).

Defendants have filed a joint answer and jury trial demand in this matter and have at all times denied the allegations of the United States. The agreement to and entry of this Decree does not constitute an admission by any Defendant of any wrongdoing.

Defendant Robert L. Kreisler owns the two rental properties at issue in this matter, located at 2500 Blaisdell Avenue and 2421 Pillsbury Avenue in South Minneapolis, Minnesota (hereafter “the subject properties”). Defendant Kreisler owned the subject properties during the relevant time frame as alleged in the complaint. Defendants also own rental property located at 2530 Blaisdell Avenue.

The parties have agreed that this controversy should be resolved without a trial or adjudication of the facts as alleged by the United States and that are denied by the Defendants. Therefore, the parties consent to the entry of this Decree. This agreement constitutes full resolution of the United States' claims in this lawsuit.

I. SCOPE AND TERM OF DECREE

1. The provisions of the Decree shall apply to Defendants, their employees, agents, assigns, successors-in-interest, and all persons in active concert or participation with 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 adopts this document as its own ORDER.

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

II. INJUNCTION

4. It is hereby ORDERED, ADJUDGED AND AGREED that Defendants, their agents, employees, successors, and all persons currently in active concert or participation with any of 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 race;
- 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 race;
- C. Representing to any person, because of race, that any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, so available.

5. For the term of this Decree, as further described below, Defendants shall retain an independent management company, approved by the United States (hereinafter “Management Company”), to manage the subject properties and the rental property located at 2530 Blaisdell, as well as any other rental properties Defendants own or acquire during the term of this Decree. Neither Defendant Kreisler, nor his former spouse, Penny Ream, nor any member of his family may be an employee of or contractor for the Management Company.¹ Defendants shall

¹ Defendant Kreisler previously owned and has transferred to his former spouse, Penny Ream, the following properties, all of which are located in Minneapolis: 2124 Garfield, 424 W. 24th St., and 117-26th St., West. Defendants hereby represent that they do not have any ownership interest in, and do not participate in any way in the management of, these properties.

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 Decree, or as long as Defendants have any ownership interest in the two subject properties, 2530 Blaisdell, or any other rental properties Defendants own or acquire during the term of this Decree.² The Management Company shall be responsible for all aspects of management of the subject properties and 2530 Blaisdell (as well as any other rental properties that Defendants manage or purchase during the term of this Decree) 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. Nothing in this provision shall prevent Defendant Kreisler from acting as the general contractor for the conversion of vacant rental units to condominiums or from overseeing the financial terms of the sale of former rental units to condominium owners. Further, nothing in this provision shall prevent Defendant Kreisler from authorizing capital maintenance expenditures for the common use areas of the subject properties and 2530 Blaisdell (as well as well as any other rental properties that Defendants manage or purchase during the term of this

²

If after retaining an independent management company Defendants wish to change independent management companies, they may do so provided that any subsequent management companies must also be approved by the United States and comply with the requirements for the Management Company as described in this Decree. Such approval shall not be unreasonably withheld.

Decree), including but not limited to roofing, sidewalks, outdoor lighting, outside parking lot asphalt, underground parking lot asphalt, garage doors, stucco/siding and other major structural items. For the purpose of authorizing capital maintenance expenditures, Defendant Kreisler shall refrain from entering the premises of the Subject Properties and 2530 Blaisdell (as well as well as any other rental properties that Defendants manage or purchase during the term of this Decree) except that Defendant Kreisler may do so, when accompanied by a Management Company representative, when it is necessary for him to inspect the property, if that function cannot be reasonably delegated to an agent. However, in exigent circumstances requiring immediate aid or action, Defendant may enter the premises unaccompanied for the period of the exigency.

6. For the duration of this Decree, or as long as Defendants have any ownership interest in the two subject properties, 2530 Blaisdell, or any other rental properties Defendants own or acquire during the term of this Decree, Defendants shall require the Management Company to do the following:

- A. Ensure that all of its employees who may be performing any duties in relation to the subject properties are familiar with the requirements of the Fair Housing Act, particularly as they pertain to race discrimination.
- B. 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 x 14 inch poster substantially equivalent to the reduced sample appended to this Decree as Exhibit C will satisfy this requirement. Such poster shall be placed in a prominent, well-lit, and easily readable location.

- C. 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 prominently placed and easily legible.

- D. Send to the United States every six (6) months: (1) a list of all tenants at the subject properties and 2530 Blaisdell Avenue, along with a list of all vacant units, and (2) a report describing the status (by unit) of the condominium conversion process. 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.

- E. Notify the United States in the event it obtains any information causing it to reasonably believe that Defendants may be in violation of this Decree.
- F. Provide any information reasonably related to compliance with this Decree that is requested by the United States.

7. Defendants shall report to the United States in the event that they purchase, inherit, or otherwise acquire an interest in, or agree to manage or operate any residential real estate property, or in the event that they sell, transfer or otherwise dispose 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. Defendants shall take all necessary measures to repair the rental records of each aggrieved person against whom Defendants filed an Unlawful Detainer in the Housing Court of Minnesota, Fourth Judicial District in Minneapolis, Minnesota. The list of such persons is set forth at Exhibit D.

- A. Defendants agree to accept service of, cooperate with, and not oppose any motion for expungement of an Unlawful Detainer filed by or on behalf of any of the aggrieved individuals listed at Exhibit D.

Within thirty (30) days of the date of this Decree, Defendants shall forward to counsel for the United States a signed, notarized statement explaining that Defendants do not oppose any motion for expungement of any Unlawful Detainer filed by the Defendants, or Defendants' agents, against the aggrieved persons identified in Exhibit D, and that Defendants agree the Unlawful Detainer was in error and should not be a part of the public rental record of the aggrieved person. The statement shall provide an address and telephone number for Defendants or the Management Company's office who can be contacted to verify its contents. Defendants shall timely respond to all inquiries regarding the statement.

- B. Defendants shall send copies of the signed, notarized statement produced pursuant to paragraph 8.B to each of the Tenant Screening Companies identified in the packet produced by the Court Clerk for the Housing Court of Minnesota, Fourth Judicial District, entitled "Notifying Tenant Screening Companies About Your Expungement" current as of the date of this Decree.
- C. Within sixty (60) days of the date of this Decree, and with each report made to the United States pursuant to the reporting requirements set

forth at paragraph 6, infra, Defendants shall report to the United States regarding all actions taken to comply with this provision.

9. For the duration of the Decree, Defendants shall not manage rental property except as set forth in Paragraph 5, supra.

III. COMPENSATION FOR AGGRIEVED PERSONS

10. Within sixty (60) days after entry of this Decree, or ninety (90) days from May 5, 2006, whichever time period is greater, Defendants shall pay the total sum of FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$525,000), for the purpose of compensating the aggrieved persons listed in Exhibit A, in the manner and amounts listed in Exhibit A. Counsel for the United States shall then forward each such person his or her check. As a prerequisite to receiving such payments, each aggrieved person, or a person legally authorized to sign the release on behalf of that person, must execute and deliver a release of claims to counsel for the United States, attached hereto as Exhibit B.

IV. CIVIL PENALTIES

11. In order to vindicate the public interest, Defendants shall pay the United States the sum of FIFTY THOUSAND DOLLARS (\$50,000) as a civil penalty. Defendants shall therefore forward a check for FIFTY THOUSAND DOLLARS (\$50,000), made payable to The United States Treasury, to counsel for the United

States within sixty (60) days after entry of this Decree, or ninety (90) days from May 5, 2006, whichever time period is greater.

12. In the event that Defendants engage 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).

V. COURT JURISDICTION

13. 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.

14. The parties to this Consent Decree shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Decree 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 Consent Decree or in the event of any other act violating any provision thereof, 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, deeming such act to have been performed, 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.

15. The time limits for performance imposed by this Decree may be extended by mutual consent of the parties.

Ordered this _____ day of _____, 2006.

HONORABLE MICHAEL J. DAVIS
UNITED STATES DISTRICT JUDGE

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

For the United States:

RACHEL K. PAULOSE
United States Attorney

WAN J. KIM
Assistant Attorney General

By:

/s/
PERRY SEKUS
Acting Civil Chief
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/s/
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For the Defendants:

/s/
STEPHEN P. LAITINEN (239446)
ANGELA BERANEK BRANDT (293143)
Larson ● King L.L.P.
2800 Wells Fargo Place
30 East Seventh Street
St. Paul, MN 55101
(651) 312-6500

EXHIBIT A

Pursuant to Paragraph 10 of the Consent Decree, sixty (60) days after entry of this Decree, or ninety (90) days from May 5, 2006, whichever time period is greater, Defendants shall arrange to have \$525,000.00 deposited in an escrow account administered by the law firm of Larson ● King, L.L.P. This amount is for the purpose of compensating the aggrieved persons and shall be distributed in the following manner. Within seven (7) business days of receipt of the funds, the law firm of Larson ● King shall send to counsel for the United States, via express mail, checks made payable to the following persons in the amounts indicated:

Name of Aggrieved Person	Amount that this Person Will Receive under this Decree
Mohammed Ali	\$20,000.00
Barbara Blevins	\$20,000.00
Charles Blevins	\$20,000.00
Pearl Cook	\$20,000.00
Togabana Dore	\$20,000.00
Andy Evuleocha	\$20,000.00
Hadia Guled	\$20,000.00
Gayla Jones	\$20,000.00
Jean-Pierre Karekezi	\$20,000.00
Mark Mdaka	\$20,000.00
Olivia Miller	\$20,000.00
Salado Nur	\$20,000.00
Chubizor Obilor	\$20,000.00
Pauline Obilor	\$20,000.00
Dawn Olmstead	\$20,000.00
Tim Onwuchuruba	\$20,000.00

Ibrahim Sow	\$20,000.00
Clarence Wright	\$20,000.00
Ebonee Allen	\$15,000.00
Osman Abukar	\$15,000.00
Emory Cook ³	\$15,000.00
Mildred Freeman	\$15,000.00
Kabaynesh Gebremichel	\$15,000.00
Abdikarim Hoday	\$15,000.00
Abdisalan Hussein	\$15,000.00
Maka Ibrahim	\$15,000.00
Josephine Mbiti	\$15,000.00
Irene Mbiti	\$15,000.00
Rhonda Morrow	\$15,000.00

³The check for Emory Cook should be made payable in the amount of \$15,000.00 to the following special needs trust account established for Emory Cook: Emory Quinton Cook, Irrevocable Special Needs Trust.

EXHIBIT B

RELEASE

In consideration for the parties' agreement to the terms of the Consent Decree entered in United States v. Robert L. Kreisler, Jr., et al, and the Defendants' payment to me of \$_____, I, _____, hereby agree, effective upon receipt of payment, to remise, release and forever discharge 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, and any other claims arising from alleged housing discrimination up to and including the date of execution of this release, that I may have against Defendants Robert Kreisler, Kreisler Real Estate Company, Whittier Real Estate Company, and Whittier Community Apartments, and Defendants' agents, insurers, employees, officers, heirs, executors, administrators, successors or assigns.

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.

I waive any claims I may have against the United States arising out of this action.

This General Release constitutes the entire agreement between Defendants Robert Kreisler, Kreisler Real Estate Company, Whittier Real Estate Company, and Whittier Community Apartments 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

EXHIBIT C

FAIR HOUSING POSTER

EXHIBIT D

LIST OF AGGRIEVED PERSONS AGAINST WHOM THE DEFENDANT FILED UNLAWFUL DETAINERS

Osman Abukar

Barbara Blevins

Charles Blevins

Maurice Blevins

Gayla Jones

Abdikarim Hoday

Abdisalam Hussein

Maka Ibrahim

Mohamed Ali

Chubizor Obilor

Pauline Obilor

Tim Onwuchuruba

