

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
and	)	
	)	
RUTH MILLER-KAHLER,	)	Case No. 11-cv-790-wmc
	)	
Plaintiff-Intervenor,	)	
	)	
v.	)	
	)	
LOWREY HOTEL & CAFÉ, LLC,	)	
GERALD HOGLUND, and	)	
STACY WRIGHT,	)	
	)	
Defendants.	)	

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CONSENT DECREE

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1. The United States of America ("United States") filed this action to enforce 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. §§ 3601-3619 ("FHA" or "the Act"). Specifically, the United States filed the action against Defendants on behalf of Ruth Miller-Kahler ("Miller-Kahler"), pursuant to section 812(o) of the FHA, as amended by 42 U.S.C. § 3612(o).
2. In its complaint, the United States alleges that Defendant Hoglund, in the course of operating and managing the Lowrey Hotel and Cafe, discriminated against Miller-Kahler on the basis of sex by engaging in sexual harassment against

Miller-Kahler. The United States alleges that such conduct has included, but is not limited to, unwanted verbal sexual advance, conditioning the terms and conditions of Miller-Kahler's tenancy on the granting of sexual favors, and taking adverse action against Miller-Kahler when she objected to his sexual advances. The United States alleges that Defendant Wright knew or should have known of the discriminatory conduct of Hoglund, yet failed to take reasonably preventive or corrective measures.

3. In its complaint, the United States further alleges that Lowrey Hotel and Café, LLC, is vicariously liable for the above-described discriminatory conduct of its agents, Defendants Hoglund and Wright, which conduct occurred within the scope of their employment. The United States alleges that conduct of Defendants described above constitutes:

a) A denial of housing or making housing unavailable because of sex, in violation of Section 804(a) of the FHA, 42 U.S.C. § 3604(a);

b) Discrimination in the terms, conditions, or privileges of the rental of dwellings, or in the provision of services or facilities in connection therewith, because of sex, in violation of Section 804(b) of the FHA, 42 U.S.C. § 3604(b);

c) The making of statements with respect to the rental of dwellings that indicate a preference, limitation, or discrimination based on sex, in violation of Section 804(c) of the FHA, 42 U.S.C. § 3604(c); and

d) Interference with the exercise or enjoyment of a person's right granted or protected by Section 818 of the FHA, in violation of 42 U.S.C. § 3617.

4. Plaintiff Miller-Kahler has intervened in the United States' case pursuant to

Section 812(o) of the FHA, 42 U.S.C. § 3612(o). In addition to alleging that the Defendants discriminated against her based on sex with respect to the provisions of housing, in violation of the FHA, 42 U.S.C. §§ 3604(a), 3604(b), 3604(c), and 3617, Plaintiff Miller-Kahler also alleges that Defendants Lowrey Hotel and Café, LLC, and Wright breached their duty of care to her in retaining Defendant Hoglund as a manager and employee and failing to properly supervise him.

5. Defendant Lowrey Hotel & Café, LLC, operates a residential hotel and café located at 116 West 3<sup>rd</sup> Street, New Richmond, Wisconsin ("Subject Property"). The Subject Property is a thirty-seven-room residential hotel that provides rental housing on a month-to-month basis. Defendant Stacy Wright manages the hotel and café on behalf of Lowrey Hotel, LLC. Defendant Gerald Hoglund was employed by the Lowrey Hotel & Café, LLC, at all times relevant to this action.

6. Defendants deny each allegation of sexual harassment or discrimination on the basis of sex. Defendants also deny each allegation of breach of duty of care.

7. The Parties have agreed that in order to avoid costly and protracted litigation, this controversy should be resolved without a trial. Accordingly, the Parties consent to the entry of this Decree, as indicated by the signatures appearing below. This Consent Decree may be executed in counterparts, each of which constitutes an original, and all of which constitutes one and the same Consent Decree.

I. GENERAL INIUNCTION

8. Defendants, their officers, agents, employees, and all persons in active concert or participation with them are enjoined, with respect to the rental of any dwellings as defined by 42 U.S.C. § 3602(b), from:

a. Refusing to rent, or to negotiate for the rental of, or otherwise making unavailable or denying, a dwelling to any person because of sex, in violation of 42 U.S.C. § 3604(a);

b. Discriminating against any person in the terms, conditions, or privileges of renting a dwelling, or in the provision of services or facilities in connection with therewith, because of sex, in violation of 42 U.S.C. § 3604(b);

c. Making, or causing to be made, statements with respect to the rental of a dwelling that indicate a preference, limitation, or discrimination based on sex, or an intention to make any such preference, limitation, or discrimination, in violation of 42 U.S.C. § 3604(c); and

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, in violation of 42 U.S.C. § 3617.

9. Defendant Gerald Hoglund is permanently enjoined from entering the premises of the Subject Property.

10. Defendant Hoglund is permanently enjoined from operating, consulting, managing, staffing, participating in, working in (whether paid or unpaid), or otherwise having any involvement in the management, rental, or maintenance of any dwelling, as defined by the Fair Housing Act, 42 U.S.C. § 802(b).

## II. AFFIRMATIVE RELIEF

11. Defendants shall within thirty (30) days of the entry of this Order include the words "Equal Housing Opportunity", or the fair housing logo, in all advertising conducted by Defendants in newspapers, Internet, telephone directories, radio or other media, and on all signs, pamphlets, brochures, and other promotional literature. The words or logo shall be prominently placed and easily legible.

12. Defendants Lowrey Hotel & Café, LLC, and Stacy Wright shall adopt and implement, subject to the United States' approval, a written Nondiscrimination Policy, 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 of the date of this Consent Decree and Order. This policy and procedure shall be implemented within fifteen (15) days of the date of its receipt by counsel for the United States if it is satisfactory to the United States, and at the time of implementation, Defendants Lowrey Hotel & Café, LLC, and Wright shall provide copies of the policy and procedure to all new and current tenants at the Subject Property and obtain a signed receipt from each tenant, which shall be kept in each tenant's file.

13. Should Defendants utilize any written rental or lease applications,

Defendants shall include the following phrase in all rental and lease applications in bold, and using letters of at least equal size to those of the text in the body of the document:

**We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, national origin, religion, handicap or familial status (having children under age 18).**

14. Should any Defendant purchase, inherit, or otherwise acquire an interest in any real property, or sell, transfer, or otherwise dispose of any interest in any real estate property, that Defendant shall notify the United States in writing<sup>1</sup> within thirty (30) days of the date of such 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.

15. Within thirty (30) days of the date of the entry of this Order, Defendants shall obtain one or more copies of the Fair Housing poster, as described in 24 C.F.R. § 110.25, from the Chicago Regional Office of the United States Department of Housing and Urban Development. Within that same period of time, Defendants shall prominently display one or more copies of the Fair Housing poster at the Subject Property so as to be readily apparent to all persons seeking housing accommodations at the Subject Property, as contemplated by section 804 of the Act, 42 U.S.C. § 3604.

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<sup>1</sup> Unless otherwise indicated, all documents or other communications required by this Consent Decree and Order to be sent to counsel for the United States shall be addressed as follows: United States Attorney's Office, Western District of Wisconsin, 660 W. Washington Ave., Suite 303, Madison, WI 53703, or as otherwise directed by the United States.

**III. MANDATORY EDUCATION AND TRAINING**

16. Within thirty (30) days of the date of entry of this Order, Defendants shall provide a copy of this Order to all their agents and employees involved in the rental or management of dwellings and secure a signed statement from each agent or employee acknowledging that he or she has received and read the Order. This statement shall be substantially in the form of Appendix A.

17. During the term of this Order, within thirty (30) days after the date he or she commences an agency or employment relationship with Defendants, each new agent or employee involved in the rental or management of dwellings shall be given a copy of this Order and be required to sign a statement acknowledging that he or she has received and read the Order. This statement shall be substantially in the form of Appendix A.

18. Within ninety (90) days of the date of entry of this Order, Defendant Wright shall undergo training on the provisions of the FHA, with particular emphasis on provisions relating to discrimination on the basis of sex. The training shall be conducted by a qualified third-party unconnected to Defendants or their employees, agents, or counsel. Defendants shall provide to the United States, within thirty (30) days after the training, the name(s), address(es), and telephone number(s) of the trainer(s) and certifications executed by the trainers confirming their attendance.

**IV. COMPENSATION OF AGGRIEVED PERSONS**

19. Defendants shall pay to Miller-Kahler the sum of \$50,000.00 as an

aggrieved person within the meaning of the Act. Defendants shall send the check for this amount made payable to Ruth Miller-Kahler to Attorney Sally Scoggin, with a copy to counsel for the United States, within fifteen (15) days after the date of entry of this Order. Upon receipt of the check Miller-Kahler shall execute a written release on behalf of herself (substantially in the form of Appendix B) of all claims, legal or equitable, that she might have against Defendants relating to the claims asserted in this lawsuit.

**V. RECORD KEEPING AND REPORTING**

20. During the term of this Consent Order, Defendants shall retain all rental records maintained in the normal course of their business(es) -- including, but not limited to, inquiry logs, rental applications, tenant files, acknowledgements of receipt referenced in paragraphs 12 and 17 above, and all records relating to actual or threatened evictions - created from the date of the entry of this Consent Order. Upon request and reasonable notice, Defendants shall produce, or permit representatives of the United States, or an agency thereof, to review, any such records in the possession or control of Defendants, or their agents, employees, or representatives.

21. During the term of this Consent Order, Defendants shall provide counsel for the United States written notice within fifteen (15) days of the receipt of any written or oral complaint against Defendants regarding discrimination on the basis of sex or unlawful retaliation, and a description of the resolution of any such complaint within fifteen (15) days of resolution. If the complaint is written, Defendants shall provide a copy of it with the notice; if the complaint is oral, they shall include a written summary



of it with the notice. The notice shall include the full details of the complaint, including the complainant's name, address, and telephone number. Defendants shall also promptly provide the United States, or an agency thereof, all information it may request concerning any such complaint and its actual or attempted resolution.

22. During the term of this Consent Order, Defendants shall provide any information reasonably related to compliance with this Consent Order that is requested by the United States or an agency thereof.

**VI. COURT JURISDICTION, SCOPE, AND TERM OF CONSENT ORDER**

23. The Parties have consented to the entry of this Order as indicated by the signatures below. To this end, the Parties stipulate and the Court finds that this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 3612(o). This Consent Order is effective immediately upon its entry by the Court.

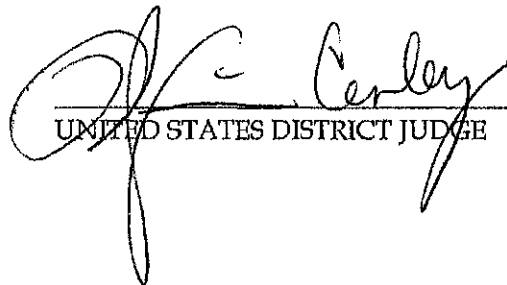
24. The provisions of this Consent Order shall apply to Defendants, their employees, agents, assigns, successors-in-interest, and all persons in active concert or participation with any of them.

25. The Court shall retain jurisdiction over this action and over Defendants for five (5) years from the date of entry of this Consent Order to enforce the terms of the Order, after which time the case shall be dismissed with prejudice. Plaintiffs may move the Court to extend the duration of the Order if it determines that Defendants have violated one or more terms of the Order, or if the interests of justice otherwise require.

26. All parties shall be responsible for their own attorney's fees and court costs, except as provided in Paragraph 27 below.

27. 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 to perform in a timely manner any act required by this Consent Order or otherwise to act in violation of any provision thereof, Plaintiffs may move this 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 attorneys' fees which may have been occasioned by the violation or failure to perform.

So ORDERED this 17th day of August, 2012.

  
UNITED STATES DISTRICT JUDGE