

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 2:07-cv-2233
)	
AIMCO PROPERTIES, L.P., APARTMENT)	
INVESTMENT & MANAGEMENT)	
COMPANY d/b/a AIMCO; AIMCO-GP, INC.;)	
NHP MANAGEMENT COMPANY;)	
NHPMN MANAGEMENT, LLC; CENTRAL)	
PARK TOWERS II, L.P.; and)	
STACY STURDEVANT,)	
)	
Defendants.)	
_____)	

CONSENT ORDER

(Regarding Defendant Central Park Towers II, L.P.)

I. INTRODUCTION

A. Background

1. This Consent Order (this “Order”) is entered between the United States (“Plaintiff”) and Defendant Central Park Towers II, L.P. (“CPT II”).
2. This action is brought by the United States to enforce the provisions of 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.* (hereinafter “Fair Housing Act”).
3. Defendant Stacy Sturdevant participated in the management, operation, and/or rental of dwelling units at the Central Park Towers Apartments, located at 15 North 10th Street, Kansas City, Kansas (hereinafter the “Subject Property”) between January 2003 and July 2005. The United States alleges that during part or all of that time period, Defendant Sturdevant was an employee of Defendants AIMCO Properties, L.P. (“AIMCO Properties”) and Apartment Investment & Management Company, Inc., d/b/a AIMCO (“AIMCO”), and that during part or all of that time period, Defendant NHPMN Management, LLC (“NHPMN”) had the right to exercise control over Defendant Sturdevant’s management, operation, and/or rental of dwelling units at the Subject Property.
4. Defendant CPT II is a Kansas limited partnership with its registered office in Topeka, Kansas. Between January 2003 and July 2005, Defendant CPT II was an owner of the Subject Property. The United States alleges that during that time period, Defendant CPT II was engaged in or had the right to engage in the management, operation, and/or rental of dwelling units at the Subject Property. The United States alleges that during that time

period, Defendant NHPMN Management served as an agent for Defendant CPT II in the property management of the Subject Property. The United States alleges that during that time period, Defendant CPT II engaged in or had the right to engage in the exercise of control over its agent, Defendant NHPMN, in the property management of the Subject Property, and that Defendant CPT II engaged in or had the right to engage in the exercise of control over Defendant Sturdevant in the property management of the Subject Property.

5. Defendant CPT II admits that it owned the Subject Property throughout the period from January 2003 to July 2005, but denies the United States' allegations that it engaged in or had the right to engage in the exercise of control over Defendant Sturdevant in the property management of the Subject Property.
6. The Subject Property is a dwelling within the meaning of 42 U.S.C. § 3602(b).
7. Defendant CPT II sold the Subject Property in February 2008 and is no longer in the business of owning, operating, or managing multi-family housing. Defendant CPT II is presently inactive and does not presently intend to re-enter the business of multi-family housing.
8. The United States alleges that Melissa Kothe was employed by Defendants AIMCO Properties and AIMCO from March 2004 until May 3, 2005, as a resident services coordinator at the Subject Property, and that Stacy Sturdevant was her immediate supervisor.
9. The United States alleges that on or about April 22, 2005, two investigators from the United States Department of Housing and Urban Development ("HUD") interviewed Ms.

Kothe in connection with a fair housing complaint lodged by a resident of the Subject Property against Defendant Sturdevant.

10. The United States alleges that Ms. Kothe told the HUD investigators that she had witnessed Defendant Sturdevant using inappropriate and disrespectful language toward a resident, and attempting to provoke the resident into an altercation. The United States further alleges that on or about April 22, 2005, and on or about April 25, 2005, Defendant Sturdevant asked Ms. Kothe what Ms. Kothe had told the HUD investigators, Ms. Kothe refused to give complete answers, and Defendant Sturdevant became angry with Ms. Kothe.
11. The United States alleges that on or about April 27, 2005, Defendant Sturdevant overheard Ms. Kothe tell a co-worker that Ms. Kothe had advised a resident at the Subject Property to contact an attorney or HUD regarding an eviction notice that the resident had received.
12. The United States alleges that, upon overhearing Ms. Kothe state that she had advised a resident to contact an attorney or HUD, Defendant Sturdevant became angry and ordered Ms. Kothe to never again give a resident advice about contacting either an attorney or HUD.
13. The United States alleges that on or about April 27, 2005, Defendant Sturdevant falsely accused Ms. Kothe of falsifying a document that Ms. Kothe had submitted previously on behalf of a resident to the Kansas Department of Social and Rehabilitative Services, and that Defendant Sturdevant made this false allegation because Ms. Kothe had cooperated with HUD investigators and had advised a resident to contact HUD or a lawyer.

14. The United States alleges that as a result of Defendant Sturdevant's allegedly false accusation, Ms. Kothe was suspended, and later fired, from her employment with Defendants AIMCO Properties and AIMCO.
15. The United States alleges that while acting as the manager of the Subject Property, Defendant Sturdevant openly displayed and distributed racially hostile materials, symbols, and items, such as hangman's nooses, on the premises of the Subject Property.
16. The United States alleges that while acting as the manager at the Subject Property, Defendant Sturdevant openly and pervasively referred to African-Americans as "niggers," and she openly and pervasively made other racially derogatory and hostile remarks about African-American residents, to African-American residents, and to persons who associated with African-American residents of the Subject Property.
17. The United States alleges that while acting as the manager of the Subject Property, Defendant Sturdevant treated white residents more favorably than African-American residents in the terms and conditions of their residency.
18. The United States alleges that while acting as the manager of the Subject Property, Defendant Sturdevant engaged in other discriminatory conduct on the basis of race.

B. Consent of the Parties to Entry of this Order

19. The United States and Defendant CPT II (together, "the Parties to this Order") agree that this Court has subject matter jurisdiction over the claims in this civil action pursuant to 28 U.S.C. §§ 1331 and 1345, as well as 42 U.S.C. §§ 3612(o) and 3614(a). The Parties to this Order further agree that venue is proper in the United States District Court for the

District of Kansas and that this Court shall retain jurisdiction over this action for all purposes related to the enforcement of this Order throughout its term.

20. The Parties to this Order agree that the controversy between Plaintiff and Defendant CPT II should be resolved without further proceedings or an evidentiary hearing.
21. The provisions of this Order shall apply to Defendant CPT II and its employees, agents, assigns, and successors-in-interest.
22. Defendant CPT II denies the United States' allegations in this action and denies that it violated the Fair Housing Act.
23. This Consent Order, being entered into with the consent of the United States and CPT II, shall in no way constitute an adjudication or finding on the merits of the case, nor be construed as an admission by CPT II or a finding of wrongdoing or violation of any applicable federal law or regulation, as Defendant CPT II continues to deny any unlawful discrimination or wrongful conduct.
24. This Order is effective immediately upon its entry by the Court. For purposes of this Order, the phrase "date of this Order" shall refer to the date on which the Court adopts this document as an Order of the Court.
25. As indicated by the signatures below, Plaintiff and Defendant CPT II agree to the entry of this Order.
26. This Consent Order and its appendices constitute the final, complete, and exclusive Consent Order and understanding between the Parties to this Order with respect to the settlement embodied in this Consent Order.

Therefore, it is hereby **ORDERED, ADJUDGED** and **DECREED**:

II. GENERAL INJUNCTION

27. For the term of this Order, in the event that Defendant CPT II re-enters the business of multi-family housing, Defendant CPT II shall notify the Department of Justice within fifteen (15) days of re-entering the business of multi-family housing,¹ and, in such event, the provisions for injunctive relief set forth in Paragraphs 28 through 37 below shall apply to Defendant CPT II and its then-current agents, employees, assigns, and successors in interest:
28. In the event that Defendant CPT II re-enters the business of multi-family housing, Defendant CPT II, and its then-current agents, employees, assigns, and successors in interest are hereby enjoined from:
- A. Discriminating against any persons in the terms, conditions, or privileges of renting a dwelling because of race or color; or
 - B. Coercing, intimidating, threatening, or interfering with a person in the exercise or enjoyment of, or on account of that person having exercised or enjoyed, or on account of that person having aided or encouraged any other person in the exercise or enjoyment of any right granted or protected by Section 803, 804, 805, or 806 of the Fair Housing Act.

¹ Unless otherwise specified, all documents or other communications required by this Consent Order to be sent to counsel for the United States shall be sent by overnight courier and addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, DJ 175-29-102, United States Department of Justice, 1800 G Street, NW, 7th Floor, Washington, DC 20006, or as otherwise directed by the United States. If this Order requires transmission by facsimile, the communication shall also be sent via facsimile to (202) 514-1116.

III. NON-DISCRIMINATION POLICIES AND PROCEDURES

29. For the term of this Order, in the event that Defendant CPT II re-enters the business of multi-family housing, then within thirty (30) days after doing so, Defendant CPT II shall adopt Non-Discrimination Policies and Procedures governing the prohibition of (1) discrimination against any persons in the terms, conditions, or privileges of renting a dwelling because of race or color; and (2) retaliation, or the taking of any adverse action against an employee or resident on account of her having exercised or enjoyed, or on account of her having aided or encouraged any other person in the exercise or enjoyment of any right granted or protected by Section 803, 804, 805, or 806 of the Fair Housing Act. The Non-Discrimination Policies and Procedures shall specifically address the use of racial slurs, the display of racially offensive objects and symbols, and the promotion of racially hostile groups and/or associations. Within fifteen (15) days after Defendant CPT II adopts such a policy, it shall provide a copy of that policy to the Department of Justice. That policy, which shall be subject to approval by the Department of Justice, must comply with the Fair Housing Act. During the term of this Order, if Defendant CPT II wishes to modify or alter the Non-Discrimination Policies and Procedures, it shall submit the proposed changes to counsel for the United States for review and approval.

IV. NOTICE OF NON-DISCRIMINATION

30. For the term of this Order, in the event that Defendant CPT II re-enters the business of multi-family housing, then within thirty (30) days after doing so, Defendant CPT II shall post and prominently display in a suitable public area at all properties owned or operated by or on behalf of Defendant CPT II, a sign no smaller than 10 by 14 inches indicating

that Defendant CPT II complies with the nondiscrimination provisions of the Fair Housing Act.

31. In the event that Defendant CPT II re-enters the business of multi-family housing, then for the duration of this Order, in all future advertising in newspapers, and on pamphlets, brochures, and other promotional literature for properties owned or operated by Defendant CPT II, Defendant CPT II shall place, in a conspicuous location, the statement Equal Housing Opportunity along with the Fair Housing Logo.
32. In the event that Defendant CPT II re-enters the business of multi-family housing, then within thirty (30) days after doing so, Defendant CPT II shall provide a copy of the Non-Discrimination Policy and Procedures to: (1) all residents of rental properties Defendant CPT II owns, operates, or manages, and (2) all prospective residents of such rental properties at the time of application for residency.

V. EMPLOYEE TRAINING

33. For the term of this Order, in the event that Defendant CPT II re-enters the business of multi-family housing, then within thirty (30) days after doing so, Defendant CPT II shall provide a copy of this Order and the Nondiscrimination Policies and Procedures to its employees, agents, and persons acting under their direction, whose duties, in whole or in part, involve the showing, renting, or managing of any dwelling units, and each agent or employee who supervises such activities (“employees”), and secure the signed statement from each such employee acknowledging that he or she has received and read this Order and the Nondiscrimination Policies and Procedures, has had the opportunity to have his or her questions about this Order and Nondiscrimination Policies and Procedures, if any,

answered by the Defendant CPT II's counsel, and agrees to abide by the relevant provisions of this Order and said policies and procedures. This statement shall be in the form of Appendix A. Defendant CPT II's counsel shall review these policies and procedures with, and conduct a question and answer session(s) with, such employees, on an annual basis thereafter.

34. In the event that Defendant CPT II re-enters the business of multi-family housing, then during the term of this Order, within five (5) days after each new agent or employee at a property owned or managed by Defendant CPT II becomes involved in showing, renting, or managing any covered dwelling unit(s), Defendant CPT II shall provide a copy of this Order and the Nondiscrimination Policies and Procedures to said agent or employee and secure the signed statement, in the form of Appendix A, from such agent or employee acknowledging that he or she has received and read this Order, has had the opportunity to have his or her questions, if any, about this Order answered by Defendant CPT II's counsel, and that he or she has also received and read the Nondiscrimination Policies Procedures, and agrees to abide by said policies and procedures and the relevant provisions of this Order.
35. In the event that Defendant CPT II re-enters the business of multi-family housing, then Defendant CPT II shall provide semi-annual fair housing training to its employees with housing responsibilities at the rental properties owned and/or operated by CPT II. The training shall be conducted by a qualified organization to be selected by Defendant CPT II, subject to approval by the United States. The program shall include training on the nondiscrimination requirements of the federal Fair Housing Act, 42 U.S.C. §§ 3601, *et*

seq., particularly the Act's provisions prohibiting discrimination on the basis of race and prohibiting retaliation. Any and all costs and fees associated with attending the training shall be borne by Defendant CPT II. Attendance at such training will be certified by securing a signed statement, appearing at Appendix B, from each person attending the training stating that he or she has attended such training and received a copy of this Order.

VI. REPORTING REQUIREMENTS

36. In the event that Defendant CPT II re-enters the business of multi-family housing, then during the period in which this Order is in effect, Defendant CPT II shall notify counsel for the United States, in writing, within fifteen (15) days of receipt of any written or oral complaint originating from rental properties owned and/or operated by Defendant CPT II, against Defendant CPT II, or Defendant CPT II's agents or employees, regarding racial discrimination in housing or retaliation in violation of 42 U.S.C. § 3617.² If the complaint is written, Defendant CPT II shall provide a copy of it with the notification. The notification shall include the full details of the complaint, including the complainant's name, address, and telephone number. Defendant CPT II shall also promptly provide the United States all information it may request concerning any such complaint and shall inform the United States within fifteen (15) days of any resolution of such complaint.
37. Defendant CPT II shall provide the United States any information reasonably related to compliance with this Order that is requested by the United States.

² See fn.1, *supra*.

VII. PAYMENT FOR THE BENEFIT OF AGGRIEVED PERSONS

38. Within 10 days of the entry of this Order, Defendant CPT II shall pay the total sum of \$135,000 for the purpose of compensating persons whom the United States, upon the resolution of the United States' claims against the remaining defendants in this action, may have identified during the full course of this litigation as aggrieved persons within the meaning of the Act. Defendant CPT II shall pay this amount by depositing, in an interest-bearing escrow account to be maintained by Defendant CPT II's attorneys, the sum of \$135,000.00. This money shall be referred to as "the Settlement Fund," and any interest accruing to this amount will become a part of the fund. Defendant CPT II shall be responsible for satisfying any tax liabilities arising from interest earned on this sum until the resolution of the United States' claims against the remaining defendants in this action. No amount shall be distributed from the Settlement Fund to any aggrieved person until he or she has executed and delivered to the United States and to Defendant CPT II's counsel the release attached as Appendix C.

VIII. PAYMENT TO VINDICATE THE PUBLIC INTEREST

39. Within ten (10) days after the entry of this Order, Defendant CPT II shall pay a total of ten thousand dollars (\$10,000.00) to the United States as a payment to vindicate the public interest under 42 U.S.C. § 3614(d)(1)(C). This payment shall be delivered to counsel for the United States, by overnight mail, in the form of a cashier's check payable to the "United States Treasury."³

³ The overnight courier enclosing the check shall be addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, DJ 175-29-102, United States Department of Justice, 1800 G Street, NW, Washington, D.C. 20006.

IX. DISMISSAL WITH PREJUDICE AND RETENTION OF JURISDICTION

40. Within ten (10) days after the United States has received both: (a) proof satisfactory to the United States that CPT II has made the payment required by Paragraph 38, above, and (b) the payment required by Paragraph 39, above, the United States shall file the Agreed Order of Dismissal, dismissing with prejudice its claims against CPT II, in the form attached hereto as Exhibit D.
41. Notwithstanding the dismissal with prejudice of the United States' claims against CPT II, this Court shall retain jurisdiction over this matter during the term of this Order for the purpose of enforcing the terms of this Order.

X. REMEDIES FOR NON-PERFORMANCE AND DURATION OF ORDER

42. The Parties to this 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 to perform, in a timely manner, any act required by this Order, or otherwise for either Party to this Order to fail to act in conformance with any provision thereof, either Party to this Order 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 attorney's fees which may have been occasioned by the violation or failure to perform.
43. In the event that Defendant CPT II re-enters the business of multi-family housing and engages 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).

44. This Order shall be in effect for a period of three (3) years from the date of its entry. The United States may move the Court to extend the duration of this Order in the interests of justice.

XI. COSTS OF LITIGATION

45. The United States and Defendant CPT II shall each bear their own costs and attorneys' fees associated with this litigation.

XII. TIME FOR PERFORMANCE

46. Any time limits for performance imposed by this Order may be extended by mutual written agreement of the Parties to this Order or by leave of this Court.

IT IS SO ORDERED this 6th day of October, 2009

s/ Kathryn H. Vratil
Hon. Kathryn H. Vratil
United States District Judge

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

Dated: October 5, 2009

For the United States:

MARIETTA PARKER
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District of Kansas

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APPENDIX A

**EMPLOYEE/AGENT ACKNOWLEDGMENT OF RECEIVING AND
REVIEWING CONSENT ORDER AND NONDISCRIMINATION
POLICIES AND PROCEDURES**

I have received a copy of the Consent Order entered in United States v. Stacy Sturdevant, et al., Civil No. 2:07cv2233 (D. Kan.). I have also received a copy of my employer's or principal's Nondiscrimination Policies and Procedures. The Consent Order and the Nondiscrimination Policies and Procedures were explained to me by my employer's [or principal's] attorney, and he or she answered all of my questions concerning these documents. I have read and understood the Consent Order and the Nondiscrimination Policies and Procedures.

DATE

EMPLOYEE/AGENT NAME (PRINT)

EMPLOYEE/AGENT SIGNATURE

APPENDIX B

CERTIFICATE OF ATTENDANCE

I, _____, hereby acknowledge that on _____
_20___, I received training by _____ on the requirements of the Fair
Housing Act, 42 U.S.C. §§ 3601-19, and that I have read the Consent Order entered by the
United States District Court for the District of Kansas in United States v. Sturdevant, et al.

I understand my obligation not to retaliate against any individual for exercising a right
protected by the Fair Housing Act in violation of Section 818 of the Act.

I understand my obligation to not discriminate against any person in the terms, conditions
or privileges of renting a dwelling because of race or color.

I agree to comply with the Fair Housing Act and the Court's Order in the above-
mentioned civil action.

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

Executed this _____ day of _____, 20__.

Name

APPENDIX C

FULL AND FINAL RELEASE OF CLAIMS

I, _____, on behalf of myself and family members, agents, heirs, executors, administrators, successors and assigns, pursuant to the terms, provisions, and conditions of the Consent Order approved by the United States District Court for the District of Kansas on _____, in the case of *United States v. Sturdevant, et al.*, No. 07-cv-2233 (D. Kan.) ("lawsuit") and in consideration of the payment of _____ do fully, finally and forever release, discharge, and hold harmless Central Park Towers II, L.P. (hereinafter "Defendant"), along with its insurers, attorneys, related companies, principals, predecessors, successors, assigns, affiliates, partners, directors, officers, agents, employers, shareholders, subsidiaries, employees, former employees, heirs, executors, administrators, and any persons acting under their respective direction or control (hereinafter "Releasees"), from any and all fair housing claims set forth, or which could have been set forth, in the First Amended Complaint in this lawsuit that I may have against Defendant or any of the Releasees related to those claims through the date of this Consent Order, including claims for damages (both compensatory and punitive), costs, fines and attorneys' fees.

I affirm that the only consideration for signing this Full and Final Release of Claims are the terms stated in the Consent Order signed by the parties, and the monetary payment referenced above. I have accepted the terms of this Release and the Consent Order because I believe them to be a fair and reasonable settlement and for no other reason. This Release and the Consent Order contain and constitute the entire understanding and agreement between the parties.

Print Name:

SIGNATURE

DATE