

FILED
KING COUNTY, WASHINGTON

NOV 04 2016

SUPERIOR COURT CLERK

EXP07

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

STATE OF WASHINGTON,

Plaintiff,

v.

COHO REAL ESTATE GROUP, LLC,

Defendant.

NO. 16-2-26931-1

CONSENT DECREE

I. INTRODUCTION

1.1. The State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and Marsha J. Chien, Assistant Attorney General, filed this action against Defendant Coho Real Estate Group, LLC ("Coho") to enforce 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"); the Washington Law Against Discrimination, RCW 49.60.222 ("WLAD"); and the Washington Consumer Protection Act, RCW 19.86.020 ("CPA").

1.2. Defendant Coho is a for-profit business in Washington State that is engaged in the rental of residential dwellings as defined by both 42 U.S.C. § 3602(b) and RCW 49.60.040(9). Defendant's principal place of business is located at 4223 12th Ave NE, Seattle WA 98105. Defendant operates multi-family residential rental properties, including Hong Kong Apartments located at 507 Maynard Ave South, Seattle 98104.

1 **2.3.** As set forth below, the State of Washington's testing revealed that Defendant has a
2 blanket policy at the Hong Kong Apartments of rejecting rental applicants with a felony
3 conviction that may violate the FHA, WLAD, and the CPA.

4 **2.1.1.** On May 18, 2016, a tester responded to Defendant's advertisement about
5 a rental property on Craigslist via e-mail. Defendant's Craigslist advertisement
6 indicated that rental applicants with felony convictions would be denied.

7 **2.1.2.** After confirming the rental was still available, the tester disclosed that
8 he had a felony conviction and asked if he could still apply for the rental.

9 **2.1.3.** Defendant's representative responded to the tester's e-mail, stating that
10 Hong Kong Apartments prohibits any renter whose criminal background results in a
11 felony. In denying the tester, Defendant's representative did not consider when the
12 conviction occurred, what the underlying conduct entailed, or what the tester had done
13 since the conviction.

14 **Wherefore, it is ORDERED, ADJUDGED, and DECREED:**

15 **III. Injunction**

16 **3.1.** Defendant, its agents, employees, successors, and all other persons in active
17 concert or participation with it, is enjoined with respect to the rental of dwellings from:

18 **3.1.1.** Denying, or refusing to negotiate for the rental of, or otherwise making
19 unavailable a dwelling, because of race or color;

20 **3.1.2.** Denying a dwelling to rental applicants with a criminal history without
21 consideration of when the criminal conviction occurred, what the underlying conduct
22 entailed, and/or what the convicted person has done since the conviction; or

23 **3.1.3.** Making statements in connection with the rental of a dwelling that
24 express a prohibition against any person with a criminal history and that discourage
25 applicants with criminal histories.
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1 **5.1** Within fourteen (14) days of the entry of this Consent Decree, Defendant shall
2 provide a copy of this Consent Decree and the Nondiscrimination Policy to its principals, officers,
3 directors, agents, managers, employees involved in showing, renting, or managing its residential
4 units. Defendant shall secure a signed statement from each agent or employee acknowledging
5 that he or she has received and read the Consent Decree and the Nondiscrimination Policy, and
6 agrees to abide by the relevant provisions of the Consent Decree and the Nondiscrimination
7 Policy. This statement shall be in the form of **Appendix B** and be submitted to the Office of the
8 Attorney General.

9 **5.2.** During the term of this Consent Decree, within fifteen (15) days after each new
10 agent or employee becomes involved in showing, renting, or managing its residential units,
11 Defendant shall provide a copy of this Consent Decree and the Nondiscrimination Policy to each
12 such agent or employee and secure a signed statement from each agent or employee
13 acknowledging that he or she has received and read the Consent Decree, and agrees to abide by
14 the relevant provisions of the Consent Decree and the Nondiscrimination Policy. This statement
15 shall be in the form of **Appendix B**.

16 **5.3.** Within ninety (90) days from the date of entry of this Consent Decree, Defendant
17 and all its principals, officers, directors, agents, managers, and employees involved in showing,
18 renting, or managing its residential units, who did not participate in fair housing training on
19 September 21, 2016, or September 27, 2016, shall undergo in-person fair housing training with
20 specific emphasis on the discriminatory impact of criminal history exclusions. The training shall
21 be conducted by an independent, qualified third party, approved in advance by the Office of the
22 Attorney General. The Defendant shall obtain confirmation of attendance for each individual who
23 receives training including the date, name of the course, length of the course, name of the
24 instructor, and name of the individual who completed the course. Copies of these certificates, in
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1 the form of **Appendix C**, shall be submitted to the Office of the Attorney General. The
2 Defendant shall bear any expenses associated with this training.

3 **VI. COMPLIANCE TESTING**

4 **6.1.** The Attorney General may take steps to monitor Defendant's compliance with
5 this Consent Decree including, but not limited to, conducting fair housing tests at any office(s)
6 or location(s) at which Defendant conducts rental activities.

7 **VII. REPORTING AND DOCUMENTATION RETENTION REQUIREMENTS**

8 **7.1.** Defendant shall, no later than fourteen (14) days after occurrence, provide to the
9 Attorney General notification and documentation of the following events:

10 **7.1.1.** Any change to the rules or practices regarding the Nondiscrimination
11 Policy (**Appendix A**).

12 **7.1.2.** Proof of notification of the Consent Decree and Nondiscrimination
13 Policy, including executed copies of **Appendix B**, and a rent-roll or list of the names and
14 addresses for all tenants to whom the Nondiscrimination Policy was provided;

15 **7.1.3.** Proof of completion of the required fair housing training in the form of
16 **Appendix C**; and

17 **7.2.** Upon the Attorney General's request, Defendant shall provide within fourteen
18 (14) days of the request notice of any written complaint against Defendant, or Defendant's
19 agents or employees, regarding discrimination in housing. The notification shall include the
20 full details of the complaint, including the complainant's name, address, and telephone
21 number. Further, Defendant shall provide a copy of the written complaint with the
22 notification and all information concerning any such complaint and the substance of any
23 resolution of such complaint.

24 **7.2.** Within ninety (90) days of entry of this Consent Decree, and every six (6)
25 months thereafter for the duration of this Consent Decree, Defendant shall deliver to the
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1 Attorney General a report containing information regarding their compliance efforts during the
2 preceding reporting period, including but not limited to executed copies of **Appendices B** and
3 **C**, to the extent not previously provided.

4 7.3. Upon reasonable notice to counsel for the Defendant, representatives of the
5 Office of the Attorney General shall be permitted to access, inspect, and/or copy all business
6 records or documents under control of Defendant and depose any principal, officer, director,
7 agent, manager, employee, or representative of Defendant in order to monitor compliance with
8 this Consent Decree.

9 7.4. Should the Attorney General determine during its review that Defendant's
10 screening standards for criminal backgrounds remain discriminatory, the Attorney General
11 shall notify the Defendant and provide seven (7) days to modify its screening standard. If after
12 seven (7) days the Attorney General determines Defendant still to be non-compliant, the
13 Attorney General may seek civil penalties in court as outlined in paragraphs 9.1 through 9.3.

14 VIII. PAYMENT

15 8.1. Pursuant to RCW 19.86.140, RCW 19.86.080, and RCW 49.60.030(2), Defendant
16 shall pay \$5,000 to the Attorney General, of which no more than \$4,000 shall be designated as a
17 civil penalty.

18 8.2. The Attorney General shall use the funds not designated as a civil penalty for
19 recovery of its fees and costs in investigating this matter, future monitoring and enforcement of
20 this Consent Decree, future enforcement of RCW 19.86 and RCW 49.60, consumer restitution,
21 damages, cy pres to remediate the impacts of housing discrimination, or for any lawful purpose in
22 the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

23 8.3. Failure to pay these funds within fourteen (14) days of entry of the Consent
24 Decree shall be a material breach of this Consent Decree. The payment shall be made by a valid
25 check, made payable to the "Attorney General – State of Washington", and shall be delivered to
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1 the Office of the Attorney General, Attention: Marsha Chien, Civil Rights Unit, 800 5th Avenue,
2 Suite 2000, Seattle, Washington 98104-3188.

3 **IX. ENTRY AND DURATION**

4 **9.1.** This Consent Decree shall be in effect for a period of three (3) years from the
5 date of its entry. The Court shall retain jurisdiction for the duration of this Consent Decree to
6 enforce its terms, after which time the case shall be dismissed with prejudice.

7 **9.2.** The Attorney General may move the Court to extend the duration of the
8 Consent Decree in the event of noncompliance whether intentional or not, with any of its
9 terms, or if it believes the interests of justice so require.

10 **9.3.** Violation of any of the terms of this Consent Decree shall constitute a violation
11 of an injunction for which civil penalties of up to \$25,000 per violation may be sought by the
12 AGO pursuant to RCW 19.86.140, in addition to such other remedies as may be provided by
13 law, including the imposition by the Court of injunctions, restitution, civil penalties, and costs,
14 including reasonable attorneys' fees.

15 **X. ADDITIONAL PROVISIONS**

16 **10.1.** Under no circumstances shall this Consent Decree or the name of the State of
17 Washington or the Office of the Attorney General or any of its employees or representatives be
18 used by Defendant or by its principals, officers, directors, agents, managers, employees, or
19 representatives for endorsement or promotion of any business activity of Defendant. A violation
20 of this paragraph constitutes a violation of an injunctive term of this Consent Decree.

21 **10.2.** This Consent Decree shall be binding upon and inure to the benefit of
22 Defendant's successors and assigns. Defendant and its successors and assigns shall notify the
23 State at least thirty (30) days prior to any change-in-control of Defendant that would change
24 the identity of the corporate entity responsible for compliance obligations arising under this
25 Consent Decree, including but not limited to dissolution, assignment, sale, merger, or other
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1 | action that would result in the emergence of a successor corporation; or the creation or
2 | dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to
3 | this order. "A change-in-control of Defendant" does not include the sale of property managed
4 | by Defendant but owned by a third-party entity. "A change-in-control of Defendant" also does
5 | not include a change in management when either Defendant or the owner of the property
6 | terminates the management contract.

7 | **10.3.** Nothing in this Consent Decree shall be construed to limit or bar any other
8 | governmental entity or person from pursuing other available remedies against Defendant or
9 | any other person.

10 |
11 | Approved on this ____ day of 11-4, 2016.

12 | 
13 | _____
14 | JUDGE/COURT COMMISSIONER

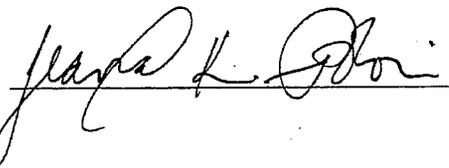
15 | Presented by:

16 | ROBERT W. FERGUSON
17 | Attorney General

18 | 

19 | MARSHA CHIEN, WSBA #47020
20 | Assistant Attorney General
21 | Civil Rights Unit
22 | Office of the Attorney General
23 | 800 Fifth Avenue, Suite 2000
24 | Seattle, WA 98104
25 | (206) 464-5342
26 | marshac@atg.wa.gov

Agreed to and approved for entry by:



1 JEANA K. POLONI
2 Loeffler Law Group, PLLC
3 500 Union Street, Suite 1025
4 Seattle WA 98101
5 On Behalf of Defendant Coho Real Estate, LLC
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APPENDIX A
NONDISCRIMINATION POLICY

It is the policy of Coho Real Estate Group, LLC to comply with Title VIII of the Civil Rights Act of 1968, as amended, commonly known as the Fair Housing Act, the Washington Law Against Discrimination, and the Washington Consumer Protection Act, by ensuring that apartments are available to all persons without regard to race, color, religion, national origin, disability, familial status, or sex. This policy means that, among other things, Coho Real Estate Group, LLC, and all their agents and employees with the responsibility for showing, renting, or managing any dwelling units must not discriminate in any aspect of the rental of dwellings against qualified applicants or tenants. Specifically, they may not:

- A. Refuse to rent, refuse to negotiate for the rental of, or otherwise make unavailable or deny, a dwelling to any person based on criminal history without considering when the conviction occurred, what the underlying conduct entailed, and what the convicted person has done since the conviction;
- 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 criminal history alone; or
- C. Represent to persons because of an applicant's criminal history that any dwelling is not available for inspection or rental when such dwelling is in fact so available.

Any agent or employee who fails to comply with this Nondiscrimination Policy will be subject to appropriate disciplinary action. Any action taken by an agent or employee that results in unequal service to, treatment of, or behavior toward tenants or actual or potential applicants on the basis of race, color, religion, national origin, disability, familial status, or sex may constitute a violation of state and federal fair housing laws. Any tenant or applicant who believes that any of the above policies have been violated by any owner, agent, or employee may contact the Washington Attorney General's office toll-free at (844) 323-3864 or the Washington State Human Rights Commission at (800) 233-3247.

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APPENDIX B
ACKNOWLEDGMENT OF RECEIPT OF CONSENT ORDER AND
NONDISCRIMINATION POLICY

I acknowledge that on _____, 20 __, I was provided copies of the Consent Decree entered by the Court in *State of Washington v. Coho Real Estate Group, LLC*, Civil Action No. _____ (King County Superior Court) and the Nondiscrimination Policy adopted by Defendant Coho Real Estate Group, LLC pursuant thereto. I have read and understand these documents and have had my questions about these documents answered. I understand my legal responsibilities and shall comply with those responsibilities.

Signature

Print Name

Job Title/Position

Date

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APPENDIX C
EMPLOYEE TRAINING ACKNOWLEDGMENT

I acknowledge that on _____, 20 __, I received _____ minutes of in-person fair housing training.

Signature

Print Name

Job Title/Position

Date