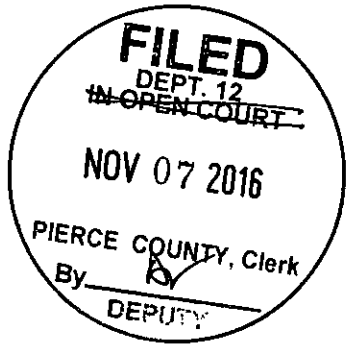


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**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE**

STATE OF WASHINGTON, <p style="text-align: center;">Plaintiff,</p> v. DOBLER MANAGEMENT COMPANY, INC. <p style="text-align: center;">Defendant.</p>		NO. 16-2-12461-1 CONSENT DECREE
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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 Dobler Management Company, Inc. ("DMCI") 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 DMCI 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 3012 South 47th Street, Suite 2, Tacoma, WA 98411. Defendant owns and operates multi-family residential

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1 rental properties, including Alder Court Apartments located at 3105 S. 47th Street, Tacoma,
2 WA 98409 and Calypso Apartments located at 3201 S. 47th Street, Tacoma, WA 98409.

3 **1.3** The parties have voluntarily agreed, as indicated by the signatures below, to
4 resolve the claims against Defendant without the necessity of a trial on the merits. All
5 communications related to this Consent Decree may be directed to: Civil Rights Unit, Office of
6 the Attorney General, 800 Fifth Avenue, Suite 2000, Seattle, WA 98104.

7 **1.4** The parties have voluntarily agreed that this Consent Decree does not constitute
8 evidence or an admission regarding the existence or non-existence of any issue, fact, or violation
9 of any law alleged by the Plaintiff.

10 **1.5** The parties have voluntarily agreed that this Consent Decree does not constitute a
11 waiver or collaterally estop any argument of law or fact in any subsequent proceeding that is
12 unrelated to this Consent Decree.

13 **II. INVESTIGATION**

14 **2.1** In May 2016, the State of Washington conducted testing to evaluate Defendant's
15 compliance with the FHA, the WLAD, and the CPA. Testing is a simulation of a housing
16 transaction that evaluates housing providers' responses to determine whether illegal
17 discrimination is occurring.

18 **2.2** Discrimination may occur when housing providers place criminal history
19 restrictions on housing. In Washington, there is evidence that racial disparities exist in the
20 criminal justice system. African Americans are arrested, convicted, and incarcerated at higher
21 rates than non-African Americans. As a result, criminal history-restrictions on housing may have
22 a disparate impact on African American renters. Absent a showing that a restriction is justified by
23 a legitimate nondiscriminatory interest and is tailored (i.e., considers when the underlying conduct
24 occurred, what the underlying conduct entailed, or what the convicted person has done since), a
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1 housing provider's blanket policy prohibiting tenants based on criminal history may discriminate
2 based on race or color and violates the FHA, WLAD, and the CPA.

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

6 **2.3.1** On May 18, 2016, a tester responded to Defendant's advertisement
7 about a rental property on Craigslist via e-mail. Defendant's Craigslist advertisement
8 indicated that the apartment complex "do[es] not accept felonies."

9 **2.3.2** After confirming the rental was still available, the tester disclosed that
10 he had a felony conviction and asked if he could still apply for the rental.

11 **2.3.3** Defendant's representative, a leasing consultant named Mallory,
12 responded to the tester's e-mail, stating that a "felony would be an automatic denial."
13 In denying the tester, the leasing consultant did not consider when the conviction
14 occurred, what the underlying conduct entailed, or what the tester had done since the
15 conviction.

16
17 **III. DMCI'S USE OF A TENANT-APPLICANT'S CRIMINAL HISTORY
18 UNDER THE RESIDENTIAL LANDLORD TENANT ACT**

19 **3.1** The Plaintiff and Defendant agree that, the Residential Landlord-Tenant Act,
20 RCW 59.18.030 states the following:

21 (3) "Comprehensive reusable tenant screening report" means a tenant screening
22 report prepared by a consumer reporting agency at the direction of and paid for
23 by the prospective tenant and made available directly to a prospective landlord
24 at no charge, which contains all of the following: (a) a consumer credit report
25 prepared by a consumer reporting agency within the past thirty days; (b) the
26 prospective tenant's criminal history; (c) the prospective tenant's eviction
history; (d) an employment verification; and (e) the prospective tenant's address
and rental history.

(4) "Criminal history" means a report containing or summarizing (a) the
prospective tenant's criminal convictions and pending cases, final disposition of

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which antedates the report by no more than seven years, and (b) the results of a sex offender registry and United States department of the treasury's office of foreign assets control search, all based on at least seven years of address history and alias information provided by the prospective tenant or available in the consumer credit report.

3.2 Defendant is now aware that their policy could be discriminatory under the FHA, WLAD, and the CPA based on a disparate impact theory of liability. Under a disparate theory of liability, African Americans are disproportionately convicted of crimes and it may therefore be discriminatory to apply a blanket prohibition against those with a criminal conviction history without considering when the underlying conduct occurred, what the underlying conduct entailed, or what the convicted person has done since the conviction.

3.3 Defendant maintains that it intended to lawfully and rigorously adhere to the requirements of the Residential Landlord-Tenant Act in screening prospective tenants. At the same time, Defendant recognizes that an enforcement action by the State of Washington comes with uncertainty, risk and considerable financial cost even if Defendant were to eventually prevail.

3.4 Based on the foregoing, Defendant desires to resolve this matter without the additional uncertainty; risk and incurring further financial costs that is inherent in litigation.

Wherefore, it is ORDERED, ADJUDGED, and DECREED:

IV. INJUNCTION

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

4.1.1 Denying, or refusing to negotiate for the rental of, or otherwise making unavailable a dwelling, because of race or color;

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

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4.1.3 Making statements in connection with the rental of a dwelling that express a prohibition against any person with a criminal history and that discourage applicants with criminal histories, except as it is consistent with the terms of this Consent Decree.

4.2 The provisions of Paragraph 4.1 shall apply to Alder Apartments, Calypso Apartments, and all dwellings in which Defendant acquires a direct or indirect ownership, management, or other financial interest.

V. NON-DISCRIMINATION POLICY AND NOTICE TO PUBLIC

5.1 Upon entry of this Consent Decree, Defendant shall implement the Nondiscrimination Policy appearing at **Appendix A** at all its dwelling units.

5.2 Within fourteen (14) days of entry of this Consent Decree, and throughout its term, Defendant shall distribute the Nondiscrimination Policy to all its current employees. .

5.3 Within fourteen (14) days of entry of this Consent Decree, and throughout its term, Defendant shall take the following steps to notify the public of the Nondiscrimination Policy:

5.3.1 Prominently post at any rental office that is used for the rental of dwellings, a fair housing sign no smaller than ten (10) inches by fourteen (14) inches, indicating that all apartments are available for rent on a nondiscriminatory basis and that any criminal history will be evaluated in consideration of when the crime occurred, what the underlying conduct entailed, and/or what the convicted person has done since the conviction;

5.3.2 Include the following phrase in the rental application(s) used for rental dwelling units in boldface type, using letters of equal or greater size to those of the text in the body of the document:

We do not automatically exclude rental applicants based on criminal history. Any criminal history will be evaluated in consideration of when the crime occurred, what the

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underlying conduct entailed, and/or what the rental applicant has done since the conviction(s).

VI. TRAINING

6.1 Within fourteen (14) days of the entry of this Consent Decree, Defendant shall provide a copy of this Consent Decree and the Nondiscrimination Policy to its principals, officers, directors, agents, managers, employees. Defendant shall secure a signed statement from each agent or employee acknowledging that he or she has received and read the Consent Decree and the Nondiscrimination Policy, and agrees to abide by the relevant provisions of the Consent Decree and the Nondiscrimination Policy. This statement shall be in the form of **Appendix B** and be submitted to the Office of the Attorney General.

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

6.3 Within one hundred and twenty (120) days from the date of entry of this Consent Decree, Defendant and all its principals, officers, directors, agents, managers, and employees shall undergo in-person fair housing training with specific emphasis on the discriminatory impact of criminal history exclusions. The training shall be conducted by an independent, qualified third party, approved in advance by the Office of the Attorney General. The Defendant shall obtain confirmation of attendance for each individual who receives training including the date, name of the course, length of the course, name of the instructor, and name of the individual who completed the course. Copies of these certificates, in the form of **Appendix C**, shall be submitted to the

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1 Office of the Attorney General. The Defendant shall bear any expenses associated with this
2 training.

3 **VII. COMPLIANCE TESTING**

4 **7.1.** 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 **VIII. REPORTING AND DOCUMENTATION RETENTION REQUIREMENTS**

8 **8.1** Defendant shall, no later than fourteen (14) days after occurrence, provide to the
9 Attorney General notification and documentation of the following events:

10 **8.1.1** Any change to the rules or practices regarding the Nondiscrimination
11 Policy (**Appendix A**).

12 **8.1.2** Proof of notification of the Consent Decree and Nondiscrimination
13 Policy, including executed copies of **Appendix B**, and a list of the names and addresses for all
14 employees to whom the Nondiscrimination Policy was provided;

15 **8.1.3** Proof of completion of the required fair housing training in the form of
16 **Appendix C**; and

17 **8.1.4** Any written complaints against Defendant, or Defendant's agents or
18 employees, regarding discrimination in housing. The notification shall include the full details
19 of the complaint, including the complainant's name, address, and telephone number.
20 Defendant shall provide a copy of the written complaint with the notification. Upon the
21 Attorney General's request, Defendant shall also provide, within fourteen (14) days of the
22 request, all information concerning any such complaint and the substance of any resolution of
23 such complaint.

24 **8.2** 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 **8.3** Upon notice to counsel for the Defendant, representatives of the Office of the
5 Attorney General shall be permitted to access, inspect, and/or copy all business records or
6 documents under control of Defendant and depose any principal, officer, director, agent,
7 manager, employee, or representative of Defendant that reasonably relate to this Consent
8 Decree and in order to monitor compliance with this Consent Decree.

9 **IX. PAYMENT**

10 **9.1** Pursuant to RCW 19.86.140, RCW 19.86.080, and RCW 49.60.030(2), Defendant
11 shall pay \$5,000 to the Attorney General, of which no more than \$4,000 shall be designated as a
12 civil penalty.

13 **9.2** The Attorney General shall use the funds not designated as a civil penalty for
14 recovery of its fees and costs in investigating this matter, future monitoring and enforcement of
15 this Consent Decree, future enforcement of RCW 19.86 and RCW 49.60, consumer restitution,
16 damages, cy pres to remediate the impacts of housing discrimination, or for any lawful purpose in
17 the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

18 **9.3** Failure to pay these funds within fourteen (14) days of entry of the Consent
19 Decree shall be a material breach of this Consent Decree. The payment shall be made by a valid
20 check, made payable to the "Attorney General -- State of Washington", and shall be delivered to
21 the Office of the Attorney General, Attention: Marsha Chien, Civil Rights Unit, 800 Fifth
22 Avenue, Suite 2000, Seattle, Washington 98104-3188.

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X. ENTRY AND DURATION

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

10.2 The Attorney General may move the Court to extend the duration of the Consent Decree in the event of noncompliance with any of its terms, or if it believes the interests of justice so require.

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

XI. ADDITIONAL PROVISIONS

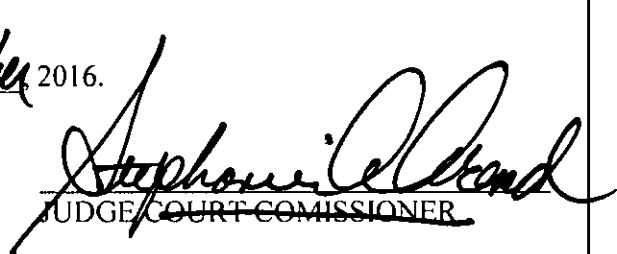
11.1 Under no circumstances shall this Consent Decree or the name of the State of Washington or the Office of the Attorney General or any of its employees or representatives be used by Defendant or by its principals, officers, directors, agents, managers, employees, or representatives in conjunction with any business activity of Defendant. A violation of this paragraph constitutes a violation of an injunctive term of this Consent Decree.

11.2 This Consent Decree shall be binding upon and inure to the benefit of Defendant's successors and assigns. Defendant and its successors and assigns shall notify the State at least thirty (30) days prior to any change-in-control of Defendant that would change the identity of the corporate entity responsible for compliance obligations arising under this Consent Decree, including but not limited to dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation. A change-in-control of Defendant does not include the sale of property managed by Defendant.

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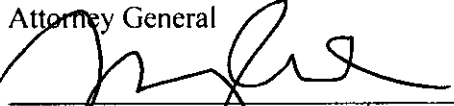
1 **11.3** Nothing in this Consent Decree shall be construed to limit or bar any other
2 governmental entity or person from pursuing other available remedies against Defendant or
3 any other person.

4 Approved on this 7 day of November, 2016.

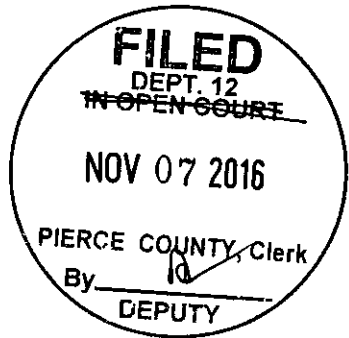

JUDGE/COURT COMMISSIONER

7 Presented by:


8 ROBERT W. FERGUSON
9 Attorney General

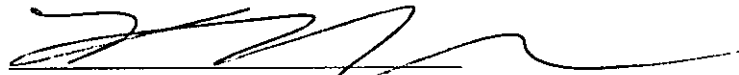


10 MARSHA CHIEN, WSBA #47020
11 Assistant Attorney General
12 Civil Rights Unit
13 Office of the Attorney General
14 800 Fifth Avenue, Suite 2000
15 Seattle, WA 98104
16 (206) 464-5342
17 marshac@atg.wa.gov



15 Agreed to and approved for entry by:

16 
17 BRIAN T. MORAN, WSBA #17794
18 ORRICK, HERRINGTON & SUTCLIFFE
19 701 Fifth Avenue, Suite 5600
20 Seattle, WA 98104-7097
21 (206) 839-4413
22 Brian.moran@orrick.com
23 Attorney for Dobler Management Company, Inc.



22 DOBLER MANAGEMENT COMPANY, INC.
23 3012 S. 47th Street
24 Tacoma WA 98409

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APPENDIX A
NONDISCRIMINATION POLICY

It is the policy of Dobler Management Company, Inc. ("DMCI") 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, DMCI, 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. Dobler Management Company, Inc.*, Civil Action No. _____ (Pierce County Superior Court) and the Nondiscrimination Policy adopted by Defendant Dobler Management Company, Inc. 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