

May 27 2020 3:48 PM

KEVIN STOCK
COUNTY CLERK
NO: 20-2-05933-7

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6 **STATE OF WASHINGTON**
7 **PIERCE COUNTY SUPERIOR COURT**

8 STATE OF WASHINGTON,

9 Plaintiff,

10 v.

11 JRK RESIDENTIAL GROUP, INC.,
12 dba JRK PROPERTY HOLDINGS, dba
13 THE BOULDERS AT PUGET SOUND,
14 dba CARROLL'S CREEK LANDING
15 TOWNHOMES, dba TRILLIUM
16 HEIGHTS LUXURY APARTMENT
17 HOMES, dba SILVERDALE RIDGE
18 APARTMENTS,

19 Defendant.

NO. 20-2-05933-7

JOINT MOTION FOR ENTRY OF
CONSENT DECREE

Noted for Hearing: June 5, 2020
Time: 9:00 a.m.
Judge/Dept.: Judge Whitener, Dept. 11
WITHOUT ORAL ARGUMENT

CLERK'S ACTION REQUIRED

20 Plaintiff State of Washington and Defendant JRK Residential Group, Inc., dba JRK
21 Property Holdings, dba The Boulders at Puget Sound, dba Carroll's Creek Landing
22 Townhomes, dba Trillium Heights Luxury Apartment Homes, dba Silverdale Ridge
23 Apartments (JRK Residential), by and through their respective attorneys, hereby jointly move
24 the Court for entry of a Consent Decree reflecting the parties' resolution of this action. The
25 Consent Decree is filed concurrently herewith.
26

DATED this 27th day of May 2020.

1 Respectfully submitted,

2 ROBERT W. FERGUSON
3 Attorney General

4 s/ Marsha Chien

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6 Division Chief

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Group, Inc., dba JRK Property Holdings,
dba The Boulders at Puget Sound, dba
Carroll's Creek Landing Townhomes, dba
Trillium Heights Luxury Apartment
Homes, dba Silverdale Ridge Apartments

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STATE OF WASHINGTON
PIERCE COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

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JRK RESIDENTIAL GROUP, INC., dba
JRK PROPERTY HOLDINGS, dba THE
BOULDERS AT PUGET SOUND, dba
CARROLL'S CREEK LANDING
TOWNHOMES, dba TRILLIUM
HEIGHTS LUXURY APARTMENT
HOMES, dba SILVERDALE RIDGE
APARTMENTS,

Defendant.

NO. 20-2-05933-7

CONSENT DECREE

(Clerk's Action Required)

I. INTRODUCTION

1.1 The State of Washington (the State), by and through its attorneys, Robert W. Ferguson, Attorney General, Colleen Melody, Wing Luke Civil Rights Division Chief, and Marsha Chien, Patricio A. Marquez, and Ashley McDowell, Assistant Attorneys General, filed this action to enforce Emergency Proclamation 20-19, the Moratorium on Evictions issued by Governor Jay Inslee as necessary to help preserve and maintain life, health, property or the public peace during the coronavirus disease 2019 (COVID-19) pandemic, and the Washington Consumer Protection Act (CPA), which prohibits unfair or deceptive acts or practices in the conduct of any trade or commerce, RCW 19.86.020.

1 1.2 Defendant is JRK Residential Group, Inc., Westridges Apartments Property Owner,
2 LLC dba The Boulders at Puget Sound, Carrolls Creek Apartments Property Owner LLC dba
3 Carroll’s Creek Landing Townhomes, Trillium Apartments Property Owner, LLC dba Trillium
4 Heights Luxury Apartment Homes, and Silverdale Apartments Property Owner LLC and Santa Fe
5 Ridge Property Owner LLC dba Silverdale Ridge Apartments (collectively JRK Residential). JRK
6 Residential is a real estate investment firm that purchases and manages residential properties.

7 1.3 JRK Residential, a Nevada corporation headquartered in Los Angeles, owns,
8 manages, leases, and/or redevelops properties throughout the United States, including four
9 properties in Washington: The Boulders at Puget Sound (2602 Westridge Avenue, Tacoma, WA
10 98466) (The Boulders); Carroll’s Creek Landing Townhomes (18111 25th Avenue NE, Marysville,
11 WA 98271) (Carroll’s Creek); Trillium Heights Luxury Apartment Homes (12240 Daphne Lane
12 NW, Silverdale, WA 98383) (Trillium Heights); and Silverdale Ridge Apartments (1415 NW Santa
13 Fe Lane, Silverdale, WA 98383) (Silverdale Ridge).

14 1.3.1 The Boulders is a multi-building, courtyard-style apartment complex with
15 approximately 713 one, two, and three bedroom units.

16 1.3.2 Carroll’s Creek is a townhome development with approximately 290 two,
17 three, and four bedroom townhomes.

18 1.3.3 Trillium Heights is a multi-building apartment complex with approximately
19 224 one, two, and three bedroom apartments.

20 1.3.4 Silverdale Ridge is a multi-building apartment complex with approximately
21 358 studio, one, two, and three bedroom apartments.

22 1.4 JRK Residential engages in trade or commerce within the meaning of
23 RCW 19.86.010(2).

24 1.5 The State alleges JRK Residential violated Emergency Proclamation 20-19 by
25 issuing “Fourteen Day Notices to Pay or Vacate” on April 9, 2020, to at least fourteen (14) residents
26 of The Boulders who allegedly owed unpaid rent for the month of April 2020.

1 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, and DECREED:

2 III. INJUNCTIONS

3 3.1 The injunctive provisions of this Consent Decree shall apply to JRK Residential
4 and its successors, assigns, transferees, officers, agents, servants, employees, representatives,
5 and all other persons in active concert or participation with JRK Residential.

6 3.2 JRK Residential shall immediately inform all successors, assigns, transferees,
7 officers, agents, servants, employees, representatives, and all other persons in active concert or
8 participation with JRK Residential of the terms and conditions of this Consent Decree.

9 3.3 JRK Residential shall be enjoined and restrained from engaging in the following
10 acts or practices in Washington:

11 3.3.1 JRK Residential shall not issue any Fourteen Day Notices to Pay or
12 Vacate, or any other eviction notice, to tenants through July 31, 2020, or
13 through the expiration of Emergency Proclamation 20-19.1, including any
14 modifications or extensions thereof, whichever is later, unless the action
15 is necessary to respond to a significant and immediate risk to the health
16 or safety of others created by the tenant;

17 3.3.2 JRK Residential shall not engage in the following acts or practices in
18 connection with the collection of rent through the expiration of
19 Emergency Proclamation 20-19.1, including any modifications or
20 extensions thereof, including but not limited to:

21 3.3.2.1 Harassing verbal or written communications, including
22 communications that threaten a tenant's ability to secure future
23 housing or adverse effects to their credit;

24 3.3.2.2 Verbal or written communications that misrepresent or omit a
25 tenant's rights under Emergency Proclamation 20-19.1, including
26 any modification or extension thereof;

1 3.3.2.3 Verbal or written communications to a tenant’s employer;

2 3.3.2.4 Verbal or written communications that unfairly seek to cause a
3 resident to allocate their federal stimulus payments or
4 unemployment benefits to the payment of rent over other essential
5 needs;

6 3.3.3 JRK Residential shall forgive in full April 2020 rent for tenants of The
7 Boulders who were issued Fourteen Day Notices to Pay or Vacate for the
8 month of April 2020, including amounts due for utilities and any other
9 monthly fees or charges. JRK Residential shall refund any such amounts
10 paid by said tenants.

11 3.3.4 JRK Residential shall not charge any tenant wanting or needing to move
12 between April 1, 2020, and the expiration of Emergency Proclamation
13 20-19.1, including any modification or extension thereof, any fee to break
14 their lease, including but not limited to an early move-out fee, reletting
15 charge, or lease buyout fee. JRK Residential shall refund any such
16 amounts already paid by tenants.

17 3.3.5 JRK Residential shall include a hyperlink or the URL address to
18 [https://www.governor.wa.gov/sites/default/files/proclamations/20-
19 19.1%20-%20COVID-
20 19%20Moratorium%20on%20Evictions%20Extension%20%28tmp%29
21 .pdf](https://www.governor.wa.gov/sites/default/files/proclamations/20-19.1%20-%20COVID-19%20Moratorium%20on%20Evictions%20Extension%20%28tmp%29.pdf), or any modification or extension thereof, while the same Emergency
22 Proclamations are in effect, in any written communication to tenants that
23 relates to the payment or nonpayment of rent or any other charges.

24 IV. REPORTING AND DOCUMENT RETENTION

25 4.1 For a period of three (3) years following the entry of this Consent Decree,
26 JRK Residential shall preserve all records related to its obligations under this Consent Decree in

1 a centralized location, including all documents, whether in paper or electronic form, that relate
2 to the following:

3 4.1.1 Notices sent to JRK Residential tenants in Washington from February 29,
4 2020, through the expiration of Emergency Proclamation 20-19.1,
5 including any modifications or extensions thereof, regarding payment of
6 rent or other charges, the 2020 COVID-19 pandemic, COVID-19 stimulus
7 package payments and unemployment benefits, residential evictions, and
8 tenant payment plans;

9 4.1.2 Records of any contacts with Washington tenants via telephone, email, or
10 written notice made by JRK Residential for the purpose of collecting rent
11 or other charges between April 1, 2020, and the expiration of Emergency
12 Proclamation 20-19.1, including any modifications or extensions thereof;

13 4.1.3 Policies and procedures regarding eviction processes for non-payment of
14 rent or other charges;

15 4.1.4 Records reasonably necessary to verify compliance with this Consent
16 Decree for any tenant who moves out of a JRK Residential property in
17 Washington between April 1, 2020, and the expiration of Emergency
18 Proclamation 20-19.1, including any modifications or extensions thereof;

19 4.1.5 Any written complaints received by JRK Residential regarding any
20 attempts to evict tenants for non-payment of rent or other charges between
21 April 1, 2020, and the expiration of Emergency Proclamation 20-19.1,
22 including any modifications or extensions thereof;

23 4.1.6 Current and forwarding phone numbers and mailing addresses for all
24 Washington tenants of a JRK Residential property as of April 1, 2020; the
25 total amount of all fees and charges due, including rent, during April
26

1 2020; and the date(s) and amount(s) of any payments made by each tenant
2 for April 2020.

3 4.2 On or before the date of entry of this Consent Decree, JRK Residential shall
4 provide the Attorney General’s Office with the following documents and information necessary
5 to confirm the payment amounts due to JRK Residential tenants under the Consent Decree,
6 including business records used to compile the information:

7 4.2.1 A list of each tenant at The Boulders who received a Fourteen Day Notice
8 to Pay or Vacate during April 2020, and the total amounts they paid
9 toward rent and charges due April 2020;

10 4.2.2 A list for each JRK Residential property in Washington that identifies
11 each tenant who resided at the property in April 2020, their mailing
12 address, and the total amount of rent and charges due from each tenant for
13 April 2020;

14 4.2.3 A list of tenants at each JRK Residential property in Washington who still
15 owed any portion of April 2020 rent or other charges as of April 8, 2020
16 and as of April 30, 2020, and the total amount owed by each of the tenants
17 for April 2020 rent or other charges on those dates; and

18 4.2.4 A list of tenants at each JRK Residential Property in Washington who
19 moved on or after April 1, 2020, any amounts paid to break their lease,
20 and their forwarding address.

21 4.3 Within fourteen (14) days after June 4, 2020, or the expiration of any modification
22 or extension of Proclamation 20-19.1, whichever is later, JRK Residential shall provide the
23 Attorney General’s Office with a list of any additional residents who have moved since
24 JRK Residential’s submission of the information required by paragraph 4.2.4 above, and the
25 tenant’s forwarding address.
26

1 V. PAYMENT

2 5.1 Within five (5) business days of entry of this Consent Decree, JRK Residential
3 shall deliver the following to the Attorney General’s Office:

4 5.1.1 April 2020 rent refund checks made payable to each of the tenants of The
5 Boulders who were issued Fourteen Day Notices to Pay or Vacate and are
6 receiving refunds pursuant to paragraph 3.3.3 above;

7 5.1.2 Refund checks made payable to each former JRK Residential tenant who
8 moved on or after April 1, 2020, and was charged a fee to break their
9 lease, and is due a refund of any such amounts paid pursuant to paragraph
10 3.3.4 above.

11 5.1.3 Checks in the amount of \$500 made payable to each JRK Residential
12 tenant who was behind on rent or other charges at the time
13 JRK Residential issued notices commencing on or about April 8, 2020,
14 which notices identified the percentage of JRK Residential tenants who
15 had paid their April rent;

16 5.1.4 Checks in the amount of \$100 made payable to each JRK Residential
17 tenant who was issued the notices described in paragraph 5.1.3, but who
18 was not behind on rent or other charges at the time JRK Residential issued
19 the notice to the tenant; and

20 5.1.5 A wire or check in the amount of \$50,000.00 made payable to “Attorney
21 General—State of Washington” to be used for reimbursement of the
22 Attorney General’s attorney fees and costs, or any lawful purpose at the
23 sole discretion of the Attorney General.

24 5.2 For individuals who will receive payments under two or more of the provisions
25 of paragraphs 5.1.1 through 5.1.4, JRK Residential may combine those payments into a single
26 check.

1 that is not severable or divisible, except that if any provisions herein are found to be legally
2 insufficient or unenforceable, the remaining provisions shall continue in full force and effect.

3 7.2 Nothing in this Consent Decree shall be construed to limit or bar any other
4 governmental entity or person from pursuing other available remedies against JRK Residential
5 or any other person.

6 7.3 Information and documents submitted to or obtained by the State in connection
7 with this Consent Decree may contain personal or private information regarding individuals and
8 may constitute law enforcement records covered by RCW 42.56.240(1).

9 7.4 The parties agree that, as of the date of the entry of this Consent Decree, litigation
10 is not “reasonably foreseeable” concerning the matters described above. To the extent that either
11 party previously implemented a litigation hold to preserve documents, electronically stored
12 information (ESI), or things related to the matters described above, the party is no longer required
13 to maintain such litigation hold. Nothing in this paragraph relieves either party of any other
14 obligations imposed by this Consent Decree.

15 7.5 The Order Setting Review Hearing Date shall be vacated.

16 APPROVED on this ____ day of _____, 2020.

17
18
19 _____
JUDGE/COURT COMMISSIONER

20 Presented by:

21 ROBERT W. FERGUSON
22 Attorney General

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24 COLLEEN MELODY, WSBA No. 42275
Division Chief
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