

9

FILED
SUPERIOR COURT
THURSTON COUNTY, WASH.

17 MAR 30 PM 3:48

Linda Myhre Enlow
Thurston County Clerk

17-2-01496-34
OR
Order
1181372



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT**

In the matter of:

CTL MANAGEMENT, INC.,

Respondent.

NO. 17-2-01496-34

ASSURANCE OF
DISCONTINUANCE **EX PARTE**

The State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and John A. Nelson, Assistant Attorney General, files this Assurance of Discontinuance pursuant to RCW 38.42 and RCW 19.86.100. CTL Management, Inc. (Respondent) is an Oregon corporation and wholly owned subsidiary of Randall Realty Corp., whose principal place of business is located at 9500 SW Barbur Blvd., Suite 300, Portland, OR 97219. Respondent provides property management services at five communities in Washington, as well as other communities in Oregon and California.

I. DEFINITIONS

1.1 "Service Member" shall mean a member of the national guard, a military reserve component, or an active component of one of the "uniformed services" as that term is defined in section 101(a)(5) of title 10, United States Code.

1.2 "Proper notice" shall include, with respect to lease termination, official military orders, or any notification, certification, or verification from a Service Member's commanding

1 officer, with respect to the Service Member's current or future military duty status. For the
2 purpose of this Assurance of Discontinuance, the term "military orders" shall include
3 deployment orders, permanent change of station (PCS) orders, and expiration of term of service
4 (ETS) orders.

5 1.3 "SCRA" shall mean the collective rights and protections extended to Service
6 Members under state law (The Service Members' Civil Relief Act, RCW 38.42) and federal law
7 (The Servicemembers' Civil Relief Act, 50 U.S.C. §§3901 – 4043).

8 II. ASSURANCE OF DISCONTINUANCE

9 2.1 The Attorney General deems, and Respondent acknowledges the following would
10 constitute violations of the Washington Service Members' Civil Relief Act (RCW 38.42):

11 a) After receiving proper notice of a Service Member's intent to terminate his or her
12 lease under the SCRA, failing to terminate the residential lease in the manner prescribed
13 under the SCRA;

14 b) After receiving proper notice of a Service Member's intent to terminate his or her
15 lease under the SCRA , attempting to collect and/or actually collecting any unpaid rents
16 beyond those permitted under the SCRA;

17 c) After receiving proper notice of a Service Member's intent to terminate his or her
18 lease under the SCRA, wrongfully withholding any portion of that Service Member's
19 damage deposit, cleaning deposit, pet deposit, or any other amount(s) collected at the
20 time a Service Member signed a residential lease. However, a landlord may properly
21 withhold some portion or the entirety of a damage deposit for damage to a residential unit
22 that is beyond ordinary wear and tear (for which the Service Member is responsible), and
23 such withholding would not constitute a violation of the SCRA or RCW 38.42;

24 d) As a means to penalize the Service Member or otherwise recoup lost revenue
25 after receiving proper notice of a Service Member's intent to terminate his or her lease
26 under the SCRA, recouping, or attempting to recoup, any rent concession given to a

1 Service Member at the time the residential lease was signed (or anytime thereafter) as a
2 means to incentivize a longer lease term. For the purpose of this Assurance of
3 Discontinuance, a rent concession includes but is not limited to: a monthly rental
4 discount, a gift card, and a one-time or recurring credit;

5 e) Requiring or otherwise inducing a Service Member to sign a waiver of any rights
6 afforded under the SCRA using a waiver or other form that is not in compliance with 50
7 U.S.C. § 3918.

8 2.2 The Attorney General deems, and Respondent acknowledges the following to
9 constitute violations of the Washington Consumer Protection Act (RCW 19.86):

10 a) In a residential lease or any addendum attached thereto, requiring or otherwise
11 inducing a Service Member to waive any rights afforded under the Washington
12 Residential Landlord Tenant Act, RCW 59.18.

13 2.3 Respondent does not admit that it has violated the SCRA and does not admit that it has
14 engaged in the practices above. Respondent has agreed to enter this assurance of discontinuance
15 and settlement of contested matters to avoid further controversy and expense. Respondent agrees
16 not to engage in the practices identified above. Respondent also agrees to fully comply with all
17 requirements of RCW 19.86 and RCW 38.42.

18 III. TRAINING

19 3.1 For a period of three (3) years beginning on the date this Assurance of
20 Discontinuance is entered by the Court, Respondent shall provide annual SCRA compliance
21 training to any management officials or other employees (hereinafter "covered employees") who
22 process, review, or approve any early lease terminations requested by Service Members.
23 Respondent shall provide to each covered employee: (a) training on the terms of the SCRA
24 specific to the employee's responsibilities associated with that employee's position; and (b)
25 training on the terms of Respondent's SCRA Policies and Procedures contained in **Exhibit A**
26 specific to the employee's responsibilities associated with that employee's position. Respondent

1 shall also follow these training procedures for each of their employees who subsequently become
2 a covered employee within thirty (30) calendar days of his or her hiring, promotion, or transfer.
3 Training of any covered employees pursuant to this Assurance of Discontinuance may be
4 conducted at any point during the calendar year, but in no event later than December 31, 2017,
5 December 31, 2018, and December 31, 2019 respectively.

6 3.2 The covered employees must undergo the training required by Paragraph 3.1 via live
7 training. Any expenses associated with this training program shall be borne by Respondent.

8 3.3 For a period of three (3) years beginning on the date this Assurance of
9 Discontinuance is signed by the Court, copies of the "Training Log" contained in **Exhibit A** shall
10 be provided to the State upon request. Respondent shall, on an annual basis and upon request,
11 certify in writing to counsel for the State that all covered employees have successfully completed
12 the training required by Paragraph 3.1.

13 IV. RELEASE OF CLAIMS

14 4.1 By its execution of this Assurance of Discontinuance, the State releases Respondent
15 from all civil claims, causes of action, damages, restitution, fines, costs, and penalties under
16 RCW 38.42 and RCW 19.86, arising from or related to the conduct and/or practices referenced in
17 this Assurance of Discontinuance.

18 4.2 In the event that Respondent violates this Assurance of Discontinuance, this release
19 of claims becomes void, and nothing shall prevent the State from enforcing RCW 38.42 and/or
20 RCW 19.86 and seeking permanent injunctive relief and recovery of costs, restitution, and civil
21 penalties against Respondent for any conduct covered by this Assurance of Discontinuance prior
22 to and after its execution by the parties.

23 4.3 This Assurance of Discontinuance is not, and may not, be considered an admission of
24 violation for any purposes; but proof of failure to comply with this Assurance of Discontinuance
25 shall be *prima facie* evidence of violations of RCW 38.42 (and may be enforced by the
26 Washington Attorney General in the same manner it uses to enforce violations of assurances

1 of discontinuance entered pursuant to RCW 19.86.020), thereby placing upon the violator the
2 burden of defending against the Court's imposition of injunctions, restitution, civil penalties, and
3 other relief that the Attorney General may seek.

4 V. MONETARY PAYMENTS

5 5.1 Pursuant to RCW 38.42.140, Washington shall recover on behalf of Washington
6 consumers, and Respondent shall pay to Washington, **\$6,000.00** for distribution to
7 Washington Service Members, who, as a result of receiving Military Orders, terminated their
8 leases early, and repaid Respondent some or all of the rent concessions said Service Members
9 received at the time they signed their leases. Respondent shall fully cooperate with
10 Washington in Washington's distribution of payments to these Service Members, including
11 providing to Washington a list of these Service Members (which list Washington
12 acknowledges it has received), the sum paid to Respondent by each Service Member, and the
13 Service Members' last known addresses, telephone numbers, email addresses, and other
14 available contact information.

15 5.2 Pursuant to 38.42.140, Respondent shall pay Washington the amount of **\$10,360.00**
16 for costs and reasonable attorney's fees incurred by Washington in pursuing this matter, for
17 monitoring and potential enforcement of this Assurance of Discontinuance, for future
18 enforcement of RCW 38.42, or for any lawful purpose in the discharge of the Attorney
19 General's duties at the sole discretion of the Attorney General.

20 5.3 Respondent must mail or deliver all payments referenced herein on or before **March**
21 **31, 2017**, in the form of a check payable to "Attorney General – State of Washington," to the
22 following address: Office of the Attorney General, Consumer Protection Division, Attention
23 Cynthia Lockridge, 800 Fifth Avenue, Suite 2000, Seattle, Washington, 98104-3188.

24 VI. OTHER PROVISIONS

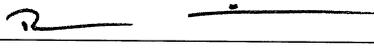
25 6.1 Under no circumstances shall this Assurance of Discontinuance or the name of the
26 State of Washington or the Office of the Attorney General, or any of its employees or

1 representatives be used by Respondent or by its officers, employees, representatives, or agents in
2 conjunction with any business activity of Respondent.

3 6.2 This Assurance of Discontinuance is binding on the Respondent and its owners,
4 directors, successors, assigns, transferees, officers, agents, partners, servants, employees,
5 representatives, and all other persons acting in concert or participating with Respondent in the
6 context of conducting Respondent's businesses.

7 6.3 Nothing in this Assurance of Discontinuance shall be construed so as to limit or bar
8 any other person or entity from pursuing available legal claims or remedies against Respondent.

9 Approved on this 30th day of March, 2017.

11 
12 ~~JUDGE~~/COURT COMMISSIONER REBEKAH ZINN
COURT COMMISSIONER

13 Presented By:

Agreed to, Approved For Entry, and
Notice of Presentation Waived:

14
15 ROBERT W. FERGUSON
Attorney General

CTL MANAGEMENT, INC

16 
17
18 _____
19 JOHN NELSON, WSBA #45724
Assistant Attorney General
20 Attorneys for State of Washington

21 
22 _____
23 JAMES P. MURPHY, WSBA #18125
24 Murphy Armstrong & Felton LLP
25 Attorney for CTL Management, Inc.
26

Exhibit A

CTL Management- Servicemembers Civil Relief Act Training and Procedures

The Servicemembers Civil Relief Act (SCRA)¹ is a federal law intended to ease the economic and legal burdens on military personnel during their active service. It protects those who serve their country by granting them special rights such as the early termination of their rental agreement, eviction protection, and protection from default judgements. Washington Servicemembers are also protected by certain state laws including the Washington Servicemembers Civil Relief Act (RCW 38.42) and the Armed Forces Exception of the Washington Landlord Tenant Act (RCW 59.18.220).

Training:

1. CTL Management (CTL) will provide training to ensure that all leasing office employees are informed of the special rights that active duty military personnel have and CTL's internal process associated with the SCRA and related state laws.
2. Training will be held once per year for all leasing office employees and within the first month of hire for new leasing office employees.
3. The training will be held in person and the Regional Manager for CTL Management will provide the training.
4. The Regional Manager will review this document including an in depth review of the "Process" outlined below. It will also include a question and answer session to ensure that all employees have thorough understanding of the SCRA and CTL's internal processes.
5. The Regional Manager will document the meeting including the date of the training and the names of the employees that attended on the training log.

Process:

1. All early lease termination requests or evictions of active duty military personnel shall be reviewed and approved by the Regional Manager.
2. A Servicemember resident, or that Servicemember resident's spouse or legal dependent may terminate their rental agreement early if the resident provides you with proof of official orders² showing they are:
 - a. Enlisting for active service in the Armed Forces of the United States (Air Force, Army, Coast Guard, Marine Corps or Navy of the United States);
 - b. A member of a National Guard or other reserve component or an active service component of the Armed Forces of the United States who has received reassignment or deployment orders;
 - c. Terminating active service in the Armed Forces of the United States.
3. A termination of a rental agreement is effective on the **earlier** of:

¹ 50 U.S.C. §§3901 – 4043, <http://uscode.house.gov/view.xhtml?path=/prelim@title50/chapter50&edition=prelim>

² The term "orders", with respect to a Servicemember, means official military orders, or any notification, certification, or verification from the Servicemember's commanding officer, with respect to the Servicemember's current or future military duty status.

- a. A date determined under the provisions of any applicable federal law; or
 - b. The date the Servicemember or his or her spouse or legal dependent vacates the unit after providing proper notice under RCW 59.18.220.
4. A Servicemember resident who terminates a rental agreement under these circumstances is not subject to a penalty, fee, charge, recoupment of any rent concession, or forfeiture of deposit because of the termination nor are they liable for rent beyond the effective date of the termination as determined above. All turnover charges will apply.
5. Should one of the residents on the rental agreement choose to stay, they must re-qualify. If all residents choose to leave, they will be released under the same terms as the resident terminating the rental agreement due to their military service.