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

STATE OF WASHINGTON,
Plaintiff,
v.
REALTY MART PROPERTY
MANAGEMENT, LLC, and JOHN
CORNETT,
Defendants.

NO. **17200677 - 1**
CONSENT DECREE

I. INTRODUCTION

1.1. The State of Washington, by and through its attorneys, Robert W. Ferguson, Attorney General, and Colleen M. Melody, Assistant Attorney General, filed this action against Defendants Realty Mart Property Management, LLC, and John Cornett (collectively, "Realty Mart") 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. All communications related to this Consent Decree should be directed to: Civil Rights Unit, Office of the Attorney General, 800 Fifth Avenue, Suite 2000, Seattle, WA, 98104.

1 **II. INVESTIGATION**

2 2.1. Realty Mart is a for-profit business in Washington State that is engaged in the
3 rental of residential dwellings as defined by both 42 U.S.C. § 3602(b) and RCW 49.60.040(9).
4 Realty Mart's principal place of business is located at 12902 East Siento Avenue, Spokane
5 Valley, Washington. Realty Mart markets and rents residential housing to the public, and
6 markets and sells property management services to owners of residential rental properties.

7 2.2. In May 2016, the State of Washington conducted testing to evaluate Realty Mart's
8 compliance with the FHA, the WLAD, and the CPA. Testing is a simulation of a housing
9 transaction that evaluates housing providers' responses to determine whether illegal
10 discrimination is occurring.

11 2.3. The State of Washington's investigation revealed that Realty Mart employs a
12 policy or practice of charging a higher damage deposit to tenants or prospective tenants who
13 receive disability income as a result of a disability.

14 2.4. The parties have voluntarily agreed, as indicated by the signatures below, to
15 resolve the claims against Realty Mart without the necessity of a trial on the merits.

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

17 **III. INJUNCTION**

18 3.1. Realty Mart, its agents, employees, successors, and all other persons in active
19 concert or participation with it, is enjoined with respect to the rental of dwellings from:

20 3.1.1. Discriminating in the terms, conditions, or privileges of the rental of a
21 dwelling because of a disability;

22 3.1.2: Making statements in connection with the rental of a dwelling that
23 express a preference, limitation, or discrimination based on disability; and

24 3.1.3. Aiding, abetting, encouraging, or inciting the commission of an unfair or
25 discriminatory practice.
26

1 3.2. The provisions of Paragraph 3.1 shall apply to all properties marketed or
2 managed by Realty Mart during the term of this Consent Decree, including all dwellings in
3 which Realty Mart has or acquires a direct or indirect ownership, management, or other
4 financial interest.

5 **IV. NON-DISCRIMINATION POLICY AND NOTICE TO THE PUBLIC**

6 4.1. Upon entry of this Consent Decree, Realty Mart shall implement the
7 Nondiscrimination Policy appearing at **Appendix A**. The Nondiscrimination Policy shall apply to
8 all properties covered by paragraph 3.2 of this Consent Decree.

9 4.2. Within fourteen (14) days of entry of this Consent Decree, and throughout its term,
10 Realty Mart shall distribute the Nondiscrimination Policy to all its current tenants. For individuals
11 who become tenants later than fourteen (14) days after the entry of this Consent Decree, Realty
12 Mart shall distribute the Nondiscrimination Policy to them at the time the lease agreement is
13 signed.

14 4.3. Within fourteen (14) days of entry of this Consent Decree, and throughout its term,
15 Realty Mart shall take the following steps to notify the public of the Nondiscrimination Policy:

16 4.3.1. Prominently post at any rental office that is used for the rental of
17 dwellings, a fair housing sign no smaller than ten (10) inches by fourteen (14) inches,
18 indicating that all apartments are available for rent on a nondiscriminatory basis;

19 4.3.2. Prominently post on any webpage or internet advertisement used to
20 promote Realty Mart's business that all apartments are available for rent on a
21 nondiscriminatory basis; and

22 4.3.3. Include the following phrase in the rental application(s) and the rental
23 agreement(s) used for rental dwelling units in boldface type, using letters of equal or
24 greater size to those of the text in the body of the document:

25 We do not discriminate in any term, condition, or privilege of
26 rental on the basis of disability. We charge the same amount

1 of rent, deposit(s), and fee(s) regardless if part or all of the
2 tenants' income is related to a disability.

3 V. TRAINING

4 5.1 Within fourteen (14) days of the entry of this Consent Decree, Realty Mart shall
5 provide a copy of this Consent Decree and the Nondiscrimination Policy to its principals, officers,
6 directors, agents, managers, and employees. Realty Mart shall secure a signed statement from
7 each agent or employee acknowledging that he or she has received and read the Consent Decree
8 and the Nondiscrimination Policy and agrees to abide by the relevant provisions of the Consent
9 Decree and the Nondiscrimination Policy. This statement shall be in the form of **Appendix B**.

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

17 5.3. Within one-hundred and twenty (120) days from the date of entry of this Consent
18 Decree, Realty Mart and all its principals, officers, directors, agents, managers, and employees
19 shall undergo in-person fair housing training with specific emphasis on disability discrimination.
20 The training shall be conducted by an independent, qualified third party, approved in advance by
21 the Office of the Attorney General. Realty Mart shall obtain confirmation of attendance for each
22 individual who receives training including the date, name of the course, length of the course,
23 name of the instructor, and name of the individual who completed the course. Copies of these
24 certificates, in the form of **Appendix C**, shall be submitted to the Office of the Attorney General.
25 Realty Mart shall bear any expenses associated with this training.
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VI. COMPLIANCE TESTING

6.1. The Attorney General may take steps to monitor Realty Mart's compliance with this Consent Decree including, but not limited to, conducting fair housing tests at any office(s) or location(s) at which Realty Mart conducts marketing, rental, or property management activities.

VII. REPORTING AND DOCUMENTATION RETENTION REQUIREMENTS

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

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

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

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

7.1.4. Any written or oral complaint against Realty Mart, or Realty Mart's agents or employees, regarding discrimination in housing. The notification shall include the full details of the complaint, including the complainant's name, address, and telephone number. If the complaint is written, Realty Mart shall provide a copy of the written complaint with the notification. Upon the Attorney General's request, Realty Mart shall also provide, within fourteen (14) days of the request, all information concerning any such complaint and the substance of any resolution of such complaint.

7.2. Within one-hundred and twenty (120) days of entry of this Consent Decree, and every six (6) months thereafter for the duration of this Consent Decree, Realty Mart shall deliver to the Attorney General a report containing information regarding their compliance

1 efforts during the preceding reporting period, including but not limited to executed copies of
2 **Appendices B and C**, to the extent not previously provided.

3 7.3. Upon reasonable notice to counsel for Realty Mart, representatives of the Office
4 of the Attorney General shall be permitted to access, inspect, and/or copy all business records
5 or documents under control of Realty Mart and depose any principal, officer, director, agent,
6 manager, employee, or representative of Realty Mart in order to monitor compliance with this
7 Consent Decree.

8 VIII. PAYMENT

9 8.1. Pursuant to RCW 19.86.140, RCW 19.86.080, and RCW 49.60.030(2), Realty
10 Mart shall pay \$7,000 to the Attorney General, of which no more than \$3,000 shall be designated
11 as a civil penalty.

12 8.2. Realty Mart shall pay the \$7,000 payment in fourteen (14) monthly installments of
13 \$500 each. The first payment shall be due on March 1, 2017. Each subsequent monthly payment
14 shall be due to the Attorney General's Office on the first day of the month. Failure to make
15 payments pursuant to the terms of this paragraph shall be a material breach of this Consent
16 Decree. Payments shall be made by a valid check, made payable to the "Attorney General -- State
17 of Washington," and shall be delivered to the Office of the Attorney General, Attention: Civil
18 Rights Unit, 800 5th Avenue, Suite 2000, Seattle, Washington 98104-3188.

19 8.3. The Attorney General shall use the funds not designated as a civil penalty for
20 recovery of its fees and costs in investigating this matter, future monitoring and enforcement of
21 this Consent Decree, consumer restitution, damages, cy pres to remediate the impacts of housing
22 discrimination, or for any lawful purpose in the discharge of the Attorney General's duties at the
23 sole discretion of the Attorney General.

24 IX. ENTRY AND DURATION

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1 **9.1.** This Consent Decree shall be in effect for a period of three (3) years from the
2 date of its entry. The Court shall retain jurisdiction for the duration of this Consent Decree to
3 enforce its terms, after which time the case shall be dismissed with prejudice.

4 **9.2.** The Attorney General may move the Court to extend the duration of the
5 Consent Decree in the event of noncompliance, whether intentional or not, with any of its
6 terms, or if it believes the interests of justice so require.

7 **9.3.** Violation of any of the terms of this Consent Decree shall constitute a violation
8 of an injunction for which civil penalties of up to \$25,000 per violation may be sought by the
9 Attorney General pursuant to RCW 19.86.140, in addition to such other remedies as may be
10 provided by law, including the imposition by the Court of injunctions, restitution, civil
11 penalties, and costs, including reasonable attorneys' fees.

12 **X. ADDITIONAL PROVISIONS**

13 **10.1.** This Consent Decree shall be binding upon and inure to the benefit of Realty
14 Mart's successors and assigns. Realty Mart and its successors and assigns shall notify the State
15 at least thirty (30) days prior to any change-in-control of Realty Mart that would change the
16 identity of the corporate entity responsible for compliance obligations arising under this
17 Consent Decree, including but not limited to dissolution, assignment, sale, merger, or other
18 action that would result in the emergence of a successor corporation; or the creation or
19 dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to
20 this order.

21 **10.2.** Nothing in this Consent Decree shall be construed to limit or bar any other
22 governmental entity or person from pursuing other available remedies against Realty Mart or
23 any other person.

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1 Approved on this ____ day of _____, 2017.

2 STEVEN N. GROVDAHL

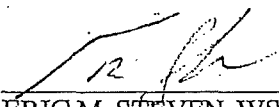
3 JUDGE/COURT COMMISSIONER

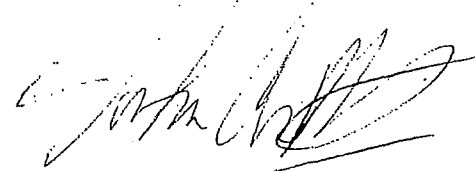
4 Presented by:

5 ROBERT W. FERGUSON
6 Attorney General

7
8 
9 COLLEEN M. MELODY, WSBA #42275
10 Assistant Attorney General
11 Civil Rights Unit
12 Office of the Attorney General
13 800 Fifth Avenue, Suite 2000
14 Seattle, WA 98104
15 (206) 464-5342
16 Colleenml@atg.wa.gov

17 Agreed to and approved for entry by:

18 
19 ERIC M. STEVEN, WSBA #20243
20 Eric M. Steven, P.S.
21 1403 West Boone Avenue
22 Spokane, WA 99201
23 (509) 590-4870
24 esteven@comcast.net

25 
26 TOM CORNETTI
PROPERTY INVESTMENT
MANAGEMENT LLC

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APPENDIX A
NONDISCRIMINATION POLICY

It is the policy of Realty Mart 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, sex, sexual orientation, marital status, familial status, honorably discharged veteran or military status, or disability. This policy means that, among other things, Realty Mart 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 any the characteristics underlined above;
- B. Use different rental policies, lease terms, or other conditions of application or tenancy based on any of the characteristics underlined above;
- C. 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 any of the characteristics underlined above; or
- D. To represent to a person, based on any of the characteristics underlined above, that any dwelling is not available for inspection or rental when such dwelling is in fact so available.

This means that Realty Mart cannot and will not choose tenants, set lease terms, use rental policies, or make other decisions about tenants or prospective tenants based on the characteristics listed in the first paragraph.

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, sex, sexual orientation, marital status, familial status, honorably discharged veteran or military status, or disability may constitute a violation of state and/or 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. Realty Mart LLC*, Civil Action No. _____ (Spokane County Superior Court) and the Nondiscrimination Policy adopted by Realty Mart and John Cornett 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