## Order approved and electronically signed June 04 2020 11:00 AM

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Pierce County Clerk

1 2 3 4 5 6 7 STATE OF WASHINGTON PIERCE COUNTY SUPERIOR COURT 8 STATE OF WASHINGTON, NO. 20-2-05933-7 9 Plaintiff, 10 CONSENT DECREE v. 11 JRK RESIDENTIAL GROUP, INC., dba 12 JRK PROPERTY HOLDINGS, dba THE BOULDERS AT PUGET SOUND, dba (Clerk's Action Required) 13 CARROLL'S CREEK LANDING TOWNHOMES, dba TRILLIUM 14 HEIGHTS LUXURY APARTMENT HOMES, dba SILVERDALE RIDGE 15 APARTMENTS, 16 Defendant. 17 Ī. INTRODUCTION 18 1.1 The State of Washington (the State), by and through its attorneys, Robert W. 19 Ferguson, Attorney General, Colleen Melody, Wing Luke Civil Rights Division Chief, and Marsha 20 Chien, Patricio A. Marquez, and Ashley McDowell, Assistant Attorneys General, filed this action 21 to enforce Emergency Proclamation 20-19, the Moratorium on Evictions issued by Governor Jay 22 Inslee as necessary to help preserve and maintain life, health, property or the public peace during 23 the coronavirus disease 2019 (COVID-19) pandemic, and the Washington Consumer Protection 24

commerce, RCW 19.86.020.

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Act (CPA), which prohibits unfair or deceptive acts or practices in the conduct of any trade or

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	<b>1.3.1</b> The Boulders is a multi-building, courtyard-style apartment complex with
15	approximately 713 one, two, and three bedroom units.
16	<b>1.3.2</b> Carroll's Creek is a townhome development with approximately 290 two,
17	three, and four bedroom townhomes.
18	<b>1.3.3</b> Trillium Heights is a multi-building apartment complex with approximately
19	224 one, two, and three bedroom apartments.
20	<b>1.3.4</b> 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.

- 1.6 The State further alleges that JRK Residential violated the CPA, RCW 19.86.020, when it committed unfair conduct in trade or commerce by violating Emergency Proclamation 20-19 despite contemporaneous knowledge that a moratorium on evictions was in effect in Washington due to the COVID-19 pandemic.
- 1.7 The State further alleges that JRK Residential violated the CPA, RCW 19.86.020, by engaging in unfair and deceptive business practices in its attempts to collect April 2020 rent. The State alleges that this conduct included sending numerous emails, posting notices on tenants' doors, and repeatedly calling tenants to inquire about the status of their April rent; suggesting that tenants use unemployment benefits and COVID-19 stimulus checks to pay their rent; and warning tenants that their failure to pay April rent may affect their credit and ability to find alternative housing after the COVID-19 pandemic ends.

## II. AGREEMENT

- **2.1** The parties agree that this Court has jurisdiction over the subject matter of the claims alleged and the parties to this lawsuit.
- **2.2** The parties agree on a basis for settlement of the State's allegations and to the entry of this Consent Decree without the need for trial and adjudication of any issue of law or fact.
- **2.3** The parties agree that this Consent Decree does not constitute evidence or an admission regarding the existence or non-existence of any issue, fact, or violation of any law alleged by the State of Washington.
- **2.4** JRK Residential agrees that it will not oppose entry of this Consent Decree on the ground that it fails to comply with Rule 65(d) of the Superior Court Civil Rules and hereby waives any objection based thereon.
- 2.5 This Consent Decree resolves with prejudice all claims raised and which could have been raised by the State of Washington against JRK Residential pertaining to the acts or omissions described in the Complaint filed in this matter.
  - **2.6** JRK Residential waives any right it may have to appeal from this Consent Decree.

1		<b>3.3.2.3</b> 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		<u>.pdf</u> , 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	<b>4.1</b> For a	period of three (3) years following the entry of this Consent Decree,
26	JRK Residential sha	ll preserve all records related to its obligations under this Consent Decree in

1	a centralized location	a, 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
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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 A	Attorney	General's Office with the following documents and information necessary
5	to confirm the	he paym	ent amounts due to JRK Residential tenants under the Consent Decree,
6	including bu	siness re	cords 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	n fourteen (14) days after June 4, 2020, or the expiration of any modification
22	or extension	of Proc	lamation 20-19.1, whichever is later, JRK Residential shall provide the
23	Attorney Ge	eneral's	Office with a list of any additional residents who have moved since
24	JRK Residen	itial's su	bmission of the information required by paragraph 4.2.4 above, and the
25	tenant's forw	arding a	ddress.
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1			V. PAYMENT
2	5.1	Withir	n five (5) business days of entry of this Consent Decree, JRK Residential
3	shall deliver th	ne follo	wing 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 in	dividuals who will receive payments under two or more of the provisions
25	of paragraphs	5.1.1 tl	hrough 5.1.4, JRK Residential may combine those payments into a single
26	check.		

- 5.3 Concurrent with its transmission of the checks required by paragraph 5.1 above, JRK Residential will provide a spreadsheet identifying each tenant and their address, the amount of their check, and the provision(s) of paragraphs 5.1.1 through 5.1.4 to which their payment corresponds. This spreadsheet will be in the format identified by the State, and provided in advance to counsel for JRK Residential by counsel for the State. This spreadsheet shall be transmitted electronically to counsel for the State.
- 5.4 The above payments shall be delivered to the Office of the Attorney General, Attn: Civil Rights Division, 800 5th Avenue, Suite 2000, Seattle, Washington 98104-3188. All checks shall be paper checks in hard copy.

## VI. DURATION AND ENFORCEMENT

- 6.1 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 the Consent Decree to enforce its terms, after which time the case shall be dismissed with prejudice.
- 6.2 The State may move the Court to extend the duration of the Consent Decree in the event of noncompliance, whether intentional or not, with any of its terms, or if it believes the interests of justice so require.
- 6.3 Any violation of any injunction contained in this Consent Decree shall constitute a violation of an injunction for which civil penalties may be sought by the State 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.

## VII. ADDITIONAL PROVISIONS

**7.1** JRK Residential acknowledges and agrees that no other promises, representations, or agreements of any nature have been made or entered into by the parties. The parties further acknowledge that this Consent Decree constitutes a single and entire agreement

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.		
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18   19	JUDGE/COURT COMMISSIONER		
20	Presented by:		
20   21	ROBERT W. FERGUSON		
22	Attorney General		
23	s/ Marsha Chian		
24	s/ Marsha Chien COLLEEN MELODY, WSBA No. 42275 Division Chief		
25	MARSHA CHIEN, WSBA No. 47020		
26	PATRICIO A. MARQUEZ, WSBA No. 47693 ASHLEY MCDOWELL, WSBA No. 56404 Assistant Attorneys General		

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Case: STATE OF WASHINGTON VS. JRK RESIDENTIAL GROUP INC

**Cause Number:** 20-2-05933-7 **Filing ID:** 54748444

**Signed:** June 04 2020 11:00 AM

This order has been reviewed, approved, and electronically signed.



**Craig S Adams, Pierce County Commissioners**