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II. INVESTIGATION

2.1. KPS Management 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). KPS Management’s principal place of business is located at 524 North Mullan Road, Spokane Valley, Washington. KPS Management markets and rents residential housing to the public, and markets and sells property management services to owners of residential rental properties.

2.2. The State of Washington conducted an investigation involving KPS Management’s compliance with the FHA, the WLAD, and the CPA. The investigation revealed that in September 2016, KPS Management refused to rent and/or refused to negotiate the rental of a dwelling to a prospective tenant based on the use of rental assistance provided by the U.S. Department of Veterans Affairs and U.S. Department of Housing and Urban Development to veterans with disabilities.

2.3. Nothing in this Assurance of Discontinuance constitutes or may be construed as an admission of liability as to the assertions of the State of Washington. Filed pursuant to RCW 19.86.100, this Assurance of Discontinuance is a settlement of a disputed matter. In order to avoid costly and protracted litigation, the parties agree that the Attorney General’s claims should be resolved without further proceedings.

III. ASSURANCE OF DISCONTINUANCE

3.1. The Attorney General deems the following to constitute unfair practices with respect to real estate transactions in violation of the FHA, WLAD, and the CPA:

3.1.1. Refusing to engage in a real estate transaction because of honorably discharged veteran or military status (“veteran status”) or the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability (“disability”);

1 **3.1.2.** Refusing to negotiate a real estate transaction because of veteran status
2 or disability;

3 **3.1.3.** Making statements in connection with the rental of a dwelling that
4 express a preference, limitation, or discrimination based on veteran status or disability;
5 and

6 **3.1.4.** Aiding, abetting, encouraging, or inciting the commission of an unfair or
7 discriminatory practice.

8 **3.2.** KPS Management agrees not to engage in the practices described in paragraph
9 3.1. This provision shall apply to all residential dwellings marketed or managed by KPS
10 Management during the term of this Assurance of Discontinuance, including all dwellings in
11 which KPS Management has or acquires a direct or indirect ownership or management interest.

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

13 **4.1.** Upon execution of this Assurance of Discontinuance, KPS Management shall
14 implement the Nondiscrimination Policy appearing at **Appendix A**. The Nondiscrimination
15 Policy shall apply to all properties covered by paragraph 3.2 of this Assurance of Discontinuance.

16 **4.2.** Within fourteen (14) days of the execution of this Assurance of Discontinuance,
17 and throughout its term, KPS Management shall distribute the Nondiscrimination Policy to all its
18 current tenants. For individuals who become tenants later than fourteen (14) days after the entry of
19 this Assurance of Discontinuance, KPS Management shall distribute the Nondiscrimination
20 Policy to them at the time the lease agreement is signed.

21 **4.3.** Within fourteen (14) days of the execution of this Assurance of Discontinuance,
22 and throughout its term, KPS Management shall take the following steps to notify the public of
23 the Nondiscrimination Policy:
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1 signed statement from each agent or employee acknowledging that he or she has received and
2 read the Assurance of Discontinuance, and agrees to abide by the relevant provisions of the
3 Assurance of Discontinuance and the Nondiscrimination Policy. This statement shall be in the
4 form of **Appendix B**.

5 **5.3.** Within ninety (90) days from the date of the execution of this Assurance of
6 Discontinuance, KPS Management and all its principals, officers, directors, agents, managers, and
7 employees shall undergo in-person fair housing training with specific emphasis on veteran status
8 and disability discrimination. The training shall be conducted by an independent, qualified third
9 party, approved in advance by the Office of the Attorney General. KPS Management shall obtain
10 confirmation of attendance for each individual who receives training including the date, name of
11 the course, length of the course, name of the instructor, and name of the individual who completed
12 the course. Copies of these certificates, in the form of **Appendix C**, shall be submitted to the
13 Office of the Attorney General. KPS Management shall bear any expenses associated with this
14 training.

15 **VI. COMPLIANCE TESTING**

16 **6.1.** The Attorney General may take steps to monitor KPS Management's
17 compliance with this Assurance of Discontinuance including, but not limited to, conducting
18 fair housing tests at any office(s) or location(s) at which KPS Management conducts
19 marketing, rental, or property management activities.

20 **VII. REPORTING AND DOCUMENTATION RETENTION REQUIREMENTS**

21 **7.1.** KPS Management shall, no later than fourteen (14) days after occurrence,
22 provide to the Attorney General notification and documentation of the following events:

23 **7.1.1.** Any change to the rules or practices regarding the Nondiscrimination
24 Policy (**Appendix A**);
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1 and assigns shall notify the Attorney General at least thirty (30) days prior to any change-in-
2 control of KPS Management that would change the identity of the corporate entity responsible
3 for compliance obligations arising under this Assurance of Discontinuance, including but not
4 limited to dissolution, assignment, sale, merger, or other action that would result in the
5 emergence of a successor corporation; or the creation or dissolution of a subsidiary, parent, or
6 affiliate that engages in any acts or practices subject to this order.

7 **10.2.** Nothing in this Assurance of Discontinuance shall be construed to limit or bar
8 any other governmental entity or person from pursuing other available remedies against KPS
9 Management or any other person.

10
11 Approved on this ____ day of _____, 2017.

12
13 _____
14 JUDGE/COURT COMMISSIONER

15
16
17 Presented by:

18 ROBERT W. FERGUSON
19 Attorney General

20
21 _____
22 COLLEEN M. MELODY, WSBA #42275
23 Assistant Attorney General
24 Civil Rights Unit
25 Office of the Attorney General
26 800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 464-5342
Colleenm1@atg.wa.gov
Counsel for Plaintiff

1 | Agreed to and approved for entry by:

2 |
3 | _____
4 | J. STEVE JOLLEY, WSBA #12982
5 | Herman, Herman & Jolley, P.S.
6 | E. 12340 Valleyway Avenue
7 | Spokane Valley, WA 99216
8 | (509) 928-8310
9 | Stevej@hermanjolley.lawyer
10 | Counsel for Defendant
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APPENDIX A
NONDISCRIMINATION POLICY

It is the policy of KPS Management 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, KPS Management 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 KPS Management 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. KPS Realty, LLC d/b/a KPS Management*, Civil Action No. _____ (Spokane County Superior Court) and the Nondiscrimination Policy adopted by KPS Management 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