

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 WILLIAM I. COCHRAN, III; ) COMPLAINT AND JURY DEMAND  
 WRC, LLC; EKP, LLC; and )  
 EMLAN PROPERTIES, LLC, )  
 )  
 Defendants. )  
 \_\_\_\_\_ )

The United States of America alleges:

1. This action is brought by the United States to enforce the Fair Housing Act, 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.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. § 3614.

3. Venue is proper under 28 U.S.C. § 1391(b) because the events giving rise to this action occurred in Beaufort County in the Eastern District of North Carolina, all defendants reside and/or do business in Beaufort County in the Eastern District of North Carolina, and the claims concern or otherwise relate to real property located in Beaufort County in the Eastern District of North Carolina.

## PARTIES

4. Defendant William I. Cochran, III, is a member of Defendant WRC, LLC, Defendant EKP, LLC, and Defendant EmLan Properties, LLC. Cochran resides and does business in Washington, Beaufort County, North Carolina, in the Eastern District of North Carolina.

5. At all times relevant to this Complaint, Cochran primarily or exclusively established policies and procedures for and handled the daily management of residential rental properties that are or were owned by Defendant WRC, LLC, Defendant EKP, LLC, and Defendant EmLan Properties, LLC, and that are located in Washington, Beaufort County, North Carolina. Some of these properties contain more than one rental unit. Cochran's duties included, but were not limited to, leasing vacant units, collecting rent, taking tenants' maintenance requests, performing or arranging for maintenance, and initiating and prosecuting eviction proceedings against tenants. In his establishment of policies and procedures and his management activities relating to the rental properties, Cochran acted as the agent of Defendant WRC, LLC, Defendant EmLan Properties, LLC, and Defendant EKP, LLC.

6. Defendant WRC, LLC ("WRC"), is a limited liability company formed in 2003 under the laws of the State of North Carolina. WRC has its registered office and principal office in Washington, Beaufort County, North Carolina. WRC owns or owned at least eight residential properties in Washington, North Carolina that it offered for rent. At all times relevant to this Complaint, WRC rented its properties to tenants through the actions of its agent, Cochran.

7. Defendant EKP, LLC ("EKP"), is a limited liability company formed in 2005 under the laws of the State of North Carolina. EKP has its registered office and principal office in Washington, Beaufort County, North Carolina. EKP owns or owned at least twelve residential

properties in Washington, North Carolina that it offered for rent. At all times relevant to this Complaint, EKP rented its properties to tenants through the actions of its agent, Cochran.

8. Defendant EmLan Properties, LLC (“EmLan”), is a limited liability company formed in 2003 under the laws of the State of North Carolina. EmLan has its registered office and principal office in Washington, Beaufort County, North Carolina. EmLan owns or owned at least three residential properties in Washington, North Carolina that it offered for rent. At all times relevant to this Complaint, EmLan rented its properties to tenants through the actions of its agent, Cochran.

#### FACTUAL ALLEGATIONS

9. The residential properties owned by WRC, EKP, and EmLan and managed by Cochran constitute dwellings within the meaning of 42 U.S.C. § 3602(b).

10. Since at least 2003, Cochran has maintained unlawful discriminatory policies and engaged in unlawful discriminatory practices at the residential properties owned by WRC, EKP, and EmLan, because of race or color, including, but not limited to:

- a. Refusing to perform and delaying performance of maintenance or repairs on residential properties because the tenants are African-American;
- b. Refusing to credit tenants for maintenance or repairs they paid for and/or performed themselves because they are African-American;
- c. Verbally harassing African-American tenants with racial slurs and epithets;
- d. Making statements to tenants or prospective tenants indicating that he did not want African-American tenants to request maintenance or repairs, that

he would not do maintenance or repairs for African-American tenants, and/or that he disliked renting to African Americans; and

- e. Threatening and/or harassing African-American tenants who requested maintenance or repairs, and retaliating against African-American tenants who resisted his discriminatory housing practices or who otherwise sought to exercise or enjoy their housing rights.

11. By his conduct described above, Cochran has:

- a. Discriminated in the terms, conditions, or privileges of the rental of dwellings, or in the provision of services or facilities in connection therewith, because of race or color, in violation of 42 U.S.C. § 3604(b);
- b. Made statements with respect to the rental of dwellings that indicate a preference, limitation, or discrimination based on race or color, or an intention to make any such preference, limitation, or discrimination, in violation of 42 U.S.C. § 3604(c); and
- c. Coerced, intimidated, threatened, or interfered with persons in the exercise or enjoyment of, or on account of their having exercised or enjoyed, their rights under 42 U.S.C. § 3604, in violation of 42 U.S.C. § 3617.

12. WRC, EmLan, and EKP are liable for the discriminatory conduct of their agent and manager, Cochran, described above.

#### FAIR HOUSING ACT CLAIM

13. The Defendants' conduct described above constitutes:

- a. A pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619; or

- b. A denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-3619, raising an issue of general public importance.

14. Certain tenants, prospective tenants, and persons associated with tenants or prospective tenants have been injured by the Defendants' conduct alleged in this Complaint. Such persons are aggrieved persons as defined in 42 U.S.C. § 3602(i), and they have suffered damages as a result of the Defendants' conduct.

15. The Defendants' conduct was intentional, willful, and taken in disregard of the rights of others.

PRAYER FOR RELIEF

16. WHEREFORE, the United States prays that the Court enter an order that:

- a. Declares that the Defendants' discriminatory conduct violates the Fair Housing Act, 42 U.S.C. §§ 3601-3619;
- b. Enjoins the Defendants, their officers, employees, agents, successors, and all other persons in active concert or participation with them from:
  - i. Discriminating against any person on the basis of race or color in any aspect of the rental of a dwelling;
  - ii. Coercing, intimidating, threatening, or interfering with any person in the exercise or enjoyment of rights granted or protected by the Fair Housing Act, as amended;
  - iii. Failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, any aggrieved persons to the position they would have been in but for the discriminatory conduct; and

- iv. Failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of the Defendants' unlawful practices.
- c. Awards monetary damages to each person injured by the Defendants' discriminatory conduct, pursuant to 42 U.S.C. § 3614(d)(1)(B); and
- d. Assesses a civil penalty against the Defendants to vindicate the public interest, pursuant to 42 U.S.C. § 3614(d)(1)(C).

The United States further prays for such additional relief as the interests of justice may require.

JURY DEMAND

The United States hereby demands a jury trial pursuant to Rule 38 of the Federal Rules of Civil Procedure.

This 25th day of September, 2012.

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