

SETTLEMENT AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
WESLEY APARTMENT HOMES, LLC,
NORTHRIDGE 400 VENTURES, LLC

I. INTRODUCTION

1. The parties (“Parties”) to this Settlement Agreement (“Agreement”) are the United States of America (“United States”), Wesley Apartment Homes, LLC (“Wesley”),¹ and Northridge 400 Ventures, LLC (“Northridge”).

II. RECITALS

2. This matter was initiated by a complaint (HUD Case No. 04-13-0855-8) filed with the Department of Housing and Urban Development (“HUD”) against Wesley and Northridge (“Respondents”), alleging violations of the Fair Housing Act, 42 U.S.C. §§ 3601-19 (the “Act”). Specifically, the Complainant alleged that Respondents discriminated against him because of race and color by evicting him pursuant to a criminal record screening policy. Complainant further alleged that Respondents discriminated against him based upon his disability when Respondents delayed his request for a reasonable accommodation for an assistance animal. Finally, Complainant alleged that Respondents evicted him for requesting a reasonable accommodation and subsequently filing a complaint with HUD.
3. HUD charged Respondents with engaging in discriminatory housing practices on the basis of race and color in violation of 42 U.S.C. § 3604(a) and (b). HUD

¹ On June 28, 2016, Euramex Management Group, LLC, filed a “Certificate of Amendment Name Change” document with the Georgia Secretary of State, which was approved effective the same day. Previously, Wesley Apartment Homes had been a name under which Euramex did business

found no reasonable cause to believe Respondents discriminated against Complainant on the basis of disability under 42 U.S.C. § 3604(f)(1) and (f)(2). HUD also found no reasonable cause to believe Respondents retaliated against Complainant under 42 U.S.C. § 3617.

4. Both the Complainant and the Respondents timely elected to have this matter heard in federal district court.
5. Northridge is a Delaware limited liability company. Northridge previously owned the multifamily, apartment complexes located at 501 Northridge Drive, Atlanta, Georgia and 8101 Colquitt Drive, Atlanta, Georgia. On August 12, 2016, these properties were sold. Northridge no longer holds any assets and has no employees.
6. Wesley is a Georgia limited liability company that manages thirteen multifamily, apartment complexes. From January 11, 2013 to August 11, 2016, Wesley managed Circa 400 and Ecco 400, properties owned by Northridge.
7. The apartment complexes are dwellings under the Fair Housing Act.
8. The Fair Housing Act prohibits discrimination by direct providers of housing and real estate companies, as well as other entities whose discriminatory practices make housing unavailable to persons based upon race, religion, sex, national origin, disability, and familial status.
9. Complainant, who is African American, lived at Circa 400 for eight months prior to Wesley taking over the management for Circa 400. On February 20, 2013, three months prior to the expiration of Complainant's lease, Wesley sent Complainant a letter offering to renew his lease if he agreed to and passed a criminal background check.
10. Complainant agreed to allow Wesley to conduct the screening, which revealed Complainant's two previously undisclosed 1999 forgery convictions. After receiving the screening report, Wesley informed Complainant that his lease would not be renewed. Respondents subsequently initiated eviction proceedings in the Fulton County Magistrate Court, in the case styled: *Euramex Management Group, LLC d/b/a/ Circa 400 v. Victor Loveless*, Case No. 13DE007429.

Complainant appealed the magistrate court's decision to the Superior Court of Fulton County, Case No. 2013-CV-237852.

III. STATEMENT OF CONSIDERATION

11. In consideration of, and consistent with, the terms of this Agreement, the United States Department of Justice agrees to refrain from filing a civil lawsuit against Wesley Apartment Homes, LLC and Northridge 400 Ventures, LLC under the Fair Housing Act arising out of the factual allegations described in Section II, above, except as provided in Section V, "Implementation and Enforcement." The parties agree and acknowledge that this consideration is adequate and sufficient.

IV. TERMS AND CONDITIONS

A. Prohibition of Discrimination

12. Wesley, its officers, agents, employees, successors and assigns, agrees, with respect to the rental of dwellings, to refrain from:
- Denying housing, or otherwise making housing unavailable because of race, in violation of 42 U.S.C. § 3604(a);
 - Discriminating in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith because of race in violation of 42 U.S.C. § 3604(b); and
 - Coercing, intimidating, threatening, or interfering with a person in the exercise or enjoyment of, or on account of her having exercised or enjoyed or on account of her having aided or encouraged other person in the exercise or enjoyment of, a right granted or protected by Section 804 of the Fair Housing Act, in violation of 42 U.S.C. § 3617.
 - If, during the term of this Agreement, Northridge acquires residential real estate, it shall comply with Paragraphs 12 through 25 of this Agreement.

B. Notice to Public of Nondiscriminatory Policy

13. Within fifteen (15) days of the execution of this Agreement, Wesley shall take the following steps to notify the public of its Nondiscrimination Policy:

- Prominently post, at all rental offices that Wesley currently or subsequently uses for rental of dwellings, a fair housing sign no smaller than ten (10) inches by fourteen (14) inches that indicates that all apartments are available for rent on a nondiscriminatory basis. A poster that comports with 24 C.F.R. Part 110 will satisfy this requirement.
- Include the words “Equal Housing Opportunity” and/or the fair housing logo in all new rental advertising conducted on or after the date of this Agreement and controlled by Wesley’s corporate level employees, in newspapers, flyers, handouts, telephone directories and other written materials; on radio, television or other media broadcasts; and on all billboards, signs, pamphlets, brochures and other promotional literature, with the exception of social media postings. The words and/or logo shall be prominently placed and easily readable. In the event DOJ becomes aware of any potential violation of this provision, DOJ agrees to give Wesley written notice of a potential violation and an opportunity to cure, as provided in Paragraphs 22 and 23 of this Agreement.
- Include the words “Equal Housing Opportunity” and/or the fair housing logo in the standard rental agreement and include at least the following phrase in the standard rental application:

It is Management’s policy to provide housing for all applicants without regard to race, color, religion, national origin, sex, familial status, or disability. Management and the owner of this apartment community are Equal Housing Opportunity providers.

C. Training

14. Within thirty (30) days of the execution of this Agreement, Wesley shall provide a copy of the Nondiscrimination Policy to its agents and employees involved in showing, renting or managing any dwelling owned and/or managed by Wesley. Wesley shall secure a signed statement from each agent or employee

- acknowledging that he or she has received and read the Nondiscrimination Policy, has had the opportunity to have questions about the Nondiscrimination Policy answered, and agrees to abide by the relevant provisions of the Policy. This statement shall be in the form of Appendix A.
15. During the term of this Agreement, within thirty (30) days after each new agent or employee becomes involved in showing, renting, or managing units, Wesley shall provide a copy of the Nondiscrimination Policy to each such agent or employee and secure a signed statement from each agent or employee acknowledging that he or she has received and read the Nondiscrimination Policy, has had the opportunity to have questions about the Nondiscrimination Policy answered, and has agreed to abide by the relevant provisions of the policy. This statement shall be in the form of Appendix A.
16. Within ninety (90) days from the date of the execution of this Agreement or within thirty (30) days of beginning their employment, whichever occurs later, managers, agents, and employees of Wesley involved in showing, renting or managing any dwelling owned and/or managed by Wesley shall undergo training on the Fair Housing Act, with specific emphasis on discrimination on the basis of race or color. The training shall be conducted by an independent, qualified third party, approved in advance by the United States. Each individual who receives the training shall execute the Certificate of Training, appearing in Appendix B.
17. At a minimum, the training required in the preceding paragraph shall consist of the following:
- Instruction on the requirements of all applicable federal and state housing discrimination laws; and
 - A test at the conclusion of the training addressing the applicable federal and state housing discrimination laws.

D. Nondiscriminatory Standards and Procedures for Leasing Apartments

18. Within thirty (30) days from the execution of this Agreement, Wesley shall develop objective, uniform, non-discriminatory standards and procedures for screening tenants at, and applicants to, the residential properties owned and/or managed by Wesley.

19. Within thirty (30) days of finalizing the standards and procedures, Wesley shall implement and prominently display public notice of these standards, in the form attached hereto as Appendix C, in any office where there is rental activity and/or personal contact with applicants or existing tenants who are renewing their lease agreements. Wesley shall make available a copy of these standards and procedures upon request to any applicant or current tenant for the rental or renewal of an apartment.

E. Report and Document Retention

20. Beginning six months after the Effective Date of this Agreement and every six months thereafter for the entire duration of the Agreement, Wesley will provide written reports (“Compliance Reports”) to the United States regarding the status of its compliance with this Agreement, in the form attached hereto as Appendix D. The Compliance Report will include:
- a. the information required in Paragraphs 14-17; and
 - b. the number of lawsuits or formal complaints or charges filed with a state or federal agency received by Wesley from applicants who were denied housing or existing tenants who were denied renewals due to discrimination, the nature of the allegation or complaint, the name of the person making the allegation or complaint, and the resolution of such complaints including any supporting documents.
 - c. Wesley will maintain records to document the information contained in the Compliance Report and will make them available, upon request, to the United States.

V. IMPLEMENTATION AND ENFORCEMENT

21. The United States may review compliance with this Agreement at any time. Respondents agree to cooperate with the United States in any review of compliance with this Agreement. Upon reasonable notice, Respondents shall permit counsel for the United States to inspect and copy all non-privileged records pertinent to this Agreement.

22. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of or compliance with this Agreement prior to initiating court action. If the United States believes that Respondents have failed to perform in a timely manner any act required by this Agreement, or have otherwise not acted in conformance with any provision thereof, whether intentionally or not, the United States shall notify Respondents in writing of its concerns. Respondents shall have thirty (30) days from the date of the United States' notification to cure the breach.
23. If the Parties are unable to reach a resolution within thirty (30) days, the United States may file a lawsuit for breach of this Agreement, or any provision thereof, in the United States District Court for the Northern District of Georgia. In any such action, Respondents consent to and agree not to contest the exercise of personal jurisdiction over them by this Court. Respondents further acknowledge that venue in this Court is appropriate and agree not to raise any challenge on this basis.
24. In the event the United States files a civil action as contemplated by Paragraph 23, above, to remedy breach of this Agreement, the United States may seek, and the Court may grant as relief, the following: 1) an order mandating specific performance of any term or provision in this Agreement, without regard to whether monetary relief would be adequate; and 2) any additional relief that may be authorized by law or equity. If such civil action is filed, Respondents expressly agree not to count the time during which this Agreement is in place, or use the terms or existence of this Agreement or the Tolling Agreements executed by the parties on February 27, 2017, April 21, 2017, May 24, 2017, June 28, 2017, July 28, 2017, August 11, 2017, August 24, 2017, September 8, 2017, September 22, 2017, and October 6, 2017, to plead, argue or otherwise raise statute of limitations, estoppel, or laches as defenses.
25. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

VI. TERMINATION OF LITIGATION HOLD

26. The Parties agree that, as of the effective date of this Agreement, litigation is not “reasonably foreseeable” concerning the matters described in this Agreement. To the extent that any party has previously implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described above, that Party is no longer required to maintain such litigation hold. Nothing in this paragraph relieves any Party of any other obligations under this Agreement.

VII. DURATION, EXECUTION AND OTHER TERMS

27. The effective date of this Settlement Agreement is the date of the last signature below. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one Agreement. Facsimiles of signatures and electronically transmitted signatures shall constitute acceptable, binding signatures for purposes of this Agreement.
28. This Agreement will be in effect for two (2) years from the effective date.
29. Each party shall bear its own legal or other costs incurred in connection with this matter, including the preparation, negotiation and performance of this Agreement.
30. This Agreement and the attachments hereto constitute the complete agreement between the parties on the matters raised herein. No prior or contemporaneous communications, either written or oral, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.
31. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion. The Parties agree that each Party and its representatives have acted consistent with the duty of good faith and fair dealing.
32. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.


33. This Agreement is binding on the Parties, including all successors in interest, beneficiaries, assigns, heirs and legal representatives thereof. Each party has a duty to inform any such successor in interest.
34. This Agreement is governed by and shall be interpreted under the laws of the United States. For purposes of construing or interpreting this Agreement, it shall be deemed to have been drafted by all Parties and shall not be construed or interpreted against any Party for that reason in any subsequent dispute.
35. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another party, the performance of one party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another party.
36. This Agreement is a public document. The Parties agree and consent to the United States' disclosure of this Agreement and information concerning this Agreement to the public.
37. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.
38. The Parties agree that they will defend this Agreement against any challenge by any third party. In the event that this Agreement or any of its terms are challenged by a third party in a court other than the United States District Court for the Northern District of Georgia, the Parties agree that they will seek removal and/or transfer to the Northern District of Georgia.
39. This Agreement may be modified only with the written consent of the Parties. Any modification must be in writing and signed by the Parties through their authorized representatives.

For the United States of America:


DATED: October 20, 2017

BYUNG J. PAK
United States Attorney
Northern District of Georgia

JOHN M. GORE
Acting Assistant Attorney General
Civil Rights Division



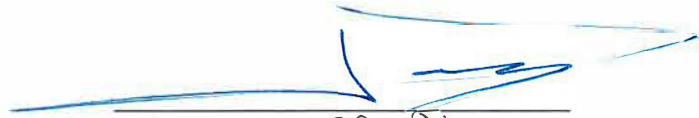
AILEEN BELL HUGHES
TIFFANY R. JOHNSON
Assistant United States Attorneys
United States Attorney's Office
Northern District of Georgia
75 Ted Turner Drive, SW
Suite 600
Atlanta, GA 30303
Phone: (404) 581-6000
Fax: (404) 581-6181



SAMEENA SHINA MAJEED
Chief
MICHAEL S. MAURER
Deputy Chief
TAMICA H. DANIEL
Trial Attorney
United States Department of Justice
Civil Rights Division
Housing and Civil Enforcement Section
950 Pennsylvania Avenue, NW
Northwestern Building, 7th Floor
Washington, DC 20530
Phone: (202) 514-4713
Fax: (202) 514-1116

For Wesley Apartment Homes, LLC and Northridge 400 Ventures, LLC:

DATED: October 19, 2017



Ignacio M. Diego
AUTHORIZED REPRESENTATIVE

APPENDIX A

CERTIFICATION OF RECEIPT OF NONDISCRIMINATION POLICY

I certify that I have been given and I have read the Nondiscrimination Policy regarding the Fair Housing Act. I have had all of my questions concerning these topics answered to my satisfaction. I believe I understand my legal responsibilities not to discriminate under fair housing laws, including the Fair Housing Act, and shall comply with those responsibilities.

Print Name

Signature

Date

Job Title

Hire Date

Business Address

Business Address Continued

Business Telephone Number

APPENDIX B

CERTIFICATION OF TRAINING

I certify that on _____, I received training with respect to my responsibilities under fair housing laws. I have had all of my questions concerning these topics answered to my satisfaction. I believe I understand my legal responsibilities not to discriminate under fair housing laws, including the Fair Housing Act, and shall comply with those responsibilities.

Print Name

Signature

Date

Job Title

Hire Date

Business Address

Business Address Continued

Business Telephone Number

APPENDIX C

NOTICE TO PUBLIC OF STANDARDS AND PROCEDURES FOR APPLICANT SCREENING

Wesley Apartment Homes (“WAH”) has tailored its criminal background screening criteria to distinguish between different types of crimes that may not directly affect community guidelines. WAH’s policy is to perform individualized assessments on criminal background histories of all our applicants. WAH instructs its Leasing Consultants and Community Managers to carefully review the Criminal History Section found on all screening results. If a felony conviction is 7 years or older, WAH will assess these applications on an individualized basis taking into consideration any back-up material provided by the applicant(s). WAH encourages all applicants to provide supporting backup and documents when a criminal conviction has been flagged on their screening results.

APPENDIX D

COMPLIANCE REPORT

Pursuant to Paragraph 20(a) of the Settlement Agreement, we are submitting copies of the signed Certifications of Receipt of Nondiscrimination Policy and Certifications of Training for the applicable period.

Pursuant to Paragraph 20(b) of the Settlement Agreement, Wesley has received the following lawsuits or formal complaints or charges filed with a state or federal agency from applicants who were denied housing or existing tenants who were denied renewals due to alleged discrimination during the applicable period: _____
(include the nature of the allegation or complaint, the name of the person making the allegation or complaint, and the resolution of such complaints including any supporting documents).