

**UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII**

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff, and	)	
	)	
RACHAEL ALE,	)	Civil Action No. 19-528-JMS-RT
	)	
Plaintiff-Intervenor,	)	
	)	
v.	)	
	)	
HAWAII STUDENT SUITES, INC.,	)	
HAWAII STUDENT RESIDENCES LLC	)	
D/B/A HAWAII STUDENT SUITES,	)	
SAVIO HAUOLI STREET LLC, and	)	
258-60 BEACH WALK LLC,	)	
	)	
Defendants.	)	
	)	

**CONSENT DECREE**

**I. BACKGROUND**

1. The United States initiated this action on September 30, 2019, against Hawaii Student Suites, Inc., Hawaii Student Residences LLC d/b/a Hawaii Student Suites (“HSS”), Savio Hauoli Street LLC (“Hauoli Street”), and 258-60 Beach Walk LLC (“Beach Walk LLC”) (collectively, the “Defendants”) to enforce the provisions of 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 (the “Fair Housing Act”).

2. Defendant Hawaii Student Suites, Inc. was a corporation organized under the laws of Hawaii until its dissolution in approximately October 2017.

Until its dissolution, Hawaii Student Suites, Inc. served as a dorm management company providing student housing communities, including at Beachwalk, Kalo Terrace, and Pacific Villa.

3. HSS is a limited liability company organized under the laws of Hawaii and, since its formation in approximately October 2017, has operated as a dorm management company providing student housing communities, including at Kalo Terrace, at Pacific Villa until approximately August 2018, and at Beachwalk until approximately June 15, 2019.

4. Hauoli Street is a limited liability company organized under the laws of Hawaii and owns Pacific Villa.

5. Defendant Beach Walk LLC is a limited liability company organized under the laws of Delaware and registered to do business in Hawaii. Defendant Beach Walk LLC owns Beachwalk.

6. The United States, in its Complaint, alleges that the Defendants have, in connection with Beachwalk, Kalo Terrace, and Pacific Villa:

- a. Refused to rent or to negotiate for the rental of, or otherwise made unavailable or denied a dwelling because of familial status, in violation of 42 U.S.C. § 3604(a); and
- b. Made statements with respect to the rental of a dwelling that indicate a preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination, in violation of 42 U.S.C. § 3604(c).

7. The United States, in its Complaint, claims that the Defendants' actions as alleged in the Complaint constitute:

- a. A pattern or practice of resistance to the full enjoyment of the rights granted by the Fair Housing Act, in violation of 42 U.S.C. § 3614(a); and
- b. A denial to a group of persons of rights granted by the Fair Housing Act, which denial raises an issue of general public importance, in violation of 42 U.S.C. § 3614(a).

8. The Defendants deny the United States' allegations and claims that Defendants violated the Fair Housing Act.

9. More specifically, Beach Walk LLC asserts that:

- a. Beach Walk LLC acted only as the owner of Beachwalk and played no role, and had no responsibility whatsoever, in the student

housing operations, if any, at Beachwalk. All student housing activities, if any, with respect to Beachwalk were handled exclusively by Hawaii Student Suites, Inc. or HSS under a lease with Beach Walk LLC. Beach Walk LLC therefore denies the allegations in the Complaint as to it and as also set forth in paragraphs 6 and 7 above.

- b. Beach Walk LLC has no ownership, or other interest – and never has – in Kalo Terrace or Pacific Villa; and, Beach Walk LLC played no role, and had no responsibility whatsoever, in the student housing operations at those properties. Beach Walk LLC therefore denies the allegations in the Complaint as to it and as also set forth in paragraphs 6 and 7 above.

10. The parties stipulate that this Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 3614(a).

11. On April 24, 2020, the Court granted in part the motion for intervention by plaintiff-intervenor Rachael Ale (“Ale”), a tester for The Legal Aid Society of Hawaii, in this action pursuant to 42 U.S.C. § 3614(e), allowing her to bring FHA claims against Hawaii Student Suites, Inc., HSS, and Hauoli Street (“Ale Defendants”), which Ale Defendants deny.

12. “Student Dwelling” as used throughout this Consent Decree, for purposes of this Consent Decree only, means a “dwelling” (as that term is defined by 42 U.S.C. § 3602(b)) for which HSS enters into housing contracts for bed spaces with “qualified students” (defined as students enrolled in college, university, or other post-secondary education program and others who are eligible to live in HSS’s student housing communities based on their engagement in qualifying educational activities) and qualified students’ family members.

13. In an effort to avoid costly litigation, the parties have voluntarily agreed, as indicated by the signatures below, to fully resolve all claims and causes of action arising out of the United States’ and Ale’s claims against the Defendants without the necessity of a hearing on the merits and without admission of liability or wrongdoing on the part of the Defendants.

**Wherefore, it is Ordered, Adjudged and Decreed as follows:**

## **II. GENERAL INJUNCTION**

14. HSS and Hauoli Street, along with their employees, successors, and all persons acting under their direction in connection with the ownership, operation, or management of properties subject to the Fair Housing Act, are enjoined from:

- a. Refusing to rent after the making of a *bona fide* offer, or refusing to negotiate for the rental of, or otherwise making unavailable or

denying, a dwelling (as defined in 42 U.S.C. § 3602(b)) because of familial status in violation of 42 U.S.C. § 3604(a); and

- b. Making, printing, or publishing, or causing 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 familial status in violation of 42 U.S.C. § 3604(c).

15. The provisions of this Section shall not apply to Defendant Hawaii Student Suites, Inc., which dissolved in approximately October 2017.

16. As of June 15, 2019, Beachwalk operates as a hotel and does not operate as a dwelling for purposes of the Fair Housing Act. Therefore, the provisions in Paragraph 14 shall not apply to Beach Walk LLC unless any property it owns becomes subject to the Fair Housing Act during the term of this Decree.

17. The provisions of this Section shall apply to all properties subject to the Fair Housing Act in which HSS, Hauoli Street, or Beach Walk LLC have or acquire a direct or indirect ownership or management interest during the term of this Decree.

### **III. NON-DISCRIMINATION POLICY AND NOTICE TO PUBLIC**

18. HSS has implemented a Non-Discrimination Policy at all Student Dwellings managed, and/or operated, in full or in part, by HSS.

19. Within thirty (30) days of the date of the entry of this Consent Decree, HSS shall distribute or cause to be distributed the Non-Discrimination Policy to all current residents of any Student Dwelling HSS operates and to its employees and anyone acting under its direction who has responsibility for responding to inquiries, showing, renting or contracting, managing, or otherwise operating any Student Dwelling.

20. Within thirty (30) days of the date of the entry of this Consent Decree, HSS shall take the following steps to notify the public of their Non-Discrimination Policy:

- a. Post in a prominent area at HSS's main office and in a common area at every Student Dwelling where HSS provides student housing, in part, a sign no smaller than ten (10) inches by fourteen (14) inches indicating that all Student Dwellings are available on a non-discriminatory basis. A poster that comports with 24 C.F.R. Part 110 will satisfy this requirement.
- b. Include the words "Equal Housing Opportunity" and/or the fair housing logo in all advertising for Student Dwellings where student housing is provided by HSS, including in print, online, radio, television, or other advertising. The words and/or logo shall be prominently placed and easily readable.

- c. Include the following written statement on all applications and housing contracts for Student Dwellings, in boldface type and using letters of equal or greater size to those of the text in the body of the document: “We are an equal opportunity student housing provider. We do not discriminate on the basis of race, color, national origin, sex, disability, religion, or familial status (having children under age 18).”

21. HSS has implemented a Family Student Housing Policy, which has been approved by the United States, to ensure the availability of housing for qualified students with children at its student housing communities.

22. If, at any time during the term of this Decree, HSS proposes to materially change its Non-Discrimination Policy or Family Student Housing Policy, it shall first provide a copy of the proposed changes to counsel for the United States. If the United States does not deliver written objections within fifteen (15) calendar days of receiving the proposed changes, the changes may be implemented. If the United States makes any objections to the proposed changes within the fifteen (15)-day period, the specific changes to which the United States objects shall not be implemented until the objections are resolved through good faith negotiations, and the parties shall meet and confer in an attempt to resolve



their differences. If the parties cannot resolve their differences, they will seek the Court's assistance.

23. The provisions of this Section shall apply during the term of this Decree.

#### **IV. NON-DISCRIMINATORY PRACTICES AND PROCEDURES**

24. Within one hundred and twenty (120) days of the entry of this Consent Decree, HSS shall develop and submit to the United States objective, uniform, non-discriminatory practices and procedures in connection with the rental or contracting at any Student Dwelling where it provides student housing, for (1) advertising available Student Dwellings, (2) responding to applicant inquiries, (3) bed space standards for Student Dwellings, (4) evaluating applications, and (5) entering into housing contracts or agreements for Student Dwellings, in order to ensure that the Student Dwellings will be available to qualified students with children who apply for student housing. These practices and procedures shall be consistent with the Non-Discrimination Policy and Family Student Housing Policy.

25. The non-discriminatory practices and procedures shall include the use of the following documents, which the HSS shall keep up-to-date and retain for the term of this Decree:

- a. Inquiry records: HSS shall ensure that, for all individuals who inquire in person, by phone, or online about a Student Dwelling, an

inquiry record or other similar record is completed which contains:

(1) the date of the inquiry; (2) the individual's name, address, telephone number, and e-mail address, if the individual agrees to provide that information; (3) if provided by the individual, their familial status and/or the number of children for whom the individual seeks student housing; (4) requests for a particular student housing community or occupancy type (e.g., rent entire unit, single occupancy in bedroom in shared unit, bed space in shared bedroom, etc.), if applicable; (5) the type of housing contract desired (e.g., Fall Semester, Spring Semester, Academic Year, Full Year), if applicable; (6) whether the individual was offered the opportunity to view available or a requested Student Dwelling, if applicable; (7) the student housing community(ies) the individual was invited to see, if applicable; and (8) the names of all employees and agents who assisted the individual during the inquiry process. For individuals who are not qualified students, HSS is not required to collect items (4)-(7) above.

- b. Electronic communications: In addition to the inquiry records described above, HSS shall preserve all electronic inquiries received from individuals who inquire about student housing

communities, as well as all responses thereto where the response(s) was or were made via electronic means and all subsequent electronic communications with the individual.

- c. Availability lists: HSS shall maintain and timely update an availability list that includes the bed spaces in each student housing community known to be available immediately or in the future, or reasonably expected to be available, for each student housing community. HSS's agents or employees shall utilize the availability list when providing information in response to prospective qualified student applicant inquiries. Before the availability list is updated, HSS shall make reasonable efforts to preserve versions of the availability lists on a weekly basis for the duration of the Consent Decree.
- d. Waiting list: If and when there is no availability for any given Student Dwelling, HSS shall maintain a waiting list and provide prospective qualified student applicants who desire to enter into a student housing contract in a Student Dwelling for which there are no available bed spaces with the option of adding their names to the waiting list for that Student Dwelling(s) and when a bed space for which the prospective student applicant is eligible becomes

available or is reasonably anticipated to become available, HSS shall offer the prospective qualified student applicant on the waiting list the ability to submit an application in the order the prospective qualified student applicant joined the waiting list for the particular student housing community.

26. Once the United States receives HSS's practices and procedures, the United States shall have fifteen (15) days to review and either object to or approve the practices and procedures. The objection or approval shall be conveyed in writing to HSS through its counsel. If the United States raises objections to the practices and procedures, HSS shall have fifteen (15) days to revise the practices and procedures. Once the United States receives these revised practices and procedures, the United States shall have fifteen (15) days to review and either object to or approve the revised practices and procedures in writing. If the United States raises objections to the revised practices and procedures, the United States and HSS shall meet and confer in an attempt to resolve their differences. If the United States and HSS cannot resolve their differences, they will seek the Court's assistance in finalizing the practices and procedures.

27. HSS shall make available a copy of the practices and procedures approved by the United States upon request to any individual who inquires about

or applies for any Student Dwelling, and any resident of any Student Dwelling operated, in part or in full, by HSS.

28. If HSS seeks to modify the practices and procedures, written notice shall be provided to the United States seven (7) days before the proposed modifications are to take effect. If the United States raises any objection to the proposed modifications, the parties shall follow the process described in paragraph 26, *supra*, to resolve their differences.

## **V. TRAINING**

29. Within one hundred twenty (120) days after the entry of this Consent Decree, and at least once every subsequent year for the term of this Decree, all principals and employees of HSS performing advertisement, student housing rental or contracting, management, and/or administrative duties with respect to Student Dwellings shall attend an educational program offering fair housing training to include instruction regarding their obligations under this Decree and the federal Fair Housing Act. Prior to the first program, the United States shall review and approve the content and form of the program. The United States agrees in advance that the training may be conducted by employees of the federal Department of Housing and Urban Development, which the parties understand will offer the fair housing training at no cost. Any other trainer or training entity selected by HSS

must be approved in advance by the United States. If there is any cost involved in obtaining the training, HSS shall be responsible.

30. Any individuals hired or contracted to work with or for HSS subsequent to the date of the entry of this Consent Decree who will perform advertisement, student rental or contracting, management, and/or administrative duties with respect to Student Dwellings operated by HSS shall attend the fair housing training program described in the above paragraph within sixty (60) days of the start of their employment or contract.

31. Within ten (10) days of completing the educational program described in the above paragraphs in this Section, each individual shall certify that he or she has participated in the educational training program and understands and acknowledges his or her duties and responsibilities under the federal Fair Housing Act and, for employees only, under this Decree as well, by completing an acknowledgement in the form of **Appendix A** to this Decree.

## **VI. ACQUISITION OR TRANSFER OF INTEREST IN PROPERTIES**

32. During the term of the Decree, if any non-dissolved Defendant acquires a direct or indirect ownership interest in, or management control over, a property it intends to operate as a Student Dwelling, it shall notify counsel for the

United States within ten (10) days of that acquisition, by e-mail<sup>1</sup> and by First Class Mail.<sup>2</sup> Any such Student Dwelling shall be covered by the terms of this Decree, to the extent applicable.

33. If at any time while this Consent Decree remains in effect, any Defendant decides to sell or otherwise transfer the entirety of its interest in any property that it owns in full or in part, that was or is operated as a Student Dwelling, to a bona-fide third-party purchaser in an arm's length transaction, the Defendant shall take the following steps:

- a. At least thirty (30) days prior to completion of the sale or transfer, provide the United States written notice of the Defendant's intent to sell or otherwise transfer interest in the property, including the prospective transferee's name, address and telephone number. The

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<sup>1</sup> Notice via e-mail is to be sent to undersigned counsel for the United States, unless otherwise directed.

<sup>2</sup> All correspondence required to be sent to the United States under the provisions of this Decree shall be sent to: Chief, Housing and Civil Enforcement Section, Civil Rights Division, U.S. Department of Justice, Attn: DJ 175-21-28, at the following address:

Regular U.S. Mail: 4 Constitution Square  
150 M Street, NE  
Washington, D.C. 20530

Overnight Mail: 4 Constitution Square  
150 M Street, NE  
8th Floor  
Washington, D.C. 20002

United States agrees that it will not contact the transferee prior to the recordation of sale; and, in all events, will not contact the transferee unless the United States first determines that there is an issue of whether it is an arms-length transaction;

- b. Within thirty (30) days following recordation of the sale or other transfer, the Defendant shall provide the United States a copy of the documents filed in the public record memorializing the transfer in interest of the property;
- c. If the relevant Defendant complies with subsections a-b above, and transfers all ownership, management, or other financial interest to one or more properties covered by this Decree to an arms-length purchaser or other transferee, then that Defendant only shall thereafter be relieved of obligations under this Consent Decree with respect to those properties in which all interest was so transferred. The relevant Defendant transferring ownership (and all Defendants) shall remain bound by the obligations in this Consent Decree not specific to that property (e.g., general injunctive relief, reporting requirements, monetary payments), to the extent applicable.



d. For purposes of this Decree, “arms-length transaction” is defined as a transaction that has been arrived at in the marketplace between independent, non-affiliated persons, unrelated by blood or marriage, with opposing economic interests regarding that transaction. If the proposed sale or transfer of interest of a property is not an arms-length transaction, the seller or transferor shall remain jointly and severally liable, along with the purchaser or other transferee, for all obligations or violations of this Decree for its duration.

## **VII. REPORTING AND RECORD-KEEPING**

34. Defendants shall notify counsel for the United States in writing within fifteen (15) days of receipt of any written or oral complaint regarding familial status housing discrimination. If the complaint is written, the Defendant receiving the complaint shall provide a copy of it with the notification. The notification shall include the full details of the complaint, including the complainant’s name, address, and telephone number, if available. The Defendant receiving the complaint shall promptly provide the United States all reasonable information responsive to any request pertaining to any such complaint, and shall inform the United States in writing within fifteen (15) days of the terms of any resolution of such complaint. This paragraph shall not apply to Hawaii Student Suites, Inc.,

which is dissolved, and shall not apply to Beach Walk LLC unless any property it owns becomes subject to the Fair Housing Act during the term of this Decree.

35. Within one hundred twenty (120) days of the date of entry of this Consent Decree, and thereafter on the anniversary of the date of the entry of this Decree, HSS shall submit to counsel for the United States a compliance report, except that the final report shall be submitted sixty (60) days prior to the expiration of this Decree. The compliance report shall include all information relevant to its compliance efforts during the preceding reporting period, including, but not limited to:

- a. Any executed copies of Appendices A (training certification) not previously provided;
- b. Copies of any advertising for Student Dwellings placed online, in newspapers, on radio or television, in other media, or elsewhere;
- c. Photographs of each Student Dwelling showing the fair housing signs and Non-Discrimination Policy posted;
- d. Copies of all documentation required by the practices and procedures described in Section IV, *supra* (including, but not limited to, inquiry records, electronic communications, availability lists, waiting lists).

36. During the period in which the Consent Decree is in effect: (1) HSS shall preserve all records related to this Consent Decree including, but are not limited to advertisements, applications, housing contracts, and resident files; and (2) upon reasonable notice to HSS through its counsel, HSS shall permit representatives for the United States to inspect and copy records. The United States shall endeavor to minimize any inconvenience to HSS. HSS is required to preserve records for the sole purpose of determining compliance with the Decree.

37. The parties recognize that the documents HSS is required to make available to the United States under this Consent Decree may include information that is proprietary or confidential in nature or contains personal information about individuals who are not parties to this Consent Decree. Therefore, the United States will not disclose documents or information made available to it pursuant to Paragraphs 26, 29, 34-36, and 43 except: (a) with HSS's written permission; (b) with respect to Paragraph 43, to the extent necessary for the United States to identify aggrieved persons entitled to compensation under this Consent Decree; (c) to the extent necessary to address and remedy HSS's non-compliance with this Consent Decree (if any); and (d) when required to do so by court order.

### **VIII. COMPLIANCE TESTING**

38. During the period in which this Consent Decree is in effect, the United States may take steps to monitor the compliance with this Consent Decree, including, but not limited to by conducting fair housing tests.

### **IX. SETTLEMENT FUND**

39. The Defendants shall cause to be deposited in an interest-bearing escrow account the total sum of seventy thousand dollars (\$70,000) for the purpose of compensating individuals whom the Court determines were harmed by the Defendant or the Defendants' alleged discriminatory practices (hereinafter "aggrieved persons"). Defendants shall deposit at least ten thousand dollars (\$10,000) into the account within thirty (30) days after the entry of this Decree, and shall deposit at least three thousand five hundred dollars (\$3,500) every thirty (30) days thereafter until six (6) months after the entry of this Decree, at which time Defendants shall deposit the remaining funds necessary to ensure that the total amount deposited is seventy thousand dollars (\$70,000). This money shall be referred to as the "Settlement Fund." Within five (5) days of establishing the Settlement Fund, the Defendants shall submit proof to the United States that the account has been established and the United States shall be provided with proof of each deposit made into the Settlement Fund.

40. Any interest accruing to the fund shall become a part of the Settlement Fund and be utilized as set forth herein.

41. All expenses related to the establishment of the escrow account referenced in this Section shall be borne by the Defendants.

42. Within thirty (30) days after the entry of this Decree, HSS shall publish the notice set forth in **Appendix B** in the following locations, with all of the costs associated with this notice, publication, and distribution to be borne by the Defendants:

- a. *Honolulu Star-Advertiser* (print edition): the notice shall be no smaller than two (2) columns by four (4) inches and shall be published on three occasions in the print edition. The publication dates shall be separated from one another by at least fifteen (15) days, and at least one (1) of the publication dates shall be Sunday.
- b. HSS shall provide a copy of the notice set forth in **Appendix B** to all current residents of all Student Dwellings operated by HSS. Within forty-five (45) days of the entry of this Decree, HSS shall provide a list of the individuals to whom the notice was delivered under this paragraph, to include the date on which the notice was delivered or mailed.

43. Within sixty (60) days after the entry of this Decree, HSS shall make available to the United States for inspection and copying housing contracts for residents for all Student Dwellings operated by HSS, since January 1, 2015, to the extent such records are maintained in HSS's main office, for the United States' use in identifying potential aggrieved persons. Additionally, within thirty (30) days after the entry of this Decree, HSS shall provide to the United States copies of all electronic communications in its possession dated between January 1, 2015, and the present containing the search terms previously agreed to by Defendants and the United States, to the extent those electronic communications have not been provided previously.

44. Nothing in this Decree shall preclude the United States from making its own efforts to locate and provide notice to potential aggrieved persons.

45. Within one hundred eighty (180) days of the entry of this Consent Decree, the United States shall make a preliminary determination as to each "aggrieved person" and the appropriate amount of damages that should be paid to each "aggrieved person" from the Settlement Fund. The United States will inform the Defendants in writing of its preliminary determinations, and provide a copy of a sworn declaration from each "aggrieved person" setting forth the factual basis of the claim relating both to liability and damages. The sworn declarations should include, the "aggrieved person's" full name and address, information pertaining to

the Student Dwelling(s) inquired about, the date(s) of inquiry, the identity of individual(s) spoken with, and information supporting damages (including, if seeking economic damages or damages for lost housing opportunities, the name of the college, university or other secondary educational institution to which the student was accepted and/or enrolled (if any) and the total housing budget the student could pay per month). With respect to any identified “aggrieved person,” the Defendants shall have fourteen (14) days to review the declarations and provide to the United States any documents or information that they believe may refute the claims and/or limit damages. After completion of the process described in this Section, the parties shall submit their joint, final recommendations to the Court for approval if they agree, or separate recommendations if they do not agree. Defendants agree not to challenge the claims or damages set forth in the United States’ recommendations related to individuals identified as aggrieved in the United States’ Third Supplemental Rule 26(a) Initial Disclosures, provided that the total of recommended monetary payments to those individuals does not exceed \$50,000. Defendants’ agreement to not oppose the United States’ recommendations under the terms in this paragraph is for the sole purpose of avoiding the cost of further legal proceedings, and their non-opposition shall not be considered an admission of liability or that the award recommended is appropriate based on the facts presented, and shall not be applied or relied upon in any respect

by the United States in support of its recommendation(s) for an award to any additional identified “aggrieved person” (“contested recommendation”) or be determinative with respect to the Court’s consideration of any contested recommendation under this paragraph.

46. When the Court issues an Order providing for the distribution of funds to any “aggrieved person,” the Defendants shall, through counsel, within ten (10) business days of the Court’s Order, deliver to the United States checks payable to each “aggrieved person” in the amount approved by the Court provided the “aggrieved person” has executed a release in the form of **Appendix C** and the executed release has been provided to counsel for the Defendants. In no event shall the aggregate of all such checks exceed the amount of the Settlement Fund, including any accrued interest.

47. In the event that less than the total amount in the Settlement Fund including accrued interest is distributed to persons deemed aggrieved by the United States, and approved by the Court, the remainder shall be returned to the Defendants, no later than seven (7) days after the checks to each “aggrieved person” have been delivered to the United States.

#### **X. PAYMENT TO THE UNITED STATES**

48. Within six (6) months after the entry of this Consent Decree, the Defendants shall pay a total of \$10,000 (ten thousand dollars) in the aggregate to



the United States, pursuant to 42 U.S.C. § 3614(d)(1)(C). The payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

## **XI. RELIANCE ON FINANCIAL REPRESENTATIONS**

49. The United States has reviewed financial information provided on November 25, 2020 (“Disclosure”). The United States has relied on the accuracy and completeness of the information described in each Disclosure in entering into this Consent Decree and particularly with respect to the payments set forth in Sections IX and X herein. Each Defendant who has provided a Disclosure warrants that, as of the Disclosure date above, the financial information in the Disclosure is thorough, accurate, and complete, and does not own or have an interest in any other asset(s), either non-liquid or liquid assets, including cash in an amount higher than five thousand dollars (\$5,000), that were not included in the Disclosure. Each Defendant who provided a Disclosure warrants that they have made no intentional misrepresentations in, or in connection with the Disclosure provided to counsel for the United State in this case.

50. If, prior to the expiration of the term of this Consent Decree, the United States learns of (i) additional assets in which any Defendant who provided a Disclosure had an interest as of the Disclosure date that would change its estimated net worth by five thousand dollars (\$5,000) or more and that reasonably should

have been included in the Disclosure provided to counsel for the United States or (ii) an intentional misrepresentation by any Defendant on, or in connection with the Disclosure provided to counsel for the United States that would change its estimated net worth by five thousand dollars (\$5,000) or more, the United States may move the Court to modify this Consent Decree to require Defendants to pay additional amounts to the United States under Section X, up to an additional amount of ten thousand dollars (\$10,000). An erroneous estimate of a non-cash asset's value shall not be the basis for a modification of this Consent Decree if the estimate was made in good faith.

## **XII. SETTLEMENT TERMS REGARDING PLAINTIFF-INTERVENOR RACHAEL ALE**

51. Within thirty (30) days of entry of this Consent Decree, the Ale-Defendants will deliver to Legal Aid Society of Hawaii a check made payable to the Client Trust Account of Legal Aid Society of Hawaii in the amount of ten thousand dollars (\$10,000) in full settlement of plaintiff-intervenor Rachael Ale's claims for damages provided that Ale-Defendants are in receipt of a fully executed Mutual Release, a copy of which is appended to this Decree as Attachment D.

52. Unless resolved by the parties, Ale will file a motion for reasonable attorneys' fees and costs within thirty (30) days of entry of this Consent Decree. For purposes of that motion only, Ale will be deemed the prevailing party pursuant

to the Fair Housing Act, 42 U.S.C. § 3613(c), and L.R. 54. The ruling of the Court on that fee motion will be final and no appeal may be taken by any party.

### **XIII. SCOPE AND DURATION OF CONSENT DECREE**

53. This Consent Decree is effective immediately upon its entry by the Court and shall remain in effect for three (3) years from the date of entry.

54. The Court shall retain jurisdiction over this action for all purposes related to the enforcement of this Decree throughout its term, after which time the case, including the Complaint in Intervention and all claims of the Intervenor, shall be dismissed with prejudice.

55. The United States may move the Court to extend the period in which this Decree is in effect if the interests of justice require an extension.

56. The parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Decree prior to bringing such matters to the Court for resolution. However, in the event that any party fails to perform in a timely manner any act required by this Decree or acts in violation of any provision of this Decree, the party claiming to be harmed by the alleged action or inaction may move the Court to impose any remedy authorized by law or equity, including, but not limited to, an order requiring performance or non-performance of certain acts and an award of any damages and costs that may have been occasioned by the alleged action or inaction.

57. Any time period set forth within this Decree for the performance of any act may be changed by written agreement of the parties without Court approval. Reasonable extensions of time for performance under the Decree shall not be denied.

#### **XIV. COSTS OF LITIGATION**

58. All parties shall be responsible for their own attorney's fees and costs associated with this action, except as permitted under the provisions of paragraph 52 with respect to a motion for reasonable attorneys' fees and costs that may be filed by Intervenor.

#### **XV. TERMINATION OF LITIGATION HOLD**

59. The parties agree that, as of the date of the entry of this Decree, litigation is not "reasonably foreseeable" concerning the matters described in Paragraphs 1-10. To the extent that either party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to the matters described in Paragraphs 1-10, the party is no longer required to maintain such a litigation hold. Nothing in this paragraph relieves either party of any other obligations imposed by this Consent Decree.

**IT IS SO DECREED**, this 1st day of December, 2020.




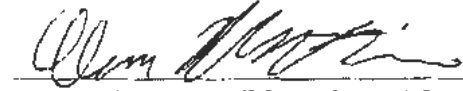
/s/ J. Michael Seabright  
J. Michael Seabright  
Chief United States District Judge

*For the United States of America:*


KENNETH M. PRICE  
United States Attorney  
District of Hawaii

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LLC:*



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## APPENDIX A

### Certification of Completion of Training

On \_\_\_\_\_, I successfully completed an online, video, or in-person training on the requirements of the federal Fair Housing Act, 42 U.S.C. §§ 3601-3631, including the prohibition against discrimination based on familial status, in compliance with the Consent Decree entered by the United States District Court for the District of Hawaii in *United States v. Hawaii Student Suites et al.* (19-cv-528-JMS-RT). I certify that I received a copy of that Consent Decree, have read it, had an opportunity to have any questions about it answered. I fully understand my obligations under that Consent Decree.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Job Title/Position

\_\_\_\_\_  
Date

## **APPENDIX B**

### **Notice of Settlement Fund**

On [date], the United States District Court for the District of Hawaii entered a Consent Decree resolving a lawsuit brought by the United States against the Defendants, Hawaii Student Suites, Inc., Hawaii Student Residences d/b/a Hawaii Student Suites (“HSS”), Savio Hauoli Street LLC, and 258-60 Beach Walk LLC, concerning alleged housing discrimination at the following student housing communities in Honolulu: Beachwalk Student Suites, Kalo Terrace, and Pacific Villa. The lawsuit alleged that the owners and managers of these three student housing communities violated the Fair Housing Act by treating prospective applicants with children in their household who inquired about renting student housing less favorably than prospective applicants who do not have children in their household.

The Defendants deny the allegations, but agreed to enter into a Consent Decree solely to resolve the litigation without further costs and attorney’ fees. The Consent Decree requires, among other things, that, where applicable, HSS provide full and accurate information about available student housing to all prospective applicants without regard to familial status, and make student housing communities available to all eligible students as set forth in its Family Student Housing Policy.



The Consent Decree also establishes a settlement fund to compensate persons who are determined to have been harmed by the Defendants' alleged familial status discrimination. You may be entitled to a monetary award from the settlement fund if, (1) you lived or live with a child or children of whom you had legal custody or written permission from the parent or person having legal custody, and (2) you sought housing through HSS, including at Kalo Terrace, Beachwalk, or Pacific Villa, and (3) you were denied the opportunity to live at that student housing community because of your familial status, or were told that certain student housing communities are not recommended as suitable for children because of its dorm-style student housing or due to potential safety hazards for young children, or were told that more attractive options may be available through its sister company or "rental division."

If you believe you may be entitled to compensation based on the above criteria, or if you have information about someone else whom you believe may qualify, please contact the United States Department of Justice, no later than \_\_\_\_, at 1-800-896-7743 and select menu option \_\_\_\_\_. You may also send an e-mail to [fairhousing@usdoj.gov](mailto:fairhousing@usdoj.gov). Your message should include your name, address, telephone number, and, if possible, e-mail address.

## APPENDIX C

### Full and Final Release of Claims

In consideration for \$\_\_\_\_\_ paid to me by or on behalf of Hawaii Student Suites, Inc., Hawaii Student Residences LLC d/b/a Hawaii Student Suites, Savio Hauoli Street LLC, and 258-60 Beach Walk LLC , in connection with the resolution of *United States v. Hawaii Student Suites Inc. et al.*, Civil Action No. 19-528-JMS-RT (the “Action”) as approved by the United States District Court for the District of Hawaii, I, \_\_\_\_\_ [print name], do hereby to release and waive my right to recover for any and all claims, whether known or unknown, and forever discharge any and all claims of any kind, nature or description whatsoever, related to or arising out of the events, or claims, or facts set forth in the Action, up to and including the date of the entry of the Consent Decree, that I may have against Defendants Hawaii Student Suites, Inc., Hawaii Student Residences LLC d/b/a Hawaii Student Suites, Savio Hauoli Street LLC, and 258-60 Beach Walk LLC, and all current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, and any other persons acting by, through, under or in concert with any of the persons or entities listed in this

subsection, and their successors (collectively, the “Defendants”). This expressly includes claims of familial status discrimination arising under the Fair Housing Act (42 U.S.C. § 3601 *et seq.*).

I acknowledge and affirm that I understand this Full and Final Release of Claims and that I have freely and voluntarily entered into and signed this Full and Final Release of Claims without any coercion or duress. I represent and warrant that I have the sole right and exclusive authority to execute this Release of Claims; that I have the capacity to execute this Full and Final Release of Claims on my own behalf; and that I have not sold, assigned, transferred, conveyed, or otherwise disposed of any rights or claims arising out of, relating to, or having reference to the allegations, events or facts set forth in the Complaint filed in the Action.

I also acknowledge that I have been informed that I may review the terms of this Release with an attorney of my choosing, and to the extent that I have not obtained legal advice, I voluntarily and knowingly waive my right to do so.

I waive any claims I may have against the United States, the Department of Justice, or its agents or employees, arising out of this action. This Release constitutes the entire agreement between the Defendants and me, without exception or exclusion.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

---

Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Address

**APPENDIX D**  
**Mutual Release**

This Mutual Release is entered into between Rachael Ale (“Ale”) and Hawaii Student Suites, Inc., Hawaii Student Residences LLC d/b/a Hawaii Student Suites (“HSS”), and Savio Hauoli Street LLC (“Hauoli Street”) (collectively “Defendants”) and is effective as of the date it is fully executed by all parties.

W I T N E S S E T H:

WHEREAS, Ale was a tester for the Legal Aid Society of Hawaii (“LASH”) and intervened in the matter styled as *United States v. Hawaii Student Suites Inc. et al.*, Civil Action No. 19-528-JSM-RT (the “Action”) pending in and before the United States District Court for the District of Hawaii; and

WHEREAS, working in the capacity as a tester for LASH, Ale made certain representations during her communications with Pacific Villa;

WHEREAS, Hawaii Student Suites, Inc. was a corporation organized under the laws of Hawaii until its dissolution in approximately October 2017;

WHEREAS, HSS is a limited liability company organized under the laws of Hawaii and, since its formation in approximately October 2017, has operated as a dorm management company providing student housing communities, including at Pacific Villa until approximately August 2018;

WHEREAS, Hauoli Street is a limited liability company organized under the laws of Hawaii and owns Pacific Villa;

WHEREAS, Ale claims that Defendants violated the Fair Housing Act;

WHEREAS, Defendants contend that they acted properly and deny any liability to Ale;

WHEREAS, the parties hereto, as well as the United States, have entered into a Consent Decree in the Action (“Consent Decree”), which has resolved any and all of Ale’s claims, damages, and requests for injunctive relief;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of

which is hereby acknowledged by the parties hereto, the parties agree and covenant as follows:

1. HSS, on behalf of itself and Hawaii Student Suites, Inc. and Hauoli Street, agrees to pay the amount stated in the Consent Decree by the time stated in the Consent Decree.

2. In consideration of the foregoing paragraph 1, all claims of Ale in this Action shall be dismissed with prejudice at the end of the term of the Consent decree, as provided in paragraph 54 of the Consent Decree.

3. On behalf of themselves, their successors, assigns, and anyone else claiming by, through, or on their behalf, Defendants and their predecessors, successors, parent companies, subsidiaries, affiliated entities (specifically including, but not limited to, Savio Asset Management LLC), members, directors, officers, employees, supervisors, agents, insurers, representatives, including but not limited to, Peter Savio, Juana Dahl, and Jamison Dahl (the “Released Defendants”), on the one hand, and on behalf of herself, her heirs, personal representatives, successors, assigns, and anyone else claiming by, through, or on her behalf, Ale (the “Released Ale Persons”), on the other hand, each do hereby fully, completely and finally release, remise and forever discharge, respectively, the Released Defendants, and Released Ale Persons from and against any and all claims, demands, causes of actions, obligations, damages and liabilities of any nature whatsoever, whether or not now known, suspected or claimed, which the Released Defendants and Released Ale Persons, respectively, now have, had or may claim to have had against the other as of the Effective Date described below, subject to the terms of the Consent Decree.

4. It is understood and agreed that the settlement evidenced by this Mutual Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.

5. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Mutual Release, not herein expressly set

forth, and no such promises, representations or warranties are relied upon as a consideration for this Mutual Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Mutual Release not herein expressly set forth, all subject to the terms of the Consent Decree.

6. This Mutual Release contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Mutual Release are contractual and not a mere recital. Since the purpose of this Mutual Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said parties and all others having any liability in the premises, all subject to the terms of the Consent Decree.

7. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that it has been fully explained to them by their attorney; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

8. The terms of this Mutual Release arose from negotiations and discussions between the parties, each of whom were represented by legal counsel. Accordingly, no claimed ambiguity in this Mutual Release shall be construed against any party claimed to have drafted or proposed the language in question.

9. This Mutual Release shall be governed by and construed pursuant to the laws of the State of Hawaii.

10. This Mutual Release may be executed in two counterparts, with electronic or facsimile signatures being acceptable, each of which shall be deemed an original.

WITNESS OUR SIGNATURES, as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the Effective Date of this Mutual Agreement, effective after signature by all signatories.

\_\_\_\_\_

By:

\_\_\_\_\_

RACHAEL ALE

\_\_\_\_\_

\_\_\_\_\_

By:

\_\_\_\_\_

PRESIDENT, on behalf of Defendants

\_\_\_\_\_