

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

UNITED STATES OF AMERICA,

Plaintiff,

v.

MOHAN PRASHAD,
DAVID BESA W,
LANATON, LLC, and SAVTON, LLC,

Defendants.

No. 4:19-cv-40114-TSH

CONSENT DECREE

I. INTRODUCTION

1. This action was filed by the United States of America on September 9, 2019, to enforce Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act), 42 U.S.C. §§ 3601-3631. The United States alleges that Defendants Mohan Prashad, David Besaw, Lanaton, LLC, and Savton, LLC (collectively, “Defendants”), have engaged in a pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, and denied to a group of persons rights granted by the Fair Housing Act that raise an issue of general public importance, in violation of 42 U.S.C. § 3614(a).

2. All parties have agreed that in order to avoid protracted and costly litigation, this action should be resolved without a trial and without any adjudication of the facts alleged by the United States. Therefore, the parties consent to the entry of this Consent Decree as a resolution of disputed claims. It is not an admission of any liability or an admission of any wrongdoing or an admission of any facts which have been alleged by the United States.

3. This Consent Decree shall not constitute an acknowledgment of liability by Defendants or a determination by the Court on the merits of any claims asserted by the United States. The Defendants contest any wrongdoing.

4. This Consent Decree constitutes full resolution of all claims asserted against Defendants by the United States in this action.

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

ACCORDINGLY, it is hereby ADJUDGED, ORDERED and DECREED:

II. SCOPE AND TERM OF THE CONSENT DECREE

6. The provisions of this Consent Decree shall apply to the Parties.

7. This Consent Decree is effective immediately upon its entry by the Court. For purposes of this Consent Decree, the phrases **“effective date”** and **“date of this Consent Decree”** shall refer to the date on which the Court enters this Consent Decree.

8. Unless otherwise specified or extended pursuant to Paragraph 52, the provisions of this Consent Decree shall be in effect for a period of three (3) years from the date of this Consent Decree. The Court shall retain jurisdiction for a period of three (3) years after the effective date, for the sole purpose of enforcing or interpreting the provisions of this Consent Decree. The United States shall dismiss this action in its entirety with prejudice at the expiration of this Consent Decree.

9. As used in this decree, **“Aggrieved Person”** or **“Aggrieved Persons”** means (an) individual(s) who claims to have been injured by a discriminatory housing practice as defined in 42 U.S.C. § 3602(i).

10. As used in this Decree, “**Contact or Communication**” means physical contact, verbal contact, telephone calls, video calls, e-mails, faxes, written communications, text or instant messages, contacts through social media, or other communications made through third parties.

11. As used in this Decree, “**Dwelling**” has the meaning defined in the Fair Housing Act, 42 U.S.C. § 3602(b).

12. As used in this Decree, the phrase “**Prashad Defendants**” refers to Defendants Mohan Prashad, Lanaton, LLC, and Savton, LLC.

13. As used in this Decree, the phrase “**Subject Properties**” refers to all residential rental properties owned or managed by any of the Defendants at any time during the term of this Decree. The Subject Properties as of the date of this Consent Decree are listed in Appendix A.

14. As used in this Decree, the term “**Property Management Responsibilities**” includes: advertising dwelling units for rent; showing or renting housing units; processing rental applications; supervising or performing repairs or maintenance; negotiating rents and security deposits; determining tenant eligibility for subsidies or waivers of fees and rent; determining whom to rent to, whom to evict, and/or whose lease to renew or not renew; inspecting dwelling units; collecting rent and fees; or engaging in any other property-related activities that involve personal contact with tenants or prospective tenants; operating, consulting, managing, staffing, participating in, working in (whether paid or unpaid), or otherwise having any involvement in the management, or maintenance of rental dwellings.

III. GENERAL INJUNCTION

15. Defendants and their agents are hereby enjoined from violating rights granted by 42 U.S.C. §§ 3601-3631, including § 3604(a), (b), (c), and § 3617.

16. Defendants shall not discriminate or retaliate against any person who exercises rights protected under the Fair Housing Act or this Consent Decree.

IV. INJUNCTION CONCERNING DEFENDANT MOHAN PRASHAD

17. Defendant Mohan Prashad shall be enjoined from purposefully or knowingly engaging in direct contact or communication with current tenants of any Subject Property in which any Defendant has any Property Management Responsibilities or any ownership interest, financial interest, or control interest. If Defendant Mohan Prashad is contacted by an individual who falls into this category, he shall ask the individual to instead contact the Manager (*see* Paragraph 29), immediately terminate such contact, and inform the Manager of the contact. If Defendant Mohan Prashad is contacted by an individual who falls into this category for reasons unrelated to property management, this provision does not apply. Defendant Mohan Prashad is hereby enjoined from purposefully or knowingly engaging in contact or communications with any of the Aggrieved Persons (litigation-related contact through counsel excepted) or witnesses identified by the United States in this litigation.

18. Defendant Mohan Prashad is enjoined from engaging in or conducting any Property Management Responsibilities at any Subject Property,¹ either directly or through entities in which he has any ownership interest, except to the extent that he communicates as necessary with any Manager retained in accordance with this Decree, or in an emergency situation, as defined herein. If Defendant Mohan Prashad is contacted by a tenant for a Property

¹ This Decree does not limit Prashad's property management activities with respect to the rental of exclusively commercial real estate.

Management-related reason, he shall ask the tenant to instead contact the Manager (*see* Paragraph 29), immediately terminate such contact, and inform the Manager of the contact.

19. The Prashad Defendants and any entity with which Prashad is associated will not, now or in the future, employ Defendant David Besaw or authorize him to engage in any Property Management Responsibilities with respect to the Subject Properties.

20. The Prashad Defendants will not, now or in the future, rent, for compensation or otherwise, to Defendant David Besaw, or knowingly allow Besaw to occupy any unit located in a building that contains multiple rental units.

21. Unless in the event of an emergency,² Defendant Mohan Prashad is enjoined from entering the premises of any Subject Property if any of the units therein are rented to tenants. This prohibition includes entering the dwelling units (whether occupied or unoccupied at the time), basements, communal spaces, yards, parking areas, and garages.³

22. Within ten (10) days of the effective date of this Decree, Savton, LLC shall file a motion to vacate and dismiss the judgment, and forgive any outstanding debts owed, in the Civil Action identified in the Parties' letter of October 6, 2021.

² An emergency is defined as a natural disaster or other significant issue that requires immediate access to a building or dwelling in order to protect the health or safety of people inside.

³ As to the Subject Property at 5 Linden Street in Worcester, Prashad will not be restricted from using the left side of the common driveway with 3 Linden Street, which is not a Subject Property, for parking his vehicle in order to access the garage at the end of that driveway or from using that garage; the garage at the end of the driveway will not be used as a dwelling during the Term of this Decree; Prashad will not access, enter, or utilize the parking area at the rear of the 5 Linden Street building, which is used by tenants of 5 Linden Street. As to the Subject Property at 60 Suffolk Street, until completion of the repair of the damaged rental unit, and as long as the unit remains unoccupied, Prashad will not be restricted from accessing that unit for the sole purpose of supervising construction, and only as necessary.

23. Defendants will maintain all records relating to the actions taken in accordance with Paragraph 22, above, and will, within thirty (30) days of taking such actions, send to the United States copies of the documents demonstrating compliance with the requirements of that Paragraph.

24. If Defendant Mohan Prashad violates any of the provisions of this Consent Decree, the United States may seek any and all available remedies for those violations, including instituting a civil contempt proceeding.

V. INJUNCTION CONCERNING DEFENDANT DAVID BESAW

25. Defendant David Besaw shall be permanently enjoined from purposefully or knowingly engaging in direct contact or communication with tenants or past tenants of any property in which any Defendant had any Property Management Responsibilities or any ownership interest, financial interest, or control interest at any time between January 1, 2009, through the term of this Decree. If Defendant David Besaw is contacted by an individual who falls into this category, he shall immediately terminate such contact and inform the Manager (*see* paragraph 29) of the contact.

26. Defendant David Besaw is hereby permanently enjoined from directly or indirectly engaging in, assisting with, or conducting any Property Management Responsibilities as defined in this Decree.

27. Defendant David Besaw is permanently enjoined from entering the premises at any of the Subject Properties, including, but not limited to the dwelling units (whether occupied or unoccupied), leasing offices, basements, communal spaces, yards, parking areas, garages, and any rental dwelling for which any Defendant has or acquires any direct or indirect ownership interest, financial interest, or control interest.

28. If Defendant David Besaw violates any of the provisions of this Consent Decree, the United States may seek any and all available remedies for those violations, including instituting a civil contempt proceeding.

VI. REQUIREMENT TO RETAIN MANAGER

29. The Prashad Defendants have agreed that the Subject Properties shall be operated and managed by a manager (hereinafter “**Manager**”). The United States has approved of the individual(s) selected as the Prashad Defendants’ Manager and their qualifications, as set forth in the Parties’ letter of November 17, 2021. Within thirty (30) days of the effective date of this Consent Decree, all Property Management Responsibilities will be turned over to the Manager.

30. The Prashad Defendants agree to permit and facilitate the United States’ counsel’s ability to communicate with the Manager in connection with the obligations required by this Decree. Any such request will be made through counsel for Defendants and will not be unreasonably withheld.

31. The Manager retained in accordance with Paragraph 29 shall:

- a. Be responsible for all Property Management Responsibilities; the Defendants’ contact information may not be used in any advertising.
- b. By letter dated November 12, 2021, the Prashad Defendants confirmed they have adopted a written policy against sexual harassment, including a formal complaint procedure, which was approved by the United States. The Manager will distribute the policy and procedure to all current tenants, and to all new tenants upon moving in.
- c. Post an “Equal Housing Opportunity” sign at the Subject Properties, and in any rental office through which the properties are rented. The sign shall indicate

that all units are available for rent on a nondiscriminatory basis. An 11-inch by 14-inch poster that comports with 24 C.F.R. Part 110 will satisfy this requirement. Such poster shall be placed in a prominent, well-lit, and easily readable location. In Subject Properties that are available for rent, but do not have a common area, Defendants may satisfy the requirements of this provision by providing an 8 inch by 11-inch poster that comports with 24 C.F.R. Part 110 directly to tenant(s) of the properties and/or including an 8-inch x 11-inch poster that comports with 24 C.F.R. Part 110 within the new tenant rental package provided directly to tenant(s). To the extent the Subject Properties are advertised through an independent rental agency or broker, the Manager shall request that such independent rental agency or broker post the "Equal Housing Opportunity" sign. The Manager shall also include an "Equal Housing Opportunity" logo on all print or online advertisements or postings for rental housing properties.

- d. Maintain all records kept in relation to the management of the Subject Properties, and allow counsel for the United States to inspect and copy all such records upon reasonable notice. Such requests will be made through counsel and such permission will not be unreasonably withheld.
- e. Provide any information reasonably related to compliance with this Consent Decree that is requested in writing by counsel for the United States, including tenant or prospective tenant files, tenant or prospective tenant telephone numbers, fair housing complaints, sexual harassment complaints, all documents related to any such complaints, and advertisements. *See* Paragraphs 48-49 of

this Consent Decree. Such requests will be made through counsel and such permission will not be unreasonably withheld.

32. The Manager shall maintain a written record of any emergency requiring Prashad's immediate access to a building or dwelling as described in Paragraph 21.

33. Before changing or substituting the Manager, the Prashad Defendants must provide to counsel for the United States a written Notice of Intent to Terminate the Manager at least ten (10) business days in advance of the Manager's actual date of termination that includes the identity of a replacement manager and their qualifications and training. Any subsequent Manager must be approved by the United States and must comply with all the requirements for and responsibilities of the Manager as described in this Consent Decree.

VI. COMPLIANCE TESTING

34. The United States may take steps to monitor the Defendants' compliance with this Consent Decree, including, but not limited to, conducting fair housing tests at any location(s) owned, operated, or managed by the Defendants.

VII. MONETARY RELIEF

35. Within one hundred (100) days of the effective date, the Defendants shall deposit in an escrow account the total sum of \$65,000 for the sole purpose of compensating those persons whom the United States has determined were harmed by the Defendants' discriminatory housing practices.

36. This money shall be referred to as "the Settlement Fund." Within five (5) business days of the establishment of the Settlement Fund, the Defendants shall submit proof to the United States that the account has been established and the funds deposited.

37. Defendants have provided confidential financial disclosure statements and affidavits (collectively, "Financial Disclosure Documents"), under penalty of perjury, dated November 12, 2021, to counsel for the United States. The United States has relied on the accuracy and completeness of the financial disclosure statements and affidavits in entering into this Consent Decree. Defendant Prashad warrants that the Financial Disclosure Documents are accurate and complete. If, prior to the expiration of this Consent Decree, the United States learns that Defendants have intentionally and materially misrepresented the financial information provided to counsel for the United States, the United States may move the Court to modify this Decree to require Defendants to pay additional amounts to aggrieved persons and/or additional civil penalties.

38. The United States shall investigate the claims of allegedly Aggrieved Persons and shall obtain sworn declarations from each Aggrieved Person setting forth the factual basis of the claim. Within 150 days of the effective date of this Consent Decree, the United States shall inform Defendants as to its determination as to which persons are aggrieved and an appropriate amount of damages for each. The Defendants agree that the determinations of the United States shall be final, and Defendants hereby waive the right to contest the United States' determination of who qualifies as an Aggrieved Person in this or any other proceeding. Defendants hereby agree that they will not seek to interfere with or oppose the United States' determinations regarding the Aggrieved Persons and the appropriate amount of damages paid to each Aggrieved Person.

39. In its letter informing the Defendants of its determination, the United States shall inform the Defendants of the amounts that should be paid pursuant to its determination. The Defendants shall, within ten (10) days of the receipt of the United States' determination, deliver

to counsel for the United States, by overnight delivery,⁴ a separate check payable to each Aggrieved Person in the amounts specified in the United States' determination.

40. When counsel for the United States has received a check from the Defendants payable to an Aggrieved Person and a signed release in the form of Appendix B from the Aggrieved Person, counsel for the United States shall deliver the check to the Aggrieved Person and a copy of the signed release to counsel for the Defendants. No Aggrieved Person shall be paid until that person has executed and delivered to counsel for the United States the release at Appendix B.

41. Upon distribution, the United States will specify the amounts distributed through a separate notice ("Disbursement Notice") publicly filed with the Court. The Disbursement Notice will set forth the amounts received by each Aggrieved Person, who will be identified by their initials. The Defendants shall not have any right to object to the disbursements identified in the Disbursement Notice.

42. The Defendants shall not seek to discharge any part of the damages paid to Aggrieved Persons as debts in bankruptcy.

VIII. CIVIL PENALTY

43. Within one hundred and twenty (120) days of the effective date, the Defendants shall pay \$10,000 to the United States as a civil penalty pursuant to 42 U.S.C. § 3614(d)(1)(C). This payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

⁴ All documents, instruments, and written materials required by this Consent Decree to be sent according to instructions provided by the United States and shall be directed to: Housing & Civil Enforcement Section, Civil Rights Division, United States Department of Justice, 150 M St. NE, 8th Floor, Washington, D.C. 20001, Attn: 175-36-331.

44. The civil penalty referenced in Paragraph 43 is a debt for a fine, penalty, or forfeiture payable to and for the benefit of the United States within the meaning of 11 U.S.C. § 523(a)(7) and is not compensation for actual pecuniary loss. The Defendants shall not seek to discharge any part of this debt in bankruptcy.

IX. EDUCATION AND TRAINING

45. Within ninety (90) days of the entry of this Consent Decree, Defendant Mohan Prashad and any person supervising or involved in performing Property Management Responsibilities at any of the Subject Properties, and any employees or agents who supervise such persons, including the Manager, shall undertake training on the Fair Housing Act, with specific emphasis on sexual harassment and other types of discrimination on the basis of sex. The training entity shall be independent of the Defendants and the Manager, qualified to conduct such training, and approved in advance in writing by the United States. Any expenses associated with this training shall be borne by Savton, LLC and/or Lanaton, LLC. At a minimum, the training shall consist of instruction on the requirements of the Fair Housing Act, with an emphasis on sexual harassment and other types of discrimination on the basis of sex, and a question and answer session for the purpose of reviewing the foregoing areas.

46. Within ninety (90) days of commencing an employment or agency relationship, all new agents or employees of the Prashad Defendants or the Manager involved in performing Property Management Responsibilities at the Subject Properties, including any replacement Manager, shall undergo a training as described in Paragraph 45.

47. Defendants shall obtain from the trainer certifications of attendance, executed by each individual who received training, confirming their attendance. These certifications shall include the name of the course, the name of the instructor, the date the course was taken, and the

length of the course and/or time within which the course was completed. Copies of such certifications shall be provided to counsel for the United States within seven (7) days of completion of the training.

X. RECORD KEEPING

48. During the effective period of this Consent Decree, the Prashad Defendants shall make good faith efforts to ensure that the Manager will preserve and maintain all records that are the source of, contain, or relate to any information pertinent to their obligations under the Consent Decree, including, but not limited to, the following:

- a. A list of all tenants, the units in which they live, and their telephone numbers;
- b. Rental records, including leases, maintenance orders, notices of non-renewal or eviction or wrongful occupation, tenant complaints, and correspondence with tenants;
- c. Rental policies and procedures, including the sexual harassment policy referred to in Paragraph 31(b);
- d. Tenant rules and regulations;
- e. Rental ledgers;
- f. Any documents related to notifications or complaints of contact or interference by Mohan Prashad, David Besaw or anyone on their behalf, or discrimination, harassment, unfair treatment, or violation of this Decree by any Defendant; and
- g. Rental payments, including any abatements in rent, or other financial records.

49. The Prashad Defendants and the Manager shall provide copies of the documents described in this Section and shall permit the United States to inspect and copy these documents upon reasonable notice.

XI. REPORTING REQUIREMENTS

50. During the effective period of this Consent Decree, the Prashad Defendants shall, through the Manager, provide to the United States notification and documentation of the following events, no later than fifteen (15) days after their occurrence:

- a. Any notification that Mohan Prashad has provided to the Manager related to contact with tenants involving Property Management Responsibilities on an inadvertent or emergency basis;
- b. Any change in the rules or practices regarding the sexual harassment policy discussed in Paragraph 31(b), above.
- c. Any change in the list of Subject Properties;
- d. Any information indicating that any person or entity is or may be in violation of this Consent Decree; and
- e. Any complaint in the possession of the Manager, whether written, oral, or in any other form, against Defendants or their agents or employees, regarding contact or interference by any Defendant, or discrimination, harassment, unfair treatment, retaliation, or violation of this Decree by any Defendant. The Manager shall promptly provide the United States all information it may request concerning any such complaint. The Manager shall also inform the United States, in writing, about the substance of any resolution of the complaint within fifteen (15) days of such resolution.

51. Upon request from the United States to Defendants' counsel, Defendants agree to provide the following information, which will not be unreasonably withheld:

- a. A list of current tenants at each Subject Property with a contact telephone number for each tenant;
- b. Any documents required by any provision of this Consent Decree to the extent that these documents have not been previously provided;
- c. Written verification by the Manager that s/he has managed the Subject Properties in accordance with the terms of this Decree during the reporting period; and
- d. Written verification by the Manager that during the relevant time period Prashad has not had any role in Property Management Responsibilities.

XII. MISCELLANEOUS TERMS

52. Without further order of the Court, the parties may mutually agree, in writing, to reasonable extensions of time to carry out any provisions of the Consent Decree.

53. The parties to this Consent Decree shall endeavor in good faith to resolve informally any differences regarding the interpretation of and compliance with this Consent Decree prior to bringing such matters to the Court for resolution. If the United States has a good faith basis to believe that there has been a failure by any Defendant to perform in a timely manner any act required by this Consent Decree, or otherwise to act in conformance with any provision thereof, whether intentionally or not, the United States will notify Defendants' attorney of record in writing of its concerns, and the parties will attempt to resolve those concerns in good faith, including by providing Defendants with a reasonable opportunity to cure. However, in the event of a failure by Defendants, whether willful or otherwise, to perform in a timely manner any

act required by this Consent Decree or in the event of any other act violating any provision hereof, any party may move this 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, costs, and attorneys' fees which may have been occasioned by non-actions or actions.

54. Failure of a party to insist upon strict performance of any provision of this Consent Decree shall not be deemed a waiver of the party's rights or remedies or a waiver by the party of any default by another party in performance or compliance with any terms of this Consent Decree.

55. This Consent Decree may be signed by the parties in several counterparts, each of which shall serve as an original as against any party who signed it, and all of which taken together shall constitute one and the same document.

56. Each signatory hereto warrants that he or she is competent and possesses the full and complete authority to covenant to this Consent Decree on behalf of himself, herself, or the party that he or she represents.

57. The parties agree that, as of the effective date of this Consent Decree, litigation is not "reasonably foreseeable" concerning the matters described in the United States' Complaint. They have resolved this action without a trial and adjudication of the facts alleged by the United States, and therefore, to the extent that any of the parties previously implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described in the Complaint, they are no longer required to maintain such a litigation hold. Nothing in this paragraph relieves any of the parties of any other obligations imposed by this Consent Decree.

58. The United States and the Defendants will bear their own costs and attorneys' fees associated with this litigation.

The undersigned apply for and consent to the entry of this Consent Decree:

Dated: November 23, 2021

FOR THE PLAINTIFF THE UNITED STATES:

Respectfully submitted,

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Dated: ~~XX~~, 2021

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IT IS SO ORDERED this 2nd day of December, 2021.

/s/ Timothy S. Hillman
UNITED STATES DISTRICT JUDGE