

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE
EASTERN DIVISION**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
and)	
)	
DEANNA YARBROUGH,)	
K.B., MINOR CHILD, AND)	Civil Action No. 1:18-cv-1249
K.Y., MINOR CHILD,)	
)	
Plaintiff-Intervenors,)	
)	
v.)	
)	
CHAD DAVID ABLES, D/B/A POPS)	
COVE,)	
)	
Defendant.)	

ORDER GRANTING INJUNCTIVE RELIEF AND CIVIL PENALTY

On December 9, 2022, a federal jury found the Defendant, Chad David Ables, civilly liable under the Fair Housing Act (“FHA”), 42 U.S.C. §§ 3601-3631, for engaging in a pattern or practice of sexual harassment of female tenants and denying to a group of persons rights granted or protected by the FHA. (Docket Entry (“D.E.”) 176.) At trial, the United States presented evidence that from 2013 to 2020, the Defendant subjected five tenants to severe, pervasive, and unwelcome sexual harassment in and around their homes. The jury found that the Defendant violated the FHA with respect to each of these five women, as well as Deanna Yarbrough, the Plaintiff-Intervenor, and awarded compensatory and punitive damages to each. (*Id.*) The jury rendered a verdict in the total sum of \$70,500 to the six women who had been harmed by the Defendant’s misconduct. (*Id.*)

On January 20, 2023, Plaintiff, the United States of America, filed a Motion and Memorandum of Law in Support of Injunctive Relief and a Civil Penalty. (D.E. 183.) Defendant filed a response on February 20, 2023 (D.E. 189) to which Plaintiff replied on February 28, 2023. (D.E. 192.) Having considered the briefs of the parties and all the evidence presented at trial, the Court finds that the following order is appropriate.

ACCORDINGLY, it is hereby ADJUDGED, ORDERED and DECREED:

I. INJUNCTIVE RELIEF

A. Prohibition Against Discrimination and Retaliation Under the FHA

1. The Defendant is permanently enjoined, with respect to the rental of dwellings, from:
 - a. Refusing to rent a dwelling,¹ refusing or failing to provide or offer information about a dwelling, refusing to negotiate for the rental of a dwelling, or otherwise making unavailable or denying a dwelling to any person because of sex;
 - b. Discriminating against any person in the terms, conditions, or privileges of the rental of a dwelling, or in the provision of services or facilities in connection therewith, because of sex;
 - c. Making any statement, oral or written, in connection with the rental of a dwelling, that expresses or indicates any preference, limitation, or discrimination, or an intent to make any such preference, limitation, or discrimination, on the basis of sex; and

¹ The term “dwelling” has the meaning set out in the FHA. 42 U.S.C. § 3602 (b).

- d. Coercing, intimidating, threatening, or interfering with any 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 any other person in the exercise or enjoyment of, any right granted or protected by the FHA, including by retaliating against any person exercising such rights.

B. Permanent Injunction Against Management of Residential Rental Properties

2. The Defendant is permanently enjoined from directly or indirectly performing any property management responsibilities at any residential rental property, including those properties that he currently owns or may acquire in the future. “Property management responsibilities” include the following: showing or renting housing units; processing rental applications; performing or supervising repairs or maintenance; determining tenant eligibility for subsidies or waivers of fees and rents; inspecting dwelling units; collecting rent and fees; entering rental units; overseeing any aspects of the rental process; or engaging in any other property-related activities that involve, or may involve, personal contact with tenants or prospective tenants.

3. The Defendant is permanently enjoined from entering the premises of any current or future residential rental properties that he owns. This prohibition includes, but is not limited to, entry into the dwelling units, communal spaces, yards, parking areas and driveways.

C. Permanent Injunction Against Contact with Aggrieved Persons and Current or Prospective Tenants

4. The Defendant is permanently enjoined from contacting or communicating, either directly or indirectly, with any person identified by the United States as an aggrieved person in this action or with any current or prospective tenants of Defendant’s residential rental properties. “Contact or communications” includes, but is not limited to, physical contact, verbal contact,

telephone calls, e-mails, faxes, written communications, text or instant messages, contacts through social media, or other communications made through third parties.

5. In the event that the Defendant inadvertently or unintentionally initiates any contact with any individual within the categories identified above, or another person initiates such contact between the Defendant and any such individual, the Defendant will immediately discontinue the contact or communication and take all reasonable steps to avoid any further contact or communication.

D. Retention of Independent Property Manager

6. Within thirty (30) days of the entry of this Order, the Defendant will retain an Independent Manager, to be approved in writing by the United States, to perform all property management responsibilities as described in Paragraph 2 at any current or future residential rental properties that the Defendant owns, leases, or controls, including subsequently-acquired properties as set forth in Section E.

7. An “Independent Manager” is an individual or entity experienced in managing rental properties and who has no current or past employment, financial, contractual, personal, or familial relationship with the Defendant.

8. If, after retaining an Independent Manager, the Defendant wishes to change the Independent Manager for any reason, he shall submit the name of the prospective manager, in writing, to the United States for written approval at least thirty (30) days prior to retaining the individual or entity.

9. For the duration of this Order that the Defendant owns any interest in residential rental properties, the Defendant shall do the following through the Independent Manager for any current or future residential rental properties:

- a. Implement within thirty (30) days of the entry of this Order the written policy against sexual harassment, including a formal complaint procedure, as reflected in Appendix A to this Order. At that time, Defendant will direct the Independent Manager to notify all new and current tenants of the policy and procedure.
- b. Ensure that any persons who will be performing any duties with respect to current or future residential rental properties are familiar with the requirements of the FHA, particularly as they pertain to sexual harassment and other forms of sex discrimination (including through the training required by Section F),
- c. Send to the United States within ninety (90) days of the entry of this Order, and every six (6) months thereafter for the term of the Order, a list of all tenants at current or future properties and their addresses and phone numbers.
- d. Maintain all rental records kept in relation to rental of current and future rental properties and allow the United States to inspect and copy such records upon reasonable notice.
- e. Provide any information reasonably related to compliance with this Order that is requested by the United States.

E. Acquisition or Transfer of Interest in Residential Rental Properties

10. If, at any time during the effective period of this Order, the Defendant acquires a direct or indirect management, ownership, financial, or controlling interest in any other residential rental property, that property will be subject to this Order. Within thirty (30) days of acquiring such an interest, the Defendant will notify counsel for the United States of the nature of his interest in the dwelling or property; the address of the property; the number of individual dwelling units at the property; and any other information required under this Order. The Defendant will further provide

the United States with copies of any documents memorializing the transfer in interest of the property.

11. If, prior to the effective date or at any time during the effective period of this Order, the Defendant sells or transfers residential rental property, or any property acquired under Paragraph 10, to a bona fide, third-party purchaser in an arms-length transaction, that property will cease to be subject to this Order. For purposes of this Order, a “bona fide, independent third-party purchaser” is one with whom the Defendant has no current or past financial, contractual, personal, or familial relationship. An “arms-length transaction” is one 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. A corporation or entity of which the Defendant is an officer, partner, employee, or agent, or in which Defendant has an ownership, financial or controlling interest, is not a “bona fide, independent third-party purchaser,” and any transaction involving such a purchaser will not qualify as an “arms-length transaction.”

12. If, at any time during the effective period of this Order, the Defendant claims that his obligations under this Order have been terminated or changed because he sold or transferred one or more residential rental properties to a bona fide, third-party purchaser in an arms-length transaction as defined in Paragraph 11, the Defendant will inform the United States within thirty (30) days of the transaction and provide the date of the sale or transfer, copies of the documents memorializing the sale or transfer, and contact information for the subsequent purchaser.

13. If any transfer of interest in all or a portion of any residential rental property by the Defendant is not an arms-length transaction as defined in Paragraph 11, the Defendant will remain liable for any violation of this Order.

F. Fair Housing Training

14. Within ninety (90) days of the entry of this Order, the Independent Manager, all current and new agents or employees of the Defendant, including agents or employees of the Independent Manager, who are involved in performing property management responsibilities at any residential rental properties owned or operated by Defendant, and all employees or agents who supervise these persons, shall, be provided training on the FHA, including the Act's provisions related to sexual harassment and other forms of sex discrimination. The trainer or training entity must be qualified to perform such training, must be unconnected to the Defendant, his employees, agents or counsel, and must be approved in advance by the United States. The Defendant will bear all costs that may be associated with this training. The Defendant shall obtain from the trainer certificates of attendance, executed by each individual who received the training, and shall send a copy of the certificates of any training to the United States within ten (10) days of the training.

15. At a minimum, the training required in the preceding paragraph shall consist of the following:

- a. Instruction on the requirements of all applicable federal and state housing discrimination laws;
- b. Specific instruction on the FHA's prohibition of sexual harassment in housing; and
- c. A question and answer session for the purpose of reviewing the foregoing areas.

G. Reporting and Document Retention Requirements

16. The Defendant shall provide to the United States notification and documentation of the following events:

- a. Any change to the Defendant's rules or practices regarding the written policy against sexual harassment or formal complaint procedure discussed in Paragraph

- 9, within ten (10) days of such occurrence;
- b. Any information indicating that the Defendant, or any of his agents or employees, is in violation of this Order, within five (5) days of such knowledge; and
 - c. Any written or oral complaint against the Defendant, or any of the Defendant's agents or employees, regarding discrimination in housing, within ten (10) days of receipt. If the complaint is made orally, the Independent Manager shall maintain a log to record the name of the complainant; the address and telephone number of the complainant; the date the complaint was received; the name of the Defendant's employee or agent who received the complaint; the name of the Defendant's employee or agent who is the subject of the complaint; the name of the property involved in the complaint; and a general description of the complaint. If the complaint is written, the Independent Manager 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. The Defendant shall also promptly provide the United States all information it may request concerning any such complaint and shall inform the United States within fifteen (15) days of the substance of any resolution of such complaint.

17. Within ninety (90) days of the entry of this Order, and every six (6) months thereafter for the duration of this Order, the Defendant shall deliver to counsel for the United States a report containing information about his compliance efforts during the preceding reporting period, including but not limited to:

- a. Certification that the policy against sexual harassment and formal complaint procedure described in Paragraph 9 has been implemented and is in effect;
- b. A list of all tenants at residential rental properties in which the Defendant has a direct or indirect management, ownership, financial, or controlling interest, along with each property's address and phone number; and
- c. Written and sworn verification by the Defendant that the Independent Manager performs, and has performed during the reporting period, all property management responsibilities at the Defendant's residential rental properties as required by Paragraph 2.

In addition to the reports required above, the Defendant shall submit a final report to the United States no later than sixty (60) days before the expiration of this Order.

18. The Defendant shall preserve all records that are the source of, contain, or relate to any of the information pertinent to his obligations under this Order. Upon reasonable notice to counsel for the Defendant, representatives of the United States shall be permitted to inspect and copy all such records at any and all reasonable times or, upon request by the United States, Defendant shall provide copies of such documents.

II. CIVIL PENALTY

19. Within thirty (30) days of the entry of this Order, the Defendant shall pay \$25,000 to the United States Treasury as a civil penalty under 42 U.S.C. § 3614(d)(1)(C), to vindicate the public interest. The payment will be in the form of an electronic fund transfer in accordance with written instructions to be provided by the United States.

III. SCOPE AND DURATION OF ORDER

20. The provisions of this Order shall apply to the Defendant, his officers, agents, employees, successors and assigns, and all persons acting in active concert or participation with them.

21. This Order shall remain in effect for five (5) years after its entry, except for Paragraphs 1-4, which shall be permanent.

22. The Court shall retain jurisdiction for the duration of this Order to enforce its terms, after which time the case shall be dismissed with prejudice. The Court may extend the duration of the Order in the interests of justice.

23. Any time limits for performance imposed by this Order may be extended by mutual written agreement of the parties. Any other modifications to the provisions of this Order must be approved by the Court.

24. The United States may review compliance with this Order at any time, including through testing of the Defendant and his properties. The Defendant agrees to cooperate with the United States in any review of compliance.

25. The parties to this Order shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Order prior to bringing such matters to the Court for resolution. However, in the event the United States contends that there has been a failure by the Defendant, whether willful or otherwise, to perform in a timely manner any act required by this Order or in the event of any other act violating any provision hereof, the United States 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 reasonable attorneys' fees that may have been occasioned by

non-actions or actions.

IT IS SO ORDERED this 8th day of May, 2023.

s/ J. DANIEL BREEN
UNITED STATES DISTRICT JUDGE

Appendix A

NONDISCRIMINATION POLICY

The owner of this property is committed to following all fair housing laws. In this regard, we will not permit harassment or discrimination against residents, other occupants, guests, or applicants. This includes discrimination based on race, color, national origin, religion, sex (including any form of sexual harassment), familial status, and mental and/or physical disability.

The property owner, the property manager, and their employees or agents will not engage in the following toward any resident, occupant, guest, or applicant:

- Any acts of harassment, including sexual harassment.
- Making sexual advances (including, but not limited to, verbal advances, suggestive language, or sexual propositions).
- Unwelcome physical contact, including touching, grabbing, or other sexual contact.
- Showing or displaying sexually-explicit material, including pornography.
- Offering or demanding to exchange a housing-related benefit for sexual acts.
- Printing, making, circulating, posting, mailing or otherwise disseminating any statements, advertising, or signs, which indicate an intent to discriminate in housing.
- Representing that a unit is not available for inspection, rent or lease, when it is available.
- Refusing to allow a prospective renter to view an available unit because of any of the characteristics listed above.
- Refusing to accept or transmit a bona-fide offer to rent or lease a unit because of any of the characteristics listed above.
- Ask questions or use an application form containing questions that indicate, directly or indirectly, an intent to limit or discriminate or harass in the tenant selection process.
- Stating or implying that a prospective tenant or tenants would be happier or more comfortable living somewhere else because of any of the characteristics listed above.
- Discouraging or attempting to discourage a resident or applicant, through words or conduct, from applying for or accepting a unit because of any of the characteristics listed above.
- Requiring someone to meet different selection qualifications or subjecting their application to a different selection review than others.
- Refusing to sign a lease or other housing transaction, if a resident or applicant is otherwise qualified, there is an agreement as to terms and the unit is available.
- Setting different terms, conditions, or privileges relating to the rental of a unit or services or facilities provided in connection with a unit that are otherwise offered to anyone else.
- Establishing unreasonable rental criteria, house rules, or rental terms.
- Enforcing rental criteria, the house rules, or rental terms against some residents, other occupants, guests, or applicants, but not others.
- Refusing to make reasonable accommodations in rules, policies, practices, or services when necessary to afford a person with a disability an equal opportunity to use and enjoy the unit, and public and common use areas at the property.
- Refusing to permit, at tenant's expense, reasonable modifications of the existing premises, if necessary to afford a person with a disability an equal opportunity to use and enjoy the dwelling unit.
- Retaliating against residents, other occupants, guests, or applicants because of a characteristic listed above or because they have made a complaint or asserted their fair housing rights.

RESIDENT COMPLAINT PROCEDURE

If you believe you have been discriminated against or harassed by your landlord or anyone associated with your landlord, or you believe you have witnessed any such conduct, please make a complaint via telephone, by mail, or by email to the Property Manager, ideally within seven (7) days of the offending conduct. The Property Manager's contact information is:

[Insert Independent Manager contact information]

Your complaint should be as detailed as possible, including the date(s) of the incident, the circumstances of the incident, the names of all individuals involved, and any witnesses. The Property Manager will directly and thoroughly investigate the facts and circumstances of all claims of discrimination or harassment and will take prompt corrective action, if appropriate. You will not be retaliated against for bringing a complaint to our attention or filing or pursuing a complaint with a government agency or private fair housing organization.

If you have not received a satisfactory response within fourteen (14) days after reporting any incident that you perceive to be discrimination or harassment, or if your complaint of discrimination or harassment involves the Property Manager, please immediately contact the U.S. Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section (Attn: DJ# 175-72-143), at 1-844-380-6178 or fairhousing@usdoj.gov.

At any time, discrimination or harassment complaints can also be filed with the U.S. Department of Housing and Urban Development (HUD), by telephone (1-800-669-9777), by email (ComplaintsOffice04@hud.gov), or via the Internet (https://www.hud.gov/program_offices/fair_housing_equal_opp/online-complaint).

If you have any other complaint relating to the management of the property or are unable to resolve a problem relating to your tenancy, you can bring your complaint to the attention of the Property Manager.