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17 UNITED STATES DISTRICT COURT  
 18 NORTHERN DISTRICT OF CALIFORNIA  
 19

20 UNITED STATES OF AMERICA,  
 21 Plaintiff,  
 22 v.  
 23 MELINDA BAUTISTA TERUEL, individually  
 and as trustee of the Melinda Bautista Teruel  
 24 1992 Revocable Trust,  
 25 Defendants.  
 26

CASE NO.  
 COMPLAINT  
 DEMAND FOR JURY TRIAL

1 The United States brings this action to enforce Title VIII of the Civil Rights Act of 1968, as  
2 amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, *et seq.* (the “Fair Housing  
3 Act” or “Act”). This action is brought under 42 U.S.C. § 3612(o) on behalf of Yasmin Abuhijab and  
4 Wael Abuhijab (“Complainants”), against Melinda Bautista Teruel, individually and as trustee for the  
5 Melinda Bautista Teruel 1992 Revocable Trust (collectively, “Defendants”), for discriminating against  
6 Complainants because of their familial status.

7 The United States alleges as follows:

8 **I. JURISDICTION AND VENUE**

9 1. This Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345, and 42  
10 U.S.C. § 3612(o)(1).

11 2. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because a substantial part of  
12 the events giving rise to the claims occurred in this district, and because Defendants are located in this  
13 district.

14 3. Divisional Assignment: Assignment to the San Francisco or Oakland Division is proper  
15 under Civil Local Rule 3-2(c) because a substantial part of the events or omissions that give rise to the  
16 claims occurred in San Mateo County.

17 **II. PARTIES AND THE SUBJECT PROPERTY**

18 4. Plaintiff is the United States of America.

19 5. Defendant Melinda Teruel (“Teruel”) was the trustee of the Melinda Bautista Teruel 1992  
20 Revocable Trust (the “Trust”) at all relevant times.

21 6. The Trust owned the seven-unit apartment building at 1417 Bellevue Avenue,  
22 Burlingame, California (the “subject property”), at all relevant times.

23 7. Teruel was at all relevant times acting as an agent of the Trust, within the scope of her  
24 authority, and had actual or apparent authority from the Trust to engage in the leasing, rental, and  
25 management of the subject property. The Trust is vicariously liable for Teruel’s discriminatory conduct.

26 8. Teruel managed the subject property or employed a property manager to do so at all  
27 relevant times.

28 9. The subject property is a “dwelling” within the meaning of 42 U.S.C. § 3602(b).

1 10. Teruel was at all relevant times, and continues to be, a real estate salesperson licensed by  
2 the California Bureau of Real Estate.

3 11. Teruel is a resident of San Mateo, California.

4 12. Complainants Yasmin Abuhijab and Wael Abuhijab were Teruel's tenants and resided  
5 in an apartment in the subject property.

6 13. Mr. Wael Abuhijab completed his training to work for the San Francisco Fire  
7 Department while residing at the subject property. He became a probationary, and then permanent,  
8 firefighter while residing at the subject property. He still works as a firefighter for the San Francisco Fire  
9 Department.

10 14. Mr. Abuhijab is a veteran who served in the U.S. Marine Corps.

11 15. Mrs. Yasmin Abuhijab was at all relevant times a licensed vocational nurse and, after her  
12 children were born, a stay-at-home mother. She is now a registered nurse.

13 16. At all relevant times, Mrs. Abuhijab was pregnant and/or Complainants had at least one  
14 minor child living with them at the subject property.

15 17. Complainants are aggrieved persons under 42 U.S.C. § 3602(i)(1).

16 **III. FACTUAL ALLEGATIONS**

17 18. Complainants resided in Apartment 4 (the "Unit") at the subject property from on or  
18 about September 15, 2017, through on or about July 8, 2020.

19 19. On or about September 5, 2017, Complainants signed a residential lease agreement for  
20 Apartment 4. The agreement set monthly rent at \$1,700 and required a security deposit of \$1,800. The  
21 lease ran from September 15, 2017, to September 30, 2018, and went month-to-month thereafter.

22 20. Apartment 4 is a one-bedroom, one-bathroom unit located on the second floor of the  
23 subject property.

24 21. When Complainants signed the lease, Mrs. Abuhijab was pregnant.

25 22. Complainants' first child was born in late 2017, and their second child was born in fall  
26 2019.

27 23. Mrs. Abuhijab met Teruel for the first time in early September 2017 to see the apartment.  
28 Teruel did not realize that Mrs. Abuhijab was pregnant the first time they met.

1           24.     The second time they met, also in September 2017 but after the Abuhijabs had signed  
2 their lease, Teruel realized that Mrs. Abuhijab was pregnant.

3           25.     During this second meeting, Teruel told Mrs. Abuhijab that she wished she had known  
4 that Mrs. Abuhijab was pregnant, the unit they were planning to occupy was small, and a three-bedroom  
5 unit in the subject property was available.

6           26.     In the same conversation, Teruel stated that normally, a one-bedroom unit is not for  
7 families.

8           27.     After Complainants moved into Apartment 4, Teruel told Mrs. Abuhijab that a family of  
9 three living in another one-bedroom unit in the building could not live there anymore because the unit  
10 was not made for a family of that size.

11          28.     After they moved in, and throughout 2018, Teruel repeatedly called Complainants and  
12 went to the Unit in person, at points contacting Complainants at least once a week. During these calls  
13 and visits, Teruel attempted to convince Complainants to move into a larger unit. Mrs. Abuhijab  
14 repeatedly informed Teruel that the family could not afford the higher rent charged for a larger unit in  
15 the building.

16          29.     In or around July 2019, Teruel called Mrs. Abuhijab to ask if she was pregnant. When  
17 Mrs. Abuhijab said yes, Teruel told her that the family could not stay in Apartment 4. Teruel told Mrs.  
18 Abuhijab that the Unit was not for a family of Complainants' family's size, that she allowed the family  
19 to live in the Unit with one child, but that now that they were to have two children, they would have to  
20 move to another unit.

21          30.     During this call, Teruel threatened to evict Complainants, or words to that effect, if they  
22 did not move to another, larger unit.

23          31.     On the call, Teruel told Mrs. Abuhijab that Complainants' children would damage the  
24 Unit and that families with children are known to cause more wear and tear. Mrs. Abuhijab reminded  
25 Teruel on the call that the family could not afford the three-bedroom unit.

26          32.     In approximately August 2019, Teruel again told Mrs. Abuhijab, this time in person, that  
27 a family of their size would cause a lot of wear and tear on the Unit.

1 33. Complainants did not want to move to a larger, more expensive unit. Apartment 4 was  
2 sufficient for their needs.

3 34. On or about September 22, 2019, less than two weeks before the birth of Complainants'  
4 second child, Teruel called Mrs. Abuhijab. Teruel was upset that Complainants had not moved into the  
5 vacant three-bedroom unit. During the call, Teruel accused Mrs. Abuhijab of being "conniving," or  
6 words to that effect, by, as Teruel believed, keeping the first pregnancy a secret. The call lasted  
7 approximately 36 minutes.

8 35. In the days leading up to the birth of Complainants' second child, Teruel called  
9 Complainants multiple times to pressure them to move into the three-bedroom unit and repeatedly  
10 accused Complainants of hiding the first pregnancy.

11 36. On the day that Mrs. Abuhijab gave birth to Complainants' second child, Teruel called  
12 Mrs. Abuhijab while Mrs. Abuhijab was still at the hospital. Mrs. Abuhijab answered her cell phone and  
13 told Teruel she had just given birth. On the call, Teruel insisted that Complainants move into the three-  
14 bedroom unit.

15 37. In or around October 2019, Teruel called Complainants multiple times to pressure them  
16 to move into a three-bedroom unit. On at least one of the calls, Teruel suggested Complainants open a  
17 day care in the larger unit so they could afford the higher rent.

18 38. In or around November 2019, Teruel told Mrs. Abuhijab in person that a vacant three-  
19 bedroom unit was getting cleaned out and said again that the family should move to that unit. During the  
20 conversation, Teruel again suggested Complainants open a day care to afford the higher rent. Mrs.  
21 Abuhijab told Teruel she didn't want to open a day care.

22 39. In or around January 2020, Teruel told Mrs. Abuhijab in person that their one-bedroom  
23 unit was not meant to be occupied by a family.

24 40. In or around February 2020, Teruel told Mrs. Abuhijab in person that the three-bedroom  
25 unit was more suitable for their family size.

26 41. In or around February 2020, Teruel told Complainants that they should move into a  
27 newly vacated two-bedroom unit, which was more expensive than their one-bedroom unit.

1 42. The relentless pressure from Teruel on Complainants—including during the birth of their  
2 second child and during the height of the COVID-19 pandemic—caused the family to decide to move  
3 out of Apartment 4. Complainants felt pressured to move by Teruel’s continuing demands that the  
4 family move into a larger apartment and implicit and explicit threats to evict the family. Teruel’s  
5 conduct caused Complainants to vacate the property to escape the constant harassment and to provide  
6 stability for their family.

7 43. On or about June 1, 2020, Complainants provided written notice of their intent to vacate  
8 the subject property on or before July 8, 2020.

9 44. On or about June 29, 2020, Mrs. Abuhijab emailed Teruel, following up on earlier  
10 requests to schedule a walk-through and a time to return their keys.

11 45. On or about June 30, 2020, Teruel responded to Complainants via email, focusing on the  
12 size of the Abuhijabs’ family:

13 Contract was just for you and not amended to include[] an “enlarging” family. I offered  
14 Apt 7 one time vacated and being worked on so you could have a “day Care” business &  
15 take care of your baby at the same time, but you rejected the idea. Unlike adults, babies &  
16 children have a “heavier” impact on rental places. One time, [another tenant] complained  
17 of a leaking ceiling coming from your Apt (have the pictures he sent). Apt 4 was  
18 occupied by 8 tenants in 18 years. This is only time the problem happened. [sic  
19 throughout]

18 46. On or about June 30, 2020, Mrs. Abuhijab responded via email confirming a date for a  
19 walk-through. She also stated: “[D]iscrimination against children [is] against the law. The constant  
20 harassment from you regarding my children has been unbearable. You can’t tell us how many [] children  
21 to have and you can’t make us move into a larger apartment because we had kids after moving [i]nto  
22 here.”

23 47. In response to Mrs. Abuhijab’s email raising Teruel’s discrimination and harassment,  
24 Teruel stated in an email dated June 30, 2020:

25 I did NOT & NEVER told you (nor intended to tell) how many children to have BUT  
26 RENTAL PLACES HAVE RESTRICTIONS (You can check the County’s Laws &  
27 Regulations, or Customs & Traditions). I NEVER hassled you to move into a larger unit  
28 because you had kids. When you applied for Apt 4, you were a Nanny & working; then  
you had your first baby & could not work anymore. I showed you Apt 7 being  
refurbished -- w/idea of your working at home (day care business- will give you income;  
then, your sis-in-law could help too) and take care of your baby too. Now, let’s look at  
RENTAL RESTRICTIONS: the one bedroom units are for a husband & wife & a baby.

1 When the baby grows up to be a child and an adult (9+), tenants have to move to a larger  
2 unit.; Check the Neighbors' next-door Bldgs. My one-bedroom unit is really small [. . .]  
3 compared to other one-bdrm. units. For the last 38 yrs, I have each & every tenant's file.  
4 You now have 2 babies in the small Apt 4. I NEVER hassled you to move anywhere or  
5 even discussed your situation. [sic throughout]

6 48. Contrary to Teruel's statement, applicable local laws, codes, and standards did not  
7 prohibit the Complainants and their minor children from residing in Apartment 4.

8 49. Complainants vacated the subject property on or about July 8, 2020.

9 50. In a letter dated July 21, 2020, Teruel accused Complainants of being "backstabbing,"  
10 changing the locks, and causing significant damage to the Unit, the repairs for which Teruel said she  
11 would pay using Complainants' security deposit. She wrote:

12 [Apartment 4] should only be for 2 adults and a baby (max). You are the 8th tenants who  
13 occupied Apt 4 in the 16 years I have owned the Bldg. with children. The utilities have  
14 increased tremendously, but I I did not tag you for these. Your bathroom leaked to  
15 [another tenant's] unit (Apt 1) below last year and had to be fixed by my Chinese  
16 contractor. [...] Apt 4 is in the worst condition now with your move out. Emails, photos  
17 before & after, [another tenant's] photos, bills & receipts would show and [a handyman]  
18 can testify. I gave you 3 keys; you left 2 keys on the window sill with only one original  
19 mailbox key. 2 Contractors who previewed the Unit provided a \$9,000 Estimate to repair  
20 the Apt and make available for a new tenant. Locksmith is charging \$500 to rekey 2  
21 doors (Apt 4 & Storage rm).— Keys you replaced & did not return. Your \$1,800  
22 Security deposit less \$67.74 (July 9) leave you \$1,732 for repairs that you have to  
23 provide for the Apt you wrecked and appliances you damaged. [sic throughout]

24 51. In the same letter, Teruel threatened to "send the Notice to Fire Dept where you work and  
25 file the Claim/Complaint in Court."

26 52. Teruel never provided any documentation to Complainants concerning the repairs to  
27 Apartment 1 allegedly resulting from Complainants' bathroom "leak[ing,]" which according to Teruel  
28 had occurred, in any event, over a year prior. She never provided any documentation to Complainants of  
the supposed rekeying to Apartment 4.

53. Complainants did not change any locks or "replace" any keys for Apartment 4. They  
returned their keys for the Unit to Teruel.

54. A contractor's estimate dated July 16, 2020, for Apartment 4 reflects proposed upgrades  
and repairs for normal wear and tear, including but not limited to: painting all walls, ceilings, doors,  
window trim, door trim, baseboards, kitchen cabinet doors, and kitchen cabinet frames; installing new

1 electrical cover plates and receptacle plugs; and installing a ground fault circuit interrupter receptacle.  
2 The estimate totaled \$8,700.

3 55. Teruel could not legally charge Complainants for these upgrades and repairs.

4 56. On or about July 29, 2020, Mr. Abuhijab emailed Teruel, correcting the false statement  
5 that Complainants had changed the locks or caused any damage to the Unit or to Apartment 1 (including  
6 any claimed bathroom leak). Mr. Abuhijab also stated, “If the law states the 2+1 rule why didn’t you  
7 give us an eviction notice instead of hounding us on a weekly basis to move into apartment 6 or  
8 apartment 1. You literally called my wife while she was in the hospital after giving birth to our child to  
9 harass us about moving into the bigger apartment.”

10 57. In a letter dated July 29, 2020, Teruel responded to Mr. Abuhijab, discussing the claimed  
11 damage again and stating: “I have to charge you now; Thank you for reminding—8 Tenants in Apt 4 (17  
12 years) You were the only ones with kids!”

13 58. Teruel kept the entirety of Complainants’ \$1,800 security deposit.

14 59. Upon Complainants’ move-out, the Unit was clean and undamaged, including the walls,  
15 doors, furnace, blinds, windows, shower and tub, toilet, kitchen cabinets, and refrigerator. There was  
16 some deterioration to the kitchen sink caulk and some stains on the carpet.

17 60. Teruel made additional statements to Complainants and others, including to HUD,  
18 reflecting and corroborating her discriminatory conduct, preferences, and statements.

19 61. After leaving the subject property, Complainants moved to the Sacramento area,  
20 approximately two-and-a-half hours away from much of their family and two hours away from Mr.  
21 Abuhijab’s job.

22 62. As a result of Teruel’s discriminatory conduct, Complainants suffered actual damages,  
23 including lost housing opportunity, emotional distress, inconvenience, and out-of-pocket costs.

24 **IV. HUD ADMINISTRATIVE PROCESS**

25 63. On or about April 13, 2021, Complainants filed a complaint with HUD alleging that  
26 Teruel harassed and discriminated against them on the basis of familial status. The complaint was  
27 subsequently amended to specify that Teruel was named both individually and in her capacity as trustee  
28 of the Trust, and to add additional factual allegations regarding retaliation.

1 64. Pursuant to 42 U.S.C. § 3610, HUD completed an investigation of the complaint,  
2 attempted conciliation without success, and prepared a final investigative report.

3 65. Based upon the information gathered in the investigation, HUD determined that  
4 reasonable cause exists to believe that Defendants violated the Fair Housing Act.

5 66. Accordingly, on March 30, 2023, HUD issued a Charge of Discrimination, pursuant to 42  
6 U.S.C. § 3610(g)(2)(A), charging Defendants with engaging in discriminatory housing practices.

7 67. On April 18, 2023, Complainants timely elected to have the claims asserted in the HUD  
8 Charge resolved in a civil action under 42 U.S.C. § 3612(a).

9 68. HUD subsequently authorized the Attorney General to commence a civil action under 42  
10 U.S.C. § 3612(o).

11 **V. CAUSE OF ACTION: VIOLATION OF THE FAIR HOUSING ACT**

12 69. The United States re-alleges and incorporates by reference the allegations set forth in the  
13 preceding paragraphs.

14 70. Through the conduct described above, Defendants have:

15 a. Discriminated in the rental of, or otherwise made unavailable or denied, a  
16 dwelling to Complainants and their children because of their familial status, in violation of 42 U.S.C.  
17 § 3604(a);

18 b. Discriminated against Complainants in the terms, conditions, or privileges of  
19 rental of a dwelling, or in the provision of services or facilities in connection therewith, because of their  
20 familial status, in violation of 42 U.S.C. § 3604(b);

21 c. Made, printed, or published, or caused to be made, printed, or published a notice,  
22 statement, or advertisement, with respect to the rental of a dwelling that indicates a preference,  
23 limitation, or discrimination based on familial status, or an intention to make any such preference,  
24 limitation, or discrimination, in violation of 42 U.S.C. § 3604(c); and

25 d. Coerced, intimidated, threatened, or interfered with Complainants in the exercise  
26 or enjoyment of, or on account of their having exercised or enjoyed, or on account of their having aided  
27 or encouraged any other person in the exercise or enjoyment of, a right granted or protected by 42  
28 U.S.C. § 3604, in violation of 42 U.S.C. § 3617.

1 71. Defendants’ conduct, as described above, constitutes one or more “discriminatory  
2 housing practice[s]” within the meaning of 42 U.S.C. § 3602(f).

3 72. Defendants’ discriminatory conduct was intentional, willful, and/or taken in disregard of  
4 or in reckless or callous indifference to the rights of others.

5 **VI. PRAYER FOR RELIEF**

6 Plaintiff United States requests that this Court:

7 1. Declare that Defendants’ conduct, as alleged in this complaint, violated the Fair Housing  
8 Act;

9 2. Enjoin Defendants, their agents, employees, successors, and all other persons in active  
10 concert or participation with any of them from:

11 a. Refusing to sell or rent after the making of a bona fide offer, or refusing to  
12 negotiate for the sale or rental of, or otherwise making unavailable or denying, a dwelling to any person  
13 on the basis of any protected characteristic, in violation of 42 U.S.C. § 3604(a);

14 b. Discriminating against any person in the terms, conditions, or privileges of sale or  
15 rental of a dwelling, or in the provision of services or facilities in connection therewith, on the basis of  
16 any protected characteristic, in violation of 42 U.S.C. § 3604(b);

17 c. Making, printing, or publishing, or causing to be made, printed, or published any  
18 notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any  
19 preference, limitation, or discrimination on the basis of any protected characteristic, in violation of 42  
20 U.S.C. § 3604(c);

21 d. Coercing, intimidating, threatening, or interfering with any person in the exercise  
22 or enjoyment of, or on account of that person’s having exercised or enjoyed, or on account of that  
23 person’s having aided or encouraged any other person in the exercise or enjoyment of any right granted  
24 or protected by 42 U.S.C. § 3604(a), in violation of 42 U.S.C. § 3617;

25 3. Enjoin Defendants from failing or refusing to take such affirmative steps as may be  
26 necessary to prevent the recurrence of any discriminatory or otherwise unlawful conduct in the future  
27 and eliminate, to the extent practicable, the effects of Defendants’ discriminatory or otherwise unlawful  
28 conduct;

1 4. Require such action by Defendants as may be necessary to restore, as nearly as  
2 practicable, Complainants to the position they would have been in but for the discriminatory conduct;

3 5. Award damages to Complainants pursuant to 42 U.S.C. §§ 3612(o)(3) and 3613(c)(1);  
4 and

5 6. Award such additional relief as the interests of justice may require.

6 **VII. DEMAND FOR JURY TRIAL**

7 Plaintiff demands a trial by jury as to all issues so triable.

8 Dated: July 17, 2023

8 Respectfully submitted,

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