

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

UNITED STATES OF AMERICA,

Plaintiff,

V.

ISLE OF PARADISE "B," INC., et al.

Defendants.

**CONSENT DECREE
BETWEEN UNITED STATES
AND DEFENDANT ISLE OF
PARADISE “B”, INC.**

Case No.

I. BACKGROUND

1. The United States initiated this lawsuit to enforce the provisions of Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. §§ 3601 *et seq.* (the “Fair Housing Act”). This lawsuit was brought under 42 U.S.C. § 3614(a), the Attorney General’s authority to seek redress for a pattern or practice of housing discrimination and for a denial of rights to a group of persons that raises an issue of general public importance.

2. Defendant Isle of Paradise “B,” Inc. (“Defendant” or “IOP ‘B’”) is a Florida not-for-profit cooperative corporation organized under the laws of the State of Florida.¹

3. IOP “B” is the owner of the 30-unit multifamily housing building known as the “Monticello” or “Building B,” located at 450 Paradise Isle Boulevard, Hallandale Beach, FL 33009, on an island known as the Isle of Paradise. IOP “B” leases the land on which Building B is located, which is owned by the Layne family, under a long-term lease starting in or around October 1965.

4. Also located on the Isle of Paradise are five additional multifamily housing buildings, each owned by a different Florida not-for-profit cooperative corporation: Isle of Paradise “A”, Inc.; Isle of Paradise “C”, Inc.; Isle of Paradise “D”, Inc.; Isle of Paradise “E”, Inc.; and Isle of Paradise “F”, Inc. Residents of these six Isle of Paradise buildings share access to a common recreation facility, with a clubhouse and pool, also located on the Isle of Paradise. The recreation facility is owned and operated by Isle of Paradise Recreation, Inc., which is managed by a Board of Directors composed of one Board member from each of the six owners.

¹ “‘Cooperative’ means that form of ownership of real property wherein legal title is vested in a corporation or other entity and the beneficial use is evidenced by an ownership interest in the association and a lease or other muniment of title or possession granted by the association as the owner of all the cooperative property.” *See* Fla. St. § 719.103(12). This proposed Consent Decree refers to individual shareholders or members in the corporation as “unit owners.”

5. Building B is managed by its own Board of Directors, or Association. Its governing documents, including its Certificate of Incorporation, Bylaws, and Proprietary Lease, were initially created in or around October 1965.

6. Since well before 2015, IOP “B”’s Proprietary Lease for the units in Building B included the following statement: “No member, or approved lessee of a member’s Apartment, shall permit any child under the age of twelve (12) years to reside in any of the apartments except as otherwise provided herein, and except for children born to resident members after the acquisition of their lease.” This statement is referred to as the “no child under 12” policy in this Consent Decree (“Decree”).

7. The Proprietary Lease is the contract between each unit owner and IOP “B” that transfers the apartment unit to the owner.

8. Since at least 2015, IOP “B”’s Proprietary Lease, including the “no child under 12” policy, has been shared with or otherwise communicated to new unit owners, as well as some prospective owners or renters and real estate agents. In addition, the Proprietary Lease is required by state law to be recorded with, and publicly available through, the County Recorder of Deeds.²

9. Since at least 2015, IOP “B”’s “no child under 12” policy was implemented through each unit owner individually, through real estate agents

² See Fla. St. § 719.1035.

pursuant to the provisions of its governing documents, and/or through its Board of Directors.

10. For example, in June 2020, a real estate agent for the owner of a unit in Building B told prospective renter Geidre Narbutas and her real estate agent, Svitlana Cohen, that the owner could not rent the unit to her because she had a child under the age of 12. The real estate agent provided a copy of the governing documents for IOP “B” to the renter and her agent, which contained the “no child under 12” policy.

11. As another example, the Department of Justice conducted online familial-status rental tests on Building B in August 2020. Testing is a simulation of a housing transaction that compares responses given by housing providers to different types of home-seekers to determine whether illegal discrimination is occurring. The testing evidence showed that real estate agents were using IOP “B”’s “no child under 12” policy as the reason to refuse to rent to families with children. Department of Justice employees posing as prospective renters with children were specifically told that they could not rent available units at Building B because the Defendant did not allow children under the age of 12.

12. Since at least 2015, Building B has not had any residents age 12 or under. For purposes of this Decree, “residents” mean persons whose primary

residence is at a Subject Property and does not include owners of individual units who do not reside full-time at the Subject Property.

13. Building B is a “dwelling” within the meaning of the Fair Housing Act, 42 U.S.C. § 3602(b).

14. Since at least 2015, Building B was not “housing for older persons” (“HOPA”) consistent with the requirements of 42 U.S.C. § 3607(b).

15. The United States alleges that, through its conduct, Defendant has:

- a. in at least 2020, refused to negotiate for the sale or rental of a dwelling, or otherwise made unavailable or denied dwellings, because of familial status, in violation of 42 U.S.C. § 3604(a); and
- b. since at least 2015, made, printed, or published, or caused to be made, printed, or published a notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates a preference, a 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).

16. The United States alleges that the conduct described above constitutes a pattern or practice of resistance to the full enjoyment of the rights granted by the Fair Housing Act, and denial of rights granted by the Fair Housing Act to a group of

persons, which denial raises an issue of general public importance, since at least 2015, in violation of 42 U.S.C. § 3614(a).

17. The United States further alleges that Geidre Narbutas, her son, and Svitlana Cohen are aggrieved persons under 42 U.S.C. § 3602(i), and have suffered injuries because of the conduct described above; and that other persons who may have been the victims of Defendant's discriminatory housing practices are aggrieved persons under 42 U.S.C. § 3602(i) and may have suffered injuries because of the conduct described above.

18. The United States and Defendant (collectively, the "Parties") agree that this Court has jurisdiction over this action and may grant the relief sought herein under 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 3614(a); and that venue is proper under 28 U.S.C. § 1391(b), because the claims alleged herein arose in the Southern District of Florida, and the property that is the subject of this complaint is located in the Southern District of Florida.

19. The Parties have voluntarily agreed, as indicated by the signatures below, to resolve the United States' claims against Defendant without further proceedings or a trial. This Decree constitutes full resolution of the claims in the United States' Complaint against Defendant.

Therefore, it is ORDERED, ADJUDGED, and DECREED THAT:

II. INJUNCTION WITH RESPECT TO SALE OR RENTAL

20. Defendant, its employees, operators, managers, agents, and all other persons or entities in active concert or participation with Defendant, are hereby enjoined, with respect to the rental or sale of dwellings, from:

- a. Refusing to approve applications or sign Proprietary Leases to purchase or rent its housing units after the making of a bona fide offer, refusing to negotiate with applicants or potential applicants for the sale or rental of, or otherwise making unavailable or denying, a dwelling to any person because of familial status;
- b. Discriminating against any person in the terms, conditions, or privileges of buying or renting their dwelling units, or in the provision of services or facilities in connection with the purchase or rental of their units, because of familial status;
- c. Making, printing, publishing, or causing to be made any notice, statement, or advertisement with respect to the sale or rental of their dwelling units stating that children under 12 are not allowed stating any other preference, limitation, or discrimination based on familial status; and

- d. Retaliating against, or otherwise interfering with, any person for having exercised or attempted to enjoy his or her rights under the Fair Housing Act or having aided or encouraged any other person to exercise or enjoy his or her rights under the Fair Housing Act.

III. REMOVAL OF “NO CHILD UNDER 12” PROVISION

21. Within 90 days of the date of entry of this Decree, IOP “B” shall amend its Proprietary Lease to remove its “no child under 12” provision, record such amendment with Broward County, and notify the United States and provide documents to the United States reflecting that it has done so.³

22. Within 45 days of the date of entry of this Decree, IOP “B” shall review all of its other governing cooperative documents and verify that no such documents contain the “no child under 12” provision or words to that effect, and shall notify the United States that it has done so. In the alternative, should IOP “B” determine based on its review that any such documents do contain the “no child under 12” provision or words to that effect, within 90 days of the date of entry of the Decree, IOP “B” will remove such language and shall notify the United States that it has done so.

³ Nothing in this Consent Decree is intended to supersede state law requirements regarding the process for amending cooperative documents. *See, e.g.*, Fla. St. § 719.1055.

IV. NOTICE TO PUBLIC

23. Within 90 days of the date of entry of this Decree, IOP “B” shall notify all residents and unit owners of Building B, by email and in a sign posted publicly and prominently on the Building B property and at the recreation facility, at least 11” x 17” in size, that: families with children under 12 are allowed and welcome to own or rent units at Building B; that the former “no child under 12” provision contained in the Proprietary Lease, and elsewhere, if applicable, was removed; and that any persons who believe they experienced discrimination on the basis of familial status may contact the Department of Justice, with contact information provided. The public sign shall remain posted for the duration of this Decree.

24. Within 90 days of the date of entry of this Decree, IOP “B” shall notify all real estate agents who have represented actual or prospective unit owners or renters at Building B in the past three years, to the best of IOP “B”’s knowledge after making reasonable and diligent efforts, that: families with children under 12 are allowed and welcome to own or rent units at Building B; that the “no child under 12” provision contained in the Proprietary Lease, and elsewhere, if applicable, was removed; and that any persons who believe they experienced discrimination on the basis of familial status may contact the United States Department of Justice, with contact information provided.

25. Before issuing the notices required by paragraphs 23-24, within 30 days of the date of entry of this Decree, IOP “B” shall provide to the United States, subject to the United States’ approval: the proposed text of the email notice to owners; the proposed text, formatting, and posting location(s) of the paper notice on the property; the proposed text and media type (such as email or letter) of its notification to real estate agents; the list of names of real estate agents who will receive the notice, as well as an explanation of how it developed that list of names.

V. TRAINING

26. Within 15 days of the date of entry of this Decree, IOP “B” shall provide a copy of the Decree to all members of its Board of Directors, its property manager(s), and any other employee or agent whose duties involve receiving or approving applications from prospective unit owners or renters (“Covered Agent”), and all such Covered Agents shall review the Decree. For purposes of this Decree, independent real estate agents solely representing individual unit owners or prospective unit owners or renters, are not employees or agents of the Defendant.

27. Within 90 days of the date of entry of this Decree, all Covered Agents must attend a live, in-person training on the Fair Housing Act and Defendant must provide the United States a signed certification in the form of **Appendix A** for each Covered Agent. The training shall cover all the Fair Housing Act’s protected classes,

with specific emphasis on discrimination on the basis of familial status. The training shall be conducted by a qualified third party, unconnected to Defendant or its counsel. IOP "B" must submit the substance of the training and the name and contact information of the training person or organization to the United States at least 30 days in advance of the training date for approval. Any expenses associated with this training shall be borne by Defendant. If any Covered Agents are unable to attend the training in-person because they are out of the state or country, they may participate remotely via Zoom or other videoconferencing software. This training shall be at least three hours in duration and shall provide attendees an opportunity to ask questions. This training may be video-recorded for purposes of Covered Agents who need to attend this training after it is initially provided live, consistent with paragraph 28.

28. During the term of the Decree, IOP "B" shall require any persons who become Covered Agents, such as a newly elected member of IOP "B"'s Board of Directors or a newly retained property manager, to review the Decree as required by paragraph 26, attend the training required by paragraph 27, and complete a signed certification in the form of **Appendix A**, within 15 days of the start date in their role as Covered Agent, if they have not previously completed those requirements. Such

persons may attend the training by watching the video of the previously provided live training, pursuant to paragraph 27.

VI. RECORD-KEEPING AND REPORTING

29. In addition to the one-time reporting obligations related to the removal of the “no child under 12” provision under paragraphs 21-22 and the establishment of the Settlement Fund under paragraph 37, within 90 days of the date of entry of this Decree and every six months thereafter, Defendant shall submit a compliance report to the United States.⁴ This compliance report shall include, if applicable for each reporting period:

- a. Copies and a written description of all notices issued pursuant to paragraphs 23-24, and a dated photograph showing the sign described in paragraph 23 remaining posted and prominently displayed at the Building B property;
- b. Appendix A certifications signed by each Covered Agent, pursuant to paragraphs 27-28;

⁴ Unless otherwise instructed by the United States, IOP “B” should send all documents or other communications required by this Consent Decree to be sent to the United States via email to: Chantel.DoakesShelton@usdoj.gov, Veronica.Harrell-James@usdoj.gov, and kathryn.legomsky@usdoj.gov.

- c. Copies of any advertising or real estate listings for units at Building B, whether online on the internet or in any other media, known to IOP "B" or in IOP "B"'s possession, where IOP "B" is not required to affirmatively search for such listings not already known to it or in its possession for purposes of this reporting requirement;
- d. Copies of any signs, brochures, application materials, or other promotional literature about Building B, whether online on the internet or in any other media, published or distributed by IOP "B", its property manager(s), or any other Covered Agent;
- e. A list of the full names and unit numbers of current unit owners and residents (including renters) at Building B, and copies of any application form(s), other supporting document(s), and Proprietary Lease(s) completed, submitted, and/or signed by any unit owner(s) in the reporting period.

30. IOP "B" shall notify counsel for the United States in writing within 15 days of receipt of any complaint against Defendant, or any of Defendant's officers, employees, agents, representatives, successors, assigns, or Covered Agents, regarding discrimination on the basis of familial status, known to Defendant. If the complaint is written, Defendant shall provide a copy of the written complaint and all

related documents 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 in writing within 15 days of the terms of any resolution of any such complaint.

31. IOP "B" shall preserve all records related to this Decree, including, but not limited to, applications, leases, resident files, and the Defendant's policies and procedures. Upon reasonable notice to the Defendant, representatives for the United States shall be permitted to inspect and copy any records related to this Decree and Building B.

32. The United States may take steps to monitor Defendant's compliance with this Decree and the Fair Housing Act, including but not limited to conducting fair housing testing at Building B.

VII. MONETARY RELIEF

33. Within 9 months of the date of entry of this Decree, Defendant shall pay Ms. Geidre Narbutas **TWENTY THOUSAND DOLLARS (\$20,000)** in monetary damages for the purpose of compensating her and her minor child for the harm alleged in this lawsuit. Defendant shall pay this money by sending to counsel for the United States a check for \$20,000, payable to Geidre Narbutas.

34. Upon receipt of the check, counsel for the United States shall provide the Defendant an executed release, in the form of **Appendix B**, of all claims, legal or equitable, that Ms. Narbutas and/or her minor child might have against the Defendant relating to the claims asserted in this lawsuit.

35. Within 9 months of the date of entry of this Decree, Defendant shall pay Ms. Svitlana Cohen **SIX THOUSAND DOLLARS (\$6,000)** in monetary damages for the purpose of compensating her for the harm alleged in this lawsuit. Defendant shall pay this money by sending to counsel for the United States a check for \$6,000, payable to Svitlana Cohen.

36. Upon receipt of the check, counsel for the United States shall provide the Defendant an executed release, in the form of **Appendix B**, of all claims, legal or equitable, that Ms. Cohen might have against the Defendant relating to the claims asserted in this lawsuit.

VIII. SETTLEMENT FUND

37. Within 90 days of the date of entry of this Decree, Defendant shall deposit in an interest-bearing escrow account the total sum of **FIVE THOUSAND DOLLARS (\$5,000)** for the purpose of compensating additional aggrieved persons whom the United States determines may have been harmed by the Defendant's discriminatory practices (hereinafter "aggrieved persons"). This money shall be

referred to as “the Settlement Fund.” In addition, within 15 days of the establishment of the Settlement Fund, the Defendant shall submit proof to the United States that the account has been established and the funds deposited.

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

39. The Defendant shall be solely responsible for any taxes assessed or owed on any interest earned on money deposited in the Settlement Fund.

40. Nothing in this Decree precludes the United States from making efforts to locate and provide notice to potential aggrieved persons.

41. The United States shall have the ability to investigate the claims of any newly identified allegedly aggrieved persons and, within 180 days of the effective date of this Decree, shall inform Defendant as to its determination as to which persons are aggrieved and an appropriate amount of damages to be paid to each such aggrieved person, such that the total amount is no more than the \$5,000 plus interest in the Settlement Fund. The determinations of the United States shall be final, and the Defendant waives the right to contest the United States’ determination in this or any other proceedings. Further, the Defendant 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. Any funds remaining from the Settlement Fund following the United States' determination regarding the appropriate amount of damages paid to each aggrieved person shall be paid to the United States Treasury in accordance with written instructions to be provided by the United States.

42. Within 10 days of receipt of the United States' determination, IOP "B" shall deliver to counsel for the United States, using a delivery method consistent with instructions to be provided by the United States, a separate check payable to each aggrieved person in the amounts determined.

43. When counsel for the United States has received a check from the Defendant 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 the signed release to counsel for the Defendants. No aggrieved person shall be paid until he or she has executed and delivered to counsel for the United States the release at **Appendix B**.

IX. CIVIL MONEY PENALTY

44. Within 9 months of the date of entry of this Decree, Defendant shall pay **FIVE THOUSAND DOLLARS (\$5,000)** to the United States as a civil penalty under 42 U.S.C. § 3614(d)(1)(C), to vindicate the public interest. This payment shall be in

the form of an electronic funds transfer in accordance with written instructions to be provided by the United States.

45. The civil penalty referenced in paragraph 44 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. Defendant shall not seek to discharge any part of this debt in bankruptcy.

46. In the event that Defendant or any of its agents engage in future violation(s) of the Fair Housing Act, such violation(s) will constitute a “subsequent violation” under 42 U.S.C. § 3614(d)(1)(C)(ii).

X. SCOPE, DURATION, AND ENFORCEMENT

47. This Decree is effective immediately upon its entry by the Court and shall remain in effect for three years from the date of its entry.

48. The provisions of this Decree apply to Defendant, its employees, operators, managers, agents, and all other persons and entities in active concert or participation with any of them, with respect to Building B.

49. The Court shall retain jurisdiction for the duration of this Decree to enforce its terms, after which time the case shall be dismissed with prejudice. The United States may move the Court to extend the period during which this Decree is in effect in the interests of justice.

50. This 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.

51. Any time limits for performance imposed by this Decree may be extended by mutual written agreement of the Parties.

52. The Parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Decree before bringing such matters to the Court for resolution. However, in the event that the United States contends that there has been a failure by Defendant, whether willful or otherwise, to perform in a timely manner any act required by this Decree or otherwise to act in conformance with any provision thereof, the United States may move the Court to impose any remedy authorized by law or equity, including but not limited to entry of an order requiring performance of any such act or deeming such act to have been performed, and an award of any damages, costs, and reasonable attorneys' fees occasioned by the violation or failure to perform.

53. Failure of the United States to insist upon strict performance of any provision of this Decree shall not be deemed a waiver of the United States' rights or remedies or a waiver by the United States of any default by Defendant in performance or compliance with any terms of this Decree.

XI. TERMINATION OF LITIGATION HOLD

54. The Parties agree that, as of the date of entry of this Decree, litigation is not reasonably foreseeable concerning the matters described herein. If any Party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this lawsuit, the Party is no longer required to maintain such a litigation hold. However, nothing in this Decree relieves Defendant of the record-keeping responsibilities imposed by this Decree.

XII. COSTS OF LITIGATION

55. Except for paragraph 52, each party to this litigation will bear its own costs and attorneys' fees associated with this litigation.

IT IS SO ORDERED.

DATED this ____ day of _____, 2023

United States District Court Judge

The undersigned hereby apply for and consent to the entry of this Order:

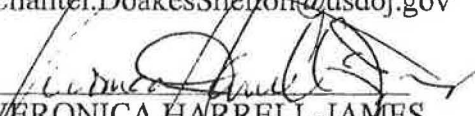
For the United States of America:

Dated: November 30, 2023

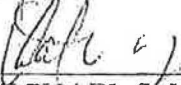
Respectfully submitted,

MARKENZY LAPOINTE
UNITED STATES ATTORNEY

KRISTEN CLARKE
Assistant Attorney General
Civil Rights Division


CHANTEL DOAKES SHELTON
Assistant United States Attorney
Florida Bar No: 0118626
United States Attorney's Office
500 E. Broward Blvd., Ste. 800
Fort Lauderdale, FL 33394
Phone: (954) 660-5770 (office)
Phone: (786) 564-9123 (cell)
Chantel.DoakesShelton@usdoj.gov
VERONICA HARRELL-JAMES
Assistant United States Attorney
Florida Bar No. 644791
United States Attorney's Office
101 US-1 South, 3rd Floor
Fort Pierce, Florida 34950
Phone: (772) 293-0982
Veronica.Harrell-James@usdoj.gov

CARRIE PAGNUCCO
Chief


MICHAEL S. MAURER
Deputy Chief
KATIE LEGOMSKY
Trial Attorney
Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
150 M Street, NE
Washington, DC 20530
Phone: (202) 598-6587
Fax: (202) 514-1116
Kathryn.Legomsky@usdoj.gov

For Defendant, Isle of Paradise "B",

Inc.: Dated: November 29, 2023

Signed: Michele Gerbino President

Name: Michele Gerbino

Title: President Isle of Paradise "B" Inc.

APPENDIX A

Certification of Training and Receipt of Consent Decree

I certify that I have received a copy of the Consent Decree entered by the United States District Court in *United States v. Isle of Paradise "B", Inc., et al.*, Civil Action No. [____] (S.D. Fla.).

On _____, 202__, I attended a training on the requirements of the Fair Housing Act, including, in particular, the prohibition on familial status discrimination.

I further certify that I have read and understand my responsibilities as set forth in the Consent Decree and under the Fair Housing Act, and shall comply with those responsibilities.

Signature

Printed name

Title or role with respect to Isle of Paradise "B"

Date

APPENDIX B

Release

In consideration for payment of the sum of \$_____, in accordance with the Consent Decree entered in *United States v. Isle of Paradise "B", Inc., et al.*, Civil Action No. [_____] (S.D. Fla.), I, _____, hereby release and forever discharge Isle of Paradise "B", Inc., as well as its agents, employees, representatives, successors, and assigns, from any and all liability for any claims, legal or equitable, I may have against them arising out of the facts underlying the claims alleged in this action as known on the date of the signing of the Consent Decree. I fully acknowledge and agree that this release shall be binding on my heirs, representatives, executors, successors, administrators, and assigns. I hereby acknowledge that I have read and understand this release and have executed it voluntarily and with full knowledge of its legal consequences.

Executed on this date: _____, 202__.

SIGNATURE: _____

PRINT NAME: _____