

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 24-cv-01563

UNITED STATES OF AMERICA,

Plaintiff,

v.

KATHRYN BUTTERS and
BUTTERS INVESTMENTS, LLC,

Defendants.

CONSENT ORDER

This Consent Order is entered into between Plaintiff United States of America and Defendants Kathryn Butters and Butters Investments, LLC.

I. INTRODUCTION

1. This action was brought by the United States to enforce the provisions of Title VIII of the Civil Rights Act of 1968 (the “Fair Housing Act” or the “FHA”), as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601–3619. The United States brought this action on behalf of Rosalia Burgess, Sean Burgess, Minor Child 1, Minor Child 2, and Minor Child 3 (collectively, “Burgess Family”) pursuant to Section 812(o) of the Fair Housing Act, 42 U.S.C. § 3612(o).

2. In its Complaint, the United States alleged the following:

a. Between October 1, 2019, and August 9, 2020, the Burgess Family were tenants residing at a property located at 125 Capitol Street, Unit A, Eagle, Colorado (the

“Subject Property”). The Subject Property was owned by Defendant Butters Investments, LLC, who rented to the Burgess Family. Defendant Kathryn Butters was the property manager of the Subject Property and subjected the Burgess Family to discrimination on the basis of sex, including unwelcome, severe, and pervasive sexual harassment.

b. Specifically, the United States alleges that Defendant Kathryn Butters subjected the Burgess Family to a variety of unwelcome sex-based harassment, including:

- i. Frequent unannounced and unwelcome visits to the Subject Property, during which she made sexually explicit, unwelcome comments to Rosalia, Sean, Minor Child 1, and Minor Child 2; and
- ii. Unwelcome sexual conduct towards members of the Burgess Family, including grabbing Minor Child 1 and Minor Child 2’s genitals on more than one occasion, grabbing Rosalia’s genitals on one occasion, and slapping Sean and Rosalia on the buttocks on multiple occasions.

c. Defendant Kathryn Butters’ discriminatory conduct at the Subject Property occurred while she was an employee or agent of Defendant Butters Investments, LLC, and was aided by the existence of that employment or agency relationship.

3. The United States alleges that by the conduct described above, Defendants have:

a. Denied housing or otherwise made housing unavailable because of sex, in violation of 42 U.S.C. § 3604(a);

b. Discriminated 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, in violation of 42 U.S.C. § 3604(b); and

c. Coerced, intimidated, threatened, or interfered with a person in the exercise or enjoyment of, or on account of their having exercised or enjoyed, rights granted or protected by 42 U.S.C. § 3604, in violation of 42 U.S.C. § 3617.

4. The United States and Defendants (collectively, the “Parties”) agree that this Court has jurisdiction over the subject matter of this case pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 3612(o).

5. It is understood and agreed that this Consent Order is a compromise of disputed claims, and Defendants’ entering into this Consent Order is not to be construed as an admission of liability on the part of Defendants, by whom liability is expressly denied.

6. Notwithstanding the disputed claims, the Parties have agreed that the claims against Defendants should be resolved without further litigation. Therefore, the Parties consent to the entry of this Consent Order.

It is hereby STIPULATED, ADJUDGED, and ORDERED as follows:

II. GENERAL INJUNCTION

7. Defendants, their employees, agents, successors, heirs and assigns, and all other persons or entities in active concert or participation with them, are hereby

enjoined, with respect to the rental of dwellings,¹ from:

- a. Refusing to rent a dwelling, refusing or failing to provide or offer information about 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 renting a dwelling, or in the provision of services or facilities in connection therewith, because of sex; or
- c. Coercing, intimidating, threatening, or interfering with any person in the exercise or enjoyment of, or on account of having exercised or enjoyed, or on account of having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by the Fair Housing Act, including by retaliating against any persons exercising their rights under this Consent Order.

III. PROHIBITION AGAINST CONTACT WITH BURGESS FAMILY

8. Defendant Kathryn Butters and any owner, principal, employee, agent, or representative of Defendant Butters Investments, LLC, are permanently prohibited from purposefully or knowingly engaging in contact or communications, directly or indirectly, with any member of the Burgess Family. "Contact or communications" includes, but is not limited to, physical contact, verbal contact, telephone calls, e-mails, written communications, text or instant messages, contacts through social media, or other communications made directly or indirectly through third parties.

¹ The term "dwellings" has the meaning as defined in the Fair Housing Act, 42 U.S.C. § 3602(b).

9. In the event that Defendant Kathryn Butters or any owner, principal, employee, agent, or representative of Defendant Butters Investments, LLC inadvertently or unintentionally has any contact or communication with any member of the Burgess Family, that person will immediately discontinue the contact or communication upon discovery of such inadvertent or unintentional contact or communication, and take all reasonable steps to avoid any further contact or communication.

IV. INJUNCTION AS TO DEFENDANT KATHRYN BUTTERS

10. Defendant Kathryn Butters is permanently enjoined from directly or indirectly performing any “Property Management Responsibilities” as defined herein at any residential rental property. “Property Management Responsibilities” include the following activities that involve, or may reasonably involve, personal contact with tenants or prospective tenants at residential properties: performing or supervising repairs or maintenance of an occupied property; receiving inquiries regarding the lease or rental of dwelling units; showing dwelling units to prospective tenants; processing rental applications; negotiating rents and security deposits; executing leases; determining tenant eligibility for subsidies or waivers of fees and rents; inspecting dwelling units of occupied properties; collecting rent and fees; any and all aspects of the process relating to evicting tenants; or engaging in any other property-related activities that involve, or may reasonably involve, personal contact with tenants or prospective tenants at residential properties.

11. During the term of this Consent Order (defined in Section IX herein), Defendant Kathryn Butters is enjoined from entering any residential rental property

owned and/or managed by any Defendant, or any After-Acquired Property (defined below), when any tenants are present. This includes the dwelling units, basements, communal spaces, yards, parking areas, and garages. However, the limitations described in this paragraph do not apply to any residential property where Defendant Kathryn Butters is residing and/or has the right to possession or partial possession of a residential property or common area by virtue of her own personal residential lease or deed.

V. INJUNCTION AS TO DEFENDANT BUTTERS INVESTMENTS, LLC

12. Within 45 days of the entry of this Consent Order, Defendant Butters Investments, LLC will provide to the United States a proposed Nondiscrimination Policy and Complaint Procedure for review and approval. Any proposed changes to the Nondiscrimination Policy and Complaint Procedure must be approved in advance by the United States.

13. Promptly after the United States approves the Nondiscrimination Policy and Complaint Procedure, Defendant Butters Investments, LLC will implement the Nondiscrimination Policy and Complaint Procedure, and reasonably ensure that it is followed, by taking the following actions for the term of this Consent Order:

a. Distributing the Nondiscrimination Policy and Complaint Procedure to all owners, principals, employees, agents, or representatives involved in performing Property Management Responsibilities at any residential rental properties owned and/or managed by Defendant Butters Investments, LLC within seven days of the United States' approval of the Nondiscrimination Policy and Complaint Procedure or within 14

days of the acquisition of an ownership or management interest in any residential rental property.

b. Securing a signed statement from each owner, principal, employee, agent, or representatives of Defendant Butters Investments, LLC acknowledging that the individual has received and read the Nondiscrimination Policy and Complaint Procedure, has had the opportunity to have questions about the Nondiscrimination Policy and Complaint Procedure answered, and agrees to abide by the relevant provisions of the Nondiscrimination Policy and Complaint Procedure. This Employee Acknowledgement Statement will be in the form of Appendix A.

c. Providing any new owners, principals, employees, agents, or representatives engaged in Property Management Responsibilities at residential rental properties owned and/or managed by Defendant Butters Investments, LLC with a copy of the Nondiscrimination Policy and Complaint Procedure, within 14 days of the commencement of their relationship with Defendant Butters Investments, LLC. Defendant Butters Investments, LLC will have each new owner, principal, employee, agent, or representative sign the Employee Acknowledgement Statement in the form of Appendix A.

d. Distributing the Nondiscrimination Policy and Complaint Procedure to every tenant of residential rental properties owned and/or managed by Defendant Butters Investments, LLC within 15 days of the United States' approval of the Nondiscrimination Policy and Complaint Procedure and ensuring that a copy of the Nondiscrimination Policy and Complaint Procedure is attached to the lease of every

new tenant at each residential rental property owned and/or managed by Defendant Butters Investments, LLC.

VI. FAIR HOUSING TRAINING

14. Within 90 days of entry of this Consent Order, Defendant Kathryn Butters and all owners, principals, employees, agents, or representatives of Defendant Butters Investments, LLC, will complete a live training on the Fair Housing Act, with specific emphasis on discrimination on the basis of sex, including sexual harassment.

Individuals who become owners, principals, employees, agents, or representatives of Defendant Butters Investments, LLC during the term of this Consent Order will complete such a training within 90 days of beginning their relationship with Defendant Butters Investments, LLC. The trainer or training entity must be approved in advance by the United States. Any expenses associated with the training will be borne by Defendants. Defendants will obtain proof of attendance to be completed by the trainer, which will include the name of the course, the name of the instructor, the date the course was taken, and the length of the training. Defendants will send this information to the United States within seven days of completion of the training.

VII. REPORTING AND DOCUMENT RETENTION REQUIREMENTS

15. If either Defendant acquires a direct or indirect management, ownership, financial, or controlling interest in any other residential rental property during the term of this Consent Order, such property will be subject to the applicable provisions of this Consent Order (“After-Acquired Property”). Defendants must provide written notification to the United States within 14 days of acquiring such an interest. Defendants will further

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

16. Defendants will provide to the United States notification of any complaint, whether written or oral, against any Defendants regarding discrimination in housing, including but not limited to sex-based discrimination or sexual harassment, or any complaint regarding any violation of this Consent Order, within seven days of receiving said complaint. If the complaint is made orally, Defendants will maintain a log in which they record the name of the complainant, the address and telephone number of the complainant, the date the complaint was received, and a general description of the complaint. The notification sent to the United States will include a copy of the complaint if it was made in writing, or a copy of the complaint log, if it was made orally.

Defendants will promptly provide the United States all information it may request concerning any such complaint; however, Defendants waive no future rights or defenses under applicable law in such cooperation.

17. Within 60 days of entry of this Consent Order, and annually thereafter for the duration of this Consent Order, Defendants will deliver to the United States a report containing information about compliance with this Consent Order, including, but not limited to:

a. A list of all residential rental properties in which either Defendant currently have a direct or indirect management, ownership, financial, or controlling interest; and

b. A list of all current tenants at residential rental properties owned or controlled by either Defendant, including each tenant's sex/gender, address, and contact telephone number.

18. In addition to the reports required above, Defendants will submit a final report containing the information requested in Paragraph 17(a) and 17(b) above to the United States no later than 60 days before the expiration of this Consent Order.

19. The United States may review compliance with this Consent Order at any time, including through fair housing testing. Defendants agree to reasonably cooperate with the United States in any review of compliance; however, Defendants waive no future rights or defenses under applicable law in such cooperation. Defendants agree to promptly provide representatives of the United States with a copy of any records pertinent to this Consent Order upon request.

VIII. MONETARY DAMAGES FOR AGGRIEVED PERSONS

20. Within 45 days of entry of this Consent Order, Defendants will pay monetary damages in the total amount of three hundred thousand dollars (\$300,000.00) to the Burgess Family as set forth in the releases applicable to the minors and the adults, care of the U.S. Attorney's Office for the District of Colorado.

21. The monetary damages will be distributed as follows: Mr. and Ms. Burgess's attorneys' fees and costs shall first be deducted from the monetary damages amount. Of the remaining funds, one third will be distributed to a trust for the benefit of Minor Child 1, one third will be distributed to a trust for the benefit of Minor Child 2, and one third will be distributed to Mr. and Ms. Burgess jointly.

22. Mr. and Ms. Burgess will execute a release to be provided to Defendants in the form of Appendix B, on behalf of themselves and on behalf of Minor Child 1, Minor Child 2, and Minor Child 3. The Court has approved the Parties' Joint Motion to Approve Resolution of Minor Aggrieved Persons' Claims pursuant to Fed. R. Civ. P. 17. See ECF No. ___.

23. The compensation required to be paid pursuant to Paragraphs 19 and 20 is a debt within the meaning of 11 U.S.C. § 523(a)(6). Accordingly, Defendants will not seek to discharge any part of this debt in bankruptcy.

IX. DURATION, MODIFICATION, AND ENFORCEMENT

24. Except as provided pursuant to Paragraph 28, the United States and Defendants will each bear their own attorneys' fees and costs.

25. Unless otherwise specified or extended pursuant to Paragraphs 27 and 28, the provisions of this Consent Order will be in effect for a period of three years from the date this Consent Order is entered. This Court shall maintain jurisdiction over the Civil Action to enforce the terms of this Consent Order so long as it remains in effect.

26. By consenting to entry of this Consent Order, the Parties agree that in the event that Defendants engage in any conduct occurring after entry of this Consent Order that leads to a determination of a violation of the FHA, such conduct shall constitute a "subsequent violation" by such Defendant pursuant to 42 U.S.C. § 3614(d)(1)(C)(ii).

27. 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

Order. In addition, the United States may move the Court to extend the terms of this Consent Order in the event of material noncompliance with its terms, or if the interests of justice so require.

28. The Parties will endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Consent 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 either Defendant, whether willful or otherwise, to perform in a timely manner any act required by this Consent Order, or otherwise to act in conformance with any provision thereof, 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 resulting from the violation or failure to perform.

29. Each Party and signatory to this Consent Order represents that it freely and voluntarily enters into this agreement without any degree of duress or compulsion.

30. For purposes of construing this Consent Order, this Consent Order shall be deemed to have been drafted by all Parties and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

31. All notifications from Defendants to the United States pursuant to this Consent Order shall be sent to Assistant United States Attorneys Alicia Alvero Koski at alicia.alvero.koski@usdoj.gov, and Zeyen Wu at zeyen.wu@usdoj.gov, and/or any other individual subsequently designated by the U.S. Attorney's Office for the District of

Colorado that Defendants are notified to include on future correspondence.

IT IS SO ORDERED.

Dated: _____

United States District Judge

For the United States of America

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APPENDIX A

Employee Acknowledgement Form

I affirm that I, _____, received a copy of and read the Nondiscrimination Policy and Complaint Procedure adopted for residential rental properties owned or managed by Butters Investments, LLC. I further affirm that I have had the opportunity to ask questions about the Nondiscrimination Policy and Complaint Procedure, and agree that any questions have been answered to my satisfaction. I agree to abide by the Nondiscrimination Policy and Complaint Procedure.

Signature

Print Name

Job Title/Position

Date

APPENDIX B

In consideration of the payment made to Rosalia Burgess and Sean Burgess individually and on behalf of Minor Child 1, Minor Child 2, and Minor Child 3 (collectively “Complainants”) as described in the Consent Order filed and approved in *United States v. Kathryn Butters et al.*, Civil Action No. 24-cv-01563 (D. Colo.) (“Action”), Complainants completely release and forever discharge Kathryn Butters, Jerome Butters, Butters Investments, LLC, and United Fire Group (“Insurer”) and their past, present and future officers, members, directors, stockholders, owners, attorneys, agents, servants, representatives, heirs, employers, employees, contractors, including but not limited to subcontractors, subsidiaries, affiliates, syndicates, names, insurers, reinsurers, partners, predecessors, successors and assigns, and all other persons, firms or corporations with whom Kathryn Butters, Jerome Butters, Butters Investments, LLC, and Insurer have been, are now or may hereafter be affiliated, of and from any and all past or present claims, derivative claims, demands, obligations, actions, causes of action, damages, compensatory damages, special damages, personal injury damages, property damage, exemplary damages, costs, losses of services, known or unknown liens of any kind (including medical and/or Medicaid), expenses and compensation of any nature whatsoever, regarding the allegations originally filed on November 4, 2020, with the U.S. Department of Housing and Urban Development, HUD No. 08-21-2641-8, and which was later elected by Complainants on February 1, 2024, to proceed in United States federal district court in the Action, or whether based on a tort, contract, or other theory of recovery which Complainants now have, or which may hereafter accrue or otherwise be acquired, arising out of or in any way relating to the Action. Complainants represent that they are unaware of any medical or other liens relating to the allegations made in the complaint or their HUD charge. In consideration of the payment referenced above, Complainants further release any and all known or unknown claims for contractual, property damage, personal injuries or other damages to Complainants, or any claims of Complainants’ heirs, spouse, representatives, or assignees arising out of Complainants’ tenancy with Kathryn Butters, Jerome Butters, and/or Butters Investments, LLC. This Release is fully binding on the signatory below, and represents a complete settlement between the parties, their affiliates, assigns, predecessors and successors, in regard to the matters referred to herein. It is understood and agreed by Complainants that this settlement is a compromise of disputed claims, and the payment is not to be construed as an admission of liability on the part of Kathryn Butters, Jerome Butters, and Butters Investments, LLC, by whom liability is expressly denied.

Date

NAME