

**SETTLEMENT AGREEMENT BETWEEN
PLAINTIFF THE UNITED STATES OF AMERICA AND
DEFENDANTS DAVID JONES AND D JONES PROPERTIES LLC
*United States v. Jones, Case No. 25-cv-1081 (E.D. Wis.)***

I. INTRODUCTION

1. This Settlement Agreement (“Agreement”) is entered into by and among David Jones and D Jones Properties, LLC (“Defendants”) and the United States of America (collectively, the “Parties”).

2. On July 24, 2025, the United States filed civil action case no. 25-cv-1081 in the United States District Court for the Eastern District of Wisconsin. This action was filed to enforce Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3631 (“Fair Housing Act” or “the FHA”).

3. The United States filed this action pursuant to 42 U.S.C. § 3612(o) on behalf of Zsotavia Vales (the “Complainant”).

4. The Complaint alleges that Defendants subjected Ms. Vales to discriminatory housing practices in violation of the FHA, including severe, pervasive, and unwelcome sexual harassment.

5. The Parties agree that the United States’ claims against Defendants should be resolved without further litigation. Therefore, the Parties consent to the entry of this Agreement.

6. Defendants deny the allegations contained in the Complaint and this Agreement shall not be construed as an admission of liability by the Defendants.

NOW, THEREFORE, the Parties agree as follows:

II. DEFINITIONS

7. This Agreement's "Effective Date" is the date of the signature of the last signatory to this Agreement.

III. MONETARY DAMAGES

8. Defendants shall pay a total of FIFTY THOUSAND DOLLARS (\$50,000.00) in monetary damages to Complainant Zsatavia Vales in the following manner:

- a. Within fifteen (15) days of the Effective Date of this Agreement, Defendants shall deliver a cashiers check payable to Zsatavia Vales in the amount of TEN THOUSAND DOLLARS (\$10,000.00).
- b. Within one-hundred and twenty (120) days of the Effective Date of this Agreement, Defendants shall deliver a cashiers check payable to Zsatavia Vales in the amount of FORTY THOUSAND DOLLARS (\$40,000.00).

9. The payments shall be hand delivered or mailed via certified mail to the United States Attorney's Office for the Eastern District of Wisconsin Attn: AUSA Nia Schmaltz, 517 E. Wisconsin Ave Ste. 530, Milwaukee WI 53202.

10. Counsel for the United States shall obtain a signed release in the form of Appendix A from the Complainant and will deliver the release to counsel for Defendants. Counsel for the United States will not deliver any payment made pursuant to Paragraph 8 to the Complainant until she has executed the release and it has been received by the Counsel for the United States.

11. The monetary damages to Ms. Vales are a debt within the meaning of 11 U.S.C. § 523(a)(6). Accordingly, the Defendants will not seek to discharge any part of this debt in bankruptcy.

IV. OTHER RELIEF

A. General Nondiscrimination Provisions

12. Defendants, their agents, employees, successors, and all other persons in active concert or participation with any of them, will comply with the FHA and shall not:

- a. Discriminate in the rental, or otherwise made unavailable or deny, a dwelling to a renter on the basis of sex, in violation of 42 U.S.C. § 3604(f)(1);
- b. Discriminate against a person in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection with such dwelling, on the basis of sex, in violation of 42 U.S.C. § 3604(f)(2);
- c. Make statements with respect to the rental of dwellings that indicate a preference, a limitation, or discrimination based on sex, in violation 42 U.S.C. § 3604(c); and
- d. Coerce, intimidate, threaten, or interfere with a person in the exercise or enjoyment of, or on account of him or her having exercised or enjoyed, or on account of him or her having aided or encouraged any other person in the exercise or enjoyment of, a right granted or protected by 42 U.S.C. § 3604, in violation of 42 U.S.C. § 3617.

B. Prohibition Against Contact with Complainant

13. Defendants shall be permanently prohibited from purposefully or knowingly engaging in contact or communications, either directly or indirectly, with the Complainant. "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 through third parties.

14. In the event that Defendants inadvertently or unintentionally have any contact with Complainant, Defendants will immediately discontinue the contact or communication and take all reasonable steps to avoid any further contact or communication.

C. Retention of Independent Person or Entity to Receive Discrimination Complaints

15. Within fourteen (14) days of the Effective Date of this Agreement, Defendants shall retain a person or entity who may receive complaints of discrimination against Defendants. This person or entity must be independent from Defendants, meaning they have no current or past familial, close personal, or employment relationship with Defendants.

16. Defendants shall be responsible for the costs of retaining this independent person or entity.

D. Nondiscrimination Policy and Complaint Procedure

17. Defendants shall implement a written policy against housing discrimination, and specifically sexual harassment, and a formal complaint procedure (“Nondiscrimination Policy and Complaint Procedure”), subject to review and non-objection by the United States, as follows:

- a. Within fourteen (14) days of the Effective Date of this Agreement, Defendants will provide to the United States, for review and non-objection, their proposed Nondiscrimination Policy and Complaint Procedure.
- b. The Nondiscrimination Policy and Complaint Procedure shall include the contact information for the person or entity who has been retained to receive complaints of discrimination pursuant to Paragraph 15.

- c. The United States shall not unreasonably withhold its non-objection to Defendants' proposed Nondiscrimination Policy and Complaint Procedure.
- d. Within fourteen (14) days of the United States' non-objection of the Nondiscrimination Policy and Complaint Procedure, Defendants shall adopt and implement their Nondiscrimination Policy and Complaint Procedure and ensure a copy is provided to all tenants, and to all employees, agents, and any other persons involved in the rental or management of residential rental properties Defendants own, lease, manage, or control, including through legal entities in which Defendants have a controlling ownership interest.
- e. Thereafter, the Defendants shall ensure that a copy of the Nondiscrimination Policy and Complaint Procedure is attached to the rental agreement/lease of every new tenant.

E. Equal Housing Opportunity Signage

18. Within fourteen (14) days of the Effective Date of this Agreement, Defendants will post an "Equal Housing Opportunity" sign in each office where rental activity is conducted, which indicates that all dwellings are available for rent on a non-discriminatory basis. An 11-inch by 14-inch poster that comports with 24 C.F.R. Part 110 will satisfy this requirement. Such poster will be placed in a prominent, well-lit location where it is easily readable. Defendants may use HUD Form 928, available in English at:

<https://portal.hud.gov/hudportal/documents/huddoc?id=928.1.pdf>

F. Mandatory Training

19. Within one-hundred and eighty days (180) days of the Effective Date of this Agreement, Defendant Jones shall attend, at the Defendants' expense, a live training program regarding the Fair Housing Act, including in particular the FHA's prohibitions against sex discrimination and sexual harassment. The training may be conducted virtually. The training shall be conducted by a qualified third party, approved in advance by the United States, and unconnected to Defendants, their employees, agents, or counsel.

20. After completing the FHA Training, Defendant Jones shall complete a certification of training in the form of Appendix B.

G. Reporting and Recordkeeping

21. Defendants shall be responsible for the preparation of two compliance reports. The first report shall be submitted one hundred and eighty (180) days after the Effective Date of this Agreement; the second shall be submitted two (2) years after the Effective Date of the Agreement.

The compliance reports shall include:

- a. Photographs showing the "Equal Housing Opportunity" signs required by Paragraph 18 of this Agreement;
- b. Confirmation that the Nondiscrimination Policy and Complaint Procedure has been implemented and is in effect pursuant to Paragraph 17 of this Agreement;
- c. Confirmation that the Nondiscrimination Policy and Complaint Procedure has been distributed to every tenant pursuant to Paragraph 17.d. of this Agreement;

- d. Confirmation that the Nondiscrimination Policy and Complaint Procedure has been attached to the written rental agreement/lease of every new tenant pursuant to Paragraph 17.e. of this Agreement;
- e. A copy of the fair housing training certification, pursuant to Paragraphs 19 and 20 of this Agreement.

22. These reports shall be sent by email to Assistant U.S. Attorney Nia Schmaltz (nia.schmaltz@usdoj.gov) unless another representative is designated by the United States.

H. Duration, Jurisdiction, and Scope

23. This Agreement shall be in effect for a period of two (2) years from the Effective Date.

24. Within fifteen (15) calendar days after Defendants provide proof to the United States of the full payment of monetary damages as set forth in Paragraph 8, the Parties shall jointly move the Court for dismissal with prejudice of the underlying litigation.

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

26. Defendants will cooperate fully with the United States' efforts to monitor compliance with this Agreement by making policies, records including complaints, personnel, and any other reasonably requested information available to the United States.

27. If the United States believes that Defendants have failed to comply timely with any requirement of this Agreement, or that any requirement has been violated, the United States will notify Defendants in writing and the Parties will try in good faith to resolve the issue. The Parties will negotiate in good faith to resolve informally any differences regarding interpretation or compliance with this Agreement prior to initiating court action. If the United States believes that

Defendants have failed to perform in a timely manner any act or term required by this Agreement, the United States will notify Defendants in writing of its concerns. Defendants will have 14 days from the date of notification to cure the alleged breach.

28. If the Parties are unable to reach a resolution within 30 days, the United States may sue for breach of this Agreement, or any provision of it, in the United States District Court for the Eastern District of Wisconsin. In any action filed under this Paragraph, Defendants agree not to contest the exercise of personal jurisdiction over it by this Court and not to raise any challenge on the basis of venue.

29. If the United States sues for breach of this Agreement as contemplated by Paragraph 28 above, the United States may seek, and the Court may grant as relief, any or all of the following: 1) an order mandating specific performance of any term or provision in this Agreement, regardless of whether monetary relief would be adequate; 2) an award of reasonable attorneys' fees and costs incurred in bringing an action to remedy breach of this Agreement; and 3) any other relief that may be authorized by law or equity.

30. Failure by the United States to enforce any provision of this Agreement shall not operate as a waiver of the United States' right or ability to enforce any other provision of this Agreement.

31. The provisions of this Agreement shall apply to Defendants, their officers, agents, employees, successors, and assigns.

I. Execution

32. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

33. This Agreement, including Appendices A and B, constitutes the complete agreement among the Parties. No prior or contemporaneous communications, oral or written, or prior drafts shall be relevant or admissible for purposes of determining the meaning of any provision herein or in any other proceeding.

34. This Agreement is governed by and shall be interpreted under the laws of the United States.

35. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons indicated below.

36. Except where this Agreement expressly conditions or predicates performance of a duty or obligation upon the performance of a duty or obligation by another Party, the performance of one Party's duties or obligations under this Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another Party.

37. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

38. The Parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.

39. The Parties agree that they will defend this Agreement against any challenge by any third party. In the event that this Agreement or any of its terms are challenged by a third party in a court other than the United States District Court for the Eastern District of Wisconsin, the Parties agree that they will seek removal and/or transfer to the United States District Court for the Eastern District of Wisconsin.

40. This Agreement may be modified only with the written consent of the Parties. Any modifications must be in writing and signed by the Parties through their authorized representatives.

41. All Parties shall be responsible for their own attorney's fees and costs associated with this action.

SIGNATURES

FOR THE UNITED STATES OF AMERICA

BRAD D. SCHIMEL
United States Attorney

By: /s/ Niabi K. Schmaltz
NIABI K. SCHMALTZ
Assistant United States Attorney
Office of the United States Attorney
Eastern District of Wisconsin
Wisconsin Bar No. 1104724

Date: 02/27/2026

FOR DAVID JONES & D JONES PROPERTIES LLC

By: David Jones
DAVID JONES

Date: 3-3-26

APPENDIX A

RELEASE

In consideration of the Parties' agreement to the terms of the Settlement Agreement entered into in the case of *United States v. Jones*, No. 25-cv-1081 (E.D. Wis.) and in consideration and contingent upon the payment of \$50,000, I, Zsatavia Vales, hereby release and forever discharge David Jones and D Jones Properties LLC from any and all fair housing sexual discrimination claims set forth in the Complaint in the action named above that I may have had against them as of the date of the Settlement Agreement. I hereby acknowledge that I have read and understand this release and have executed it voluntarily and with full knowledge of its legal consequences.

Dated: _____

Zsatavia Vales

APPENDIX B

CERTIFICATION OF TRAINING

_____ I attended a training on the federal Fair Housing Act, which included training on the Act's provisions related to sex discrimination, including sexual harassment. I understand my obligation not to discriminate against any person in any aspect of the rental of a residential dwelling because of sex, race, color, religion, national origin, disability, or familial status. I also understand my obligation not to retaliate against any individual for exercising a right protected by the Fair Housing Act.

Name of the course: _____

Date the course was taken: _____

Length of the course (time within which the course was completed): _____

Date: _____

Name: _____

Signature: _____