

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 16-cv-37

APPLEWOOD of CROSS PLAINS, LLC,  
WILLIAM RANGUETTE, and CANDACE  
WOOD,

Defendants.

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**COMPLAINT**

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The United States of America (“United States”), by its undersigned counsel,  
hereby states and alleges as follows:

**NATURE OF ACTION**

1. This action is brought by the United States on behalf of Laura Doty and Brenda Doty to enforce the provisions of Title VIII of the Civil Rights Act of 1968 (the “Fair Housing Act” or “Act”), as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3619.

**JURISDICTION AND VENUE**

2. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. §§ 3612(o) and 3614(a). Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and 42 U.S.C. § 3612(o), as defendants are located in this district and the events or omissions giving rise to the claims occurred in this district.

**AGREIVED PERSONS, DEFENDANTS, AND THE SUBJECT PROPERTY**

3. Laura Doty (“Laura Doty” or “Complainant”), who during the relevant time was over the age of 55, has cerebral palsy, is sight impaired, and is a person with a disability, as defined by 42 U.S.C. § 3602(h).

4. Laura Doty is the court-appointed guardian of, and resides with, Brenda Doty, her daughter, who during the relevant time was age 21. Brenda Doty is also a person with a disability, Down Syndrome. Laura Doty has the legal authority to act on behalf of her daughter Brenda.

5. Sandie Kisting (“Kisting”) is a close friend of Laura Doty and her daughter Brenda Doty (collectively, the “Dotys”), and has served as the representative payee for the Dotys’ Social Security benefits from November 2013, to the present. Ms. Kisting also frequently serves as an advocate for the Dotys, and assists them with things such as finding housing, communicating with others on their behalf, shopping, and running errands.

6. At all relevant times, defendant Applewood of Cross Plains, LLC (“ACP”), a Wisconsin Limited Liability Corporation, owned Applewood Apartments, located at 2704 Military Road, Cross Plains, Wisconsin 53528 (the “Subject Property”). ACP operates under the Low-Income Housing Tax Credit program administered by the Wisconsin Housing and Economic Development Authority (“WHEDA”). The Subject Property contains 15 rental units, including 12 two-bedroom apartments and 3 one-bedroom apartments.

7. At all relevant times, defendant William Ranguette (“Ranguette”) had an ownership interest in ACP. ACP authorized Ranguette to manage the Subject Property, and to act on its behalf in the overall operation and maintenance of the Subject Property. Ranguette was also the only person authorized to take adverse actions against tenants at the Subject Property.

8. Between November 2013, and June 2014, defendants ACP and Ranguette employed defendant Candace Wood (“Wood”) to serve as an agent and the resident manager of the Subject Property. Her responsibilities included showing apartments to potential tenants, discussing eligibility guidelines with potential tenants, collecting paperwork and application fees from potential tenants, and receiving tenant complaints.

9. The Subject Property constitutes a dwelling within the meaning of 42 U.S.C. § 3602(b), and is not exempt from the requirements of the Fair Housing Act.

10. During the relevant time period, the Subject Property was advertised and presented to the public as housing with eligibility restricted to individuals 55 years or older. ACP also had an obligation to make the Subject Property available to individuals with disabilities pursuant to a Land Use Restriction Agreement with WHEDA.

### **FACTUAL ALLEGATIONS**

11. On July 21, 2013, the Dotys signed a lease with defendant Ranguette, signing for defendant ACP, for Unit 7 at the Subject Property. Ms. Kisting assisted the Dotys with finding the Subject Property, which was more accessible than their prior

living situation, and was located in an area that allowed them to do such things as walk to go shopping, to the doctor, and to church. The Dotys' lease term began on August 1, 2013, and expired on June 30, 2014.

12. With Ranguette's permission, the Dotys began moving their belongings to the Subject Property on July 26, 2013. From July 26, 2013, through June 30, 2014, the Dotys resided in Unit 7 in the Subject Property.

13. While moving their belongings into the Subject Property between July 26, and 29, 2013, the Dotys were subjected to offensive comments and gestures by at least three other tenants. One tenant, identified as Lucille Blythe, pointed at Brenda Doty stating "You don't belong here. . . You belong in an institution," or similar words to that effect.

14. Defendant Ranguette admitted that between approximately July 26, and July 29, 2013, three tenants complained to him about the Dotys, referred to Brenda Doty as "mentally retarded," and indicated to him that Brenda Doty should not be living at the Subject Property.

15. On July 29, 2013, Kisting, on behalf of the Dotys, contacted Ranguette by email, stating:

Brenda had a few rough evenings around bedtime. . . crying loudly. . . [Laura Doty] calmed her down and put her to bed. Brenda usually goes to sleep M-F at 8 pm because she works at 8:30 am daily. Let me know if there are any concerns because the trio of ladies were saying that they don't think Brenda should be living there. She's a great kid and an honor student. She made National honor society 4 yrs of high school. . .

16. On or around July 30, 2013, defendant Ranguette and Kisting spoke by telephone. Ranguette informed Kisting that his policy was not to get involved with neighbor disputes. Notwithstanding this assertion, during this conversation, Ranguette requested through Kisting that the Dotys develop a “plan” to deal with noise complaints regarding Brenda Doty.

17. Term 32(b) of defendant ACP’s lease with the Dotys states that “[A]s a condition of tenants continuing right to use and occupy the premises tennis [sic] agrees and promises to: . . . Not to make or permit use of the premise or building for any unlawful purpose for [sic] any purpose that will damage injure or adversely affect the premise or building [sic] the other tenants the landlord or the agent.”

18. Term 30 of defendant ACP’s lease with the Dotys states that “[S]hould tenant neglect or fail to perform and observe any of the terms of this lease landlord will give tenant written notice of such requiring tenant to remedy. [sic] The breach or vacant [sic].

19. Term 22 of ACP’s lease provides that tenants should “File noise complaint through the police department.”

20. Between July 31, 2013, and August 5, 2013, Kisting, on behalf of the Dotys, communicated by email with the Tenant Resource Center in Madison, Wisconsin, about the situation asking for assistance because the Dotys’ landlord was not responding to complaints of disability-based harassment and was requiring a written plan for them to continue living at the Subject Property.

21. On August 9, 2013, defendant Ranguette emailed Kisting stating, "I spoke to my insurance [sic] Call me when you have time to discuss."

22. On or around August 9, to August 13, 2013, defendant Ranguette and Kisting spoke by telephone. During this conversation, Ranguette stated his opinion that Brenda Doty was not capable of "independent living" and stated falsely that his insurance company would not cover the Subject Property with her living there. Defendant Ranguette stated that Brenda Doty could not stay in the unit.

23. On August 13, 2013, Kisting, on behalf of the Dotys, emailed defendant Ranguette "I finally located the fair housing statutes that you may need for use with future tenants. . . This way you will have the correct information for future endeavors." A few minutes later, Kisting emailed Ranguette again stating that she was contacting "involved parties" to discuss how "we can deal with the fact that your insurance agent is refusing to cover you because of Brenda's inability to live alone."

24. On August 16, 2013, defendant Ranguette emailed Kisting asking, "Any progress on a plan? Is there anything I can help with?" In a separate email that same day, defendant Ranguette expressed indignation that Kisting had sent him fair housing information.

25. On August 16, 2013, Laura Doty and Kisting contacted the police to allege harassment by the Dotys' neighbor, Lucille Blythe. In the police report, the officer states the following:

I contacted Lucille Blythe at her apartment, #2. I informed Blythe of the complaint and asked what she knew about it. Blythe denied any knowledge of

contact with anyone in apartment #7. I informed Blythe that I did not believe her and that she was not to harass anyone in apartment #7 or their guests. I told Blythe she is not to follow tenants from #7 around the building. I informed Blythe that tenants in apartment #7 were not the problem and have every right to live in the building.

26. On August 18, 2013, Kisting, on behalf of the Dotys, emailed defendant Ranguette to report that Blythe was following Laura Doty to the laundry room when Blythe was not doing laundry, Blythe was coming out of her apartment to observe Laura in the hallway when she heard Laura talking to others, and that Blythe and other tenants informed Laura that she could not use the common foyer area with tables and chairs. In this communication, Kisting informed Ranguette that Brenda Doty had been remaining inside the apartment so that she was not bothered by other tenants. Kisting further informed Ranguette that police had become involved and that the police had informed them that Laura Doty and her daughter should be able to move freely around the building without fear of other tenants.

27. In this August 18, 2013 email, in response to defendant Ranguette asking about Laura Doty moving, Kisting stated that "I'm not sure they can afford to move. They just put out \$1300.00 to move into Applewood." The next day, Ranguette replied to this email, ignoring the reported harassment, but stating that he would refund the Dotys' security deposit if they were to move.

28. On August 20, 2013, police were again summoned by Laura Doty. She informed the officer that she was fearful that she and her daughter would be evicted by Ranguette. She also stated that Blythe followed her up and down the hallway of the

building and the sidewalk. The officer informed her that the landlord could not evict her without following state law.

29. On or about September 19, 2013, Jodi Hansen, from Catholic Charities, spoke to defendant Ranguette about his efforts to have the Dotys move and the offensive comments and actions of other tenants.

30. During this conversation, Hansen raised the issue of the harassment of the Dotys with defendant Ranguette, who replied that he did not get involved in tenant disputes. Defendant Ranguette also stated to Hansen that his insurance could be affected by renting to the Dotys because Brenda Doty was not capable, in his opinion, of "independent living."

31. For the remainder of the Dotys' tenancy, the Dotys and Kisting continued to complain to Ranguette and defendant Wood about Blythe following the Dotys, staring at them, and making offensive comments to them and their guests; such as that the Dotys should not be living there. Defendant Wood told Laura Doty to ignore the other tenants and defendant Ranguette took no action. Wood allegedly failed to report these further complaints to Ranguette as she stated that she only reported issues relating to the "safety and welfare" of tenants.

32. The actions identified in Paragraphs 13-31 above diminished the Dotys' use and enjoyment of their home and left Brenda Doty fearful of leaving the apartment.

33. In a letter dated May 1, 2014, addressed to "Laura Doty" and "Brenda Doty," defendant Ranguette informed the Dotys that their lease would terminate on



June 30, 2014, and would not be renewed for another term. He provided no reason for the non-renewal.

34. Thereafter, Kisting contacted Ranguette to obtain a reason for the nonrenewal. Ranguette stated that he was under no obligation to provide one.

35. On or around May 28, 2014, in response to continued offensive comments and actions by Blythe, Laura Doty and Kisting sent a "cease and desist" letter by certified mail to Blythe, with a copy to defendant Ranguette. This letter stated:

Please cease and desist any and all activities that cause harassment or intimidation of Laura J Doty and Brenda C Doty. . . [We have] asked you repeatedly to stop following Laura and Brenda in the hallway or common areas. We have spoken to you about making snide comments to Laura and other tenants regarding Brenda's disability. . . . You continually harass Laura despite the verbal warnings from the Police Department, Laura, and [Kisting].

36. Defendant Ranguette took no action in response to this letter.

37. After the notice of nonrenewal, Kisting assisted the Dotys in trying to find an accessible place for them to live. As a result, Kisting took time off work, and, ultimately, helped the Dotys move for the second time within one year.

38. Laura and Brenda Doty vacated the apartment on June 30, 2014, in accordance with ACP's and Ranguette's lease non-renewal letter.

39. After vacating the apartment, Laura and Brenda Doty spent approximately one month living with Kisting before they were able to move to a more expensive unit that was less conveniently located and not fully accessible for people with disabilities. Kisting also assisted the Dotys with moving and locating temporary storage. The Dotys are now less able to independently access services because of their

location, so rely to a greater extent on Kisting to assist with such things as grocery shopping and errands.

### **HUD ADMINISTRATIVE PROCESS**

40. On or about February 4, 2015, Laura Doty timely filed a complaint with the United States Department of Housing and Urban Development (“HUD”), on behalf of herself and Brenda Doty, alleging discrimination on the basis of disability. The complaint was amended on May 12, 2015, and September 9, 2015.

41. Pursuant to 42 U.S.C. §§ 3610(a) and (b), the Secretary of HUD conducted and completed an investigation of the complaint, attempted conciliation without success, and prepared a final investigative report. Based upon the information gathered in the investigation, the Secretary, pursuant to 42 U.S.C. § 3610(g)(2)(A), determined that reasonable cause existed to believe that illegal discriminatory housing practices had occurred because of disability. As a result, on September 30, 2015, the Secretary issued a Charge of Discrimination, pursuant to 42 U.S.C. § 3610(g)(2)(A), charging that the defendants had engaged in discriminatory practices, in violation of the Fair Housing Act, as amended.

42. On October 22, 2015, defendant ACP elected to have the claims asserted in HUD’s Charge of Discrimination decided in a civil action pursuant to 42 U.S.C. § 3612(a).

43. On October 23, 2015, the Chief Administrative Law Judge issued a Notice of Election of Judicial Determination and terminated the administrative proceedings on the complaint filed with HUD.

44. Following this Notice of Election, the Secretary of HUD authorized the Attorney General to commence a civil action, pursuant to 42 U.S.C. § 3612(o).

### **FAIR HOUSING ACT VIOLATIONS**

45. The United States reasserts the allegations set forth in paragraphs 11-42 above as if fully set forth herein. Through the actions described above:

a. Defendants ACP and Ranguette violated subsection 804(f)(1) of the Act by refusing to renew Laura Doty's lease because of her and her daughter Brenda Doty's disabilities, 42 U.S.C. § 3604(f)(1);

b. Defendants ACP and Ranguette violated subsection 804(f)(2) of the Act by demanding that the Dotys develop a "plan" to deal with Brenda Doty's disability-related behavior, by pressuring Laura Doty and her daughter Brenda to move, and by refusing to allow them to remain at the Subject Property due to their disabilities, 42 U.S.C. § 3604(f)(2);

c. Defendants ACP, Ranguette, and Wood violated subsection 804(f)(2) of the Act by failing to fulfill their duty to take prompt action to correct and end the disability-related harassment suffered by Laura Doty and her daughter Brenda Doty from other tenants, 42 U.S.C. § 3604(f)(2);

d. Defendants ACP, Ranguette, and Wood violated section 818 of the Act by failing to fulfill their duty to take prompt action to correct and end the disability-related harassment suffered by Laura Doty and her daughter Brenda Doty from other tenants, 42 U.S.C. § 3617;

e. Defendants ACP and Ranguette retaliated against Laura Doty and her daughter Brenda Doty in violation of section 818 of the Act by refusing to renew the Dotys' lease because Laura Doty asserted her right to an equal opportunity to use and enjoy the property without being subject to disability-related harassment, 42 U.S.C. § 3617; and

f. Defendants ACP and Ranguette denied rights granted under the Fair Housing Act to a group of persons and such denial raises an issue of general public importance, 42 U.S.C. § 3614(a).

46. Laura Doty, Brenda Doty, and Sandie Kisting are each "aggrieved persons" within the meaning of 42 U.S.C. § 3602(i).

47. As a result of defendants' discriminatory conduct, Laura Doty, Brenda Doty, and Sandie Kisting have suffered damages.

48. The discriminatory actions of the defendants were intentional, willful, and taken in disregard of the federally-protected rights of Laura Doty, Brenda Doty, and Sandie Kisting.

**RELIEF REQUESTED**

WHEREFORE, the United States requests the Court enter an order:

1. Declaring that the discriminatory conduct of defendants as set forth above violates the Fair Housing Act, as amended, 42 U.S.C. §§ 3601-3619;
2. Enjoining defendants, their agents, employees, successors, and all other persons in active concert or participation with any of them from:
  - a. discriminating in the sale or rental, or otherwise making unavailable or denying, a dwelling to any buyer or renter because of disability, in violation of 42 U.S.C. § 3604(f)(1);
  - b. discriminating against any person in the terms, conditions, or privileges of a sale or rental of a dwelling, or in the provision of services or facilities in connection with such dwelling, because of disability, in violation of 42 U.S.C. § 3604(f)(2);
  - c. coercing, intimidating, threatening, or interfering with any person in the exercise or enjoyment of, or on account of his or her having exercised or enjoyed, or on account of his or her having aided or encouraged any other person in the exercise or enjoyment of any right granted or protected by the Fair Housing Act, in violation of 42 U.S.C. § 3617.
3. Requiring defendants to take such affirmative steps as may be necessary to restore, as nearly as practicable, Laura Doty, Brenda Doty, and Sandie Kisting to the position they would have been in but for the discriminatory conduct;

4. Requiring defendants to take such actions as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of their unlawful conduct, including implementing policies and procedures to ensure that no applicants or residents are discriminated against because of disability;

5. Awarding monetary damages to Laura Doty and Brenda Doty, pursuant to 42 U.S.C. §§ 3612(o)(3), 3613(c)(1), and 3614(d)(1)(B);

6. Awarding monetary damages to Sandie Kisting, pursuant to 42 U.S.C. § 3614(d)(1)(B);

7. Assessing civil penalties against defendants in amounts authorized by 42 U.S.C. § 3614(d)(1)(C) to vindicate the public interest; and

8. Awarding such additional relief as the interests of justice may require.

Dated this 15<sup>th</sup> day of January 2016.

Respectfully submitted,

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