

informing Somali-American persons that they must make an appointment before inspecting a unit;

- b. Informing white persons that certain units would soon be available, while failing to so inform Somali-American persons;
- c. Informing white persons of desirable features of the units, property and surrounding community, while failing to do so for Somali-American persons; and
- d. Offering financial incentives to some white persons, but not to Somali-American persons.

3. Highland Management Group, Inc., Edina Park Apartments, LLC and Amy Koch deny all liability for the allegations set forth in paragraph 2 and enter this Consent Decree without admitting to any of the above allegations.

4. The parties have agreed that, in order to avoid protracted and costly litigation, this controversy should be resolved without a trial. Therefore, the parties consent to the entry of this Consent Decree (hereafter “the Consent Decree”).

Accordingly, it is hereby ORDERED, ADJUDGED AND AGREED as follows:

II. GENERAL INJUNCTION

5. Defendants, their officers, agents, employees, successors and assigns, and all other persons in active concert or participation with them, are enjoined, with respect to the rental of dwellings, from: Refusing or failing to provide, or offer information about, a dwelling on the basis of race or national origin; refusing or failing to show available or comparable dwellings to prospective tenants on the basis of race or national origin; representing to persons, because of race or national origin, that any dwelling is not available for inspection when such dwelling is, in

fact, so available; or otherwise making unavailable a dwelling to any person because of race or national origin in violation of the Fair Housing Act 42 U.S.C. § 3601 et seq.

III. NON-DISCRIMINATION POLICY

6. Corporate Defendants shall continue to maintain and implement the Nondiscrimination Policy adopted on January 16, 2013, as attached hereto as Exhibit A. Corporate Defendants shall continue to distribute the Nondiscrimination Policy to all of their employees, agents, or anyone acting under their direction, who have responsibility for showing, renting, or managing any and all dwelling units at Edina Park Apartments, and this policy shall be reviewed, along with a question and answer session, with each employee, agent, or anyone acting under Corporate Defendants' direction, on an annual basis hereafter. The text of the Nondiscrimination Policy is as set forth in Appendix A hereto.

IV. NOTICE TO PUBLIC OF NON-DISCRIMINATION POLICY

7. Corporate Defendants shall continue to take the following steps to notify the public of their non-discrimination policy:
- a. Prominently post at all rental offices the Corporate Defendants may currently or subsequently use for the rental of dwellings at Edina Park Apartments, a fair housing sign no smaller than ten (10) inches by fourteen (14) inches that indicates that all apartments are available for rent on a nondiscriminatory basis. A poster that comports with 24 C.F.R. Part 110 will satisfy this requirement.
 - b. Include the words "Equal Housing Opportunity" and/or the fair housing logo in rental advertising conducted by Corporate Defendants, their agents or employees, in newspapers, flyers, handouts, and other written materials;

on radio, television or other media broadcasts; and on all billboards, signs, pamphlets, brochures and other promotional literature, provided that this requirement does not compel Corporate Defendants to advertise in any of these media, but does require compliance with this provision whenever Corporate Defendants so advertise. The words and/or logo shall be prominently placed and easily readable.

- c. Whenever any dwelling unit at Edina Park Apartments is available for rent, Corporate Defendants shall prominently post an easily readable “For Rent” or “Vacancy” sign or notice at the rental office of the apartment complex in which the dwelling unit is available. The sign or notice shall include the slogan “Equal Housing Opportunity” and/or the fair housing logo. Such slogan and logo shall be prominently displayed and easily readable.

By January 1, 2014, include the following phrase in the standard rental application and the standard rental agreement used for the rental of dwelling units, using letters of equal or greater size to those of the text in the body of the document:

Highland Management Group, Inc. is an equal housing opportunity provider and supports and follows the state and federal fair housing laws. Highland Management Group, Inc. does not discriminate on the basis of race, creed, color, ancestry, national origin, religion, sex, marital status, familial status (having children under age 18), status with respect to receipt of public assistance, disability, or affectional preference.

- d. Within 30 days of signing this Consent Decree, Corporate Defendants will provide written notification to the designated organizations listed in Appendix B that Corporate Defendants’ policy is to rent apartments at

Edina Park Apartments subject to uniform, nondiscriminatory standards to all qualified persons. without regard to race, creed, color, ancestry, national origin, religion, sex, marital status, familial status (having children under age 18) , status with respect to receipt of public assistance, disability, or affectional preference.

V. TRAINING

8. Within thirty (30) days of the entry of this Consent Decree, Corporate Defendants shall provide a copy of this Consent Decree, or a summary of the consent decree approved by the United States, and the Nondiscrimination Policy to their agents and employees who have responsibility for showing, renting, or managing any dwelling unit at Edina Park Apartments and secure the signed statement from each agent or employee acknowledging that he or she has received and read the Consent Decree or the approved summary, and the Nondiscrimination Policy, has had the opportunity to have questions about the Consent Decree and Nondiscrimination Policy answered, and agrees to abide by the relevant provisions of the Consent Decree and said policy. This Non-Discrimination Policy statement shall be in the form of Appendix C. Highland Management Group, Inc. shall make the Consent Decree in its entirety available to agents and employees at Edina Parks Apartment upon their request.

9. During the term of this Consent Decree, within five (5) business days after each new agent or employee who has responsibility for showing, renting, or managing any dwelling unit at Edina Park Apartments, Corporate Defendants shall provide a copy of this Consent Decree or the approved summary and the Nondiscrimination Policy to said agent or employee and secure the signed statement from each agent or employee acknowledging that he or she has received and read the Consent Decree or the approved summary, and the Nondiscrimination

Policy, has had the opportunity to have questions about the Consent Decree and Nondiscrimination Policy answered, and agrees to abide by the relevant provisions of the Consent Decree and said policy. This statement shall be in the form of Appendix C. Highland Management Group, Inc. shall make the Consent Decree in its entirety available to agents and employees at Edina Parks Apartments upon their request. By February 1, 2014, Corporate Defendants' managers, officers, and/or trustees, and Corporate Defendants' agents and employees who have responsibility for showing, renting, or managing any dwelling units at Edina Park Apartments shall undergo in-person training on the Fair Housing Act, and the Minnesota Human Rights Act with emphasis on the importance of equal treatment in all aspects of housing whether or not the individual is a member of a protected class. The training shall be conducted by an independent, qualified third party, approved in advance by the United States, and any expenses associated with this training shall be borne by Corporate Defendants. Corporate Defendants shall obtain from the trainer certifications of attendance, executed by each individual who received the training, confirming their attendance, in a form acceptable to the United States. This confirmation shall include the name of the course, the date the course was taken, and the length of the course and/or time within which the course was completed.

10. At a minimum, the training required in the preceding paragraph shall consist of the following:

- a. Instruction on the requirements of all applicable federal and state housing discrimination laws; and
- b. A question and answer session for the purpose of reviewing the foregoing areas.

VI. NON-DISCRIMINATION STANDARDS AND PROCEDURES FOR SHOWING AVAILABLE UNITS TO PROSPECTIVE TENANTS

11. Within sixty (60) days from the date of entry of this Consent Decree, Corporate Defendants shall develop and implement, with respect to all dwelling units at Edina Park Apartments, objective, uniform, non-discriminatory standards and procedures for showing available dwelling units to prospective tenants. Such standards and procedures shall be submitted to the United States for approval in advance of their implementation and shall be consistent with the provisions of this Section. The standards and procedures shall be posted and prominently displayed in any Edina Park Apartments office where there is rental activity and/or personal contact with prospective tenants or applicants, and a copy of these standards and procedures shall be made available upon request to any prospective tenant or applicant for the rental of a dwelling. For the duration of this Consent Decree, these standards and procedures may be modified only if written notice is given to counsel for the United States thirty (30) days before modifications are to take effect.

12. The nondiscriminatory standards and procedures discussed above shall include the use of the following documents or computer programs, which Corporate Defendants shall update as new information becomes available, and retain for the duration of the Consent Decree:

- a. Prospect Information: Corporate Defendants shall, for all prospective tenants who inquire in-person about dwelling units, obtain guest information either on paper or through a computer program that contains or requests the following information:
 - i. The date of the prospective tenant's visit;

- ii. The prospective tenant's name and contact information, including phone number(s), if provided by the applicant upon request by the Corporate Defendant;
- iii. The race of the prospective tenant, based on the Corporate Defendant's employee's or agent's good faith observation;
- iv. The date on which the prospective tenant wishes to move;
- v. The type of dwelling the prospective tenant seeks;
- vi. Whether the prospective tenant was invited to see available dwelling units. If the prospective tenant was not invited to see available dwelling units, the Prospect Information will explain why;
- vii. The address and unit number for each available dwelling unit shown to the prospective tenant, and the date the unit was shown; and
- viii. Whether the prospective tenant was invited to fill out an application;
- ix. The names of all employees/agents who assisted the prospective tenant.

b. Rental Applications.

Applicants that choose to fill-out an application will sign a standard form application, and be subject to screening by a third party, professional screening company. The screening report will disclose whether or not the applicant's employment was verified and any credit report data. The cost for the screening fee shall be the standard and consistent fee set by the third party screening company and Highland Management Group, Inc. The application will be retained by Highland Management Group, Inc., as will

the screening report. The screening report will show the date of any credit report or verification of housing history and employment or other source of income.

- c. Availability Report: Corporate Defendants shall ensure that, on a weekly basis, an Availability Report is updated and includes the addresses and unit numbers of all dwelling units known to be available or reasonably expected to be available for rental within thirty (30) days; monthly rent and security deposit for each such dwelling unit; and the first date it would be available for rental or occupancy by a new tenant. Corporate Defendants and/or their agents/employees shall share information on the Availability Report about the type of unit requested and shall provide this information to each person who visits or calls to inquire about the availability of dwelling units.

VII. COMPLIANCE TESTING

13. The United States may take steps to monitor Defendants' compliance with this Consent Decree including, but not limited to, conducting fair housing tests at Edina Park Apartments.

VIII. REPORTING AND DOCUMENT RETENTION

14. Corporate Defendants shall, no later than fifteen (15) business days after occurrence, provide to the United States notification and documentation of the following events:¹

¹ For purposes of this Decree, documents to be sent to the United States shall be addressed as follows: Chief, Housing and Civil Enforcement Section, Civil Rights Division, DJ No. 175-39-122, U.S. Department of Justice, 950 Pennsylvania Avenue NW – G Street, Washington, DC 20530, or as otherwise directed by the United States or its counsel. If transmission by facsimile is required, the following number should be used: (202) 514-1116. If

- a. Any change to the rules or practices regarding the policy discussed in Paragraphs 6-7 or the non-discrimination standards and procedures discussed in Paragraphs 11-12;
- b. Proof of notification of the nondiscrimination policy described in Paragraphs 6-7, including executed copies of the Employee Acknowledgment forms,
- c. Any written complaint against Corporate Defendants or any of Corporate Defendants' agents or employees containing a complaint of discrimination in housing on the basis of race, color, religion, sex, familial status, or national origin. Corporate Defendants shall provide a copy of written complaints with the notification. The notification shall include the full details of the complaint, including the complainant's name, address, and telephone number. Corporate Defendants shall also promptly provide the United States all information it may request concerning any such complaint and shall inform the United States within fifteen (15) business days of the substance of any resolution of such complaint; and

15. Within 90 days of the date of entry of this Consent Decree, and every six (6) months thereafter for the duration of this Consent Decree, Corporate Defendants shall deliver to the United States, by electronic submission, a report containing information about Corporate Defendants' compliance efforts at Edina Park Apartments during the preceding reporting period, including but not limited to:

transmission by electronic mail is required, the following email address should be used: HCE.Compliance@usdoj.gov, or as otherwise directed by the United States or its counsel.

- a. Photographs indicating the locations of the fair housing signs and Nondiscrimination Standards and Procedures for Showing Available Dwelling Units to Prospective Tenants posted pursuant to Sections IV and VI of this Consent Decree;
- b. Copies of standard rental applications and rental agreement forms, pursuant to Section IV of this Consent Decree;
- c. Copies of all Employee Acknowledgment forms, pursuant to Section V of this Consent Decree;
- d. Copies of all fair housing training certifications, pursuant to Section V of this Consent Decree; and
- e. Weekly print outs of the Availability Report, copies of Rental Applications, lease data pages (first page of each lease), and other information recorded by any means related to any inquiries regarding the availability of rental dwellings, maintained pursuant to Section VI of this Consent Decree.

16. During the period in which this Consent Decree is in effect, Corporate Defendants shall preserve all records that are the source of, contain, or relate to any of the information pertinent to the obligations under this Consent Decree, including, but not limited to, the Prospect program report, availability lists, waiting lists if any, rental applications, leases, rental roll ledgers, and occupancy lists, as well as records relating to the acquisition and/or transfer of interest in Subject Properties as set out in Section X , below. Upon reasonable notice to counsel for Corporate Defendants, representatives of the United States shall be permitted to inspect and

copy all such records at any and all reasonable times or, upon request by the United States, Corporate Defendants shall provide copies of such documents.

IX. PAYMENT TO UNITED STATES

17. Within thirty (30) days after the entry of this Consent Decree, Corporate Defendants shall pay a total of thirty thousand dollars (\$30,000) to the United States pursuant to 42 U.S.C. § 3614(d)(1)(C). This payment shall be delivered to counsel for the United States in the form of electronic funds transfer pursuant to written instructions to be provided by the United States.

X. TRANSFER OF INTEREST IN SUBJECT PROPERTY

18. If at any time during the effective period of this Consent Decree, any Corporate Defendant (“transferring Defendant”) decides to transfer the entirety of said Corporate Defendant’s direct or indirect ownership, management, or other financial interest in Edina Park Apartments to an unrelated party (“purchaser” or “transferee”) in an arms-length transaction,² the transferring Corporate Defendant shall take the following steps:

- a. At least thirty (30) days prior to completion of the sale or transfer, provide each prospective purchaser or other transferee with a copy of this Consent Decree along with written notice that Edina Park Apartments remains subject to Sections II-VII and X-XIV of the Consent Decree;
- b. At least thirty (30) days prior to completion of the sale or transfer, provide to the United States with written notice of its intent to sell or otherwise transfer Defendant’s interest in Edina Park Apartments, along with a copy

² For purposes of this Consent Decree, “arms-length transaction” is defined as a transaction such as a contract or agreement that has been arrived at in the marketplace between independent, non-affiliated persons, unrelated by blood or marriage, with opposing economic interests regarding that contract.

of the notice sent to each prospective purchaser or transferee, containing each prospective purchaser's or transferee's name, address and telephone number;

- c. Within thirty (30) days following completion of the sale or other transfer, the transferring Corporate Defendant shall provide to the United States a copy of the documents memorializing the transfer in interest of Edina Park Apartments; and
- d. The transferring Corporate Defendant shall require the transferee, as a condition of the sale or other transfer, to agree in writing to perform all obligations and be liable for compliance with Sections II-VII and X-XIV of this Consent Decree for the duration of this Decree, with respect to Edina Park Apartments.

19. If the transferring Corporate Defendant complies with Paragraph 18a-d, above, and transfers all of Corporate Defendant's ownership, management, or other financial interest in Edina Park Apartments to an arm's length purchaser or other transferee, the Corporate Defendant will thereafter be relieved of further obligations under the Consent Decree, except for Sections II, and X.

20. If the proposed transfer of interest is not an arms-length transaction, the transferring Corporate Defendant must comply with each requirement set out in Paragraph 18a-d, above. In addition, the transferring Corporate Defendant shall remain jointly and severally liable, along with the purchaser or other transferee, for any violations of Sections II-VII and X-XIV of this Consent Decree for its duration.

XI. SCOPE AND DURATION OF CONSENT DECREE

21. The provisions of this Consent Decree shall apply to all Defendants, their officers, agents, employees, successors and assigns, and all persons acting in active concert or participation with them.

22. This Consent Decree shall remain in effect for three (3) years after the date of its entry.

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

XII. REMEDIES FOR NON-COMPLIANCE

24. The parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Consent Decree 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 any of the Defendants, whether willful or otherwise, to perform in a timely manner any act required by this Consent Decree 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 of such act or deeming such act to have been performed, and an award of any damages, costs, and reasonable attorneys' fees which may have been occasioned by the violation or failure to perform.

XIII. TIME FOR PERFORMANCE

25. Any time limits for performance imposed by this Decree may be extended by mutual written agreement of the parties. The other provisions of this Decree may be modified by written agreement of the parties or by motion to the Court. If the modification is by written agreement of the parties, then such modification will be effective upon the filing of the written agreement with the Court, and shall remain in effect for the duration of the Decree or until such time as the Court indicates through written order that it has not approved the modification.

XIV. COSTS OF LITIGATION

26. Each party to this litigation will bear its own costs and attorneys' fees associated with this litigation.

Dated this 13th day of August, 2013.

For Plaintiff United States of America:

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United States Attorney

JOCELYN SAMUELS
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For Defendants:

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Fax: (612) 340-9446

s/Mary Schwenke
MARY SCHWENKE
President, Highland Management Group, Inc.
Managing Agent, Edina Park Apartments

s/Amy Koch
AMY KOCH

SO ORDERED THIS __ DAY OF _____, 2013.

SUSAN R. NELSON
UNITED STATES DISTRICT JUDGE

APPENDIX A

Non-Discrimination Policy

It is the policy of Edina Park Apartments LLC and Highland Management Group, Inc. to comply with Title VIII of the Civil Rights Act of 1968, as amended, (commonly known as the Fair Housing Act) and the Minnesota Human Rights Act by ensuring that apartments are available to all persons without regard to race, color, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation. This policy means that, among other things, Edina Park Apartments LLC and Highland Management Group, Inc. and all their agents and employees with the responsibility for renting, managing or administering any dwelling units must not discriminate in any aspect of the rental of dwellings against qualified applicants or tenants because of race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation. Such agents and employees may not:

- A. Refuse to rent, or negotiate for the rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation;
- B. Discriminate against any person in the terms, conditions or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation;
- C. Make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation; or
- D. Represent to persons because of race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation; that any dwelling is not available for inspection or rental when such dwelling is in fact so available.

Our commitment to comply with the fair housing laws includes an affirmative duty to provide reasonable modifications and accommodations to qualified applicants and residents with disabilities. We will permit disabled persons, at their expense, to make reasonable modifications of existing premises, both the common area and the unit to be occupied by the disabled person, if modifications may be necessary to afford the disabled person full enjoyment of the premises. Further, we will make reasonable accommodations in our rules, policies, practices, or services when accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling.

Any action taken by an agent or employee that results in the unequal service, treatment or behavior to tenants on the basis of race, color, creed, religion, national origin, disability, familial status, sex, marital status, status with regard to public assistance or sexual orientation may constitute a violation of state and federal fair housing laws.

Any agent or employee who fails to comply with this Nondiscrimination Policy will be subject to appropriate disciplinary action.

APPENDIX B

List of Organizations to Receive Written Notice

Legal Aid Society of Minneapolis
PO Box 547
Minneapolis, MN 55401-1780

Confederation of Somali Community in Minnesota
420 15th Avenue S
Minneapolis, MN 55454

APPENDIX C

Employee Acknowledgment

I acknowledge that on _____, 20____, I was provided a copy of the Consent Decree, or a summary of the consent decree entered by the Court in United States v. Highland Management Group, Inc. et al., Civil Action No. _____ (D. Minn.), and the Nondiscrimination Policy of Highland Management Group, Inc. and Edina Park Apartments LLC. I have read and understand these documents and have had my questions about these documents answered. I understand my legal responsibilities and shall comply with those responsibilities.

Signature

Print Name

Job Title