

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

Plaintiff,

-against-

TOWN OF EAST HAMPTON HOUSING AUTHORITY,
SEYMOUR SCHUTZ LLC, and CATHERINE CASEY,

Defendants.

SETTLEMENT
AGREEMENT

Civil Action No.
24-CV-3426

(Wicks, M.J.)

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I. INTRODUCTION

1. This Settlement Agreement is entered into between Plaintiff, the United States of America and Defendants Town of East Hampton Housing Authority (the “EHHA”), Seymour Schutz LLC, and Catherine Casey (collectively, the Defendants). The United States and the Defendants are referred to herein as the “Parties.”

2. The United States of America brought this action to enforce provisions of the Fair Housing Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, et seq. (the FHA) on behalf of K.E.M., a minor with a disability as defined by 42 U.S.C. § 3602(h), and Kerry Morouney, K.E.M.’s mother (Complainant). Specifically, the United States’ Complaint alleges that Defendants violated the FHA’s protections for people with disabilities when they refused to allow Complainant and K.E.M. to reside at an apartment owned and managed by EHHA with K.E.M.’s emotional support animal.

3. Ms. Morouney and K.E.M. reside in an apartment in a 50-unit multifamily complex in East Hampton, New York that receives HUD Project Based and Tenant Based Section 8 Funding (the Property). The Property is a “dwelling” as defined by 42 U.S.C. § 3602(b).

4. EHHA is a municipal housing authority established under Section 563 of the New York State Public Housing Law to manage affordable housing in the Town of East Hampton, New York, including the tenant-based housing choice voucher program. Defendant EHHA is the sole shareholder and owner of defendant Seymour Schutz LLC. Defendant Seymour Schutz LLC is the owner of the Property. Defendant Catherine Casey is EHHA's Executive Director.

5. 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). The Parties further agree that this controversy should be resolved without further proceedings and without an admission of liability, evidentiary hearing or a trial.

6. The Parties agree to the entry of this Settlement Agreement.

II. TERMS AND CONDITIONS

A. Prohibition Against FHA Violations

7. EHHA and each of its officers, employees, agents, successors, and assigns, and all other persons in active concert or participation with it, are enjoined from discriminating on the basis of disability as prohibited by the FHA. Specifically, EHHA and each of its officers, employees, agents, successors, and assigns, and all other persons in active concert or participation with it, shall not:

- a. discriminate in the sale or rental, or otherwise make unavailable or deny, a dwelling to any buyer or renter because of a disability of the buyer or renter, in violation of 42 U.S.C. § 3604(f)(1)(A);
- b. discriminate in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection with such a dwelling, because of disability, in violation of 42 U.S.C. § 3604(f)(2); fail or refuse to make

reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities equal opportunity to use and enjoy a dwelling, as required by 42 U.S.C. § 3604(f)(3)(B);

- c. coerce, intimidate, threaten, or interfere with any person — including but not limited to Complainant — in the exercise or enjoyment of, or on account of any person having exercised or enjoyed, or on account of any person having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by Section 3604 of the FHA, in violation of 42 U.S.C. § 3617.

B. Implementation of a Revised Reasonable Accommodation Policy

8. As soon as reasonably possible, but no later than thirty (30) days after the effective date of this Settlement Agreement, EHHA shall adopt and implement the revised reasonable accommodation policy for receiving and handling requests for reasonable accommodations made by individuals with disabilities, entitled “East Hampton Housing Authority Reasonable Accommodation Policy,” attached hereto in Appendix A.

9. EHHA shall provide notice and documentation to the United States within fifteen (15) days of adoption and implementation of the EHHA Reasonable Accommodation Policy.

10. After adopting the EHHA Reasonable Accommodation Policy, EHHA shall not make any revisions to the policy without prior approval from the United States.

11. As soon as reasonably possible, but no later than thirty (30) days after the effective date of this Settlement Agreement, EHHA shall adopt and implement a revised “Pet Policy” and any provisions in its Tenant Handbook or leases regarding pets or Assistance Animals that comport with the EHHA Reasonable Accommodation Policy attached hereto in Appendix A and that has been reviewed and approved by the United States.

12. As soon as reasonably possible, but no later than thirty (30) days after the effective date of this Settlement Agreement, EHHA shall adopt and implement a revised "EHHA Reasonable Accommodation Assessment Form" that comports with the Reasonable Accommodation Application attached hereto in Appendix A and that has been reviewed and approved by the United States.

C. Notice

13. No later than fourteen (14) days after the date of entry of this Settlement Agreement, EHHA shall post and prominently display in the public offices of each of its housing complexes a sign no smaller than 10 by 14 inches indicating that reasonable accommodations are available to persons with disabilities.

14. EHHA shall, no later than fourteen (14) days after the adoption of the EHHA Reasonable Accommodation Policy, notify each resident of EHHA in writing of the adoption and implementation of the policy and shall provide a copy of the policy with such notification. Within ten (10) days of this notification to residents, EHHA shall provide written confirmation to United States that it has done so.

D. Education and Training

15. No later than thirty (30) days after the entry of this Settlement Agreement, EHHA shall provide a copy of the EHHA Reasonable Accommodation Policy to all of its agents and employees who are involved in managing, selling or leasing any of the dwellings at EHHA or involved in enforcing any of EHHA's rules or regulations. EHHA shall secure the signed statement from each such agent or employee acknowledging that he or she has received the EHHA Reasonable Accommodation Policy and has had an opportunity to read the EHHA Reasonable Accommodation Policy and to have questions about the EHHA Reasonable Accommodation

Policy answered. This statement shall be substantially similar to the form of Appendix B.

16. During the term of this Settlement Agreement, any new agent or employee of EHHA involved in managing, selling or leasing any of the dwellings at EHHA or involved in enforcing any of EHHA's rules or regulations, no later than thirty (30) days after the date he or she commences such agency or employment relationship with EHHA, shall be given a copy of EHHA Reasonable Accommodation Policy by EHHA. EHHA shall require each such new agent or employee to sign a statement acknowledging that he or she has received the EHHA Reasonable Accommodation Policy and has had an opportunity to read the EHHA Reasonable Accommodation Policy and to have questions about the EHHA Reasonable Accommodation Policy answered. This statement shall be substantially similar to the form of Appendix B.

17. EHHA shall establish quarterly training regarding the Fair Housing Act and the EHHA Reasonable Accommodation Policy and procedures for new employees or agents who receive, process, review or make determinations with regard to any reasonable accommodation request or who are involved in or responsible for enforcing any of EHHA's rules or regulations. Such quarterly trainings shall be conducted for the duration of this Settlement Agreement, as such is defined in Section III, ¶23.

E. Reporting and Recordkeeping

18. For the duration of this Settlement Agreement, EHHA shall provide the United States with a copy of any written administrative or judicial fair housing complaint against EHHA or any of its officers, employees, agents, successors, or assigns, alleging unlawful disability discrimination under the FHA (FHA Complaint), and shall do so within ten (10) days after receipt of any FHA Complaint. Upon reasonable notice, EHHA shall also provide the United States all information it may request concerning any FHA Complaint. Within ten (10) days after the resolution of any FHA Complaint, EHHA shall provide counsel for the United States a copy of any document reflecting such

resolution.

19. EHHA must submit a quarterly reports on June 30, 2026 and September 30, 2026, and biannually thereafter starting on December 31, 2026 for the duration of this Settlement Agreement, to the United States, providing the following information:

- a. A list of all applications for a reasonable accommodation; whether or not the request was an initial request or a request for a renewal of an accommodation;
- b. the type of reasonable accommodation sought;
- c. whether or not, in each instance, the accommodation sought was granted;
- d. the date of the request and the reviewer or reviewers or the decision-maker;
- e. if the request was denied, the reason for the denial;
- f. whether a denied request was appealed and the outcome of the appeal, including the rationale for the denial.

F. Notice to the Parties

Any notice pursuant to this Settlement Agreement shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:
Chief of Civil Rights, Civil Division
United States Attorney's Office
Eastern District of New York
610 Federal Plaza
Central Islip, New York 11722
(631) 715-7905
Megan.freismuth@usdoj.gov

TO DEFENDANTS: Catherine Casey, East Hampton Housing Authority, P. O. Box 2106 East Hampton NY 11937, 631.329.7427, ccasey@easthamptonha.org

Should the person designated by each party for purposes of notices pursuant to this Settlement Agreement change, that person will notify the other party and designate a new person to be noticed as soon as practicable.

G. Monetary Relief

20. Within thirty (30) days after entry of this Settlement Agreement, EHHA shall pay Ms. Morouney the amount of \$82,500 (eighty-two thousand five hundred dollars), pursuant to 42 U.S.C. §§ 3612(o)(3) and 3613(c)(1), as compensation for her and K.M.'s claimed pain and suffering with regard this matter. This amount shall be inclusive of attorneys' fees.

21. As a condition of the payment in Paragraph ~~17~~²⁰, Ms. Morouney shall execute a general release of all claims alleged in the Complaint against Defendants. Ms. Morouney shall provide to the United States the signed Release in the form of Appendix C. The United States will deliver the signed Release to counsel for the Defendants.

22. This Settlement Agreement does not release any claims for practices not addressed in the Complaint that may be held or are currently under investigation by any other federal or state agency or entity.

III. DURATION, JURISDICTION, AND SCOPE

23. This Settlement Agreement shall be in effect for a period of three (3) years from the effective date.

24. Upon execution of this Settlement Agreement, the Parties shall jointly move the Court for dismissal of the Complaint with prejudice. The joint motion will also ask that the Court make this dismissal effective twenty-one (21) days from entry of its order, so that dismissal takes effect after the monetary payment required by Paragraph 17 has been made.

25. Any time limits for performance imposed by this Settlement Agreement may be extended by mutual written agreement of the Parties. In the event that any Party requests such extension, the other Parties shall not unreasonably withhold consent to the extent the extension is deemed reasonable.

26. The Parties shall endeavor in good faith to resolve informally any differences

regarding interpretation of or compliance with this Settlement Agreement prior to initiating any court action.

27. If the United States believes that EHHA has failed to perform its obligations under this Settlement Agreement in a timely manner, the United States will notify EHHA in writing of its concerns and the Parties will attempt to resolve those concerns in good faith. EHHA shall have fifteen (15) days from the date the United States provides notification of any breach of this Settlement Agreement to cure the breach. If the Parties are unable to reach a resolution, the United States may bring a civil action in federal district court to enforce this Settlement Agreement or the FHA and may in such action seek any remedy authorized at law or equity. In the event of a breach of this Settlement Agreement, the United States shall be entitled to seek from the court and recover its costs and reasonable attorneys' fees incurred in any action to enforce this Settlement Agreement.

28. In the event the United States files a civil action as contemplated by Paragraph 25, above, to enforce this Settlement Agreement or the FHA, EHHA expressly agrees not to count the time during which this Settlement Agreement is in place, or use the terms or existence of this Settlement Agreement, to plead, argue or otherwise raise any defenses under theories of claim preclusion, issue preclusion, statute of limitations, estoppel, laches, or similar defenses.

IV. EXECUTION

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

30. This Settlement Agreement, including Appendices A-C, 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.

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

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

33. Except where this Settlement 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 Settlement Agreement shall not be discharged or excused by the actual or alleged breach of the duties and obligations by another Party.

34. This Settlement Agreement is a public document. Both Parties consent to the United States' disclosure of this Settlement Agreement and information about this Settlement Agreement, to the public.

35. Should any provision of this Settlement 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 Settlement Agreement.

36. 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 Settlement Agreement is illegal or invalid.

37. The Parties agree that they will defend this Settlement Agreement against any challenge by any third party. In the event that this Settlement 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 New York, the Parties agree that they will seek removal and/or transfer to the United

States District Court for the Eastern District of New York.

38. This Settlement 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.

V. COSTS OF LITIGATION

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

VI. TERMINATION OF LITIGATION HOLD

The Parties agree that, as of the effective date of this Settlement Agreement, litigation is not "reasonably foreseeable" concerning the matters described in the United States' Complaint. To the extent that any of the Parties previously implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described in the Complaint, they are no longer required to maintain such a litigation hold. Nothing in this Paragraph relieves any of the Parties of any other obligations imposed by this Settlement Agreement.

Dated: Central Islip, New York
~~March~~ 14, 2026
July

For the United States:

JOSEPH NOCELLA, JR.
United States Attorney

By: /s/ Megan Freismuth
Megan J. Freismuth
Assistant U.S. Attorney
(631) 715-7905

*For Town of East Hampton Housing
Authority:*

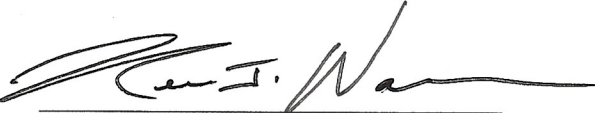
Dated: Nesconset, New York

7/9/2026
March __, 2026

AUTHORITY

EAST HAMPTON HOUSING

By:



Kevin Warren
Chair of the Board of
Commissioners, EEHA
P. O. Box 2106
East Hampton NY 11937



APPENDIX A

REASONABLE ACCOMMODATION POLICY

The Federal Fair Housing Act and other state and local fair housing laws require that housing owners and managers provide reasonable accommodations for applicants and residents who have disabilities. The owners and managers of East Hampton Housing Authority (“EHHA”), and their employees, agents, and designees, are committed to granting reasonable accommodations when necessary to afford persons with disabilities the equal opportunity to use and enjoy a dwelling at EHHA properties. A reasonable accommodation may include a change or exception to a rule or policy that is needed because of a person’s disability, or it may be a physical change to a unit or common area. It is EHHA’s general policy to provide reasonable accommodations to individuals with disabilities whenever an individual has a disability and there is a disability-related need for the requested accommodation. A disability-related need for a requested accommodation exists when there is an identifiable relationship, or nexus, between the requested accommodation and the individual’s disability. EHHA may deny the requested accommodation if providing it would impose an undue financial and administrative burden on EHHA or fundamentally alter the nature of EHHA’s operations. If granting a reasonable accommodation would impose an undue financial and administrative burden or would fundamentally alter the nature of EHHA’s operations, EHHA will consult with you and provide any reasonable accommodation that would not impose such a burden or result in a fundamental alteration.

EHHA accepts reasonable accommodation requests from persons with disabilities and those acting on their behalf. Reasonable Accommodation Application forms are available from Catherine Casey, Executive Director. If you require assistance in completing the form, please contact Catherine Casey, Executive Director. The form is used to record reasonable accommodation requests and to obtain only the information necessary to make a reasonable accommodation decision and not to obtain confidential information that EHHA does not need to make a reasonable accommodation decision.

Reasonable accommodations may include waiving or varying rules or policies to allow a resident with a disability to keep an “assistance animal.” An assistance animal is an animal that does work or performs tasks for the benefit of a person with a disability or provides emotional support or other assistance that may be necessary to afford the person an equal opportunity to use and enjoy housing (“Assistance Animal”). The most common Assistance Animals are dogs, although other animals may qualify as assistance animals. Assistance Animals are not considered “pets” under EHHA policies.

If an applicant or resident with a disability requests a reasonable accommodation for an Assistance Animal, EHHA will determine whether the animal qualifies as an Assistance Animal. In some cases, both the disability and the necessity for the Assistance Animal are obvious – for example, a dog guiding an individual who is blind or has low vision, or a dog pulling the wheelchair of a person with a mobility disability. If this is the case, no further inquiry will be made, and we will grant the resident the accommodation unless the presence of the animal (1) imposes an undue financial and administrative burden; (2) fundamentally alters the nature of EHHA operations; or (3) would pose a direct threat to the health and safety of other people.

In the case of an applicant or resident who requests a reasonable accommodation for an Assistance Animal and the disability of the applicant or resident and/or the necessity for the Assistance Animal is not obvious, EHHA may require a written verification from a Health or Social Service Professional¹ indicating that:

- i. the applicant has a disability², and
- ii. the animal would provide emotion support or does work or performs tasks that would ameliorate one of more symptoms or effects of the disability.

In the event that an applicant or resident requests a reasonable accommodation to own more than one assistance animal, our company may ask in the verification if there is a separate disability, or separate disability related need to own more than one assistance animal for the same requesting individual.

We will not require:

- i. That the Assistance Animal have any special training or certification;
- ii. That the Assistance Animal be subject to breed or weight restrictions;
- iii. That the Assistance Animal be required to wear a vest or other insignia that identifies it as an Assistance Animal; or
- iv. That the resident pay any fee, deposit, or other charge for keeping the Assistance Animal, or obtain insurance as a condition of keeping the Assistance Animal.

If we seek verification of a tenant's disability and the need for an Assistance Animal, we will not:

- i. Request whether a Health or Social Service Professional would be willing to testify in a court proceeding regarding the request for accommodation;
- ii. Require the Health or Social Service Professional to provide a curriculum vitae; or
- iii. Require an interview with the Health or Social Service Professional.

EHHA may deny a request to keep an assistance animal on the premises if the animal poses a direct threat (i.e., a significant risk of substantial harm) to the health or safety of other individuals that cannot be eliminated or reduced to an acceptable level by a another reasonable accommodation, or if the animal would cause substantial physical damage to the property of others that cannot be reduced or eliminated by another reasonable accommodation. EHHA will base such

¹ "Health or Social Service Professional" means a person who provides medical care, therapy or counseling to persons with disabilities, including, but not limited to, doctors, physician assistants, psychiatrists, psychologists, or social workers. The Health or Social Service Professional should have personal knowledge of their patient/client – i.e., the knowledge used to diagnose, advise, counsel, treat, or provide health care or other disability-related services to their patient/client.

² Under fair housing laws, a person with a disability is defined as a person who has a physical or mental impairment that substantially limits one or more major life activities, is regarded as having such an impairment, or has a record of such an impairment.

a determination only upon reliable, objective evidence of the specific animal's actual behavior or conduct and not on speculation or fear about the types of harm or damage an animal may cause.

In processing reasonable accommodation requests, EHHA will take reasonable measures to protect the confidentiality of any information or documentation disclosed in connection with the requests. Such measures may include limiting access to such information to persons specifically designated to deal with requests for reasonable accommodations, who will disclose information only to the extent necessary to determine whether to grant the request, and keeping all written requests and accompanying documentation in a secure area, including the tenant file, if tenant files are kept in a secure area to which only those designated persons have access, except as otherwise required by law. EHHA may keep in its computer records or other reports information that an animal has been approved for the household.

Once EHHA receives the request for a reasonable accommodation, and, if applicable, additional verifying information, EHHA will provide a response within fourteen (14) days. If a request is denied, an explanation for the denial will be included in the written notification of denial. If a person with a disability believes that a request has been denied unlawfully or that the response is delayed unreasonably, he or she may file a complaint with:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 Seventh Street, SW
Washington, DC 20410
(800) 669-9777

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/online-complaint

REASONABLE ACCOMODATION APPLICATION

Please complete this form to request an accommodation. If you require assistance completing this form, or wish to make the request orally, please contact _____. EHHA will keep a record of all applications.

Tenant Name: _____

Address: _____

Telephone #: _____ Email address: _____

Person requesting Accommodation
(if different from Tenant): _____

Relationship to Tenant: _____

1. Please describe the reasonable accommodation the applicant is requesting.

2. Please explain why this reasonable accommodation is needed. Detailed information about the nature or severity of the applicant's disability is not needed, unless as requested below.

3. If you are requesting an accommodation for an Assistance Animal, supporting documentation may be requested as outlined below.
 - ☐ If the applicant has a disability that is obvious, and the need for the reasonable accommodation is obvious (for example, a dog guiding an individual who is blind or has low vision, or a dog pulling the wheelchair of an individual with a mobility disability), EHHA will approve the request without seeking third-party verification or documentation.
 - ☐ If the applicant has a disability that is not obvious, or the need for the Assistance Animal is not obvious, please submit a statement from a health or social service professional indicating that i) the applicant has a disability (*i.e.*, a physical or mental impairment that substantially limits one or more major life activities) and ii) the Assistance Animal provides some type of disability-related assistance (for example, the Assistance Animal provides emotional support or alleviates one or more symptoms or effects of a disability), or provide authorization for a health or social service professional to release this information to EHHA.

4. If the applicant is requesting an accommodation for an Assistance Animal, i) identify the species of animal for which you are making a reasonable accommodation request, e.g., “dog,” “cat”; and ii) provide the name and physical description (size, color, weight, any tag and/or license) of the animal for which the applicant is making a reasonable accommodation request:
5. If the applicant is requesting a physical change to the interior or exterior of the property, or of a common use area, please describe in detail the modifications requested.

APPENDIX B

CERTIFICATION OF RECEIPT OF

REASONABLE ACCOMMODATION POLICY AND TRAINING

I, _____, certify that I have received a copy of the EHHA Reasonable Accommodation Policy. I have read and understand the Policy and had an opportunity to have my questions about the Policy answered.

[If applicable] I further certify that I was trained on the federal Fair Housing Act ("FHA"), which included training on the FHA's provisions related to reasonable accommodations, and the EHHA Reasonable Accommodation Policy and procedures.

I have had all of my questions concerning this topic answered to my satisfaction.

Training Date: _____

Signature

Printed name

Date

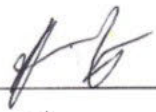
APPENDIX C

FULL AND FINAL RELEASE OF CLAIMS

In consideration of the Parties' agreement to the terms of the Agreement entered in the case *United States v. East Hampton Housing Authority, et al.*, Case No. 24-cv-3426 (E.D.N.Y.) and in consideration of the payment of \$82,500.00, I, Kerry Moroney, do hereby fully release and forever discharge Defendants East Hampton Housing Authority, Seymour Schutz LLC, and Catherine Casey, and their officers, directors, agents, employees, assigns, and other affiliates (collectively referenced herein "defendants") from liability for all claims that I may have against them for the reasonable accommodations claim alleged in this action, as of the effective date of this Settlement Agreement.

I acknowledge that I have read and understand this release and have executed it voluntarily and with full knowledge of its legal consequences.

By:

Signature: 

Printed Name: Kerry Moroney

Date: July, 16, 2026