CASE STUDIES FOR PROTECTED CLASS VIOLATIONS

Refusal to Negotiate

The Secretary, United States Department of Housing and Urban Development, on behalf of Steve Ellis Times and Betty A. Brinson, Charging Party,v. Annette Banai, Janos Banai, Sylvia M. Arias, and Manhattan Group Real Estate, Inc., Respondents.

This matter arose as a result of a complaint filed by Steve Ellis Times on his own behalf and on behalf of Betty A. Brinson ("Complainants") alleging discrimination based on race and color in violation of the Fair Housing Act, as amended, 42 U.S.C. " 3601, et seq. ("the Act"). On May 12, 1994, following an investigation and a determination that reasonable cause existed to believe that discrimination had occurred, the Department of Housing and Urban Development ("HUD" or "the Charging Party") issued a charge against Annette Banai, Janos Banai, Sylvia M. Arias, and Manhattan Group Real Estate, Inc. ("Respondents") **alleging that they had engaged in discriminatory practices in violation of 42 U.S.C. " 3604(a) and (c), and that Respondents Arias and Manhattan Group Real Estate, Inc. had violated 42 U.S.C. ' 3605(a).**

Part of Case Testimony:

> **Ms. Banai** asked "what kind of people" they were. Tr. 1, p. 30. The rest of the conversation was substantially as follows:
>
> **Ms. Arias**: A very nice couple.
>
> **Ms. Banai**: Are they Hispanic?
>
> **Ms. Arias**: No.
>
> **Ms. Banai**: Are they black?
>
> **Ms. Arias**: Yes.
>
> **Ms. Banai**: No, I cannot rent the house to black people because I live in part of the house and because of what the neighbors will say about something like that.
>
> **Ms. Arias**: We were not supposed to discriminate in that way.
>
> **Ms. Banai**: Look for somebody else.

Provide Different Housing Services or Facilities

Housing Rights Center v. Cobian
CA Sup. Ct. No. BC 273483
Complaint filed: May 2002
Mediation Agreement reached: March 25, 2003

Federal judge enters $23,064 default judgment against landlord in California family status case

A single mother from California won a $23,064 default judgment from a landlord who informed the woman that her children would not be able to play outside and subjected her to sexual comments and jokes during a tour of a rental house. The landlord made threats to countersue the plaintiff but never did. He refused to respond to the lawsuit, prompting Federal District Judge Margaret Morrow to issue a default judgment.

Jennifer Fleming of Rosemead received an offer from landlord Ken Fredricy to rent the house next to his residence, but it was not an offer she could accept given this landlord's comments during her tour. Those anti-children and sexually discriminatory comments violated the Fair Housing Act, according to the Housing Rights Center's and Fleming's complaint in U.S. District Court in Los Angeles.

Specifically, complaint alleged that while showing Fleming the house, the Fredricy told her about a rule that would have prohibited her children from playing outside in the front yard. This rule, along with sexual comments and jokes made during Fleming's tour of the house, discouraged her from accepting Fredricy's offer to rent.

On June 3, 2003, Judge Margaret Morrow granted the last of a series of motions by plaintiffs, under which Fredricy must pay a total of $23,064 in damages and attorneys' fees to the plaintiffs.

"No kids outside" rules violate Fair Housing Act

Earlier, the judge had agreed with plaintiffs that the rule against children violated the Fair Housing Act and effectively denied Fleming equal housing opportunity. She ruled that while Fredricy's sexual statements and jokes were reprehensible, they did not amount to sexual harassment. Judge Morrow also ruled that HRC was injured by the Fredricy and entitled to damages to cover its investigation and community education efforts. The plaintiffs were represented by Gary Rhoades and Danielle Jones from HRC.

Housing Rights Center v. Fredicy

Threaten, Coerce, Intimidate or Interfere with Anyone Exercising a Fair Housing Right or Assisting Others Who Exercise That Right

A Real Case

African American family and real estate agent win $135,040 in Mississippi racial intimidation case

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United States Department of Housing and Urban Development (HUD) Administrative Law Judge Robert Andretta has ordered a Mississippi man to pay $135,040 for threatening and intimidating an African American family. Chris Hope made violent threats and told Michael and Pamela Keys, an African American couple with three children, that he and his neighbors did not want African Americans in his neighborhood.

Andretta's May 8, 2002 order awarded $125,000 to the Keys and $7,500 to real estate agent Katherine Beard for the "intangible harm" of Hope's discrimination. He also awarded the Keys $1,400 for new carpeting in the home they later purchased and $500 for the earnest money they forfeited on the home next to Hope's. Judge Andretta awarded Beard, the sellers' agent, $200 to reimburse her for additional expenses associated with selling the property next to Hope's and $440 in lost commissions. Andretta also ordered Hope to pay the maximum civil penalty of $11,000. According to their HUD complaint, the Keys made a contract offer on a house on Dana Street in Brandon, Mississippi on March 15, 1999. The Keys and the sellers scheduled a walk-through on April 20, 1999.

The walk-through of the home went well, and the Keys were excited as their real estate agent, Michele Nesbitt, took them on a home tour. Outside, the group noticed two barking dogs next door. The dogs slightly disturbed Mrs. Keys, but the walk-through continued without additional problems, until the group made its way to the front yard. As Nesbitt and the Keys made their way out front, Chris Hope pulled into his driveway. Nesbitt invited Hope to come over to meet his "new neighbors."

At first, Hope appeared friendly. He shook everyone's hand and spoke pleasantly. However, Hope's demeanor quickly changed and he began shouting angrily. Hope said, "You're kidding me. You just bought this house?" After repeating those statements several times, he asked the Keys why they would want to live on Dana Street.

Mr. Keys responded that he and his wife liked the neighborhood, because it was nice and quiet. He also said he thought it would be a good place to raise their children.

Respondent: My dogs "don't like blacks, either."

Hope responded that it was a good neighborhood, because it was "an all-white neighborhood." Hope then added, "We don't want blacks here. That's why my wife had to go hold the dogs. They were going crazy, and they don't like blacks, either." Hope then asked the Keys why they didn't "go back to South Jackson," which is a predominantly African American neighborhood. Mr. Keys responded, "Sir, we didn't come from South Jackson. We live less than three minutes from here." Hope continued to verbally assault the Keys, asking them why they liked his "redneck neighborhood." Hope backed away, pointed to his dogs, and said that he was going to go tell a neighbor who owns a gun shop about the Keys. "He feels the same way I do," Hope said.

After the confrontation, the Keys felt frightened and left. They later decided that they could not go through with the purchase of the home on Dana Street. The home eventually sold to a single white woman for less than what the Keys had offered to pay. The sellers of the Dana Street home made some vague threats that they might sue the Keys for backing out of the real estate transaction but never followed through.

In early June, Secretary Martinez approved Judge Andretta's decision and order. He approved the decision and order as written.

HUD v. Hope HUD ALJ 04-99-3640-8, 04-99-3509-8

Make, Print, or Publish Any Statement, in Connection with the Sale or Rental of a Dwelling that Indicates a Preference, Limitation or Discrimination Based on Membership in a Protected Class.

From Inman News Online

Agent dragged into fair housing actsuit over listing he didn't represent

Discriminatory language in listing descriptions can create legal liabilities

BY ANDREA V. BRAMBILA, WEDNESDAY, MARCH 13, 2013.

The plight of a Florida agent who was dragged into a fair housing act suit over the description of a property he did not represent has raised awareness among real estate professionals that they can be sued for the content of listings that appear on their websites, regardless of whether they are the author.

Tampa-area agent Jeff Launiere and the brokerage he works for, Charles Rutenberg Realty, were sued in federal court last November by Cristin Forrest, a self-described "independent fair housing tester."

In her complaint, Forrest said she was looking for fair housing violations online when she saw a listing advertising the sale of a condominium at Broadmoor Villa that read "Adult [sic] only community no children under 16."

Broadmoor Villa Inc. was also named in the suit, which alleged that all three parties had violated the federal Fair Housing Act, which prohibits discrimination on the basis of familial status, among other things.

Broadmoor Villa was dismissed from the case and Charles Rutenberg Realty agreed to settle the case -- potentially leaving Launiere on the hook for the $5,000 deductible on his brokerage's errors and omissions insurance policy.

Industry experts say that such occurrences are rare, but that the lawsuit highlights the importance of flagging potentially troublesome language or images that appear in Internet Data Exchange (IDX) listings before they are displayed on broker and agent IDX websites. MLSs, brokerages and agents also provide listing data to other, third-party websites like Realtor.com, Zillow and Trulia.

Refusal to Make Reasonable Accommodations for Disabled Persons

Man Settles Federal Fair Housing Act Lawsuit for More Than $160,000

Chicago, Illinois--(January 17, 2002)-- Today, the Chicago Lawyers' Committee for Civil Rights Under Law, Inc., and the law firm of Freeborn & Peters, announced that a settlement has been reached in a federal Fair Housing Act lawsuit filed on behalf of Michael Scialabba, a disabled young man; his parents, James and Barbara Scialabba; and HOPE Fair Housing Center against the Sierra Blanca Condominium Number One Association in Hanover Park, Illinois, and ABC Property Managers, Inc.

Under the general terms of the settlement, the Condominium Association and Property Manager agree to pay $110,000 to the Scialabbas, HOPE Fair Housing Center, and their attorneys, and to take measures to prevent and eradicate discrimination against any current or future resident at Sierra Blanca on the basis of the individual's actual or perceived disability. The defendants also agreed to purchase an annuity for Michael Scialabba's benefit.

In 1984, Michael, who was 16 years old at the time, suffered a traumatic brain injury in an automobile accident. As a result of the injuries he sustained in the accident, Michael's speech and movements are impaired, causing him to have difficulty speaking and to walk unsteadily.

The lawsuit, alleged, among other things, that the Condominium Association and Property Manager failed to reasonably accommodate Michael's disability in violation of the federal Fair Housing Act, and that the association failed to follow its own rules and regulations in violation of the Illinois Condominium Property Act.

The federal court made two important rulings prior to the case settling. First, the court determined that housing providers have a duty to make good faith efforts to accommodate disabled residents before they attempt to remove them from units. This is true even if a landlord or association contends that a disabled resident may pose a direct threat to the property, health or safety of others. To escape liability, a housing provider must show that it attempted to reasonably accommodated the resident's disability and that the resident remained a direct threat despite these accommodations before it attempts to force the resident out. If an accommodation could eliminate the risk posed by a resident considered to be a threat, a housing provider must provide that accommodation.

Second, the court determined that the Illinois Condominium Property Act allows a cause of action based on negligence, meaning that an association may be held liable for negligently failing to follow its declaration, by-laws, rules and regulations.