

UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF ADMINISTRATIVE LAW JUDGES

The Secretary, United States )  
Department of Housing and Urban )  
Development, on behalf of Kanita Brawley, )

Charging Party, )

v. )

Arnold Peltz as Co-Trustee of the Joseph )  
Peltz Trusts, Numbers 1 and 2, )  
Rebecca Peltz individually and as )  
Co-Trustee of the Joseph Peltz Trusts, )  
Numbers 1 and 2, and Crystal Sahr, )

Respondents. )

HUD ALJ No.  
FHEO No. 05-07-1250-8

**CHARGE OF DISCRIMINATION**

I. **JURISDICTION**

On or about July 13, 2007, Complainant Kanita Brawley filed a verified complaint with the United States Department of Housing and Urban Development (the "HUD Complaint"), alleging that Respondents Rebecca Peltz, and the Joseph Peltz Trusts, Nos. 1 and 2, violated the Fair Housing Act as amended in 1988, 42 U.S.C. Section 3601 *et seq.* (the "Act"), by discriminating on the basis of familial status, in violation of 42 U.S.C. § 3604(a) and (c). On or about August 23, 2007, the HUD Complaint was amended to add Crystal Sahr as a respondent. On or about April 29, 2008, the HUD Complaint was again amended to add Hendriel Anderson as an aggrieved person and to add Rebecca Peltz as a respondent in her capacity as a co-trustee of the Joseph Peltz Trusts, Nos. 1 and 2. On July 3, 2008, the HUD Complaint was again amended to add Arnold Peltz as a respondent in his capacity as co-trustee of the Joseph Peltz Trusts, Nos. 1 and 2.<sup>1</sup>

The Act authorizes the issuance of a charge of discrimination on behalf of an aggrieved person following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C. § 3610(g)(1) and (2). The Secretary has delegated to the General Counsel (54 Fed.Reg.13121), who has redelegated to the Regional Counsel (67 Fed.Reg. 44234), the authority to issue such a charge, following a determination of

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<sup>1</sup> Rebecca Peltz was inadvertently removed as a respondent in her individual capacity in the second amended complaint; the third amended complaint corrected this omission. As such she is a respondent as a co-trustee of the Joseph Peltz Trusts, Nos. 1 and 2 and individually as part owner of the subject property.

reasonable cause by the Assistant Secretary for Fair Housing and Equal Opportunity or his or her designee.

The Office of Fair Housing and Equal Opportunity Region V Director, on behalf of the Assistant Secretary for Fair Housing and Equal Opportunity, has determined that reasonable cause exists to believe that a discriminatory housing practice has occurred in this case based on familial status, and has authorized and directed the issuance of this Charge of Discrimination.

## II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE

Based on HUD's investigation of the allegations contained in the aforementioned Complaint and Determination of Reasonable Cause, Respondents Arnold Peltz as co-trustee of the Joseph Peltz Trusts, Nos. 1 and 2; Rebecca Peltz, individually and as co-trustee of the Joseph Peltz Trusts, Nos. 1 and 2; and Crystal Sahr are charged with discriminating against Complainant Kanita Brawley; Complainant Brawley's minor children, Eliza and Italia Brawley; and Hendriel Anderson, aggrieved persons as defined by 42 U.S.C. § 3602(i), on the basis of familial status, in violation of 42 U.S.C. § 3604(a) and (c) as follows:

1. It is unlawful to refuse to sell or rent after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, sex, familial status, religion, disability, or national origin. 42 U.S.C. § 3604(a); see also 24 C.F.R. § 100.60(a); 24 C.F.R. § 100.60(b)(3), (b)(5).
2. It is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, disability, familial status, or national origin, or an intention to make any such preference, limitation or discrimination. 42 U.S.C. § 3604(c); see also 24 C.F.R. § 100.75(b); 24 C.F.R. § 100.75(c)(1) and (2).
3. The property located at 1651 South 115<sup>th</sup> Court, West Allis, Wisconsin 53214 ("subject property"), is an eight-unit apartment building that is comprised of two-bedroom apartments.
4. On information and belief, at all times relevant to this Charge, the subject property was owned by Rebecca Peltz and the Joseph Peltz Trusts, Nos. 1 and 2; the co-trustees of the trusts were Arnold and Rebecca Peltz.
5. On information and belief, at all times relevant to this Charge, Respondent Rebecca Peltz was both an owner and principal beneficiary of the Joseph Peltz Trusts, Nos. 1 and 2, and was in charge of making the day to day decisions and policies related to renting and managing the subject property.
6. At all times relevant to this Charge, Respondent Crystal Sahr was the onsite manager of the subject property and her duties included showing apartments to prospective tenants,

answering telephone calls regarding available units and acting as a leasing agent. On information and belief Respondent Sahr held this position for approximately 16 years. At all times relevant to this Charge, Respondent Crystal Sahr lived at the subject property with her husband, Steve Sahr.

7. Complainant Brawley is a single mother with two minor children, Eliza Brawley, born on December 31, 1995, and Italia Brawley, born on March 23, 1997.
8. In or around April 2007, Complainant Brawley was looking for a two-bedroom apartment to rent because she had ended her relationship with her long term boyfriend, Hendriel Anderson, with whom Complainant Brawley and her children lived. Complainant's lease required that she give 60 days' notice prior to terminating her lease. On information and belief, her lease terminated on June 30, 2007. Therefore, Complainant Brawley needed to notify her landlord by April 30, 2007 whether she was going to remain in her unit.
9. On or about April 26, 2007, Complainant Brawley saw a "for rent" sign outside the subject property, advertising it for rent. The rental sign provided the contact telephone number (414) 453-7297.
10. The telephone number (414) 453-7297 is registered to Steven Sahr, Respondent Crystal Sahr's husband. Additionally, in response to a September 27, 2007 data request promulgated by HUD, Respondents admitted that the phone number (414) 453-7297 is Respondent Crystal Sahr's phone number.
11. On or about April 27, 2007, Complainant Brawley called (414) 453-7297, the number listed on the "for rent" sign she saw at the subject property and a woman answered the phone. On information and belief, the woman who answered the phone when Complainant Brawley called was Respondent Sahr.
12. During the April 27, 2007 call, Complainant Brawley introduced herself and inquired about the "for rent" sign outside the subject property. Complainant Brawley asked Respondent Sahr if the apartment was still available and Respondent Sahr responded affirmatively. Complainant then inquired about the rent and Respondent Sahr informed her that it was \$580 per month. Next, Complainant Brawley inquired whether the available unit had two bedrooms and Respondent Sahr again answered affirmatively. Complainant Brawley told Respondent Sahr that she was hoping to move into a unit by June 15 or July 1 and asked whether the apartment would be available on either of those dates. Respondent Sahr replied that those move-in dates were feasible.
13. Subsequently during the April 27, 2007 call, Respondent Sahr asked Complainant Brawley who would occupy the unit. Complainant Brawley said that she intended to live there with her two daughters. Respondent Sahr responded that [they] did not accept families with children at the subject property. Complainant asked why they did not accept tenants with children, and Respondent Sahr stated that it was because of noise problems. Respondent Sahr went on to tell Complainant that she had lost other tenants

because of noisy children in the past and that she did not want to lose any more. The call then ended.

14. On or about April 29, 2007, the subject property was advertised in the *Milwaukee Journal Sentinel*. The advertisement read, "115<sup>th</sup> Ct S. 1651: Spacious 2BR. appl, carpet, locked lobby, patio, parking, no pets. \$580. 414 453-7297."
15. On or about May 1, 2007, Complainant Brawley called the Metropolitan Milwaukee Fair Housing Council ("MMFHC") and complained about her experience with Respondent Sahr. In response, MMFHC conducted a paired test of the subject property, to investigate Complainant's allegations.
16. On or about May 2, 2007, Tester A called (414) 453-7297 and a woman answered, who later identified herself as "Chris." On information and belief "Chris" was Respondent Crystal Sahr.
17. During the May 2, 2007 phone call, Tester A told Respondent Sahr that she was calling about the advertised two bedroom apartment on south 115<sup>th</sup> Court and asked if a unit was still available. Respondent Sahr hesitated, and then said it was available, but that someone was interested in it and she was unsure how much longer it would be available. Tester A asked about the cost of the rent and security deposit, and Respondent Sahr answered "\$580 each." Tester A then asked when a unit was available and Respondent Sahr replied that there was a unit available on June 1.
18. Subsequently during the May 2, 2007 call, Tester A inquired if the available unit at the subject property was a two bedroom unit and volunteered that the apartment would be for her and her two sons. Respondent Sahr replied that the "building is not very soundproof," and that [they] "don't really rent to kids." Respondent Sahr continued to explain that the reason they did not rent to kids was because they had lost a lot of tenants without kids because of the noise. Tester A remarked to Respondent Sahr that she guessed she did not need to call back, then. Respondent Sahr added, "we've had kids here for years," but were "losing tenants," so, "as families with kids moved out, we didn't rent to families with kids anymore." Tester A thanked Respondent Sahr and the call ended.
19. On or about May 2, 2007, Tester B called (414) 453-7297 and a man answered the phone. Tester B advised the man that she was calling about the availability of an apartment at the subject property. The man said, "just a minute," and a few moments later, a woman came to the phone, who later identified herself as "Crystal." Tester B asked if an apartment was still available and Respondent Sahr responded, "uh, kind of." Tester B then inquired about the rent. Respondent Sahr informed her that it was \$580. Tester B asked when the apartment would be available and Respondent Sahr replied, June 1. Tester B volunteered that the apartment would be for her and her husband only. Respondent Sahr explained that the reason she said the apartment was "kind of" available was because she was waiting for "a guy" to call back to tell her if he was taking the apartment or not.

Respondent Sahr invited Tester B to call back the next day regarding the status of the apartment and the call was ended.

20. On or about August 2, 2007, Respondent Rebecca Peltz was interviewed by a HUD investigator. Respondent told the HUD investigator that elderly people live on the second floor of the subject property and that children would disturb them. Subsequently during the same interview, she claimed that Respondent Sahr told Complainant Brawley that when a unit became available on the first floor she would be welcome. Respondent then asserted that, at the time of Complainant Brawley's call, no apartment was available. Respondent Peltz stated that Respondents did not know that they could not restrict children to certain areas of the building for the benefit of the "old resident population."
21. On information and belief, the oldest tenants of the subject property are in their fifties.
22. On or about August 3, 2007, Respondent Crystal Sahr was interviewed by a HUD investigator. Respondent Sahr admitted that an "upper apartment" was available for rent at the time that Complainant Brawley and the testers called. Respondent Sahr further admitted that Respondents "rent to children but not the units on the upper floor." She added that, "The building is not soundproof and children make a lot of noise. We have lost tenants because of noisy children. That is why we try to keep families with children on the first floor."
23. Respondent Sahr confirmed that, at the time of the August 3, 2007 interview, no children resided at the subject property and that no children had resided there for about a year and a half. Respondent said that she was unaware that it was against the law to restrict children to certain areas of the subject property.
24. Complainant Brawley also filed a complaint against one or more of the Respondents in this case with the Wisconsin Equal Rights Division ("WERD"), alleging similar violations to those alleged in the HUD Complaint. On or about August 7, 2007, WERD issued a Charge and Determination of Probable Cause on behalf of Complainant Brawley. Complainant Brawley elected to proceed with the HUD process, rather than pursue her claims in state court.
25. By otherwise making unavailable or denying a unit at the subject property to Complainant Brawley because she has children, Respondents discriminated against Complainant Brawley and her minor children on the basis of familial status in violation of 42 U.S.C. § 3604(a), and in contravention of public policy.
26. By making statements with respect to the sale or rental of a dwelling that indicated a preference, limitation, or discrimination based on familial status, Respondents discriminated against Complainant and her minor children, in violation of 42 U.S.C. § 3604(c), and in contravention of public policy.
27. As a result of Respondents' discriminatory conduct, Complainant Brawley, her daughters and Hendriel Anderson have suffered damages, including emotional distress, economic

loss, and inconvenience. Complainant Brawley was unable to vacate the unit she was living in at the time she inquired with Respondents; she then moved to Texas and secured an apartment at a higher rental rate than at the subject property. Further, she pays higher utilities, and was inconvenienced by having to continue her search for housing.

28. Respondents' discriminatory conduct made Complainant Brawley feel discouraged, overwhelmed, stressed, and decreased her desire to socialize, which in turn made her feel isolated. Complainant feels diminished trust in others, and more "on-guard" than before the discriminatory conduct occurred. Complainant Brawley's emotional distress also manifested itself physically. She suffered headaches and loss of hair and weight.
29. Complainant Brawley also suffered emotional damages because she was forced to remain living with Hendriel Anderson, her ex-boyfriend. Complainant Brawley sought a new apartment because Mr. Anderson had ended their long-term relationship. However, Complainant Brawley was unable to find an affordable apartment prior to the date that her lease non-renewal notice was due. The apartment that she and Mr. Anderson shared was more expensive than the subject property; she could not afford their apartment on her own. Accordingly, she was forced to ask Mr. Anderson to remain in their apartment to assist her with rent and utilities. This living situation was hard on Complainant because of lack of privacy, guilt for asking Mr. Anderson to remain, increased tension, and repressing her emotions from the break-up.
30. Respondents' discriminatory conduct also inconvenienced Hendriel Anderson. Mr. Anderson had secured a new apartment in anticipation of vacating the apartment he shared with Complainant Brawley. Because Complainant Brawley could not secure another apartment, Mr. Anderson gave up the apartment he had secured to remain and financially assist Complainant Brawley. As a result, he lost his security deposit, first month's rent and parking fee. The living situation was also hard on him because of lack of privacy, diminished ability to socialize, and increased tension.
31. Respondents' discriminatory conduct made Complainant's daughters, Eliza and Italia, feel confused about their living situation now that their mother and Mr. Anderson were no longer a couple. They also felt the tension in the home during the time that they remained in Milwaukee. Eliza Brawley felt that it was her and her sister's fault that they could not find a place to live, and felt that they would not have had to move to Texas, away from friends and family in Milwaukee, had Respondents rented the subject property to them.

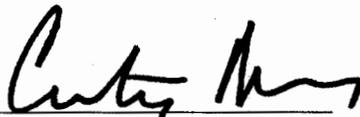
### III. CONCLUSION

WHEREFORE, the Secretary of the U.S. Department of Housing and Urban Development, through the Office of the General Counsel, and pursuant to Section 42 U.S.C. § 3610(g)(2)(A) of the Act, hereby charges Respondents with engaging in discriminatory housing practices in violation of 42 U.S.C. § 3604(a) and (c) of the Act, and prays that an order be issued that:

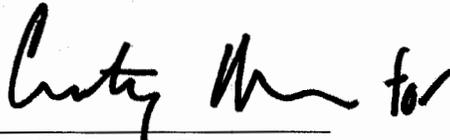
1. Declares that the discriminatory housing practices of Respondents, as set forth above, violate the Fair Housing Act, as amended, 42 U.S.C. § 3601, *et seq.*;
2. Enjoins Respondents, their agents, employees, successors, and all other persons in active concert or participation with them from discriminating on the basis of familial status against any person in any aspect of the purchase or rental of a dwelling;
3. Awards such damages as will fully compensate Complainant Brawley, her minor children, and Hendriel Anderson, aggrieved persons, for their actual damages caused by Respondents' discriminatory conduct in violation of 42 U.S.C. § 3604(a) and (c); and
4. Awards a civil penalty against each Respondent for violations of the Act committed pursuant to 42 U.S.C. § 3612(g)(3).

The Secretary of HUD further prays for additional relief as may be appropriate under 42 U.S.C. § 3612(g)(3).

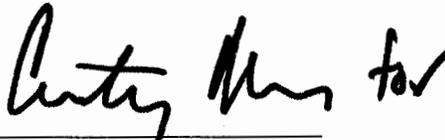
Respectfully submitted,



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