UNITED STATES OF AMERICA DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF HEARINGS AND APPEALS

Secretary, United States Department of Housing and Urban Development, Charging Party on behalf of:))
Heidi Irene Velarde, Mauricio Saldana Arreygue, and their seven children,)
Complainants,))) OHA 19-JM-0110-FH-011
٧.)
Dwight Stephen Ott, Elizabeth M. Ott, and Seth Ethan Ott,))
Respondents.)

INITIAL DECISION AND CONSENT ORDER

)

I. BACKGROUND

On May 14, 2019, the United States Department of Housing and Urban Development ("HUD" or "Charging Party") filed a Charge of Discrimination against Dwight Stephen Ott, Elizabeth M. Ott, and Seth Ethan Ott ("Respondents") pursuant to the Fair Housing Act, as amended, 42 U.S.C. § 3601-19 ("Act"). The Charge alleges that Respondents discriminated against Complainants Heidi Irene Velarde and Mauricio Saldana Arreygue and their seven children by refusing to negotiate for the rental of a property, applying discriminatory terms of rental, and making discriminatory statements because of their familial status in violation of Subsections 804(a), (b) and (c) of the Act, 42 U.S.C § 3604(a)-(c).

Respondents deny any violations of the Act and all allegations in the Charge.

Respondents' execution of this Consent Order does not constitute an admission of fault or liability on their part.

The Charging Party, Complainants, and Respondents ("the parties") have agreed to voluntarily resolve this matter without a hearing before a HUD Administrative Law Judge. Accordingly, the parties have agreed to the entry of this Initial Decision and Consent Order ("Consent Order") as attested by their signatures below.

II. GENERAL PROVISIONS

1. The parties acknowledge that this Consent Order is a voluntary and full resolution of the disputed Charge. No party has been coerced or in any way forced to become a party to this Consent Order.

2. The parties agree that the Charging Party shall file with the Office of Hearings and Appeals a Joint Motion for Entry of an Initial Decision and Consent Order, along with this Consent Order after it is executed by all parties.

3. This Consent Order is binding upon Respondents, their employees, successors, agents, assigns, and all others in active concert with them in the rental and management of all residential dwellings owned in whole or in part by Respondents.

4. Pursuant to 24 C.F.R. § 180.680(a), this Consent Order is a public document.

5. In exchange for compliance with the provisions of this Consent Order, Complainants hereby forever waive, release, discharge, and covenant not to sue Respondents, their employees, agents, successors, and assigns, with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of, or related to, the subject matter of OHA 19-JM-0110-FH-011/FHEO 10-15-0173-8, which could have been filed in any action or suit arising from said subject matter, except where necessary to enforce this agreement.

III. RELIEF FOR COMPLAINANTS

6. Respondents shall pay FIFTEEN THOUSAND DOLLARS (\$15,000) to Complainants and their seven children, who are named aggrieved persons in the complaint, as full settlement of their claims for compensatory damages. Payment shall be made in the form of a cashier's check payable to "Heidi Velarde and Mauricio Arreygue." Within 15 days of the effective date of this Consent Order, payment shall be sent by certified or overnight mail, signature required, to: Heidi Velarde and Mauricio Arreygue, 16186 N. Broken Top Dr., Nampa, ID 83651. A scanned copy of the cashier's check and proof of mailing shall be sent the same day via electronic mail to Counsel for the Charging Party at jo.ann.riggs@hud.gov.

IV. ACTIONS IN THE PUBLIC INTEREST

7. Respondents, their agents, employees, successors and assigns as well as any other person in active concert or participation with any of them are hereby enjoined from discriminating in the sale or rental of a dwelling on the basis of familial status, as prohibited by the Act.

8. After the complaint was filed, Respondents retained the services of a professional property management company to manage their rental properties. Respondents agree to continue to use the services of a professional property management company during the term of this Consent Order for all rental properties they own, including any residential rental properties they may purchase during the term of the Consent Order. Within 15 days of the effective date of this Consent Order, Respondents shall submit scanned copies of the property management contract(s) for their rental properties to Counsel for the Charging Party at <u>jo.ann.riggs@hud.gov</u>.

9. Respondents Dwight Stephen Ott and Elizabeth Ott attended fair housing training in Casper, Wyoming, after the complaint was filed. As Respondent Seth Ott will no longer be

engaged in management activities at Respondents' rental properties, no further training is required under this Consent Order.

V. COMPLIANCE

10. Upon breach of any provisions of this Consent Order, HUD may refer this matter to the Department of Justice to petition the United States Court of Appeals for the Ninth Circuit to enforce the Consent Order and for any other appropriate relief in accordance with 42 U.S.C. § 3612(j)

VI. ADMINISTRATION

11. This Consent Order is entered pursuant to 42 U.S.C. § 3612(g)(3) and 24 C.F.R.

§ 180.450. This Consent Order will become effective and final thirty (30) calendar days from the date it is issued by the HUD Administrative Law Judge, or earlier if it is affirmed by the Secretary within that time ('effective date"). 24 C.F.R. § 180.680(b).

12. The signatures of the parties to this Consent Order constitute a waiver of any right to withdraw their consent during the thirty-day period of review by the Secretary and a waiver of any right to challenge the validity of the Consent Order at any time.

13. This Consent Order shall remain in effect for a period of two (2) years from its effective date.

14. This Consent Order does not in any way limit or restrict HUD's authority to investigate any other unrelated complaints involving Respondents made pursuant to the Act, or any other complaints within HUD's jurisdiction.

15. Each party is responsible for that party's own attorney's fees and costs, if any.

16. The parties agree that in the interest of a prompt conclusion of this matter, the execution of this Consent Order may be accomplished by the parties' signatures on separate pages of this Consent Order, with the individual signature pages to be attached to the body of the Consent

Page 4 of 8

Order to constitute one document to be filed with the Office of Hearings and Appeals. Signature pages may be provided by facsimile or electronic transmission.

VII. AGREEMENT OF THE PARTIES

The parties below have read this Initial Decision and Consent Order and have willingly signed it with a full understanding of the rights it confers and the responsibilities it imposes on them.

RESPONDENTS:

DWIGHT STEPHEN OTT

Date

ELIZABETH M. OTT

Date

SETH ETHAN OTT

Date

Order to constitute one document to be filed with the Office of Hearings and Appeals. Signature pages may be provided by facsimile or electronic transmission.

VII. AGREEMENT OF THE PARTIES

The parties below have read this Initial Decision and Consent Order and have willingly signed it with a full understanding of the rights it confers and the responsibilities it imposes on them.

RESPONDENTS:

DWIGHT STEPHEN OTT

U C

ELIZABETH M. OTT

SETH ETHAN OTT

<u>8/19/19</u> Date <u>8/19/19</u>

8-17-19 Date

Page 5 of 8

VII. AGREEMENT OF THE PARTIES

COMPLAINANTS:

ffeide Velapde. (

8/16/19

Date 4/16/19 ø ane ya MAURICIO SALDANA ARREYGUE

Page 6 of 8

VII. AGREEMENT OF THE PARTIES

COUNSEL FOR THE CHARGING PARTY, UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Mon-Xa

8/27/19 Date

Da

MONA A. FANDEL **Regional Counsel**

Deputy Regional Counsel

27/19 Date

Tría ttomey

U.S. Department of Housing and Urban Development Region X Seattle Federal Office Building 909 First Avenue, Suite 260 Seattle, Washington 98104-1000 (206) 220-5191 (206) 220-5194 (fax)

8/26/19 Date

.

VIII. ORDER OF THE COURT

On <u>AUG-UST 27</u>, 2019, the parties filed a Motion for Entry of Initial Decision and Consent Order, incorporating the terms of their agreement. The Chief Administrative Law Judge, after reading the agreement, finds it to be in the public interest. All parties have given their consent and signed the agreement incorporated in the foregoing Initial Decision and Consent Order, which is hereby accepted and entered.

So ORDERED, this 2 day of AUGUST, 2019.

Anh (H MAHONEY J. JEREMI CHIEF ADMINISTRATIVE LAW JUDGE