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

The Secretary, U.S. Department of Housing and Urban Development, on behalf of Meki Bracken and Diana Lin,		
Charging Party,)	
and)	HUDALJ 07-053-FH March 1, 2012
Meki Bracken and Diana Lin,)	17141011 1, 2012
Complainants-Intervenors, v.)	
Chak Man Fung and Jennifer Ho,)	
Respondents.) _) _)	

INITIAL DECISION AND ORDER ON PETITION FOR ATTORNEYS' FEES, COSTS AND EXPENSES SINCE THE ORIGINAL PETITION FOR ATTORNEY'S FEES

This proceeding was initiated upon a Charge filed by the Secretary of the U.S. Department of Housing and Urban Development ("HUD" or the "Government") on behalf of Meki Bracken and Diana Lin (collectively, "Complainants-Intervenors"). The Charge alleged that Chak Man Fung and Jennifer Ho (collectively, "Respondents") violated the Fair Housing Act ("Act"), 42 U.S.C. §§ 3604 and 3617.

The Charge was served on Respondents on August 23, 2007. Neither Respondent filed an Answer to the Charge. Complainants-Intervenors were granted leave to intervene in the proceeding on September 28, 2007, and filed motions for default against each Respondent. Neither Respondent responded to the motions. Consequently, HUD Administrative Law Judge Arthur A. Liberty granted the default motions, finding the Respondents liable for all acts of discrimination alleged in the Charge. A hearing on the penalty was held on November 15, 2007, before HUD ALJ Constance T. O'Bryant. Respondent Fung did not appear at the hearing. Respondent Ho did appear at the hearing, unrepresented by counsel, and requested a postponement of the hearing, which was denied. Complainants-Intervenors attended the hearing, represented by the John Marshall Law School Fair Housing Legal Clinic ("Clinic" or "JMLS").

An Initial Decision was issued by Judge O'Bryant on January 31, 2008, awarding damages to Bracken and Lin in the amounts of \$49,284 and \$25,345, respectively, and assessing a civil penalty of \$11,000 against each Respondent. Sec. v. Fung, Chak Man and Jennifer Ho, HUDALJ No. 07-053-FH (January 31, 2008). The Initial Decision granted leave to Complainants-Intervenors to petition for attorney's fees, costs and expenses, and enjoined Respondents from transferring real properties in their possession until they have satisfied the judgment against them. The Initial Decision became final after time for review by the HUD Secretary expired.

On March 11, 2008, pursuant to 42 U.S.C. § 3612(p), and the implementing regulation, 24 C.F.R. § 180.705, Complainants-Intervenors filed a *Petition for Attorney's Fees, Costs and Expenses* ("Initial Fee Petition") on the basis that they were "prevailing parties" in the action. The Petition requested an award of \$98,488.79, or, alternatively, an award of \$75,910.50.¹ Ruling on that request was stayed when Respondent Ho filed a petition for review of the Initial Decision with the Seventh Circuit Court of Appeals, in which proceeding Mr. Fung intervened, and HUD cross-petitioned for enforcement. Ultimately, the Seventh Circuit denied Respondents' petition for review of the Initial Decision and granted HUD's cross-petition for enforcement. Ho v. Donovan, 569 F.3d 677 (7th Cir. 2009).

On July 1, 2009, Complainants-Intervenors filed a motion to lift the stay of the administrative proceedings and to issue an order on their fee petition. The stay was lifted and, after a series of objections and replies, this Court issued an *Initial Decision and Order on Petition For Attorney's Fees, Costs And Expenses* ("Initial Fee Decision") on September 9, 2011. The Initial Fee Decision awarded JMLS \$36,615.00 as attorney's fees. In striking many of Complainants-Intervenors' requested hours, this Court concurred with arguments made by Respondent Fung that the hours represented work that was, in various instances, redundant, unreasonably inefficient, or non-legal in nature.

Complainants-Intervenors unsuccessfully sought review of the Initial Fee Decision by the HUD Secretary. *Complainant-Intervenors' Petition for Review of the ALJ's Decision for Attorney Fees and Costs*, filed October 6, 2011. Neither Respondent appealed the Decision. On October 12, 2011, all parties were advised that the Initial Fee Decision had become final by operation of law.

On November 9, 2011, Complainants-Intervenors filed *Complainants-Intervenors' Petition for Attorney's Fees and Costs and Expenses Since the Original Petition for Attorney's Fees* ("Second-Round Fee Petition"), upon which this Court issues its decision today.

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¹ Complainants-Intervenors' Initial Fee Petition sought hourly rates of either \$116.23 or \$75 for the work performed by law students working for the Clinic. The requested awards of \$98,488.79 and \$75,910.50 reflect the different student rates. In issuing the Initial Fee Decision, this Court determined that the \$116.23 hourly rate was inappropriate, and calculated Complainants-Intervenors' award using the \$75 hourly rate. For the sake of consistency and ease of comparison, this Decision refers only to Complainants-Intervenors' fee request at the \$75 per hour student rate, as this is the rate used in the Initial Fee Decision, and for the reasons provided herein, in this Decision as well..

Respondent Fung has not filed an objection to Complainants-Intervenors' second fee petition. Respondent Ho filed a two-page response on February 29, 2012. *Respondent Ho Response*, filed February 29, 2012.

I. Applicable Standard

The Fair Housing Act provides for the recovery of attorney's fees by a prevailing party following the issuance of a final Departmental decision. In enacting the statute, HUD regulations provide:

any prevailing party, except HUD, may apply for attorney's fees and costs. ... The initial decision will become HUD's final decision unless the Secretary reviews the initial decision and issues a final decision on fees and costs within 30 days.

24 C.F.R. § 180.705

The Act also provides, in pertinent part:

Enforcement by Secretary.

* * *

(p) Attorney's fees. In any administrative proceeding brought under this section, or any court proceeding arising therefrom, or any civil action under section 812 [42 U.S.C. §3612], the administrative law judge or the court, as the case may be, in its discretion, may allow the prevailing party, other than the United States, a *reasonable* attorney's fee and costs.

42 U.S.C. §3612(p) (emphasis added).

The standard for recovery of attorney's fees and costs is the same for administrative and federal court proceedings, so case law from the federal courts is instructive in this proceeding for interpreting and applying Section 3612(p). The rationale for awarding attorney's fees in civil rights cases has been described as follows:

If successful plaintiffs were routinely forced to bear their own attorney's fees, few aggrieved parties would be in a position to advance the public interest by invoking the powers of the federal courts [under the Civil Rights Act]. Congress therefore enacted the provision for counsel fees — not simply to penalize litigants who deliberately advance arguments they know to be untenable but, more broadly, to encourage individuals injured by racial discrimination to seek judicial relief

Newman v. Piggie Park Enters., Inc., 390 U.S. 400 (1968) (quoted in City of Riverside v. Rivera,

477 U.S. 561 (1986); Jeanty v. McKey & Poague, Inc., 496 F.2d 1119, 1121 (7th Cir. 1974)).

Courts have consistently utilized the "lodestar" method to determine a "reasonable attorney's fee." Under this method, the court multiplies the number of hours an attorney reasonably expended on the case by a reasonable hourly rate. Perdue v. Kenny, 130 S. Ct. 1662, 1672 (2010); Hensley v. Eckerhart, 461 U.S. 424, 433 (1983); People Who Care v. Rockford Bd. of Educ., 90 F.3d 1307, 1310 (7th Cir. 1996). The fee applicant bears the burden of proving the reasonableness of the hours worked and the hourly rates claimed. Spegon v. Catholic Bishop of Chicago, 175 F.3d 544, 550 (7th Cir. 1999); Tomazzoli v. Sheedy, 804 F.2d 93, 96 (7th Cir. 1986) (stating that a fee applicant has the burden of documenting to the satisfaction of the court its hours expended and hourly rates).

Further, the applicant is "expected to exercise 'billing judgment' in calculating his or her fee; excessive, redundant or otherwise unnecessary hours are to be omitted from the fee submission." Tomazzoli, 804 F.2d at 96 (quoting Hensley, 461 U.S. at 434). If the court finds hours to be based on inaccurate or misleading records, it may disallow those hours. If it finds hours insufficiently documented, it may omit those hours or reduce the fee award by a proportionate amount. Hensley, 461 U.S. at 433.

"Reasonable fees . . . are to be calculated according to the prevailing market rates in the relevant community, regardless of whether plaintiff is represented by private or non-profit counsel." <u>Blum v. Stenson</u>, 465 U.S. 886, 895 (1994) (internal quotations omitted). In order to establish the prevailing market rate, the fee applicant has the burden to produce "satisfactory evidence — in addition to the attorney's own affidavits — that the requested rates are in line with those prevailing in the community for similar services by lawyers of reasonably comparable skill, experience and reputation." <u>Id.</u> at n.11.

II. Discussion

As a threshold matter, JMSL has the right to return to this Court seeking a second round of attorney's fees. The majority of federal circuits agree that the statutory authorization allowing prevailing parties to request attorney's fees also allows them to recover the funds spent attempting to secure those fees. <u>See</u> e.g., <u>Lund v. Affleck</u>, 587 F.2d 75, 77 (1st Cir. 1978); <u>Gagne v. Maher</u>, 594 F.2d 336, 343-44 (2d Cir. 1979); <u>Prandini v. National Tea Co.</u>, 585 F.2d 47 (3d Cir. 1978); <u>Weisenberger v. Huecker</u>, 593 F.2d 49, 53-54 (6th Cir. 1979); <u>Rosenfeld v. Southern Pacific Co.</u>, 519 F.2d 527, 530-31 (9th Cir. 1975); <u>Moten v. Bricklayers, Masons & Plasterers Intl. Union</u>, 543 F.2d 224, 240 (D.C. Cir. 1976).

The Seventh Circuit has also joined this chorus, stating unequivocally that "prevailing plaintiffs ... are properly entitled to fee awards for time spent litigating their claim to fees." Bond v. Stanton, 630 F.2d 1231 (7th Cir. 1980). However, the right to collect additional attorney's fees is not open-ended. The trial court has wide discretion to determine whether follow-up fees are appropriate under the circumstances of the specific case. Two Seventh Circuit cases are illustrative.

In <u>Muscare v. Quinn</u>, 680 F.2d 42 (7th Cir. 1982), the plaintiff requested \$41,000 in attorney's fees after prevailing in a \$ 1983 civil rights case. The district court awarded \$25,000, which the defendant successfully appealed. On remand, the district court further reduced the award to \$8,000, which the plaintiff did not appeal. He then returned to the court seeking \$10,000 in attorney's fees for time spent litigating the previous attorney fee request. The judge refused.

In affirming the decision, the Seventh Circuit likened the fee request process to that of nested boxes with each fee petition and subsequent appeal spawning more fee requests, "and so on without necessary end." <u>Id.</u> at 44. The second-round fee request in <u>Muscare</u> represented the plaintiff's third attempt at obtaining fees. The Circuit opined that "three appeals . . . are enough," and noted that the first attempt may have been successful had it not been unreasonably high. <u>Id.</u> at 45. Recognizing that the district court has "great leeway" in determining attorney's fee awards, the Circuit found that the district court judge was within his discretion to deny any further compensation. <u>Id.</u>

In interpreting <u>Muscare</u>, judges have determined that "the presumption in favor of awarding the fees expended to recover attorney's fees dwindles" with each successive stage. <u>Northwestern National Life Insurance Co. of Milwaukee, Wisc. v. Lutz</u>, 933 F. Supp. 730, 732 (C.D. Ill. 1996). In short, additional fees may not be justified if the request is unreasonably high or largely a clerical exercise not deserving of attorney-level compensation. <u>Northwestern National</u>, 933 F. Supp. at 733.

To avoid the nesting box phenomenon described in <u>Muscare</u>, this Court ordered Complainants-Intervenors to file any and all outstanding fee requests prior to the issuance of this Decision. Complainants-Intervenors filed a response in which they stated: "There have been no additional attorney fees/costs incurred by Complainant-Intervenors and do not expect . . . any subsequent petitions for fees will be filed." *Complainant-Intervenors' Response to Order Requiring Complete Submission on Fees*, filed February 9, 2012. Today's decision should therefore bring to a close a dispute that is now days shy of its fifth anniversary.

A. Complainants-Intervenors are Prevailing Parties

A plaintiff in a civil rights action is considered a prevailing party if he or she "succeeds on any significant issue in litigation . . ." Hensley, 461 U.S. at 433 (quoting <u>Nadeau v. Helgemoe</u>, 581 F.2d 275, 278-79 (1st Cir. 1978)) (internal quotation marks omitted).

The Initial Fee Decision conclusively established that Complainants-Intervenors prevailed in the underlying action, thus making them eligible to receive attorney's fees. *Initial Decision*, 5. Their attempt to collect attorney's fees was also successful, at least to some extent. Complainants-Intervenors are therefore properly considered prevailing parties at this stage of the litigation as well.

As a result of their successful initial fee petition, Complainants-Intervenors should receive second-round attorney's fees "almost as a matter of course," unless special circumstances would render such an award unjust. <u>Piggie Park</u>, 390 U.S. 400 at 402; <u>Davis v. Murphy</u>, 587 F.2d 362, 364 (7th Cir. 1978). Respondents did not identify any special circumstances that would prohibit an award of attorney's fees in the initial proceeding, and have not offered any salient objection to the fees requested here.² Accordingly, the Court sees no reason to deny Complainants-Intervenors their due award.

B. Complainants-Intervenors' Hours are Reasonable

Given that Complainants-Intervenors are prevailing parties, the sole issue here is whether the proposed fee award of \$33,968.26, or alternatively, \$28,029.00, is reasonable within the context of 42 U.S.C. § 3612(p).

As discussed in the Initial Fee Decision, it is the responsibility of the moving party to exercise billing judgment to ensure that only those hours reasonably expended on the litigation enter into the lodestar calculation. *Initial Fee Decision*, 5. Hours that are excessive, redundant, or unnecessary must be omitted, either by the moving party or by the administrative law judge. Additionally, the Court may, at its discretion, excise hours that are insufficiently documented or inefficiently expended. Hensley, 461 U.S. at 434; Spegon, 175 F.3d at 552.

In the Initial Fee Petition, Complainants-Intervenors asserted that attorney J. Damian Ortiz and almost two dozen Clinic students expended 125.85 and 550.69 compensable hours, respectively, litigating this case. *Initial Fee Petition*, p. 9. After examining the evidence contained within the record, this Court agreed with Respondent Fung that a large portion of those hours were not reasonably expended, and thus trimmed the compensable hours to 95.55 for Ortiz and 137.85 for the students. *Initial Fee Decision*, 15. Specifically, the Decision determined that many hours were spent doing clerical work, duplicating work already done by HUD attorneys, or were the product of over-staffing. All such hours were therefore deleted from the calculation.

None of those concerns are present here. The Clinic could not have duplicated the work of HUD attorneys, as HUD cannot and did not petition for attorney's fees. Moreover, the Clinic limits its request to the non-clerical work of six "senior" law students rather than the 21 that clogged the prior request. Overall, Ortiz and his students have done an admirable job documenting and editing their hours in accordance with the guidance provided in the Initial Fee Decision.

Complainants-Intervenors now request compensation for 58.98 hours for Ortiz, 6.3 hours for assistant attorney Kelly Keating, and 144.86 hours for the work of the six students. *Second-Round Fee Petition*, pp. 7-8. These hours will be granted in their entirety.

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² Respondent Ho's Response merely insists that granting the attorney's fee request would be an "injustice," an opinion she supports with a crying, sad-face "emoticon" and little else. *Respondent Ho Response*, p. 2. The Response does not include any legal arguments.

C. Complainants-Intervenors' Rates Are Reasonable

Complainants-Intervenors request fees in the amount of \$275 per hour for Ortiz, \$150 per hour for Keating, and either \$75, \$100, or \$116.23 per hour for the students. <u>Id.</u> The Respondent raised no quarrel with the \$275 figure for Ortiz in the initial request, and the Court concluded that the figure was a fair approximation of Ortiz's prevailing market rate. *Initial Fee Decision*, 14-15. That rate remains appropriate for Ortiz, as does the \$150 per hour rate for Keating.

In requesting the student rate, Complainants-Intervenors again ask the Court to use the \$75 per hour figure first identified in <u>Butts v. Bowen</u>, 775 F. Supp. 1167 (N.D. Ill. 1991), but to upwardly adjust the award to \$116.23 to account for inflation.³ In the alternative, Complainants-Intervenors ask the Court to authorize a \$100 per hour rate, or use an unadjusted \$75 per hour figure. *Second-Round Fee Request*, pp. 5-6.

As support for an enhanced law student rate, Complainants-Intervenors submit the affidavits of Craig B. Futterman; supervising attorney at the University of Chicago Law School's Mandel Legal Aid Clinic; Lewis Powell, a private attorney in Chicago; and Anne Gottschalk, a paralegal for a Chicago law firm. *Second-Round Fee Petition*, Exs, B-D. The affidavits of Futterman and Gottschalk are substantially identical to affidavits submitted with the Initial Fee Petition. Powell's affidavit, meanwhile, cites additional cases where paralegals command \$100 per hour.

All three affidavits attempt to cast law students and paralegals as interchangeable entities, essentially allowing law students to piggyback on the established paralegal rates. This argument was not persuasive in the Initial Fee Decision, and it continues to fall short of the mark here. The concerns identified in the Initial Fee Decision remain largely unaddressed. Specifically, Complainants-Intervenors ask the Court to authorize a rate increase based on twin assumptions: that market rates in Chicago are comparable to those in the District of Columbia, and that law students' fees are comparable to paralegals' fees. *Initial Fee Decision*, 14.

A search of the existing caselaw in the Seventh Circuit reveals a parade of mostly unpublished or unreported cases that vacillate on the weight to be given the Laffey Matrix. See e.g., Warfield v. City of Chicago, 733 F. Supp. 2d 950 (N.D. Ill. 2010); Hadnott v. City of Chicago, No. 07-C-6754 2010 WL 1499473 (N.D. Ill. Apr. 12, 2010) (describing the Matrix as "satisfactory evidence" of the prevailing rate); Delgado v. Vill. of Rosemont, No. 03-C-7050

54.98%.

³ Complainants-Intervenors rely on the U.S. Department of Labor's Bureau of Labor Statistics ("BLS") to compute the value of inflation and the subsequent adjustment to the law student rate. The BLS maintains the Consumer Price Index, which suggested a 54.98% increase in costs between 1991 — the date of the <u>Butts</u> decision — and the filing of the Petition in 2008. Complainant-Intervenors arrive at the \$116.23 rate by increasing the \$75 per hour rate by

⁴ The Laffey Matrix is a table of hourly rates for attorneys and paralegals/law clerks in the Washington, D.C. area. The Matrix is created and maintained by the Civil Division of the United States Attorney's Office for the District of Columbia. <u>See</u> http://www.justice.gov/usao/dc/divisions/civil_Laffey_Matrix_2003-2012.pdf

2006 WL 3147695 (N.D. Ill. Oct. 31, 2006) (Matrix applied to determine paralegal's rate); Sadler v. Barnhart, No. 02-C-6891 2004 WL 419908 (N.D. Ill. Feb.25, 2004) (Matrix considered in determining paralegal's rate); but see, Thomas ex rel. Smith v. Sheahan, 556 F. Supp. 2d 861 (N.D. Ill. 2008) (declined to apply the Matrix); Holland v. Barnhart, 02-C-8398 2004 WL 419871 (N.D. Ill. Feb. 3, 2004) (Matrix is not the law in this jurisdiction).

Several of these cases, including those where the Laffey Matrix was ultimately applied, take pains to note that the Matrix has not been definitively adopted in the Seventh Circuit. <u>See Warfield</u>, 733 F. Supp. 2d at 960; <u>Hadnott</u>, 2010 WL 1499473 at *7; <u>Schultz v. City of Burbank</u>, 06-C-5646 2007 WL 1099479, *2 (N.D. Ill. Apr. 10, 2007) (Matrix has only been used for "limited purposes" in the Circuit and has not been formally adopted). In <u>Johnson v. McMahon</u>, 05-C-0129-C 2007 WL 5614102 (W.D. Wis. Feb. 13, 2007), for example, the district court allowed consideration of the Matrix but expressly stated that it was of only "limited utility" because its focus was on the District of Columbia market, not Chicago. <u>Johnson</u>, 2007 WL 5614102 at *6.

In the face of the Matrix's uncertain status in the Seventh Circuit, the Court does not believe Complainants-Intervenors can effectively rely on it as proof of the prevailing market rate for law students in Chicago.

Even assuming the applicability of the Matrix, Complainants-Intervenors have still failed to conclusively establish that law students in Chicago earn rates on par with professional paralegals. In the Initial Fee Decision, this Court acknowledged some overlap between these two groups, but stated that it "does not consider them to be interchangeable." *Initial Fee Decision*, 14. Complainants-Intervenors have provided no new evidence to alter that position.

In all, Complainants-Intervenors cite 10 cases ostensibly supporting their position. Nine of those cases speak to rates awarded to paralegals, with little or no mention of law students. The other case, <u>Becovic v. City of Chicago</u>, 694 N.E.2d 1044 (Ill. App. Ct. 1998), simply stands for the proposition that hours expended by law students are compensable even if a practicing attorney could do the work more efficiently. <u>Becovic</u> is entirely silent about the propriety of a law student's prevailing rate vis-à-vis a paralegal. Although the affidavit of Lewis Powell III asserts that "\$100 per hour for services rendered by law clerks is the current reasonable market rate," Complainants-Intervenors have produced no case that actually backs up the statement. *Second-Round Fee Petition*, Ex. C, p. 2.)

By comparison, there is strong evidence that law students in the Chicago area receive fee awards in the \$75-\$100 per hour range. <u>See</u> e.g., <u>Local 1546 Welfare Fund v. BBHM Mgmt.</u>

<u>Co.</u>, No 08-C-6133 2011 WL 1740034 (N.D. Ill. May 5, 2011) (finding law student rate of \$80);

<u>Begoun v. Astrue</u>, No. 09-C-1555 2011 WL 3626601 (N.D. Ill. Aug. 17, 2011) (finding rate of \$100); <u>Sierra Club v. Franklin Cty. Power of Ill., LLC</u>, 670 F. Supp. 2d 825 (S.D. Ill. 2009) (finding rate of \$75); <u>Flaherty v. Marchand</u>, 284 F. Supp. 2d 1056 (N.D. Ill. 2003) (finding rate

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⁵ Complainants-Intervenors do not offer any argument supporting their request for a law student rate of \$116.23. Rather, they ask the Court to unilaterally establish \$116.23 as a "new hourly rate." *Second-Round Fee Petition*, p. 5.

of \$75); <u>Palmer v. Barnhart</u>, 227 F. Supp. 2d 975 (N.D. Ill. 2002) (finding \$75). The Court will therefore continue to utilize the \$75 per hour figure to calculate the law students' lodestar rate.

D. <u>Any Additional Award Must Reflect Complainants-Intervenors' Limited Success in the</u> Initial Fee Petition

Complainants-Intervenors have shown that the hours and rates requested as compensation for this round of attorney's fees are reasonable. However, as noted previously in this decision, JMLS' first fee request was only moderately successful. The Clinic initially requested an award of \$75,910.50. *Initial Fee Petition*, pp. 9-10. This Court awarded \$36,615.00. JMLS therefore received only 48% of the fees it requested.

The Seventh Circuit has long held that "attorney's fees should be awarded . . . only for preparation and presentation of the claims on which a plaintiff is determined to have prevailed." Busche v. Burkee, 649 F.2d 509 (7th Cir. 1981). The U.S. Supreme Court applied a similar approach in Hensley, where it stated that the calculation of the lodestar "does not end the inquiry." Hensley, 461 U.S. at 435. The Court must also look to "other considerations," the "most critical" of which being the degree of success obtained. 6 Id. at 436. Indeed, the Court in Hensley suggested that if the prevailing party achieved only limited success, the lodestar amount may be deemed excessive in relation to the outcome. Id.

The Seventh Circuit has expressly held that <u>Hensley</u> "by its own terms applies to a fees award for seeking fees." <u>In re Burlington Northern Inc.</u>, 832 F.2d 430 (7th Cir. 1987). In <u>Burlington</u>, the prevailing party sought \$5.1 million in attorney's fees but was awarded only \$2.2 million, or 42% of the hoped-for award. The court then reduced the plaintiff's second-round fee award to reflect the partial success of the initial petition.

The scenario here is nearly identical. After prevailing in the case on the merits, Complainants-Intervenors sought an award of slightly less than \$76,000. They received approximately half of that total. While there is no doubt that an award of \$36,615.00 constitutes a substantial success, it does not constitute complete victory. To allow Complainants-Intervenors to receive full compensation would therefore be inconsistent with precedent. Complainants-Intervenors received approximately half of the compensation they requested in the initial petition. It is only reasonable that they receive half of their second-round fees as well.

Complainants-Intervenors now seek \$28,029.00 in fees. The Court finds that the hours and rates asserted are reasonable, and the award amount is justified. However, the award must be reduced to reflect Complainants-Intervenors' partial success in the previous round. Accordingly, the Court finds that Complainants-Intervenors are entitled to second-round attorney's fees in the amount of \$14,014.50.

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⁶ It is important to note that adjustments for degree of success occur after the calculation of the lodestar. In the Initial Fee Decision, this Court did not address Complainants-Intervenors' degree of success because Respondents' default gave Complainants-Intervenors a complete victory. There was therefore no cause to downwardly adjust Complainants-Intervenors' final lodestar amount.

III. Order

For the reasons stated above, the Court concludes that Complainants-Intervenors are prevailing parties as described in 42 U.S.C. § 3612(p) and are entitled to attorney's fees in the following amounts:

Ortiz:	\$275/hr	X	58.98 hours	-	50%	=	\$8,109.75
Keating:	\$150/hr	X	6.3 hours	-	50%	=	\$472.50
Students:	\$75/hr	X	137.85 hours	-	50%	=	\$5,169.37
TOTAL							\$14,014.50

Respondents Chak Man Fung and Jennifer Ho are **ORDERED** to pay, jointly and severally, the John Marshall Law School Fair Housing Legal Clinic the sum of \$14,014.50 in attorney's fees.

It is so **ORDERED**

/s/

Alexander Fernández Administrative Law Judge

Notice of appeal rights. The appeal procedure is set forth in detail in 24 C.F.R. § 180.675 (2009). This Initial Decision and Order may be appealed by any party to the Secretary of HUD by petition for review. Any petition for review must be <u>received</u> by the Secretary within 15 days after the date of this Initial Decision and Order. Any statement in opposition to a petition for review must be <u>received</u> by the Secretary within 22 days after issuance of this Initial Decision and Order.

Service of appeal documents. Any petition for review or statement in opposition must be served upon the Secretary by mail, facsimile, or electronic means at the following:

U.S. Department of Housing and Urban Development

Attention: Secretarial Review Clerk

1250 Maryland Ave, S.W., Portals Bldg., Suite 200

Washington, DC 20024 Facsimile: (202) 708-3498

Scanned electronic document: secretarialreview@hud.gov

Copies of appeal documents. Copies of any Petition for Review or statement in opposition shall also be served on the opposing party(s), and on the HUD Office of Administrative Law Judges.

Finality of decision. The agency decision becomes final as indicated in 24 C.F.R. § 180.680.

Judicial review of final decision. Any party adversely affected by a final decision may file a petition in the appropriate United States Court of Appeals for review of the decision under <u>42 U.S.C. 3612(i)</u>. The petition must be filed within 30 days after the date of issuance of the final decision.