

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOHN L. RUTH, d/b/a PENSON
PROPERTIES; MARY RUTH; YORKSHIRE
APARTMENTS, LLC; and WALES RIDGE,
LLC,

Defendants.

Case No. _____

JUDGE

COMPLAINT

The United States of America alleges as follows:

NATURE OF THE ACTION

1. This is an action by the United States of America to recover damages and civil penalties from Defendants John L. Ruth, d/b/a Penson Properties; Mary Ruth; Yorkshire Apartments, LLC; and Wales Ridge, LLC (collectively, "Defendants") for their pattern or practice of housing discrimination against African-American tenants and families with children in violation of the Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.*

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action under 28 U.S.C. § 1331, 1345, and 42 U.S.C. § 3614(a).

3. Venue is proper because all Defendants reside in the Northern District of Ohio and because the claims alleged herein arose in the Northern District of Ohio.

DEFENDANTS AND THE SUBJECT PROPERTIES

4. Defendant John L. Ruth, d/b/a Penson Properties, is the owner and/or operator of several rental properties in and around Massillon, Ohio, including Thackeray Ledges Building 1, located at 2830 Thackeray Avenue, N.W., Massillon, Ohio, 44646, and Building 2, located at 2880 Thackeray Avenue (collectively, “Thackeray Ledges”). Each building is a three (3) story apartment complex with four (4) units on each floor, comprising a total of twenty-four (24) rental units.

5. Defendant Mary Ruth is the owner of several rental properties in and around Massillon, Ohio, including Thackeray Ledges. Defendant John Ruth and the agents and employees who have participated in the management and operation of Thackeray Ledges have served as Mary Ruth’s agents regarding rental units at Thackeray Ledges.

6. Defendant Yorkshire Apartments, LLC, is a domestic limited liability company registered in the state of Ohio and the owner of Yorkshire Building 1, located at 3626 Wales Avenue, N.W., Massillon, Ohio, 44646, and Yorkshire Building 2, located at 3616 Wales Avenue (collectively, “Yorkshire Apartments”). Each building is a three (3) story apartment complex with four (4) rental units on each floor, comprising a total of twenty-four (24) rental units. Defendant John Ruth is the authorized member, manager, or representative of Yorkshire Apartments, LLC. Defendant John Ruth and the agents and employees who have participated in the management and operation of Yorkshire Apartments have served as Yorkshire Apartments, LLC’s agents regarding rental units at Yorkshire Apartments.

7. Defendant Wales Ridge, LLC, is a domestic limited liability company registered in the state of Ohio and the owner of Wales Ridge I, Building 1, located at 3544 Wales Avenue, N.W., Massillon, Ohio, 44646, and Wales Ridge I, Building 2, located at 3550 Wales Avenue

(collectively, “Wales Ridge I”). Each building is a two (2) story apartment complex with nine (9) units on the lower level and eleven (11) units on the upper level, comprising a total of forty (40) rental units. Wales Ridge, LLC also owns Wales Ridge II, Building 1, located at 3588 Wales Avenue and Wales Ridge II, Building 2, located at 3598 Wales Avenue, each having twelve (12) units (together with Wales Ridge I, “Wales Ridge Apartments”). Defendant Wales Ridge, LLC, is the owner of the sixty-four (64) rental units comprising Wales Ridge Apartments. Defendant John Ruth is the authorized member, manager, or representative of Wales Ridge, LLC. Defendant John Ruth and the agents and employees who have participated in the management and operation of Wales Ridge Apartments have served as Wales Ridge, LLC’s agents regarding rental units at Wales Ridge Apartments.

8. Each of the units at Thackeray Ledges, Yorkshire Apartments, and Wales Ridge Apartments (collectively, the “Properties”) is a “dwelling” within the meaning of 42 U.S.C. § 3602(b).

FACTUAL ALLEGATIONS

9. Since at least 2001, Mr. Ruth has instructed property managers not to rent to African Americans or to limit the number of African American tenants at the Properties. Mr. Ruth has stated to property managers that “black people are trouble,” and that he does not want “his rental property value to go down by having porch monkeys sitting around drinking beer in front of his apartment,” or words to that effect. He also has instructed property managers not to renew the leases of African American tenants.

10. Consistent with Mr. Ruth’s discriminatory policies regarding African Americans, Defendants have limited the number of African-American tenants within the Properties and misrepresented the availability of units to African-American prospective tenants. These actions

include steering tenants to particular buildings depending on its racial composition and denying applications to prospective tenants with African-American names or dialects.

11. Defendants have also treated similarly situated African-American and Caucasian applicants and tenants differently. These actions include denying the application of an African American while approving a similarly situated Caucasian applicant and fabricating noise complaints against an African American tenant as a basis for evicting the tenant.

12. Defendants have also terminated managers who refused to comply with Mr. Ruth's instructions not to rent to African Americans.

13. Since at least 2001, Mr. Ruth has instructed managers not to rent units on the upper floors of the Properties to families with children when apartments were vacant and available on lower floors.

14. Consistent with Mr. Ruth's discriminatory policies regarding families with children, Defendants have limited the access to upper-level apartments for families with children and have directed existing tenants with children to basement level apartments.

FAIR HOUSING ACT VIOLATIONS

15. Plaintiff re-alleges and herein incorporates by reference the allegations set forth in the paragraphs above.

16. The conduct of Defendants described above constitutes:

- (a) A pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-19; or
- (b) A denial to a group of persons of rights granted by the Fair Housing Act, 42 U.S.C. §§ 3601-19, which denial raises an issue of general public importance.

17. There are persons who are victims of Defendants' discriminatory housing practices who are aggrieved persons as defined in 42 U.S.C. § 3602(i) and who may have suffered injuries and damages as a result of Defendants' actions and practices described above.

18. The discriminatory actions of the Defendants were intentional, willful, and taken in disregard for the rights of the victims of this discrimination.

PRAYER FOR RELIEF

WHEREFORE, the United States prays that the Court enter an order that:

- A. Declares that Defendants' policies and practices, as alleged herein, violate the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 *et seq.*;
- B. Enjoins the Defendants, their agents, employees, and successors, and all other persons in active concert or participation with them from:
 - (1) Discriminating on account of race, color, and familial status against any person in any aspect of the rental of a dwelling;
 - (2) Interfering with any person in the exercise or enjoyment of rights granted or protected by the Fair Housing Act;
 - (3) Failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as practicable, the victims of Defendants' unlawful practices to the position they would have been in but for the discriminatory conduct; and
 - (4) Failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of Defendants' unlawful conduct.

- C. Awards monetary damages to each person aggrieved by Defendants' discriminatory housing practices, pursuant to 42 U.S.C. § 3614(d)(1)(B);
- D. Assesses a civil penalty against each Defendant in order to vindicate the public interest, pursuant to 42 U.S.C. § 3614(d)(1)(C) and 28 C.F.R. § 85.3(b)(3).

The United States further prays for such additional relief as the interests of justice may require.

DEMAND FOR JURY TRIAL

Plaintiff requests trial by jury as to all issues in this case.

DATED this 31st day of October, 2011

Respectfully Submitted,

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