

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**UNITED STATES OF
AMERICA,**

Plaintiff,

v.

**CRIMSON MANAGEMENT,
L.L.C., CEDARTOWN
HOUSING ASSOCIATION,
d/b/a CEDARWOOD VILLAGE,
and BENEFIELD HOUSING
PARTNERSHIP d/b/a
CEDARTOWN COMMONS,**

Defendants.

**CASE NO.: 1:20-CV-2050-
MHC**

CONSENT DECREE

I. INTRODUCTION

The United States initiated this action on May 13, 2020, against Crimson Management, LLC (“Crimson”), Cedartown Housing Association d/b/a Cedarwood Village, and Benefield Housing Partnership

d/b/a Cedartown Commons (collectively “Defendants”) to enforce the Fair Housing Act, 42 U.S.C. §§ 3601 et seq. (“FHA”).

At all times relevant to this action, Defendant Cedartown Housing Association has owned Cedarwood Village, a 44-unit residential rental property located at 599 East Jule Peek Avenue in Cedartown, Georgia. Defendant Benefield Housing Partnership has owned Cedartown Commons, a 12-unit residential rental property located at 336 Herbert Street in Cedartown, Georgia. Cedarwood Village and Cedartown Commons complexes are “dwellings” within the meaning of the FHA, 42 U.S.C. § 3602(b).

At all times relevant to this action, Defendants Cedartown Housing Association and Benefield Housing Partnership have delegated to Defendant Crimson the day-to-day management and operation of Cedarwood Village and Cedartown Commons, respectively. Defendant Crimson employs a property manager who is authorized to act on

Crimson's behalf for the purpose of renting, showing, maintaining, and managing the units at Cedarwood Village and Cedartown Commons.

In this action, the United States alleges that Defendants have engaged in a pattern or practice of housing discrimination, or denied housing to a group of persons rights protected under the FHA, because of race or color, with respect to Cedartown Village and Cedartown Commons.

Defendants deny each of the allegations and further deny that they or any of their past or present officers, managers, agents, employees, or representatives discriminated or violated any provisions of the Fair Housing Act, as alleged by the United States. Neither this Consent Decree nor any of the provisions hereof shall be construed as an admission of liability.

Therefore, it is ORDERED, ADJUDGED and DECREED THAT:

II. GENERAL INJUNCTION

1. Defendants and their agents, employees, successors, and all other persons in active concert or participation with any of them, are hereby enjoined, with respect to the sale or rental of dwellings, from:

(a) Refusing to rent a dwelling, refusing or failing to provide or offer information about a dwelling, refusing to negotiate for the rental of a dwelling, or otherwise making unavailable or denying a dwelling to any person because of race or color, in violation of the Fair Housing Act, 42 U.S.C. § 3604(a);

(b) Discriminating against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection therewith because of race or color, in violation of the Fair Housing Act, 42 U.S.C. § 3604(b);

or

- (c) Representing to any person, because of race or color, that any dwelling is not available for inspection or rental when such dwelling is in fact so available, in violation of the Fair Housing Act, 42 U.S.C. § 3604(d).

III. NONDISCRIMINATORY PROCEDURES AND NOTICE OF PROCEDURES

2. Within ninety (90) days after the date of entry of this Consent Decree, Defendants shall develop and submit to the United States¹ for review and approval written, objective, uniform nondiscriminatory procedures (collectively, “Nondiscriminatory Procedures”) for: (a) receiving, handling, and processing rental inquiries and applications made in-person, by telephone, or by other means; (b) creating, maintaining, and updating waiting lists; (c) assigning prospective tenants to new units; and (d) transferring existing tenants to different

¹ All material required by this Consent Decree to be submitted to the United States shall be sent via email delivery addressed as follows: Elise.Shore@usdoj.gov.

complexes and/or units within the same complex. The Nondiscriminatory Procedures shall be consistent with applicable HUD and USDA regulations. *See, e.g.,* 24 C.F.R. § 100.70; 7 C.F.R. § 3650.2.

3. The United States will provide a response to Defendants' proposed Nondiscriminatory Procedures within thirty (30) days. If the United States indicates in writing that it does not approve the Nondiscriminatory Procedures, or specific provisions thereof, Defendants and the United States shall seek to resolve their differences consistent with the provisions of Paragraph 22, *infra*. Defendants shall implement the Nondiscriminatory Procedures promptly upon receipt of a no-objection notice from the United States or upon judicial resolution.

4. Defendants will not make material changes to the Non-Discriminatory Procedures unless required to do so by the United States Department of Agriculture ("USDA") or United States Department of Housing and Urban Development.

5. Within ten (10) days of the implementation of the Nondiscriminatory Procedures, Defendants shall post and prominently display the Nondiscriminatory Procedures in the leasing office for Cedarwood Village and/or Cedartown Commons, and Defendants shall provide a copy of the Nondiscriminatory Procedures to all applicants for the rental of a dwelling at Cedarwood Village and/or Cedartown Commons

6. No more than fifteen (15) days after implementation of the Nondiscriminatory Procedures, Defendants shall: (a) provide a copy of the Nondiscriminatory Procedures to all of their employees, agents, or anyone acting under their direction who has responsibility for showing, renting, or managing dwelling units at Cedarwood Village and Cedartown Commons; and (b) schedule a question and answer session for these individuals regarding the contents of the Nondiscriminatory Procedures. Defendants shall secure a signed statement from each individual in receipt of the Nondiscriminatory Procedures acknowledging

that he or she has received a copy of the Nondiscriminatory Procedures, has had the opportunity to have questions about them answered, and agrees to abide by the Nondiscriminatory Procedures. This statement shall be in the form of Appendix A.

7. Defendants shall also provide a copy of the Nondiscriminatory Procedures to each new agent or employee who has responsibility for showing, renting, or managing dwelling units at Cedarwood Village and Cedartown Commons within fifteen (15) days after the agent or employee is hired and shall provide that individual with the opportunity to have his or her questions about the Nondiscriminatory Procedures answered. Defendants shall also secure a signed statement from each such new agent or employee in the form of Appendix A.

IV. TRAINING

8. Within ninety (90) days after the date of entry of this Consent Decree, Defendants' officers, managers, and employees or agents who participate in showing, renting, or managing dwelling units at

Cedartown Commons and Cedarwood Village shall attend an in-person or virtual educational program that provides instruction regarding their obligations under the federal Fair Housing Act, with specific emphasis on the Fair Housing Act's prohibitions against discrimination on the basis of race or color. The United States agrees that the training may be conducted by employees of the Department of Housing and Urban Development, which the parties understand will conduct the training at no cost. Any other trainer or training entity selected by Defendants shall be an independent, qualified third party, not associated with Defendants or their counsel, approved in advance by the United States. The training shall last at least two hours. Any expenses associated with this training shall be borne by Defendants. All persons in attendance shall have their attendance certified in writing by the person or organization conducting the educational program. Defendants may videotape the educational program for purposes of compliance training for employees hired after the date of the initial training, consistent with Paragraph 9, *infra*. Each

individual who receives the training shall execute the Certificate of Training attached hereto as Appendix B.

9. Each new employee or agent who participates in showing, renting, or managing dwelling units at Cedartown Commons and Cedarwood Village shall receive the fair housing training described in Paragraph 8 within thirty (30) days of beginning his or her employment or agency. Each such employee or agent shall complete the Training Certificate, Appendix B.

V. MONETARY DAMAGES FOR AGGRIEVED PERSONS

10. Within thirty (30) days after the date of entry of this Consent Decree, Defendants shall deposit in an escrow account the sum of eighty-three thousand dollars (\$83,000) for the purpose of compensating the alleged aggrieved persons identified in Appendix C. This money shall be referred to as the "Settlement Fund." Within five (5) days of the establishment of the Settlement Fund, Defendants shall submit proof to

the United States that this account has been established and the funds deposited.

11. No aggrieved person shall be paid from the Settlement Fund until he or she has signed and delivered to counsel for the United States the release at Appendix D.

12. Within sixty (60) days after the establishment of the Settlement Fund, Defendants shall deliver to the United States, by overnight mail, checks payable to the aggrieved persons identified in Appendix C who have met the conditions precedent in Paragraph 11. The amount of the checks will be equal to the total amount of the Settlement Fund allocated (as specified) to each individual identified in Appendix C who has met the conditions precedent in Paragraph 11.

13. The required payments under this Section are a debt within the meaning of 11 U.S.C. § 523(a)(6). Accordingly, Defendants shall not seek to discharge any part of this debt in bankruptcy.

VI. PAYMENT TO THE UNITED STATES

14. Within thirty (30) days after the date of entry of this Consent Decree, each Defendant shall pay One Thousand Five Hundred Dollars (\$1,500) for a total of Four Thousand Five Hundred Dollars (\$4,500) to the United States. *See* [42 U.S.C. § 3614\(d\)\(1\)\(C\)](#). This payment shall be in the form of an electronic funds transfer in accordance with written instructions provided by the United States.

15. The payment obligation specified in Paragraph 14 is for the benefit of the United States subject to [11 U.S.C. § 523\(a\)\(7\)](#), and is not compensation for actual pecuniary loss. The Defendants shall not seek to discharge any part of this debt in bankruptcy.

VII. SALE OR TRANSFER OF PROPERTY INTEREST IN RESIDENTIAL PROPERTIES

16. If Defendants sell or transfer Cedarwood Village and/or Cedartown Commons to a bona fide, third-party purchaser in an arms-length transaction, such property will cease to be subject to the provisions of the Consent Decree. In the event Crimson Management continues to

manage and operate these properties, the sale or transfer of either of these properties will have no impact on Defendant Crimson Management's obligations under the terms of this Consent Decree. For purposes of this Consent Decree, a "bona fide, independent third-party purchaser" is one with whom no Defendant in this action has any current or past financial, contractual, personal, or familial relationship. An "arms-length transaction" is one that has been arrived at in the marketplace between independent, non-affiliated persons, unrelated by blood or marriage, with opposing economic interests regarding that transaction. A corporation or entity for which any Defendant is an officer, partner, employee, or agent, or in which any Defendant has an ownership, financial or controlling interest, is not a "bona fide, independent third-party purchaser," and any transaction involving such a purchaser will not qualify as an "arms-length transaction."

17. If Defendants maintain that any of their obligations under this Consent Decree have terminated because they have sold or otherwise

transferred their ownership interests in Cedarwood Village and/or Cedartown Commons to a bona-fide third party purchaser in an arm's-length transaction, they shall inform the United States within fifteen (15) days of such transaction and provide the date of the sale or transfer, copies of the sale or transfer documents, and the name(s) and contact information for the subsequent purchaser. Any disputes regarding whether the sale was to a bona-fide third party purchaser in an arm's-length transaction shall be resolved through paragraph 22.

VIII. RECORD-RETENTION AND REPORTING REQUIREMENTS

18. Defendants shall preserve all records related to the rental of dwelling units at Cedarwood Village and Cedartown Commons as required under the USDA and HUD. During the term of this Consent Decree, upon reasonable notice to Defendants, representatives for the United States shall be permitted to inspect and copy, at the United States' expense, any records related to this Consent Decree to determine ongoing compliance with this Decree.

19. Within ninety (90) days after date of the entry of this Consent Decree, and every twelve months thereafter, Defendants shall deliver to the United States a report containing information relating to compliance with this Consent Decree, to include the following:

- (a) Executed copies of Appendices A and B, to the extent not previously provided;
- (b) Documentation of the adoption and implementation of the Nondiscriminatory Procedures discussed in Section III, to the extent not previously provided; and
- (c) Waiting lists for Cedarwood Village and Cedartown Commons;
- (d) Photograph(s) of Defendants' rental and management offices showing the fair housing poster, to the extent not previously provided;
- (e) Nondiscriminatory Procedures, to the extent not previously provided; and if applicable

- (f) A notice of the sale or transfer of a direct or indirect management, ownership, financial, or controlling interest in any dwelling for rent, including notice made in accordance with Section VII, *supra*.

Additionally, Defendants shall submit a final report containing the information required by the paragraph to the United States at least sixty (60) days before the date of expiration of this Consent Decree.

20. Defendants shall notify counsel for the United States in writing within fifteen (15) days of receipt of any formal housing discrimination complaint filed with a federal or state governmental agency against any of them or any of their agents or employees related to any property owned, managed, or operated by them. The notification shall include the full details of the complaint, including the complainant's name, address, and telephone number, and a copy of the complaint. Defendants shall also promptly provide to the United States all

information it may request concerning any such complaint and its actual or attempted resolution.

**X. SCOPE, DURATION, AND ENFORCEMENT OF
CONSENT DECREE**

21. This Consent Decree shall be in effect for a period of five (5) years from the date of its entry. The Court shall retain jurisdiction for the duration of this Consent Decree to enforce its terms, after which time the case shall be dismissed with prejudice.

22. The parties shall endeavor in good faith to resolve informally any differences regarding interpretation of and compliance with this Consent Decree prior to bringing such matters to the Court for resolution. In the event a party believes any other party has breached any part of this agreement, the party must notify the adverse party in writing of the breach. Such party will have thirty (30) days after receipt of notice to cure the breach. In the event the party contends that there has been a failure by any party, whether willful or otherwise, to cure the breach within

thirty (30) days, the party may move this Court for an order requiring performance of such act or deeming such act to have been performed.

23. Any time limits for performance imposed by this Consent Decree may be extended by mutual written agreement of the parties.

XI. LITIGATION HOLDS

24. The parties agree that, as of the date of entry of this Consent Decree, litigation is not reasonably foreseeable concerning the matters described herein. To the extent that any party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to the matters described in this Decree, the party is no longer required to maintain such a litigation hold. However, nothing in this Consent Decree relieves Defendants of the record-keeping responsibilities imposed by this Consent Decree.

XII. COSTS OF LITIGATION

25. Each party to this litigation shall bear its own costs and attorneys' fees.

IT IS SO ORDERED this 25th day of May, 2022.

A handwritten signature in blue ink that reads "Mark H. Cohen". The signature is written in a cursive style with a horizontal line underneath it.

United States District Judge

The undersigned apply for and consent to the entry of this Decree:

For the United States:

Respectfully submitted,

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Northern District of Georgia

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/s/ Aileen Bell Hughes

/s/ Elise Sandra Shore

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**Attorney for Defendants Cedartown Housing Association
and Benefield Housing Partnership**

APPENDIX A

**ACKNOWLEDGMENT OF RECEIPT OF CONSENT DECREE
AND NONDISCRIMINATION PROCEDURES**

I acknowledge that on _____, 202__, I was provided copies of the Consent Decree entered by the Court in *United States v. Crimson Management, LLC, et al.*, Civil Action No. _____ (N.D. Ga.), and the Nondiscrimination Policy adopted for the management and operation of Cedarwood Village and Cedartown Commons. I have read and understand these documents and have been given the opportunity to ask any questions I may have. I understand my legal responsibilities and shall comply with those responsibilities.

Signature

APPENDIX B

EMPLOYEE/AGENT TRAINING ACKNOWLEDGMENT

I hereby acknowledge that on _____, 202__, I completed training conducted by _____ on the requirements of the federal Fair Housing Act and the Consent Decree entered by the United States District Court for the Northern District of Georgia in *United States v. Crimson Management, LLC, et al.*, C.A. No. _____. I have also received and read a copy of that Consent Decree.

I understand my obligation to not discriminate against any person in any aspect of the rental of a residential dwelling, because of race, color, religion, national origin, disability, familial status (having children under age 18), or sex.

I also understand my obligation not to retaliate against any individual for exercising a right protected by the Fair Housing Act.

Signature/Printed Name

Job Title/Position

Date

APPENDIX C

E. Bush - \$43,000

D. S. Gibbons - \$20,000

M. Monroe - \$20,000

APPENDIX D

FULL AND FINAL RELEASE OF CLAIMS

In consideration for the parties' agreement to the terms of the Consent Decree they entered into in the case of *United States v. Crimson Management, LLC, et al.*, Civil Action No. _____, as approved by the United States District Court for the Northern District of Georgia, and in consideration for the payment of \$_____, I do hereby fully and forever release Crimson Management, LLC, Cedartown Housing Associates d/b/a Cedarwood Village, and Benefield Housing Partnership, d/b/a Cedartown Commons, and their employees and agents, from any and all fair housing claims set forth or related to the facts at issue in the litigation referenced above, or in any way related to that litigation, and any other claims arising from alleged housing discrimination that I may have had against any of them for any actions related to those claims through the date of the entry of the Consent Decree.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____, 2022.