

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

FAIR HOUSING CENTER OF)	CIVIL ACTION NO.
WASHTENAW COUNTY, INC., a Michigan)	
non-profit corporation, doing business as)	DEMAND FOR JURY TRIAL
FAIR HOUSING CENTER OF)	
SOUTHEASTERN MICHIGAN,)	
)	
Plaintiff,)	
vs.)	
)	
ACME INVESTMENTS, INC., a)	
Michigan corporation; and LAURIE)	
COURTNEY,)	
)	
Defendants.)	
)	

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COMPLAINT FOR INJUNCTIVE, DECLARATORY AND MONETARY RELIEF

PRELIMINARY STATEMENT

1. Plaintiff Fair Housing Center of Washtenaw County, Inc., doing business as the Fair Housing Center of Southeastern Michigan (“Fair Housing Center”), brings this action for injunctive, declaratory, and monetary relief against Acme Investments, Inc. and

Laurie Courtney for discriminating against, and continuing to discriminate against, African Americans at Ivanhoe Apartments in Ann Arbor, Michigan in violation of the Fair Housing Act, 42 U.S.C. § 3601 *et seq.*, the Civil Rights Acts of 1866 and 1870, 42 U.S.C. §§ 1981 and 1982, and the Elliott-Larsen Civil Rights Act, M.C.L. § 37.2501 *et seq.*

2. The Fair Housing Center conducted a series of eight fair housing tests beginning in 2006 for the purpose of evaluating Ivanhoe Apartments' compliance with fair housing laws barring racial discrimination. Ivanhoe Apartments through its resident manager Laurie Courtney consistently and repeatedly misrepresented the availability of apartments, imposed delaying tactics, and discouraged African-American prospective renters based on race or color. The intent and effect of Defendants' unlawful conduct is to deny housing to African Americans or to limit the number of African Americans living at Ivanhoe Apartments.

3. The Fair Housing Center is a non-profit community organization that seeks to ensure equal housing opportunity through the elimination of unlawful housing discrimination and the promotion of decent housing through advocacy and education. As a result of Defendants' unlawful conduct, the Fair Housing Center has been damaged by having to divert significant resources that could have been used to provide counseling, education, and referral services to instead identify and counteract Defendants' discriminatory conduct through investigation and litigation of this conduct. The Fair Housing Center's mission has also been frustrated by Defendants' discriminatory housing practices.

JURISDICTION AND VENUE

4. Jurisdiction is conferred upon this Court under 28 U.S.C. § 1331 in that this action involves violations of the amended Fair Housing Act, 42 U.S.C. § 3601 *et seq.* This Court has jurisdiction to issue a declaration that the Plaintiffs' rights have been violated pursuant to 28 U.S.C. §§ 2201 and 2202 and to grant injunctive relief and actual and punitive damages, as well as attorneys' fees and costs, pursuant to 42 U.S.C. § 3613.

5. Venue is proper in this forum pursuant to 28 U.S.C. § 1391(b) in that the claims alleged herein arose in Washtenaw County, Michigan.

PARTIES

6. Plaintiff Fair Housing Center is a private non-profit fair housing organization serving Southeastern Michigan and organized under the laws of Michigan with its principal place of business in Ann Arbor, Michigan. It is a membership organization whose mission includes the promotion of equal housing opportunity, freedom of housing choice, housing integration, and the elimination of housing discrimination. The Fair Housing Center fulfills its mission by educating the public and housing advocates about fair housing rights and requirements, educating and working with consumers on fair housing compliance, and providing advice and advocacy to persons affected by discriminatory housing practices. The Fair Housing Center promotes fair housing enforcement and voluntary compliance with fair housing laws by conducting fair housing investigations, including testing, and providing education and outreach for housing consumers and housing advocates. Its services include responding to complaints from consumers based on race or color.

7. Defendant Acme Investments, Inc. is a corporation organized under the laws of Michigan that conducts business in the Eastern District of Michigan with its principal place of business at 2701 Troy Center Drive, Suite 450, Troy MI. Acme Investments owns and operates Ivanhoe Apartments, a 48-unit apartment complex located at 1533 Pine Valley Blvd., Ann Arbor, MI.

8. Defendant Laurie Courtney is a resident of Ann Arbor, MI who is the resident manager of Ivanhoe Apartments. She resides at 1533 Pine Valley Blvd., Apartment 214, Ann Arbor MI. Upon information and belief, Ms. Courtney has been the resident manager at Ivanhoe Apartments for more than 30 years.

9. Each of the defendants was the actual or apparent agent, employee or representative of each of the other defendants. Each defendant, in doing the acts or omitting to act as alleged in this complaint, was acting in the course and scope of his, her or its actual or apparent authority pursuant to such agencies; or the alleged acts or omissions of each defendant as agent were subsequently ratified and adopted by each agent as principal.

FACTS

10. In 1999, the Fair Housing Center received a complaint of discrimination at Ivanhoe Apartments. Since 1999, the Fair Housing Center has monitored Ivanhoe Apartments' compliance with fair housing laws through the use of fair housing testing. The Fair Housing Center has conducted more than eight tests for race discrimination at Ivanhoe Apartments since 2006.

11. The Fair Housing Center's investigation utilized paired testing in its tests of Ivanhoe Apartments. Paired testing is a controlled method of measuring and documenting differences in the quality, quantity, and content of information and services offered or given to home seekers by housing providers or real estate companies. In each paired test, there was a team of testers, one White and one African-American. Some of the tests used sandwich testing, in which a white tester visited the apartment complex followed by an African-American tester and then another white tester. Each tester contacted Laurie Courtney, the resident manager for Ivanhoe Apartments. Testers were assigned similar profiles about housing needs, financial qualifications and employment history. In every test, the African-American tester was slightly more qualified than the White tester.

12. The tests conducted by the Fair Housing Center reveal that Ivanhoe Apartments otherwise made housing unavailable, discriminated in the terms or conditions of the rental of a dwelling, and misrepresented the availability of rental housing because of race or color. Ivanhoe Apartments through its resident manager consistently and repeatedly misrepresented the availability of apartments, imposed delaying tactics, and discouraged prospective renters based on race or color.

13. The following examples are illustrative of Ivanhoe Apartments' discriminatory housing practices against prospective renters based on race or color:

a. On April 11, 2008 at 2:30 p.m., a white female tester visited Ivanhoe Apartments and spoke with Resident Manager Laurie Courtney to inquire about renting a two-bedroom apartment for herself and her husband. Ms. Courtney told the white tester that a two-bedroom apartment was available and that it would be available to rent on April 23rd. She showed the white tester the available apartment. That same day at 3:20 p.m., an African-American female tester visited Ivanhoe Apartments and spoke with Ms. Courtney to inquire about renting a two-bedroom apartment for herself and her husband. Ms. Courtney barely opened the door for the African-American tester and told her that she would not have anything available until July or August, even though she told the white tester that an apartment would be available later in April. The African-American tester asked if she could view the apartment that would be available. Ms. Courtney told her that tenants were still living in the apartment, although she showed the white tester an apartment less than one hour before. That same day at 4:30 p.m., a second white female tester visited Ivanhoe Apartments and spoke with Ms. Courtney about renting a two-bedroom apartment for herself and her husband. Ms. Courtney showed the second white

tester the same second floor apartment that she had shown the first white tester, despite telling the African-American tester that there were no apartments available to view. Ms. Courtney told the white tester that the apartment would be available at the end of the month and that she had a second apartment that would be available in mid-June, even though she told the African-American tester that an apartment would not be available until July or August.

b. On January 15, 2008 at 9:50 a.m., a white female tester visited Ivanhoe Apartments and spoke with Ms. Courtney to inquire about renting a one or two-bedroom apartment for herself and her husband. Ms. Courtney showed the white tester two one-bedroom apartments and told the tester that a two-bedroom apartment would be available in February or later. That same day at 11:15 a.m., an African-American female tester visited Ivanhoe Apartments and spoke with Ms. Courtney to inquire about renting a one or two-bedroom apartment for herself and her husband. Ms. Courtney told the African-American tester that the one-bedroom apartment had been rented, even though she told the white tester that two one-bedroom apartments were available less than two hours before. Ms. Courtney told the African-American tester that two-bedroom apartments would not be available until April, although she told the white tester that a two-bedroom apartment would be available in February or later.

14. Acme Investments, Inc. has failed to train adequately and instruct its agent, Laurie Courtney, in anti-discrimination and fair housing and equal opportunity laws and requirements, and in the benefits of assisting and serving African-American prospective renters and prospective renters with children. Acme Investments, Inc. has failed to oversee adequately and supervise the actions and practices of its agent,

particularly her actions and practices in dealing with African-American prospective renters. Furthermore, Acme Investments, Inc. either deliberately or through knowledgeable inaction authorized, fostered or encouraged the acts of its agent, Laurie Courtney, or condoned or ratified those acts.

15. By the actions described above, Defendants have engaged in, and continue to engage in a pattern or practice of discrimination against African-American prospective tenants because of race or color in violation of the Fair Housing Act. The Defendants continue to engage in such a pattern, practice or policy of discrimination so as to constitute a continuing violation.

CLAIMS FOR RELIEF

COUNT I

Unlawful Discrimination Under the Federal Fair Housing Act

16. Plaintiff realleges and incorporates by reference all of the foregoing paragraphs, as if fully set forth herein.

17. Defendants have injured Plaintiff in violation of the federal Fair Housing Act by committing the following discriminatory housing practices:

- a. Refusing to rent, refusing to negotiate for the rental of, or otherwise making unavailable or denying dwellings because of race or color, in violation of 42 U.S.C. § 3604(a);
- b. Discriminating in the terms, conditions, or privileges of the rental of a dwelling or in the provision of services in connection therewith because of race or color, in violation of 42 U.S.C. § 3604(b);

- c. Representing because of race or color that a dwelling is not available for inspection or rental when such dwelling is in fact so available, in violation of 42 U.S.C. § 3604(d);
- d. Engaging in any conduct relating to the provision of housing that otherwise makes unavailable or denies housing because of race or color, in violation of 24 C.F.R. § 100.70(b);
- e. Imposing different rental charges for the rental of a dwelling because of race or color, in violation of 24 C.F.R. § 100.60(a)(3);
- f. Discouraging from inspecting or renting a dwelling because of race or color, in violation of 24 C.F.R. § 100.70(c)(1);
- g. Indicating through words or conduct that a dwelling which is available for inspection or rental has been rented because of race or color, in violation of 24 C.F.R. § 100.80(b)(1);
- h. Limiting information, by word or conduct, regarding suitably priced dwellings available for inspection or rental because of race or color, in violation of 24 C.F.R. § 100.80(b)(4); and,
- i. Providing false or inaccurate information regarding the availability of a dwelling for rental because of race or color, in violation of 24 C.F.R. § 100.80(b)(5).

COUNT II

Violation of the Civil Rights Act of 1866 and 1870

18. Plaintiff realleges and incorporates by reference paragraphs 1-15, as if fully set forth herein.

19. Defendant has committed unlawful acts of discrimination in violation of Sections 1981 & 1982, 42 U.S.C. §§ 1981 and 1982, which grant all persons or citizens, regardless of race or color, the right to negotiate and enter into contracts with respect to real property.

COUNT III

Unlawful Discrimination Under the Elliott-Larsen Civil Rights Act

Mich. Compiled Laws § 37.2501 et seq.

20. Plaintiff realleges and incorporate by reference paragraphs 1- 15, as if fully set forth herein.

21. Defendant has committed unlawful acts of discrimination based on race or color in violation of the ELCRA.

INJURY TO PLAINTIFF

22. As a result of Defendants' actions described above, the Fair Housing Center has been directly and substantially injured and frustrated in its mission to educate the public and housing advocates about fair housing rights and requirements, to educate and work with consumers on fair housing compliance, and to provide advice and advocacy to persons either looking for housing or affected by discriminatory housing practices. The Fair Housing Center has also been damaged by having to divert scarce resources that could have been used to provide these services to instead identify and counteract the Defendants' discriminatory conduct.

23. The unlawful discriminatory conduct of the Defendants will continue to injure the Fair Housing Center by, among other things:

- a. Interfering with efforts and programs intended to bring about equality of opportunity in housing;
- b. Requiring the commitment of scarce resources, including substantial staff time, to investigate the discriminatory conduct of Defendants, and counteract the Defendants' discriminatory conduct, thus diverting those resources from other services; and
- c. Frustrating its mission and purpose of promoting equal availability of housing to all persons without regard to any protected category, including race or color.

24. Defendants' discriminatory conduct will also deprive individuals to whom the Fair Housing Center provides services and others living in and near Ivanhoe Apartments of the benefit of living in a diverse community that includes African Americans.

25. The past and continuing acts and conduct of Defendants, described above, are intentional, malicious, and have been carried out with callous and reckless disregard for the federally protected rights of Plaintiff and the individuals served by Plaintiff. Plaintiff therefore is entitled to punitive damages.

26. There now exists an actual controversy between the parties regarding Defendants' duties under the federal civil rights laws. Plaintiff accordingly is entitled to declaratory relief.

27. Defendants, unless enjoined, will continue to engage in the unlawful acts and the pattern or practice of discrimination and unlawful conduct described above. Plaintiff has no adequate remedy at law. Plaintiff now is suffering and will continue to suffer irreparable injury from Defendants' acts and unlawful conduct unless relief is provided by this Court. Plaintiff thus is entitled to permanent injunctive relief.

PRAYER FOR RELIEF

Wherefore, Plaintiff prays that the Court:

- a. Declare that Defendants have violated the provisions of applicable federal law;
 - b. Permanently enjoin all unlawful practices alleged in this Complaint and impose injunctive relief prohibiting Defendants, their partners, agents, employees, assignees, and all persons acting in concert or participating with them, from violating the unlawful practices alleged herein;
 - c. Order Defendants to take appropriate affirmative actions to ensure that the activities complained of above are not engaged in by them or their agents again;
 - d. Award compensatory and punitive damages to Plaintiff according to proof;
 - e. Award Plaintiff its reasonable attorneys' fees and costs;
- and,
- f. Grant all such other relief as the Court deems just.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a jury trial pursuant to Rule 38 of the Federal Rules of Civil Procedure.

Dated: July 16, 2009.

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