

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

ROBERT F. LAUFMAN,
KATHLEEN G. LAUFMAN, ANDREA
KIHLSTEDT, AND FOLKE T.
KIHLSTEDT,

Plaintiffs

vs.

OAKLEY BUILDING AND LOAN
COMPANY, ROBERT S. JOHNSON,
GEORGE DOWNS, MILTON CONVER,
GORDON ILIFF, WARREN LOWE,
PALMER GRAVES, THOMAS
FARRELL, EARL RAIBLE,
AND ROBERT W. JOHNSON

Defendants

EILED APR 29 1974

C 1 74-153

CIVIL ACTION NO. _____

COMPLAINT

1. Plaintiffs bring this class action to challenge defendants' racially discriminatory lending practices. Defendants have engaged and are engaged in acts and practices which discriminate against property owners and potential home buyers because of the racial composition of the neighborhoods in which they live or intend to live.

2. Plaintiffs initiate this suit for declaratory judgment pursuant to 28 U.S.C. Section 2201 and for injunctive relief and damages pursuant to 42 U.S.C. 3601 et seq. and 2000(d).

3. This Court has jurisdiction of this action pursuant to 28 U.S.C. 1343 (4) and 42 U.S.C. 3612, 3617.

4. Plaintiffs Robert F. and Kathleen G. Laufman are white citizens of the United States and residents of Cincinnati, Ohio.

5. Plaintiffs Folke T. and Andrea Kihlstedt are white citizens of the United States and reside at and owned the property located at 3941 Beechwood Avenue, Cincinnati, Ohio.

6. Defendant Oakley Building and Loan Company (hereinafter referred to as "Oakley") is a corporation organized under the laws of Ohio, with its headquarters

located at 3140 Madison Road, Cincinnati, Ohio. Defendant has assets of over \$34,000,000, and is a member of the Federal Home Loan Bank System, and its savings accounts are insured by the Federal Savings and Loan Insurance Corporation. Among other things the defendant lends money for the purchase of residential dwellings in the Cincinnati area.

7. Defendant Robert S. Johnson is President and Director of defendant Oakley.

8. Defendant George H. Downs is Executive Vice President, Secretary, and Managing Officer of defendant Oakley.

9. Defendants Gordon Iliff, Thomas Farrell, Robert W. Johnson, Milton Conner, Palmer Graves, Warren Lowe, and Earl Raible are all directors of defendant Oakley.

CLASS ACTION ALLEGATIONS

10. The plaintiffs bring this action on behalf of themselves as individuals and on behalf of all other persons similarly situated. The class is divided into two sub-classes:

a) All property owners residing in racially integrated or predominantly black neighborhoods within Hamilton County

b) All prospective purchasers of homes in integrated or predominantly black neighborhoods within Hamilton County.

11. This class action is brought pursuant to Rule 23 of the Federal Rules of Civil Procedure. The class is so numerous that joinder of all members is impracticable. There are questions of law and fact common to the class; the claims of the plaintiffs are typical of the claims of the class; the plaintiffs will fairly and adequately protect the interests of the class, because their interest and that of the class in not being discriminated against on account of their race is co-extensive. The defendants have acted and refused to act on grounds generally applicable to the class, thereby making appropriate relief with respect to the class as a whole. The questions of law and of fact common to the class predominate over any questions affecting only

individual members. A class action, of the scope here brought, is superior to other available methods for the fair and efficient adjudication of the controversy.

12. On February 23, 1974, plaintiffs Laufman contracted to purchase from plaintiffs Kihlstedt the residential property located at 3941 Beechwood Avenue, Cincinnati, Ohio. This property is located in a racially integrated neighborhood commonly referred to as North Avondale.

13. On several occasions, including February 26, and 28, 1974, plaintiffs Laufman were advised by agents of defendant Oakley that 90 percent loans at 8.5 percent interest with 3 percent closing costs were available.

14. On February 28, 1974, plaintiffs Laufman made written application to defendant Oakley for such a 90 percent loan for the home located at 3941 Beechwood Avenue.

15. On March 6, 1974, plaintiffs Laufmans' loan application was rejected because of the racial composition of the neighborhood.

16. Because of defendants' discriminatory conduct, plaintiffs Laufman incurred financial loss including additional costs resulting from their securing a loan elsewhere at a higher interest rate.

17. Defendants are engaged in a policy and practice of refusing to lend money, or requiring stricter terms, for such loans for the purchase of homes in North Avondale, Avondale, South Side of Clifton, Uptown area of Cincinnati, Evanston, Mt. Healthy, Walnut Hills, East End, and River Road, because of the racial composition of these neighborhoods.

18. The policy and practice of the defendants in refusing to make loans or requiring stricter terms, on account of the racial composition of neighborhoods have the purpose and effect of denying to plaintiffs Laufman and Kihlstedt and the class they represent rights secured under 42 U.S.C. 3601 et seq. and 2000(d), and 12 CFR 528 and 531.

W H E R E F O R E, the plaintiffs pray that this Court cause this case to be in every way expedited for a hearing on the merit and, after such hearing, enter an order:

a. Declaring invalid the policy and practice of the defendants of refusing to make home loans or requiring more stringent qualifications or standards in making such loans, because of the racial composition of the neighborhood in which a home is to be purchased;

b. Enjoining the defendants, their officers, agents, and employees, and all other persons acting in active concert or participation with them or any of them from:

- (1) refusing to make a loan or requiring different terms and conditions because of the race of the present or prospective owners, lessees, tenants, or occupants of other dwellings in the vicinity of the dwelling or dwellings in relation to which such loan or other service is to be made or given; and
- (2) engaging in any acts or practices which have the purpose or effect of denying equal housing opportunities because of race, color, religion, or national origin.

c. Requiring the defendants, their officers, agents and employees, to:

- (1) award to plaintiffs Laufman actual and compensatory damages in the amount of \$10,000;
- (2) award to plaintiffs Kihlstedt actual and compensatory damages in the amount of \$3,000;
- (3) award to each of the plaintiffs Laufman and Kihlstedt punitive and exemplary damages in the amount of \$1,000 from each of the named defendants; and
- (4) take reasonable steps to correct the effects of past discriminatory conduct, including

the implementation of a comprehensive plan
of affirmative action to promote equal oppor-
tunities in housing.

Plaintiffs pray for the recovery of all costs,
including attorneys fees, incurred in maintaining this
action, and for such other further relief as the interests
of justice may require and this Court deems appropriate.

Respectfully submitted,



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