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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

**SABRINA SMITH, AMBER
MOOREHEAD, and KIMBERLY
DAVIS**)

Plaintiffs,)

vs.)

**BALUBHAI G. PATEL, etc.,
et al.,**)

Defendants.)

**Case No. CV 11-03437 DDP (CWx)
CONSENT DECREE**

This action was brought by plaintiffs Sabrina Smith, Amber Moorehead, Kimberly Davis and Coalition for Economic Survival against defendants Balubhai G. Patel, individually and as trustee of Balubhai Patel Revocable Trust dated March 14, 2007, Apolinar Arellano, Adela Fernandez Arellano, Arellano & Galicia, Inc., and Kudali Research & Development, Inc., alleging that defendants, or their agents, violated the federal Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, and related California state laws, by engaging in a pattern or practice of sexual harassment of female residents of the Lafayette Hotel in Los Angeles, California. Defendants have denied all material allegations in the complaint.

The parties have agreed that in order to avoid protracted and costly litigation, the controversy should be resolved without a trial and therefore have

1 consented to entry of this decree. By entering into this consent decree, defendants
2 make no admission of liability or wrongdoing in connection with the allegations
3 and claims made by plaintiffs.

4 It is hereby ordered, adjudged and decreed that:

5 ***A. Monetary Payments***

6 1. Defendants shall make monetary payments in the amount of five
7 hundred fifty thousand dollars (\$550,000.00) in the form of a check or checks
8 made payable to the Attorney-Client Trust Account of Brancart & Brancart, and
9 shall deliver that payment to Brancart & Brancart, 8205 Pescadero Road, Loma
10 Mar, CA 94021 within thirty (30) days of entry of this decree. Of the total
11 payment of five hundred fifty thousand dollars (\$550,000.00), Balubhai G. Patel
12 shall pay three hundred fifty thousand dollars (\$350,000.00), Lloyds of London
13 shall pay one hundred forty thousand dollars (\$140,000.00), and Century Surety
14 shall pay sixty thousand dollars (\$60,000.00). These payments shall be inclusive
15 of any claim for damages, attorneys' fee or costs claimed by plaintiffs. Each payor
16 shall be individually responsible to plaintiff for his or its specified payment.

17 ***B. Mutual Release & Dismissal***

18 2. Plaintiffs and defendants shall execute a mutual release indicating that
19 this decree constitutes a full and final settlement of any and all claims that each has
20 related to this action, except as to plaintiff Kimberly Davis, who shall execute a
21 separate mutual release with defendants. Each mutual release shall include a
22 waiver of Civil Code section 1542, and include all known and unknown claims.
23 This action may be dismissed, subject to the terms of this decree, reserving
24 jurisdiction for purposes of enforcement.

25 ***C. Equitable Terms***

26 3. Defendants, their owners, officers, or managers shall comply with the
27 following terms:

28 a. Effective within 60 days from entry of this decree, defendant

1 Apolinar Arellano shall cease and desist from any role or authority as a manager,
2 operator or agent in the connection with the operation or management of any rental
3 dwelling¹;

4 b. Effective within 60 days from entry of this decree, defendant
5 Adela Fernandez Arellano and her agents or employees shall cease and desist from
6 any role as a manager, operator or agent in the connection with the operation or
7 management of the Lafayette Hotel;

8 c. Effective 120 days from entry of this decree, defendant
9 Balubhai G. Patel shall require any employee or agent involved in the management
10 or operation of any rental dwelling owned or operated by him or any entity
11 controlled by him to:

12 (1) Place and maintain a copy of either the HUD fair housing
13 poster (HUD form 928) *or* DFEH fair housing poster (DFEH form 157H and 157S)
14 in a conspicuous location at each rental dwelling where it can be seen by residents
15 or prospective residents;

16 (2) Provide each tenant or resident at the start of his tenancy
17 or residency with a copy of either the HUD fair housing pamphlet (HUD form
18 903.1) *or* DFEH fair housing pamphlet (DFEH form 157H and 157HS);

19 (3) Adopt and enforce a written policy prohibiting
20 discrimination, including harassment, by any employee or agent acting on behalf of
21 any defendant. That policy shall state that conduct in violation of the policy will
22 be grounds for immediate termination;

23 (4) Attend and pay for the reasonable cost to attend a fair
24 housing training provided by (1) any organization approved by the California
25 Apartment Association to provide fair housing training, *or* (2) any fair housing
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27 ¹As used in this decree, “dwelling” has the same definition as the term is defined under
28 the Fair Housing Act, 42 U.S.C. § 3602, and shall include any temporary or permanent dwelling
place, abode or habitation to which the occupant intends to return for more than 28 days
consecutively.

1 organization approved by HUD for funding under Fair Housing Initiatives
2 Program. The training shall not exceed three hours. Any new agent or employee
3 must attend a fair housing training, provided by either type of organization
4 identified in this paragraph, within 120 days of the start of his or her employment
5 or agency; and,

6 (5) Maintain records demonstrating their compliance with
7 each of these provisions under paragraph 3(c), including certificates of attendance
8 of fair housing training prescribed in paragraph 3(c)(4), make those records
9 available for inspection upon written request made by plaintiffs' counsel or a
10 government agency, and certify compliance with those provisions in the form of a
11 certificate, filed annually with the district court, stating:

12 I, Balubhai G. Patel, hereby certify that my employees and agents have
13 complied with the provision of the consent decree entered in *Smith v. Patel*,
14 case number 11-cv-03437-DDP (CWx), during the period between [date]
15 and [date].

16 e. Upon inception or renewal of any lease agreement under which
17 Balubhai G. Patel or any entity under his control leases or rents a multifamily
18 dwelling to a person or entity for purposes of operating that multifamily dwelling
19 as a rental dwelling, Balubhai G. Patel shall include in each written lease
20 agreement the following provisions:

21 (1) That the lessee shall place and maintain a copy of either
22 the HUD fair housing poster (HUD form 928) *or* DFEH fair housing poster (DFEH
23 form 157H and 157S) in a conspicuous location at the rental dwelling where it can
24 be seen by residents or prospective residents;

25 (2) That the lessee shall provide each tenant or resident at the
26 start of his tenancy or residency with a copy of either the HUD fair housing
27 pamphlet (HUD form 903.1) *or* DFEH fair housing pamphlet (DFEH form 157H
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1 and 157HS);

2 (3) That the lessee shall adopt and enforce a written policy
3 prohibiting discrimination, including unlawful harassment, by any employee or
4 agent acting on behalf of the lessee. That policy shall state that conduct in
5 violation of the policy will be grounds for immediate termination;

6 (4) That any determination by any federal or state agency or
7 court that the lessee or his agents or employees have engaged in discrimination,
8 including unlawful harassment, will be grounds for immediate termination of the
9 lease;

10 (5) That the lessee, including his agents and employees, shall
11 attend and pay for the reasonable cost to attend a fair housing training provided by
12 (1) any organization approved by the California Apartment Association to provide
13 fair housing training, *or* (2) any fair housing organization approved by HUD for
14 funding under Fair Housing Initiatives Program. The training shall not exceed
15 three hours. Any new agent or employee must attend a fair housing training,
16 provided by either type of organization identified in this paragraph, within 120
17 days of the start of his or her employment or agency; and,

18 (6) That the lessee shall maintain records demonstrating his
19 compliance with each of these provisions under paragraph 3(e), including
20 certificates of attendance of fair housing training prescribed in paragraph 3(e)(5),
21 and make those records available for inspection upon written request by plaintiffs'
22 counsel or a government agency.

23 f. Balubhai G. Patel shall certify his compliance with the provision in
24 paragraph 3(e) in the form of a certificate, filed annually with the district court,
25 stating:

26 I, Balubhai G. Patel, hereby certify that each of my lease agreements,
27 renewed or initiated since entry of the consent decree in *Smith v. Patel*, case
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1 number 11-cv-03437-DDP (CWx), complies with the terms of that decree.

2 g. Within 120 days of entry of this decree, Balubhai G. Patel shall attend
3 and pay for the reasonable cost to attend a fair housing training provided by (1) any
4 organization approved by the California Apartment Association to provide fair
5 housing training, or (2) any fair housing organization approved by HUD for
6 funding under Fair Housing Initiatives Program. The training shall not exceed
7 three hours.

8 h. Within 150 days of entry of this decree, Balubhai G. Patel shall
9 certify his compliance with the provision in paragraph 3(g) in the form of a
10 certificate, filed with the district court, stating:

11 I, Balubhai G. Patel, hereby certify that I have completed fair housing
12 training as required by the consent decree in *Smith v. Patel*, case number 11-
13 cv-03437-DDP (CWx).

14 i. Nothing in this decree is intended to prevent Balubhai G. Patel from
15 undertaking those activities required to maintain and supervise rental dwellings
16 owned or operated by him or any entity controlled by him for the purposes of
17 ensuring compliance with the terms of this decree, local ordinance, or state and
18 federal law, or the preservation of the value of his rental dwellings.

19 ***D. Enforcement***

20 4. The district court shall retain jurisdiction over this action and its
21 parties for the duration of this decree for the purpose of enforcing and modifying

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1 its terms. This decree shall be in effect for a period of five (5) years from its date of
2 entry.

3 Ordered this 26th day of March, 2013.

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6 Honorable Dean D. Pregerson
7 United States District Judge

8 Approved as to content and form:

9
10 LEGAL AID FOUNDATION OF LOS
11 ANGELES

12 /s/ Fernando Gaytan

13 Fernando Gaytan
14 Attorneys for Plaintiffs

15 BRANCART & BRANCART

16 /s/ Christopher Brancart

17 Christopher Brancart
18 Attorneys for Plaintiffs

19 LAW OFFICES OF FRANK A. WEISER

20 /s/ Frank Weiser (by express permission)

21 Frank A. Weiser
22 Attorney for Defendants

23 MURCHISON & CUMMING, LLP

24 /s/ Russell Wollman (by express permission)

25 Russell S. Wollman
26 Attorneys for Defendants Balubhai G. Patel,
27 individually and as trustee of Balubhai Patel
28 Revocable Trust dated march 14, 2007, and
Kudali Research & Development, Inc.