

**UNITED STATES OF AMERICA  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF ADMINISTRATIVE LAW JUDGES**

The Secretary, United States Department of	)	
Housing and Urban Development, on behalf of	)	
Complainant [REDACTED] and	)	
her minor grandchild,	)	
	)	
Charging Party,	)	
	)	HUDALJ No. _____
v.	)	
	)	FHEO No. 07-15-0152-8
Paul Jeffrey Pritchard, individually and as the	)	
trustee of the Paul Jeffrey Pritchard Trust,	)	
the Paul Jeffrey Pritchard Trust,	)	
the Kim Susanne Pritchard Trust,	)	
Kim Susanne Pritchard, as the trustee of	)	
the Kim Susanne Pritchard Trust, and	)	
Debra M. Schmidt,	)	
	)	
Respondents	)	
_____	)	

**CHARGE OF DISCRIMINATION**

**I. JURISDICTION**

On December 15, 2014, Complainant [REDACTED] filed a timely complaint on behalf of herself and her grandchild, [REDACTED] with the U.S. Department of Housing and Urban Development ("HUD" or the "Department") alleging she was injured by discriminatory acts of Respondents. The complaint was subsequently amended, the most recent of which was on October 31, 2015, to allege the proper Respondents, issues, and allegations. Complainant alleges Respondents violated Sections 3604(a), (b) and (c) of the Fair Housing Act, 42 U.S.C. §§ 3601 *et seq.* (the "Act"), based on familial status by refusing to allow Complainant to add her granddaughter to her lease, by issuing Complainant a termination of tenancy notice, and by making discriminatory statements indicating a preference and limitation.<sup>1</sup>

The Act authorizes the Secretary of HUD to issue a Charge of Discrimination ("Charge") on behalf of an aggrieved person following an investigation and a determination that reasonable cause exists to believe that a discriminatory housing practice has occurred. 42 U.S.C.

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<sup>1</sup> In the Determination dated December 22, 2016, HUD concluded that no reasonable cause existed to believe that Respondents discriminated against the Complainant based on her race in violation of 804(a), 804(b) and 804(c) of the Act.

§ 3610(g)(1) and (2). The Secretary has delegated that authority to the General Counsel (24 C.F.R. §§ 103.400 and 103.405 (2016)), who has redelegated the authority to the Regional Counsel. 76 Fed. Reg. 42463, 42465 (July 18, 2011).

By Determination of Reasonable Cause dated December 22, 2016, the Fair Housing and Equal Opportunity (“FHEO”) Director for Region VII, on behalf of the Assistant Secretary for FHEO, has determined reasonable cause exists to believe that a discriminatory housing practice has occurred based on familial status and has authorized and directed the issuance of this Charge of Discrimination. 42 U.S.C. § 3610(g)(2).

## **II. SUMMARY OF ALLEGATIONS IN SUPPORT OF THIS CHARGE**

Based on HUD’s investigation of the allegations contained in the referenced complaint and the Determination of Reasonable Cause, Respondents are hereby charged with violating the Act as follows:

### **A. Legal Authority**

1. It is unlawful to make unavailable or deny a dwelling to any person because of familial status. 42 U.S.C. § 3604(a); 24 C.F.R. § 100.50(b)(3); 24 C.F.R. § 100.60(a), and (b)(5); 24 C.F.R. § 100.70(b).
2. It is unlawful to discriminate against any person in the terms, conditions, or privileges of rental of a dwelling, because of familial status. 42 U.S.C. § 3604(b); 24 C.F.R. § 100.50(b)(2); 24 C.F.R. § 100.65(a).
3. It is unlawful to make or cause to be made any statement with respect to the rental of a dwelling that indicates any preference, limitation or discrimination based on familial status, or an intention to make any such preference, limitation or discrimination. 42 U.S.C. § 3604(c); 24 C.F.R. § 100.50(b)(4); 24 C.F.R. §§ 100.75(a) and (c)(1).
4. Pursuant to the Act, “aggrieved person” includes any person who claims to have been injured by a discriminatory housing practice. 42 U.S.C. § 3602(i); 24 C.F.R. § 100.20.
5. “Familial status” means one or more individuals under the age of eighteen being domiciled with a parent or another person having legal custody of such individual(s) or the designee of such parent or other person having such custody, with the written permission of such parent or other person. The protections afforded against discrimination on the basis of familial status apply to any person who is in the process of securing legal custody of any individual who has not attained the age of 18 years. 42 U.S.C. § 3602(k); 24 C.F.R. § 100.20.

### **B. Parties and Subject Property**

6. The subject property is Northridge Apartments, a multi-family property with 16 one-bedroom units, located at 525 West 37th Street North, Wichita, Kansas (“Northridge”). The subject property is a dwelling, as defined by the Act. 42 U.S.C. § 3602(b).

7. Complainant [REDACTED] resided at Northridge Unit [REDACTED] from approximately [REDACTED] 2013, to [REDACTED] 2014. She obtained custody of her granddaughter, [REDACTED] on [REDACTED] 2014.
8. Complainant and her granddaughter are aggrieved persons, as defined by the Act. 42 U.S.C. § 3602(i).
9. Respondent Paul Jeffrey Pritchard (aka "Jeff Pritchard"), is named in both his individual capacity and as the trustee of the Paul Jeffrey Pritchard Trust. Respondent Jeff Prichard manages Northridge under the sole proprietorship names "JK Rentals" and "Pilot Properties."
10. Respondent Kim Susanne Pritchard is named in her capacity as trustee of the Kim Susanne Pritchard Trust.
11. Respondents the Paul Jeffrey Pritchard Trust and the Kim Susanne Pritchard Trust (collectively, "the Trusts") became the owners of the subject property on or about June 20, 2013, and owned the property throughout the remainder of 2013 and all of 2014.
12. Respondent Debra Schmidt served as Northridge's property manager from on or about July 29, 2014 throughout the remainder of 2014. Her employer at this time was Respondent Jeff Pritchard using the sole proprietorship name "JK Rentals."

C. Factual Allegations

13. On or around July 1, 2013, Complainant signed her one year lease, with automatic month to month renewal after the initial 12 month term, for Northridge Unit 206.
14. Complainant's lease identifies Jeff Pritchard as the Landlord, and indicates notices to the Landlord were to be directed to "Jeff Pritchard dba JK Rentals." Jeff Pritchard signed the lease July 1, 2013.
15. The Pilot Properties' office at 906 N. Main St., Suite 2, Wichita, Kansas 67203 is four to five miles from the subject property. There is no office located onsite at Northridge.
16. On July 29, 2014, Respondent Debra Schmidt began her duties as Northridge's property manager, working out of the Pilot Properties' office.
17. On or around September 12, 2014, Complainant spoke with Respondent Schmidt at the Pilot Properties' office. She anticipated getting custody of her twin granddaughters, born in January of 2014, and inquired about the availability of a two-bedroom unit. The subject property has no two-bedroom units. During the visit, Respondent Schmidt drafted a note that provided the following, "Shelley McPherson – 206 nR – she needs a two bedroom – Getting custody of Grandbabies- Gave 30 day notice today." Complainant signed the note.

18. The Complainant obtained custody of her granddaughter [REDACTED] on October 31, 2014, by means of a Placement Agreement with Saint Francis Community and Family Services. [REDACTED] sister was receiving medical treatment and was not yet released to Complainant.
19. On or about November 4 or 5, 2014, Complainant went to the Pilot Properties' office with [REDACTED] and paid her November rent. She asked Respondent Schmidt if she could add [REDACTED] to her lease. Schmidt responded "this may be a problem" as "Jeff doesn't want kids on the property." When Complainant pointed out there were other children at the property, Respondent Schmidt replied, "we just found out."
20. After the Complainant's meeting with Respondent Schmidt, Respondent Jeff Pritchard authorized and Respondents issued a 30 Day Notice of Termination of Lease to Complainant dated November 5, 2014. The notice required she vacate her unit by December 31, 2014.
21. On December 15, 2014, Complainant filed her initial complaint with HUD.
22. In a December 30, 2014 written response to HUD, Respondent Schmidt described the events: "On November 5<sup>th</sup> Ms. [REDACTED] came into our office with one of her grandbabies and asked if she could add her to the lease. I explained that the owner, Mr. Pritchard wants to keep the apartments for single residents and no children. These apartments are 1 bedroom and only 500 sq. ft. It is the owners wish to have a quiet, single residence apartment complex. On November 5<sup>th</sup>, 2014 we sent Ms. [REDACTED] along with another tenant that has a child living there a 30-day notice of termination of lease, giving them until the end of December 2014 to move."
23. In a letter to HUD dated January 1, 2015, Respondent Jeff Pritchard wrote: "On November 5th Ms. [REDACTED] came into our office with one of her grandbabies and asked Deb Schmidt, our office manager if she could add her grandbaby to the lease. Deb explained to her that we want to keep the apartments for single residents and no children."
24. As a result of receiving her termination of tenancy notice, the Complainant vacated her unit in December 2014. On or around December 23, 2014, Complainant returned to her unit to retrieve her remaining belongings and found the lock had been changed and her belongings were in the trash.
25. Complainant had to locate alternate housing for herself and her granddaughter. Complainant's monthly rental costs increased after her move from Northridge.
26. As a result of Respondents' discriminatory conduct, Complainant and her granddaughter, [REDACTED] suffered damages.

#### D. Legal Allegations

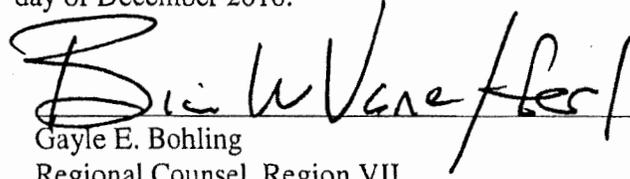
27. As described above, by terminating the Complainant's lease after she asked to add her grandchild, [REDACTED], to her lease, Respondents unlawfully made a dwelling unavailable based on familial status in violation of 42 U.S.C. § 3604(a); 24 C.F.R. § 100.50(b)(3); 24 C.F.R. § 100.60(a) and (b)(5); and 24 C.F.R. § 100.70(b).
28. As described above, by refusing to add Complainant's granddaughter to the lease because she was a child, Respondents unlawfully discriminated in the terms, conditions, or privileges of the rental of a dwelling based on familial status in violation of 42 U.S.C. § 3604(b); 24 C.F.R. § 100.50(b)(2) and 24 C.F.R. § 100.65(a).
29. As described above, by informing Complainant that adding her grandchild [REDACTED] to the lease "may be a problem," and that "Jeff doesn't want kids on the property," Respondents unlawfully made statements indicating a preference, limitation, or discrimination based on familial status with respect to the rental of a dwelling in violation of 42 U.S.C. § 3604(c); 24 C.F.R. § 100.50(b)(4); and 24 C.F.R. § 100.75(a) and (c)(1).

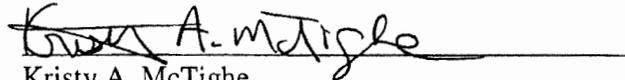
### III. CONCLUSION

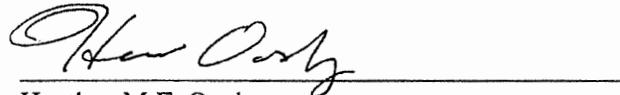
WHEREFORE, the Secretary of HUD, through the Office of the General Counsel, and pursuant to 42 U.S.C. § 3610(g)(2)(A) of the Act, hereby charges Respondents with engaging in discriminatory housing practices in violation of 42 U.S.C. §§ 3604(a), 3604(b) and 3604(c), and requests an Order be issued that:

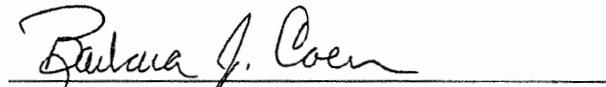
1. Declares Respondents' discriminatory housing practices, as set forth above, violate the Act, 42 U.S.C. §§ 3604(a), 3604(b), and 3604(c);
2. Enjoins Respondents, their agents, employees, and successors, and all other persons in active concert or participation with them, from discriminating because of familial status against any person in any aspect of the sale or rental of a dwelling;
3. Awards such monetary damages as will fully compensate Complainant and her granddaughter for their damages caused by Respondents' discriminatory conduct pursuant to 42 U.S.C. § 3612(g)(3);
4. Assesses a civil penalty against each Respondent for each violation of the Act that Respondents have committed, pursuant to 42 U.S.C. § 3612(g)(3) and 24 C.F.R. § 180.671; and
5. Awards any additional relief as may be appropriate, pursuant to 42 U.S.C. § 3612(g)(3).

Respectfully submitted on this 22<sup>nd</sup> day of December 2016.

  
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