

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOSEPH PEDALINE  
AND YLP LLC,

Defendants.

Case No.: 23-CV-1744

JUDGE JAMES S. GWIN

**CONSENT DECREE**

**I. INTRODUCTION**

1. This action was brought by the United States on September 6, 2023, to enforce Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3619 (the “Fair Housing Act”).

2. In its Complaint, the United States alleges that Defendant Joseph Pedaline and Defendant YLP LLC violated the Fair Housing Act by discriminating against tenants on the basis of sex in the rental of dwellings that they owned or managed in Youngstown, Ohio. Specifically, the United States alleges that, since at least 2009 and continuing until at least 2020, Defendant Pedaline subjected female tenants to discrimination because of sex, including unwelcome and severe or pervasive sexual harassment. The Complaint alleges the conduct included, but was not limited to:

- a. Offering to grant tangible housing benefits, such as reducing rent, excusing late or unpaid rent, or providing repairs and maintenance, to female tenants in exchange for sexual acts;

- b. Subjecting tenants to unwelcome sexual touching, including touching their breasts and buttocks;
- c. Making unwelcome sexual comments and sexual advances to tenants, including commenting on tenants' bodies and inviting them to engage in sexual acts with him;
- d. Menacing female tenants by entering their homes without their permission and with no apparent legitimate reason; and
- e. Taking adverse housing actions, such as initiating evictions, or threatening to do so, against tenants who objected to or refused his sexual advances.

3. The Complaint alleges that Defendant YLP is vicariously liable for harassment by Defendant Pedaline that occurred during periods of its ownership or management of the rental properties.

4. The United States alleges that the conduct described above constitutes a pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act and a denial to a group of persons of rights granted by the Fair Housing Act that raises an issue of general public importance.

5. The United States and the Defendants (collectively, the "Parties") agree that this Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345, and 42 U.S.C. § 3614(a).

6. Defendants deny all allegations against them as set forth by the United States. To avoid the delay, inconvenience, and expense of protracted litigation, the Parties agree, as indicated by the signatures below, to resolve the United States' claims through this Consent Decree, without admission of liability or wrongdoing by Defendants.

7. This Consent Decree constitutes a full resolution of all claims asserted against the Defendants by the United States in this action, and those claims the United States could have asserted under the Fair Housing Act in this action, as a result of any actions or inactions of Defendants, including the United States' claims for monetary damages for any aggrieved persons pursuant to 42 U.S.C. § 3614(d)(1)(B).

**ACCORDINGLY, it is hereby ADJUDGED, ORDERED, and DECREED:**

## **II. TERMS AND DEFINITIONS**

8. The provisions of this Consent Decree shall apply to Defendants, their officers, agents, employees, successors, and assigns.

9. This Consent Decree is effective immediately upon its entry by the Court.

10. 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.

11. A “bona fide, independent third-party purchaser” is one with whom the Defendant has no current or past financial, contractual, personal, or familial relationship.

12. “Contact or communications” includes, but is not limited to, physical contact, verbal contact, telephone calls, e-mails, faxes, written communications, text or instant messages, contacts through social media, or other communications made directly or through third parties.

13. “Dwellings” has the meaning set out in the Fair Housing Act, 42 U.S.C. § 3602(b).

14. The “effective date” of this Consent Decree refers to the date on which the Court enters the Consent Decree.

15. “Property management responsibilities” include the following: advertising dwelling units for rent; showing or renting dwelling units; processing rental applications; negotiating rents and security deposits; determining tenant eligibility for subsidies or waivers of fees and rents; inspecting dwelling units; performing or supervising repairs or maintenance at dwelling units; collecting rent and fees; overseeing any aspects of the rental process; or engaging in any other property-related activities that involve, or may involve, personal contact or communications with tenants or prospective tenants.

16. “Subject Property” or “Subject Properties” refers to any residential rental property that is owned, leased, managed, operated, or controlled (either currently or at any time during the term of this Consent Decree), in whole or in part, by a Defendant; any entity of which a Defendant is an officer, agent, employee, or partner; or any entity in which a Defendant has any ownership, financial, or controlling interest.

### **III. INJUNCTIVE RELIEF**

#### **A. Prohibition Against Discrimination and Retaliation Under the Fair Housing Act**

17. Defendants, their officers, agents, employees, successors, heirs, and assigns, and all other persons, are hereby permanently enjoined, with respect to rental of dwellings, from:

- a. Refusing to rent or sell a dwelling, refusing or failing to provide or offer information about a dwelling, refusing to negotiate for the rental or sale of a dwelling, or otherwise making unavailable or denying a dwelling to any person because of sex;
- b. Discriminating against any person in the terms, conditions, or privileges of the rental of a dwelling, or in the provision of services or facilities in connection therewith, because of sex;

- c. Making any statement, oral or written, in connection with the rental or sale of a dwelling, that expresses or indicates any preference, limitation, or discrimination, or an intent to make any such preference, limitation, or discrimination, because of sex; or
- d. Coercing, intimidating, threatening, or interfering with any person in the exercise or enjoyment of, or on account of having exercised or enjoyed, or on account of having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by the Fair Housing Act, including by retaliating against any persons exercising their rights under this Consent Decree.

**B. Prohibition Against Contact with Harmed Individuals and Their Families**

18. Defendants are permanently prohibited from purposefully or knowingly initiating contact or communications, either directly or indirectly, with: (1) any person the United States identified as harmed by Defendants' conduct in its initial disclosures (including supplemental disclosures) or subsequently identifies as eligible for compensation pursuant to Section IV below, and (2) any individual whom Defendants know or believe to be a family member or close relation to those individuals.

19. If a Defendant inadvertently or unintentionally has any contact or communications with an individual in the categories identified above, the Defendant will immediately discontinue the contact or communication and take all reasonable steps to avoid any further contact or communication.

**C. Reporting Acquisition or Transfer of Interest in Residential Rental Properties**

20. Defendants attest that they have sold all Subject Properties and do not currently own, lease, manage, or control any Subject Properties, other than Defendant Pedaline's ownership and management of 581 Early Rd.

21. Defendant Pedaline additionally owns a warehouse that is being rented solely for commercial purposes. As such, it is not considered a Subject Property. If any part of that property is rented as residential unit, it will be considered a Subject Property.

22. If a Defendant acquires a direct or indirect ownership, management, financial, or controlling interest in any residential rental property during the term of this Consent Decree, such property will be a Subject Property for purposes of this Consent Decree. The Defendant must provide written notification to the United States within seven (7) days of acquiring such an interest, identifying the property and the nature of the interest acquired. The Defendant will further provide the United States with copies of any documents memorializing the transfer or creation of the interest in the property.

23. If a Defendant subsequently sells or transfers any Subject Property to a bona fide, independent third-party purchaser in an arms-length transaction, such property will no longer be considered a Subject Property for purposes of this Consent Decree. The Defendant will inform the United States within seven (7) days of any such transaction and provide documentation sufficient to confirm the sale or transfer, including contact information for the purchaser.

**D. Restrictions Regarding Property Management**

24. Defendant Pedaline is permanently prohibited from directly or indirectly performing any property management responsibilities at any Subject Property or any other residential rental property, with the limited exception discussed in Paragraph 26 below.

25. Defendant Pedaline is permanently prohibited from entering any part of any Subject Property, with the limited exception discussed in Paragraph 26 below. This includes all areas of a dwelling and facilities that are provided in connection with the Subject Property, including basements, communal spaces, yards, parking areas, and garages.

26. A limited exception to the prohibitions of Paragraphs 24 and 25 is permitted for the Subject Property located at 581 Early Rd., provided that there is no change to the current tenancy. If Defendant Pedaline wishes to offer 581 Early Rd. as a residential rental to anyone other than the current tenant, he must comply with all requirements for Subject Properties set forth in this Consent Decree.

27. If Defendant Pedaline acquires ownership, management responsibility, or control of a Subject Property, or if there is a change in the status of the tenancy at 581 Early Rd., he must retain an independent manager to perform all property management responsibilities, after identifying the proposed independent manager to the United States. Within ten (10) days of acquiring any interest in a Subject Property, Defendant Pedaline shall submit to the United States for approval, which shall not be unreasonably withheld: 1) the name, contact information, and qualifications of the proposed independent manager, and 2) a disclosure of the existence and nature of any current or past employment, financial, contractual, personal, or familial relationship between the proposed independent manager and the Defendant. The proposed independent manager must be an individual or entity experienced in managing residential rental properties. Defendant may change the independent manager through this same process. All costs resulting from retention of an independent manager shall be borne by Defendant.

28. If either Defendant acquires ownership, management responsibility, or control of a Subject Property, that Defendant must comply with the following requirements (in the case of

Defendant Pedaline, through the independent manager) within 14 days of acquiring such interest (for Defendant YLP) or retaining the independent manager (for Defendant Pedaline):

- a. Implement a written Nondiscrimination Policy and Complaint Procedure pursuant to the same procedure in Paragraph 29(a). The Nondiscrimination Policy and Complaint Procedure must be provided to all persons performing property management responsibilities, distributed to all tenants, and attached to the lease of every new tenant.
- b. Require any persons involved in performing property management responsibilities at the property, including the independent manager, to attend and provide proof of completion of a live training on the Fair Housing Act pursuant to the procedure outlined in Paragraph 29(b). The attendees will be provided a copy of this Consent Decree before or at the training.
- c. Post an “Equal Housing Opportunity” sign in each office or location in which rental activity is conducted, which indicates that all dwellings are available for rent on a nondiscriminatory basis. An 11-inch by 14-inch poster that comports with 24 C.F.R. Part 110 will satisfy this requirement. Such poster will be placed in a prominent, well-lit location where it is easily readable. Defendants may use HUD Form 928, available at:  
<https://portal.hud.gov/hudportal/documents/huddoc?id=928.1.pdf>.
- d. Require that any advertising, including online, print, radio, television or other media, signs, pamphlets, brochures and other promotional literature is in compliance with HUD advertising guidelines, available on the HUD website at:



<https://www.hud.gov/sites/dfiles/FHEO/documents/BBE%20Part%20109%20Fair%20Housing%20Advertising.pdf>.

**E. Fair Housing Act Policies, Complaint Procedure, and Training**

29. Within 30 days of entry of this Consent Decree, Defendant Pedaline must:
  - a. Implement a written Nondiscrimination Policy and Complaint Procedure regarding the protections of the Fair Housing Act, including a prohibition against sexual harassment. A copy of this policy and procedure shall be provided to counsel for the United States for approval, which shall not be unreasonably withheld. Following the United States' approval, Defendant will provide a copy of the Nondiscrimination Policy and Complaint Procedure to each current residential tenant of a Subject Property.
  - b. Attend a live training on the Fair Housing Act, including the Fair Housing Act's prohibition of sex discrimination and sexual harassment. Live training may include training provided by streaming or video service (i.e. Zoom). The training will be conducted by a qualified third party, independent of Defendants or their counsel, approved in advance by the United States. At a minimum, the training will consist of instruction on the requirements of the Fair Housing Act, with an emphasis on sexual harassment, and a question-and-answer session for the purpose of reviewing this topic. Any expenses associated with this training will be borne by Defendant. Defendant will obtain from the training or training entity a certificate of attendance and provide proof of completion of such training to the United States.

**F. Credit Reports and Eviction Records**

30. Defendants agree to work with the United States to take any steps necessary to vacate eviction judgments and/or adverse credit reports related to tenancies with Defendants for persons found to be eligible for compensation pursuant to Section IV.

**IV. MONETARY DAMAGES FOR AGGRIEVED PERSONS**

31. Defendants shall pay a total sum of one hundred eighty-nine thousand dollars (\$189,000) for the sole purpose of paying monetary damages to those persons whom the United States determines were harmed by the Defendants' discriminatory housing practices ("Aggrieved Persons" as defined in 42 U.S.C. § 3602(i)). This money will be referred to as "the Settlement Fund."

32. No later than August 14, 2024, Defendants will deposit the \$189,000 settlement fund into a dedicated account (established and used solely for purposes of this paragraph) and provide proof to the United States that the account has been fully funded. Prior to that date, Defendants shall provide periodic reports to the United States' counsel at least monthly regarding the status of the settlement fund and the anticipated date by which the settlement fund will be fully deposited.

33. After Defendants have fully funded the settlement fund account, and no later than August 15, 2024, the United States will provide Defendants a list of persons determined by the United States to be eligible for payment from the fund and the amount to be paid to each. Within five calendar days thereafter, Defendants shall deliver to counsel for the United States, by overnight delivery, checks payable to each person in the amounts specified.

34. Counsel for the United States will obtain a signed release (in the form of Attachment A) from each person found eligible for compensation. No person will receive a

check until she has executed and delivered to counsel for the United States a signed release form. After the United States has distributed the checks, it will provide copies of the signed release forms to Defendants.

35. If any check sent to the United States is not cashed, deposited, or otherwise negotiated within six (6) months of its issue, Defendants agree to cancel any such check and issue one or more new checks, either for the benefit of the same individual or another eligible individual, as directed by the United States.

36. The monetary damages required to be paid under this Section is a debt within the meaning of 11 U.S.C. § 523(a)(6). Accordingly, Defendants will not seek to discharge any part of this debt in bankruptcy.

#### **V. CIVIL PENALTY**

37. No later than August 14, 2024, Defendants shall pay \$10,000 to the United States as a civil penalty pursuant to 42 U.S.C. § 3614(d)(1)(C). This payment shall be in the form of an electronic funds transfer pursuant to written instructions to be provided by the United States.

38. The civil penalty referenced above is a debt for a fine, penalty, or forfeiture payable to and for the benefit of the United States within the meaning of 11 U.S.C. § 523(a)(7) and is not compensation for actual pecuniary loss. Defendants shall not seek to discharge any part of this debt in bankruptcy.

39. In the event a Defendant engages in any future violation of the Fair Housing Act, such violation will constitute a “subsequent violation” under 42 U.S.C. § 3614(d)(1)(C)(ii).

#### **VI. REPORTING AND RECORD KEEPING**

40. Six (6) months after the date of entry of this Consent Decree, and every six (6) months thereafter for the term of this Consent Decree, Defendant Pedaline will provide a report

to the United States in which he (1) confirms he does not have an interest in any residential rental properties that have not been previously identified to the United States as Subject Properties; (2) confirms he is not directly or indirectly performing any property management responsibilities at any Subject Properties or any residential rental properties, and provides an update regarding the status of the tenancy at 581 Early Rd.; and (3) confirms he is in compliance with all other terms of this Consent Decree. If an independent manager has been retained pursuant to Paragraph 27, Defendant Pedaline shall also include the contact information for the independent manager, who Defendant Pedaline shall instruct to cooperate with any requests from the United States regarding information on compliance with the terms of this Consent Decree. Defendant Pedaline will submit the final report to the United States no later than sixty (60) days before the expiration of this Consent Decree.

41. Six (6) months after the date of entry of this Consent Decree, and every twelve (12) months thereafter for the term of this Consent Decree, Defendant YLP will provide a report to the United States in which it (1) confirms it does not have an interest in any residential rental properties that have not been previously identified to the United States as Subject Properties, and (2) confirms it is in compliance with all other terms of this Consent Decree. If Defendant YLP ceases to exist as a corporate entity prior to the expiration of this Consent Decree, it may provide proof of its dissolution to the United States and be excused from subsequent reporting.

## **VII. DURATION, MODIFICATION, AND ENFORCEMENT**

42. Unless otherwise specified or extended pursuant to this paragraph or Paragraph 43, the provisions of this Consent Decree will be in effect for a period of five (5) years from the effective date. The Court will retain jurisdiction for the purpose of enforcing or interpreting the provisions of this Consent Decree. The United States may move the Court to extend the terms of

this Consent Decree against a noncompliant Defendant in the event of noncompliance with any of its terms, or if the interests of justice so require.

43. The Parties may mutually agree, in writing, to reasonable extensions of time to carry out any provisions of the Consent Decree. Any other modifications to the provisions of this Consent Decree must be agreed upon by the parties and approved by the Court.

44. If a Defendant violates any of the provisions of this Consent Decree, the United States may move this Court to impose any remedy authorized by law or equity, including, but not limited to, civil contempt proceedings, an order requiring performance or non-performance of certain acts, and an award of any damages, costs, and reasonable attorneys' fees which may have been occasioned by the violation or failure to perform.

45. Except as otherwise provided in Paragraph 44, the United States and Defendants will bear their own costs and attorneys' fees associated with this litigation.

46. The Parties agree that as of the effective date of this Consent Decree, litigation is not "reasonably foreseeable" concerning the matters described in the United States' Complaint. To the extent that any of the Parties previously implemented a litigation hold to preserve documents, electronically stored information (ESI), or things related to the matters described in the Complaint, they are no longer required to maintain such a litigation hold. Nothing in this paragraph relieves any of the Parties of any other obligations imposed by this Consent Decree.

**IT IS SO ORDERED** this 18 day of June, 2024.

s/ James S. Gwin  
HON. JAMES S. GWIN  
UNITED STATES DISTRICT COURT JUDGE