

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

DISTRICT OF COLUMBIA, Plaintiff, v. DARO REALTY, LLC, <i>et al.</i> , Defendants.	Case No. 2020 CA 001015 B Judge Yvonne Williams
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CONSENT ORDER

This Consent Order (“Order”) is entered into between Plaintiff District of Columbia (the “District”) and Defendants Daro Realty, LLC, Daro Management Services, LLC, Carissa Barry (collectively, the “Daro Defendants”), Infinity Real Estate, LLC (“Infinity”), Jared Engel, Etienne Locoh, Steven Kassin, and David Berg (collectively, the “Individual Defendants”). The District, the Daro Defendants, Infinity, and the Individual Defendants (collectively, the “Parties”) agree to the entry of this Order to fully and finally resolve this matter in its entirety.

I. THE PARTIES

1. The District, a municipal corporation, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General for the District of Columbia. The Office of the Attorney General for the District of Columbia (“OAG”) is authorized to investigate, file, and resolve legal actions seeking injunctive relief, restitution, civil penalties, attorneys’ fees, and costs for violations of the District’s laws, including the District of Columbia Human Rights Act (DCHRA), D.C. Code § 2-1401.01, *et seq.*; D.C. Code § 2-1403.16a. The Attorney General is also

expressly authorized to enforce the District’s consumer protection laws, including the Consumer Protection Procedures Act (CPPA). *See* D.C. Code § 28-3909.

2. Daro Management Services, LLC (“Daro Management”) is a real estate management company and a District-licensed Real Estate Organization with its primary place of business at 2929 Connecticut Avenue, N.W., Washington, D.C. Founded in 1935, Daro Management currently operates, maintains, and offers for lease over 1,200 residential units in the following apartment buildings in the District of Columbia:

- a. The 1600, 1600 Sixteenth Street, N.W.;
- b. The 1830 R, 1830 R Street, N.W.;
- c. 1900 Lamont, 1900 Lamont Street, N.W.;
- d. Archer, 3701 Massachusetts Avenue, N.W.;
- e. Circle Arms, 2416 K Street, N.W.;
- f. Connecticut House, 4500 Connecticut Avenue, N.W.;
- g. Crestwood Terrace, 3900 Sixteenth Street, N.W.;
- h. Parkway, 3220 Connecticut Avenue, N.W.;
- i. Parkwest, 2929 Connecticut Avenue, N.W.;
- j. Phoenix, 1421 Massachusetts Avenue, N.W.;
- k. The Rocksboro, 1717 R Street, N.W.;
- l. Rodman, 3002 Rodman Street, N.W.;
- m. Rodney, 1911 R Street, N.W.;
- n. Sedgwick Gardens, 3726 Connecticut Avenue, N.W.; and
- o. The Vintage, 3146 Sixteenth Street, N.W.

3. Daro Realty, LLC (“Daro Realty”) is a District-licensed real-estate company with its principal place of business in the District of Columbia. Daro Realty owns nine (9) buildings in the District of Columbia, all of which are managed by Daro Management.

4. Infinity has its primary place of business in the state of New York. Infinity manages investments in urban areas including the District; it counts Daro Management’s and Daro Realty’s properties among its investment portfolio.

5. Carissa Barry is a licensed real-estate broker in the District. She serves as president and principal broker of Daro Management, as well as principal broker of Daro Realty.

6. Steven Kassin is the founder and managing partner of Infinity. Kassin is a member of Daro Realty and Daro Management.

7. Etienne Locoh is a member of Daro Realty and Daro Management.

8. David Berg’s title is partner at Infinity. At times relevant to the First Amended Complaint, he personally invested in Daro Realty.

9. Jared Engel is an investment director for Infinity. At times relevant to the First Amended Complaint, he personally invested in Daro Realty.

II. THE DISTRICT’S POSITION

10. The District incorporates by reference its First Amended Complaint and the allegations stated therein as its position.

III. DEFENDANTS’ STIPULATION

11. In the First Amended Complaint, the District alleges Defendants deliberately and willfully violated the District of Columbia Human Rights Act, D.C. Code §§ 2-1401.01 *et seq.*, and the Consumer Protection Procedures Act, D.C. Code §§ 28-3901 *et seq.* Defendants deny they engaged in any deliberate and willful violations of such acts, however, in order to settle the claims asserted against them and avoid the necessity of a lengthy trial, Defendants agree that should any

of them be found to have engaged in an unlawful discriminatory practice in violation of D.C. Code §§ 2-1401.01 *et seq.* or an unlawful or deceptive trade practice in violation of D.C. Code §§ 28-3901 *et seq.* in a later proceeding based on a wholly different set of facts, it shall be conclusively presumed that such a violation occurred in this matter and the penalties set forth in D.C. Code § 2-1403.13.(E-1)(ii) or D.C. Code § 28-3909(b)(2) shall apply in the later proceeding.

IV. THE PARTIES' AGREEMENT

12. To resolve this case without further litigation, the Parties agree to settle all remaining aspects in this matter. The Parties voluntarily agree to the entry of this Order without adjudication of any outstanding questions of law or fact, remedies, or attorneys' fees, and as a full and final settlement of all proceedings, claims, demands, charges, and causes of action that the District brought or could have brought related to or arising from the facts, transactions, and events alleged in the First Amended Complaint filed in Case No. 2020 CA 001015 B, including but not limited to the DCHRA and the CPPA claims. The Parties release all claims that were asserted or could have been asserted in Case No. 2020 CA 001015 B, except as provided in Paragraph 13 below. Each Party shall bear its own fees and expenses in connection with this case and in relation to the preparation, negotiation, and execution of this Order.

13. The District specifically does not release Defendants from (i) claims or liability under the District's criminal laws or tax laws¹; (ii) any liability to the District or any of its agencies for any conduct other than that alleged in the above-captioned action; and (iii) any claims based on obligations created by this Order, including claims to enforce the terms and conditions of this Order.

¹The District represents that it is unaware of any potential criminal charges or tax levies related to or arising from the facts, transactions, and events alleged in the First Amended Complaint filed in Case No. 2020 CA 001015 B.

V. APPLICATION

14. The provisions of this Order shall apply to all Defendants and their principals, agents, officers, directors, and employees operating in the normal course of their employment. It shall not apply to any newly engaged third-party, arms-length management company employed by Daro Realty.

VI. INJUNCTIVE TERMS

15. The principals of Daro Management will divest their ownership in the company, dissolve the LLC, and compel Daro Realty to seek the services of a third-party, arms-length management company. The transition will be completed within eighteen (18) months from the entry of the Order. Defendants will provide quarterly updates to the District as to the progress of the dissolution.

16. Defendants agree they are precluded from owning any interest in a residential property management company in the District of Columbia, permanently.

17. Defendant Barry agrees to voluntarily surrender her District of Columbia real estate licenses and not seek reinstatement or seek to apply for a new District of Columbia real estate license in the future for a period of fifteen (15) years following entry of this Order.

18. Defendants shall not engage in any practice that relates in any way to the offering of residential real estate services in the District that violates the DCHRA, D.C. Code §§ 2-1401.01 *et seq.*

19. Defendants shall not engage in any practice that relates in any way to the offering of residential real estate services in the District that violates the CPPA, D.C. Code §§ 28-3901 *et seq.*

20. Defendants shall maintain policies and procedures related to tenant applications,

qualifications, leasing, security deposits, advertising, commissions, and underwriting criteria in compliance with District law, including all fair housing laws. The Defendants shall provide these policies and procedures to the District within thirty (30) days of entry of the Order.

21. So long as Defendants continue to be involved in residential leasing activities in the District, Defendants shall provide potential and actual tenants with complete disclosures that accurately reflect the underwriting criteria that they apply to potential tenants, as well as fees that are charged to potential and actual tenants.

22. So long as Defendants continue to be involved in residential leasing activities in the District, Defendants shall provide training to all employees and management on the DCHRA, as well as all other applicable fair housing laws, including but not limited to training that covers discrimination based on source of income and other protected categories and on the District's fair housing laws. These trainings shall be provided within sixty (60) days of this Order and within sixty (60) days of the yearly anniversary dates of this Order for three (3) years following entry of this Order.

23. Defendants agree to external audits of their leasing policies and practices in the District of Columbia, within thirty (30) days from the entry of this Order and annually for a period of three (3) years from entry of the Order. The audit shall be conducted consistent with the following terms and conditions:

a. Auditor Services. Defendants engaged in residential leasing in the District of Columbia shall engage an independent third-party auditor for the following services:

- i. Conducting a comprehensive audit of Defendants' compliance with fair housing laws, including: (1) all leasing policies and procedures—

including a review of all rent rolls, fees charged, underwriting criteria, and tenants leased up; (2) all compensation paid to leasing employees, including commission payments; and (3) all communications between prospective tenants or Defendants' officers and leasing employees with respect to leasing policies and practices;

- ii. Providing Defendants with written conclusions and recommendations regarding its evaluation of Defendants' leasing policies and practices including, at a minimum: (1) recommended policies for Defendants' consideration and execution of all leases; (2) recommended policies regarding underwriting criteria; (3) recommended policies regarding the setting of commissions for leasing employees; and (4) recommended policies regarding the communication of leasing policies and practices to Defendants' employees and prospective tenants; and
- iii. Providing Defendants with conclusions regarding any improper leasing policy or practice, including but not limited to source of income discrimination.

b. **OAG Approval and Oversight of Auditor.** The identity of the third-party auditor, as well as the contract for auditor's services, shall be subject to the prior written approval of the OAG. The findings and conclusions of the third-party auditor do not constitute an admission by Defendants of a violation of the DCHRA, CPPA, or District common law.

c. **Adoption and Implementation of Recommended Policies.** Defendants shall adopt all policies recommended by the third-party auditor within thirty (30)

days of their issuance, and Defendants shall abide by those policies.

24. Defendants shall report compliance with the injunctive terms, training requirements, audit results, and any allegations or complaints of discrimination to the District for a period of three (3) years from the entry of the Order. Reporting shall occur within sixty (60) days of the yearly anniversary dates of this Order.

25. The District shall provide Defendants notice of a violation of paragraphs 23 or 24 and allow Defendants thirty (30) days to cure any violation of these provisions.

VII. MONETARY PROVISIONS

26. Within sixty (60) days from the date of the entry of this Order, Defendants shall pay the District a total of \$10,000,000 (ten million dollars) in civil penalties for the violations alleged above, to be used by the District for any purpose. The District will provide payment instructions after the entry of this Order.

VIII. ADDITIONAL TERMS

27. This Order represents the full and complete terms of the Parties' settlement agreement.

28. This Order shall be considered effective and fully executed on the date that the Court enters this Order. This Order may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

29. All notices under this Order shall be provided to the following address by overnight delivery by Federal Express, United Parcel Service, U.S. Postal Service Express Mail, or similar overnight courier with proof of delivery and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District:

Nadeen J. Saqer
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Assistant Attorneys General
Public Advocacy Division
Civil Rights Section
400 Sixth Street, N.W., Suite 10100
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tony.towns@dc.gov

For the Daro Defendants:


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Channing L. Shor
Meredith T. Bestland
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For Infinity and the Individual Defendants

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glb@gdllaw.com
nnm@gdllaw.com
sbr@gdllaw.com

FOR THE DISTRICT OF COLUMBIA:

KARL A. RACINE
Attorney General for the District of Columbia



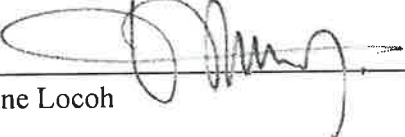
ALICIA M. LENDON
Chief, Civil Rights Section
Public Advocacy Division



ADAM R. TEITELBAUM
Director, Office of Consumer Protection
Public Advocacy Division

Dated: 10/19/22

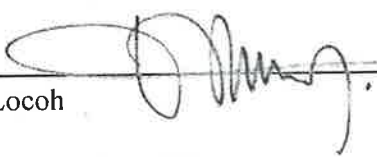
FOR DARO MANAGEMENT, LLC:



Etienne Locoh

Dated: 10.14.2022


FOR DARO REALTY, LLC



Etienne Locoh

Dated: 10.14.2022

FOR INFINITY REAL ESTATE, LLC:



Steven Kassin

Dated: 10/15/2022



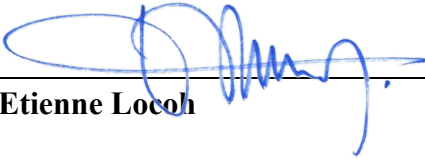
Carissa Barry

Dated: 10/14/22



Steven Kassin

Dated: 10/15/2022



Etienne Locoh

Dated: 10.14.2022



David Berg

Dated: 10.15.2022



Jared Engel

Dated: 10/17/2022

IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated

The Honorable Yvonne Williams
Judge, Superior Court of the
District of Columbia