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14 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
15 **IN AND FOR THE COUNTY OF MARICOPA**

16 STATE OF ARIZONA, *ex rel.* KRISTIN K.
17 MAYES, the Attorney General, and the CIVIL
18 RIGHTS DIVISION OF THE ARIZONA
19 DEPARTMENT OF LAW,

20 Plaintiff,

21 vs.

22 SHIRLEY ANN ENTERPRISES, LLC, an
23 Arizona Limited Liability Company,

24 Defendant.

Case No.: CV2024-000410

CIVIL COMPLAINT

(Jury Trial Requested)

24 Plaintiff, the State of Arizona, *ex rel.* Kristin K. Mayes, the Attorney General, and the
25 Civil Rights Division of the Arizona Department of Law (collectively, “the State”) alleges and
26 states, as follows:

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1 9. Defendant Shirley Ann Enterprises has two members, James Berthoud and
2 Phyllis Berthoud (“Phyllis”).

3 10. Defendant Shirley Ann Enterprises is a person as defined by A.R.S. § 41-1491(9).

4 11. At all times relevant to the allegations in this Complaint, Berthoud was acting as
5 an agent and manager of Shirley Ann Enterprises.

6 **GENERAL ALLEGATIONS**

7 12. On or about July 1, 2020, [REDACTED] began a one-year lease at Subject Property.

8 13. The lease listed [REDACTED] as a tenant, but was signed by [REDACTED] mother, [REDACTED]

9 14. The Subject Property is one of four units at the rental property located at 199
10 South O’Leary Street, Flagstaff, Arizona 86001, and is one of the six rental properties owned
11 by Defendant Shirley Ann Enterprises.

12 15. The Subject Property is a dwelling within the meaning of A.R.S. § 41-1491(7).

13 16. [REDACTED] is diagnosed with an anxiety disorder and an adjustment disorder and is a
14 person with a disability as defined by A.R.S. § 41-1491(5).

15 17. [REDACTED] dog, [REDACTED] is an assistance animal that alleviates the symptoms of her
16 disabilities.

17 18. [REDACTED] provides emotional support and alleviates the symptoms of [REDACTED]
18 disabilities by easing her anxiety, helping her sleep, and alerting her if someone tries to enter
19 her home.

20 19. [REDACTED] is necessary to afford [REDACTED] an individual with a disability, an equal
21 opportunity to use and enjoy the housing of her choice.

22 20. On or about November 8, 2020, [REDACTED] informed Mr. Berthoud during a phone
23 conversation that she had a disability and asked if she could have a dog live in the unit with her
24 for emotional support.

25 21. On November 9, 2020, Berthoud sent a text message to [REDACTED] to inform her that he
26 and Phyllis would not allow [REDACTED] to reside in the Subject Property.

1 22. [REDACTED] renewed her lease to rent the Subject Property for another year starting July
2 2021.

3 23. The lease was signed by [REDACTED] mother, [REDACTED]

4 24. On August 24, 2021, [REDACTED] renewed her request for a reasonable accommodation.
5 With her request, [REDACTED] emailed Berthoud a letter from a psychologist describing how [REDACTED]
6 mitigates the symptoms of her disability.

7 25. On August 25, 2021, Berthoud responded, "I am not happy with what you are
8 doing but you have the right. Hopefully this will ease your anxiety."

9 26. After receiving this approval, [REDACTED] assistance animal, [REDACTED] moved into the
10 Subject Property with [REDACTED]

11 27. On or about March 8, 2022, Berthoud told [REDACTED] in a recorded conversation, that
12 he would be moving into Unit 1, next to the unit [REDACTED] was renting, and that he would have
13 "every right to make sure the dog moves."

14 28. On March 8, 2022, Berthoud informed [REDACTED] that he would be increasing her
15 monthly rent from \$2,200 to \$2,700.

16 29. After the conversation on March 8, 2022, Berthoud texted [REDACTED] to inform her of
17 the rent increase. He also noted that he and [REDACTED] needed to talk.

18 30. The following day, on March 9, 2022, Berthoud texted [REDACTED] that he would not be
19 renewing the lease.

20 31. In the prior five years that Defendant owned and operated the dwellings located
21 on 119 South O'Leary Street, Berthoud had never issued a non-renewal.

22 32. Defendant did not renew [REDACTED] and [REDACTED] lease because of [REDACTED] disability
23 related need for an assistant animal.

24 33. Because of Defendant's refusal to renew [REDACTED] and [REDACTED] lease, [REDACTED] had to
25 move out of the Subject Property and obtain other housing.

26 34. On May 9, 2022, [REDACTED] timely filed a housing discrimination complaint with the

1 Division, in which she alleged that Defendant discriminated against her and [REDACTED] because of
2 her disability.

3 35. Following an investigation conducted pursuant to A.R.S. §§ 41-1491.24, 41-
4 1491.29(A), the Division found reasonable cause to believe that Defendant discriminated
5 against [REDACTED] and [REDACTED] because of [REDACTED] disability and interfered with [REDACTED] and [REDACTED] fair
6 housing rights, in violation of the AFHA.

7 36. The Division issued a reasonable cause determination, and since that time, the
8 State, [REDACTED] and Defendant have not entered into a conciliation agreement, necessitating the
9 filing of this Complaint pursuant to A.R.S. §§ 41-1491.29(D) and 41-1491.24(A).

10 **COUNT I**

11 **Discrimination in Violation of A.R.S. § 41-1491.19(A)(1)**

12 **Discriminatory Housing Denial Based on Disability**

13 37. The State realleges and incorporates by reference the allegations contained in
14 paragraphs 1 through 36 of this Complaint.

15 38. Under A.R.S. § 41-1491.19(A)(1) it unlawful for a person to discriminate in the
16 sale or rental or to otherwise make unavailable or deny a dwelling to any buyer or renter
17 because of that person's disability.

18 39. Defendant is a person as defined in A.R.S. § 41-1491(9).

19 40. The Subject Property rented by [REDACTED] and [REDACTED] is a dwelling as defined in the
20 AFHA, A.R.S. § 41-1491(7)(a).

21 41. [REDACTED] is a person with a disability as defined in the AFHA, A.R.S. § 41-1491(5).

22 42. [REDACTED] is associated with a person with a disability, [REDACTED] and [REDACTED] resided in the
23 Subject Property after it was rented by [REDACTED] A.R.S. § 41-1491.19(A)(3).

24 43. Defendant engaged in unlawful housing discrimination in violation of A.R.S. §
25 41-1491.19(A)(1) when it discriminated in the sale or rental of a dwelling and otherwise made
26 unavailable a dwelling to [REDACTED] and [REDACTED] because of [REDACTED] disability.

44. As a result of Defendant's discrimination, [REDACTED] and [REDACTED] suffered actual and

1 compensatory damages, including out of pocket expenses, lost housing opportunity, garden
2 variety emotional distress damages, humiliation, embarrassment, inconvenience, and loss of
3 their rights under the AFHA. To remedy the effects of Defendants' discrimination, [REDACTED] and
4 [REDACTED] are entitled to relief under A.R.S. § 41-1491.34(C).

5 45. Punitive damages are appropriate because Defendant intentionally discriminated
6 against [REDACTED] and [REDACTED] because of [REDACTED]'s disability and Defendant acted with callous disregard
7 of or reckless indifference to [REDACTED] and [REDACTED] civil rights.

8 COUNT II

9 **Retaliation and Interference with Housing Rights** 10 **in Violation of A.R.S. § 41-1491.18**

11 46. The State realleges and incorporates by reference the allegations contained in
12 paragraphs 1 through 45 of this complaint.

13 47. Under A.R.S. § 41-1491.18, a person may not coerce, intimidate, threaten, or
14 interfere with any person in the exercise or enjoyment of, or having exercised or enjoyed, any
15 right granted or protected under the AFHA.

16 48. Defendant is a person as defined in the AFHA, A.R.S. § 41-1491(9).

17 49. [REDACTED] is a person with a disability as defined in the AFHA, A.R.S. § 41-1491(5).

18 50. [REDACTED] is associated with a person with a disability. A.R.S. § 41-1491.19(A)(3).

19 51. [REDACTED] exercised a right under the AFHA when she requested a reasonable
20 accommodation to allow her emotional support animal to reside in the Subject Property, a
21 request that was necessary to afford her an equal opportunity to use and enjoy a dwelling, under
22 A.R.S. § 41-1491.19(E)(2).

23 52. Despite actual knowledge of [REDACTED] disability and disability-related need for an
24 assistance animal, Defendant informed [REDACTED] that he had a right to make sure her dog moves out
25 after he moved to the property next to hers.

26 53. Defendant, through Berthoud, informed [REDACTED] that it would increase [REDACTED] and

1 ■■■■■s monthly rental amount.

2 54. The following day Defendant, through Berthoud, informed ■■■■■ that it would not
3 renew their lease.

4 55. Defendant, through Berthoud, did not renew ■■■■■ and ■■■■■ lease at the Subject
5 Property because of ■■■■■ request for reasonable accommodation that was necessary for her
6 disability.

7 56. In requesting a reasonable accommodation for ■■■■■ disability, ■■■■■ and ■■■■■
8 were engaging in protected activity under the AFHA.

9 57. Defendant's threat of increased rent and ultimate non-renewal of ■■■■■ and ■■■■■
10 lease was done in retaliation for them engaging in protected activity and unlawfully interfered
11 with their rights and protections under the AFHA.

12 58. As a result of Defendant's interference, intimidation, and retaliation, ■■■■■ and
13 ■■■■■ suffered actual and monetary damages, including out of pocket expenses, lost housing
14 opportunity, garden variety emotional distress damages, humiliation, embarrassment,
15 inconvenience, and loss of their rights under the AFHA. To remedy the effects of Defendant's
16 discrimination, ■■■■■ and ■■■■■ are entitled to relief under A.R.S. § 41-1491.34(C).

17 59. Punitive damages are appropriate because Defendant intentionally discriminated
18 against ■■■■■ and ■■■■■ because of ■■■■■ disability and Defendant acted with callous disregard
19 of or reckless indifference to ■■■■■ and ■■■■■ civil rights.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, the State requests that this Court:

22 A. Enter judgment on behalf of the State, finding that Defendant violated the AFHA
23 by refusing to continue to lease to ■■■■■ and ■■■■■ because of ■■■■■ disability.

24 B. Permanently enjoin Defendant, their successors, assigns, and all persons in active
25 concert or participation with Defendant, from engaging in any housing practice that
26 discriminates on the basis of disability in violation of the AFHA.

1 C. Order Defendant to institute and carry out policies and practices that provide
2 equal housing opportunities for disabled persons by allowing them to rent from Defendant
3 regardless of their disabilities and by granting necessary reasonable accommodations.

4 D. Order Berthoud and Phyllis to undergo training with respect to the duty to
5 provide housing to all individuals regardless of their disability and their duty to provide
6 accommodations under the reasonable accommodation provision of the AFHA.

7 E. Order Defendant to undergo training with respect to the duty to provide housing
8 to all individuals regardless of their disability and its duty to provide accommodations under the
9 reasonable accommodation provision of the AFHA.

10 F. Order Defendant to make [REDACTED] and [REDACTED] whole for any damages suffered and
11 award her actual and punitive damages in amounts to be determined at trial pursuant to A.R.S.
12 §§ 41-1491.33 and 41-1491.34(C).

13 G. Issue an Order authorizing the State to monitor Defendant's compliance with the
14 ACRA;

15 H. Award the State its taxable costs incurred in bringing this action; and

16 I. Grant such other and further relief as this Court may deem just and proper in the
17 public interest.

18 DATED this 5th day of January, 2024.

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20 KRISTIN K. MAYES
Attorney General

21 By: Maura E. Hilser
22 Maura Hilser
23 Attorneys for the State
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