

BRYAN CAVE LLP
TWO NORTH CENTRAL AVENUE, SUITE 2200
PHOENIX, ARIZONA 85004-4406
(602) 364-7000

1 TERRY GODDARD
2 Attorney General
3 Firm State Bar No. 14000

4 MICHELLE HIBBERT, No. 019819
5 Assistant Attorney General
6 Civil Rights Division
7 1275 W. Washington Street
8 Phoenix, AZ 85007
9 Telephone: (602) 542-7777
10 CivilRights@azag.gov
11 Attorneys for Plaintiff

12 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
13 **IN AND FOR THE COUNTY OF MARICOPA**

14 THE STATE OF ARIZONA *ex rel.* TERRY
15 GODDARD, the Attorney General; and THE
16 CIVIL RIGHTS DIVISION OF THE
17 ARIZONA DEPARTMENT OF LAW,

18 Plaintiff,

19 vs.

20 WILLIAM LYON HOMES, INC., a
21 California corporation,

22 Defendant.

No. CV2005-017666

CONSENT DECREE

(Non-classified Civil)

(Assigned to the Hon. Ruth H. Hilliard)

23 On November 15, 2005, the State of Arizona, through Attorney General Terry
24 Goddard and the Civil Rights Division (collectively the "State"), filed the above-
25 captioned Amended Complaint in Maricopa County Superior Court against Defendant
26 William Lyon Homes, Inc. ("Defendant") alleging that it violated the Arizona Fair
27 Housing Act ("AFHA") A.R.S. §§ 41-1491 *et seq.*

28 The State and Defendant desire to resolve the issues alleged in the State's
Amended Complaint without the time, expense and uncertainty of further contested
litigation. Accordingly, the State and Defendant have decided it is in their best interests

1 to resolve all of these matters and any related matters that might have been brought by the
2 State against Defendant William Lyon Homes, Inc., its affiliates, agents and employees.

3 The State and Defendant agree to be bound by this Consent Decree. The State and
4 Defendant agree not to contest, in any subsequent proceeding to implement or enforce the
5 terms of this Consent Decree, that the State and Defendant validly entered into this
6 Consent Decree. The State and Defendant, therefore, consent to the entry of this Consent
7 Decree, waive trial, findings of fact and conclusions of law and thereby affirm that no
8 findings of fact and conclusions of law have been made in this matter, nor are they the
9 basis for this Consent Decree.

10 It appearing to the Court that entry of this Consent Decree will further the
11 objectives of the AFHA, and that the Consent Decree fully protects the State and
12 Defendant, the public, and persons,

13 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
14 DECREED as follows:

15 **JURISDICTION**

16 1. This Court has jurisdiction over the subject matter of this action and over
17 the Parties hereto, and venue in Maricopa County is proper.

18 **RESOLUTION OF THE STATE'S AMENDED COMPLAINT**

19 2. This Consent Decree resolves, between the State and Defendant, all issues,
20 claims and potential claims relating to alleged practices and acts of discrimination to
21 which the Gates Complaint, the subsequent investigation and the State's Amended
22 Complaint uncovered or were directed, all of which Defendant denies in full. In
23 exchange for Defendant's promise to perform each of the promises, obligations, terms
24 and conditions set forth below, the State agrees to waive, release, and covenant not to sue
25 or claim against the Parties, their heirs, assigns, successors, successors-in-interest,
26 receivers, trustees in bankruptcy, personal representatives, parent, former and successor
27 affiliated corporations, subsidiary corporations, divisions, subdivisions, joint ventures,
28 partnerships and limited partnerships, officers, directors, attorneys, agents, shareholders

BRYAN CAVE LLP
TWO NORTH CENTRAL AVENUE, SUITE 2200
PHOENIX, ARIZONA 85004-4408
(602) 364-7000

1 and employees, sales agents, including, but not limited to, contractors and subcontractors,
2 and all others acting or purporting to act on its behalf in any forum with respect to the
3 matters that were or could have been alleged in the administrative Complaint filed by S.
4 Marie Gates and Henry Gates, from the subsequent investigation or in the State's
5 Amended Complaint.

6 **NON-ADMISSION**

7 3. The State and Defendant agree and understand that this Consent Decree
8 constitutes a compromise and settlement of disputed claims and that there is no
9 implication or admission of liability or wrongdoing whatsoever by Defendant, the Parties
10 or any of their agents or employees with respect to the issues in dispute. The State and
11 Defendant further agree and understand that the existence and execution of this Consent
12 Decree shall not be considered an admission of any liability, wrongdoing, error, or
13 violation of law, or otherwise filed or lodged in any proceeding except as may be
14 necessary to enforce this Consent Decree or prove its terms.

15 **COMPLIANCE WITH AFHA**

16 4. Defendant agrees that it will abide by Arizona's civil rights laws.

17 **TRAINING**

18 5. Defendant agrees that each of its sales employees in the State of Arizona
19 will receive a minimum of three hours of training in the state and federal fair housing
20 laws within three months of the effective date of this Consent Decree.

21 6. Within thirty days after the effective date of this Consent Decree,
22 Defendant shall remind all of its employees and its construction foremen/contractors in
23 the State of Arizona that it is unlawful to discriminate in housing based on race, color,
24 religion, sex, national origin, familial status or disability.

25 7. Defendant shall keep posted at all times in a conspicuous, well-lighted
26 place at all of its sales offices in the State of Arizona a poster if provided by the Arizona
27 Civil Rights Division that states, in English and Spanish, that discrimination in housing
28

1 based on race, color, religion, sex, national origin, familial status, or disability is
2 prohibited.

3 **MONETARY RELIEF**

4 8. Defendant shall, within ten days after entry of this Consent Decree, by draft
5 made payable to: "Civil Rights Division of the Arizona Attorney General's Office," pay
6 the Arizona Attorney General's Office the sum of \$25,000, to be used to monitor
7 compliance with this Consent Decree, and to enforce Arizona's civil rights laws.

8 **MISCELLANEOUS PROVISIONS**

9 9. The State and Defendant shall bear their respective attorneys' fees and costs
10 incurred in this action up to the date this Consent Decree is entered.

11 10. The State and Defendant represent that they have read this Consent Decree
12 in its entirety and are satisfied that they understand and agree to all its provisions, and
13 represent that they have freely signed this Consent Decree without coercion.

14 11. This Consent Decree shall be binding on and inure to the benefit of the
15 Parties, their heirs, assigns, successors, successors-in-interest, receivers, trustees in
16 bankruptcy, personal representatives, parent, former and successor affiliated corporations,
17 subsidiary corporations, divisions, subdivisions, joint ventures, partnerships and limited
18 partnerships, officers, directors, attorneys, agents, shareholders and employees, sales
19 agents, including, but not limited to, Eileen Andrews and Holly Addison, contractors and
20 subcontractors, and all others acting or purporting to act on its behalf in any forum.

21 12. This Consent Decree shall be governed in all respects by the laws of the
22 State of Arizona.

23 **CONTINUING JURISDICTION OF THE COURT**

24 13. The Court shall retain jurisdiction over both the subject matter of this
25 Consent Decree and the State and Defendant for one year from entry of this Consent
26 Decree to effectuate and enforce this Consent Decree. This Consent Decree shall expire
27 by its own terms one year from its effective date (defined below) without further action
28 of the State or Defendant. The State may, for good cause shown, petition this Court for

1 compliance with this Consent Decree at any time during the period that this Court
2 maintains jurisdiction over this action. Appropriate relief may be ordered should the
3 Court determine that the State or Defendant has not complied with this Consent Decree.

4 **EFFECTUATING CONSENT DECREE**

5 14. The State and Defendant agree to the entry of this Consent Decree upon
6 final approval by the Court. The effective date of this Consent Decree shall be the date
7 that it is signed by the Court.

8 ENTERED AND ORDERED this 10 day of Feb., 2006.

9 **RUTH H. HILLIARD**
10 Judge of the Superior Court

11

The Honorable Ruth H. Hilliard
12 Maricopa County Superior Court Judge

13 BRYAN CAVE LLP
14 TWO NORTH CENTRAL AVENUE, SUITE 2200
15 PHOENIX, ARIZONA 85004-4406
16 (602) 364-7000
17
18
19
20
21
22
23
24
25
26
27
28