

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK
Syracuse Division**

CNY Fair Housing, Inc., AmiJo Jordal,
Tiphani Carbone, Amaleah Spicer, Emily
Hamelin, Sarita Arellano, Angel Bardin,
Stephanie Yablonski, and Cara Cappelletti

Plaintiffs,

v.

Douglas Waterbury, E&A Management, Co.,
and Ontario Realty, Inc.

Defendants.

Civil Case No. 5:17-cv-868
(MAD/TWD)

**SECOND AMENDED COMPLAINT
JURY TRIAL DEMANDED**

NATURE OF ACTION

1. Plaintiff CNY Fair Housing, Inc. (“CNY Fair Housing”), along with Individual Plaintiffs AmiJo Jordal, Tiphani Carbone, Amaleah Spicer, Emily Hamelin, Sarita Arellano, Angel Bardin, Stephanie Yablonski, and Cara Cappelletti (collectively “Plaintiffs”), bring this action for declaratory, injunctive, and monetary relief against an Oswego-area landlord, Douglas Waterbury, and his corporate realty entities, E&A Management, Co. and Ontario Realty, Inc. (collectively “Defendants”), for discrimination on the basis of sex in violation of the federal Fair Housing Act (“FHA”), 42 U.S.C. § 3601, *et seq.* and the New York State Human Rights Law, New York Executive Law § 290, *et seq.*

2. Defendants prey upon women who need low-rent housing by routinely conferring housing benefits because of, or conditioning rental terms on, a woman’s willingness to perform sexual favors for Defendant Waterbury.

3. Defendants' widespread practices of sexual harassment follow a similar pattern: When women contact Defendants seeking available low-rent housing, Defendant Waterbury invites these women to meet with him in person to view the apartment and discuss rental terms. He often encourages, or even instructs, women to come to this meeting alone.

4. Women who show any interest in renting an apartment at this in-person meeting are often quoted a price for rent that is both much higher than advertised and out-of-line with comparable rentals in the area. Defendant Waterbury quotes these inflated rental prices to prospective female tenants to gain leverage to negotiate unwelcome sexual trades.

5. If a woman tells Defendant Waterbury that she cannot afford to pay the amount he requires, or expresses any sense of desperation about finding housing, Defendant Waterbury attempts to capitalize on her vulnerability by using his control over her housing to force her into unwanted sex acts. He has asked women "how desperate" they are for housing, explicitly told women that they will not be required to pay as much in rent if they perform "sexual favors" for him, and has even gone so far as to physically block the door to prevent a prospective tenant from leaving an apartment viewing until she complied with his demand for oral sex.

6. Women who are unable to find other housing and feel as if they have no choice but to cede to Defendant Waterbury's unwanted sexual advances are often subjected to ongoing sexual harassment once they move into Defendants' rentals. In flagrant abuse of his position and authority, Defendant Waterbury has shown up to his female tenants' homes unannounced to demand sex as payment for rent, and he has even let himself into a rental unit without permission by using the key he held as landlord.

7. On the other hand, women who reject Defendant Waterbury's demands are repeatedly propositioned in an effort to change their minds; punished with higher deposits, fees,

and rents; denied housing-related services; or, in some cases, unable to rent from Defendants at all.

8. In aggressively pursuing sexual trades from women seeking to rent Defendants' apartments, Defendant Waterbury has created a severe and/or pervasive environment of sexual harassment for women in need of housing, made discriminatory statements on the basis of sex, and retaliated against women who reject his sexual advances.

9. The Individual Plaintiffs are just some of the many women who have fallen victim to Defendants' ongoing pattern of brazen sexual harassment. All of the Individual Plaintiffs are young women between the ages of 24 and 35, who encountered Defendant Waterbury during their search for low-rent housing in Oswego. Defendants discriminated against each of these women by subjecting them to severe and/or repeated sexual harassment in connection with their efforts to secure and live in Defendants' rental housing.

10. CNY Fair Housing is a private, non-profit fair housing organization that works to ensure fair housing opportunity for residents of Central and Northern New York. CNY Fair Housing first received a complaint about Defendant Waterbury in or around the fall of 2016 and received additional complaints about his discriminatory and harassing conduct thereafter. As a result of these complaints, CNY Fair Housing launched an extensive investigation into Defendants' rental practices in Oswego.

11. Together, Plaintiffs have uncovered Defendants' ongoing practice of egregious sexual harassment against female renters and rental applicants. Defendants' ongoing sexual harassment of women, which spans from at least 2012 to the present, represents a continuing violation of federal and state fair housing laws.

12. Through their unlawful and discriminatory actions, Defendants have violated Plaintiffs' rights to be free from discrimination on the basis of sex.

JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1343, and 42 U.S.C. § 3613.

14. This Court has supplemental jurisdiction over Plaintiffs' state law claim pursuant to 28 U.S.C. § 1367(a) because that claim arises out of the same transactions as Plaintiffs' federal claim, such that it is part of the same case or controversy.

15. Venue is proper in this district under 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claims occurred within this District.

PARTIES

16. Plaintiff CNY Fair Housing is a private, non-profit corporation organized under the laws of New York and registered to do business in New York. Its principal place of business is located in Syracuse, New York. CNY Fair Housing's mission is to ensure fair housing opportunity for all people in Central and Northern New York. Through education, research, advocacy, and enforcement, CNY Fair Housing works to eliminate housing discrimination and promote open communities that are diverse across race, gender, and other protected characteristics. One of CNY Fair Housing's goals is to combat sexual harassment in housing and to enable individuals to select their housing of choice without fear of harassment, unwanted advances, or retaliation.

17. Plaintiff AmiJo Jordal is a 32-year-old woman residing in Oswego, New York.

18. Plaintiff Tiphani Carbone is a 25-year-old woman residing in Pulaski, New York.

19. Plaintiff Amaleah Spicer is a 24-year-old woman residing in Oswego, New York.

20. Plaintiff Emily Hamelin is a 24-year-old woman residing in Oswego, New York.

21. Plaintiff Angel Bardin is a 32-year-old woman residing in Oswego, New York.

22. Plaintiff Sarita Arellano is a 27-year-old woman residing in Oswego, New York.

23. Plaintiff Stephanie Yablonski is a 24-year-old woman residing in Lacona, New York.

24. Plaintiff Cara Cappelletti is a 35-year-old woman residing in Mexico, New York.

25. Defendant Douglas Waterbury resides in Oswego, New York. He owns and manages numerous multi-family residential properties in the Oswego area and is an officer, owner, and/or employee of Defendants E&A Management, Co. and Ontario Realty, Inc. He acts as landlord for the properties that he owns, either individually or through his corporate entities, and is responsible for all management activities in connection with those properties, including advertising available properties for rent, selecting tenants, setting the terms and conditions for rental housing, collecting rent, and performing maintenance and repair work.

26. Defendant E&A Management, Co. is a real estate and/or property management company that owns and/or manages properties in the Oswego area. It is organized and/or conducts business in New York. E&A Management, Co. is listed as the landlord on leases that Defendant Waterbury enters into with his tenants in Oswego, including the leases of Plaintiffs Sarita Arellano, Angel Bardin, and Cara Cappelletti. It acts primarily through Defendant Douglas Waterbury, its owner and principal agent.

27. Defendant Ontario Realty, Inc. is a real estate and/or property management company that owns and/or manages properties in the Oswego area. It is organized and/or conducts business in New York. Ontario Realty, Inc. is listed as the landlord on leases that Defendant Waterbury enters into with his tenants in Oswego, including leases with women

subjected to Defendant Waterbury's sexual harassment. Ontario Realty has also been involved in the financial aspects of Defendant Waterbury's rentals in Oswego, including receiving rent payments from tenants of Defendants' properties who were harassed by Defendant Waterbury. It acts primarily through Defendant Douglas Waterbury, its owner and principal agent.

28. In acting or omitting to act as alleged herein, Defendants E&A Management, Co. and Ontario Realty, Inc. were acting through their employees and/or agents and are liable on the basis of the acts and omissions of their employees and/or agents.

29. In acting or omitting to act as alleged herein, each employee or officer of Defendants E&A Management, Co. and Ontario Realty, Inc. was acting within the course and scope of his or her actual or apparent authority pursuant to such agencies, or the alleged acts or omissions of each employer or officer as agent were subsequently ratified and adopted by Defendants as principal.

FACTUAL BACKGROUND

30. The City of Oswego is located on Lake Ontario in north central New York. It has just over 18,000 residents.

31. Almost 32 percent of Oswego City residents make incomes below the poverty level—about twice the national average. In Oswego County, over 45 percent of female-headed households live in poverty.

32. Low-rent housing in Oswego and its surrounding areas is limited, and demand for such housing is high. It is difficult to find and maintain safe, affordable housing in Oswego.

33. It is against this backdrop that Defendant Waterbury, an Oswego-area landlord, and his realty entities Defendants E&A Management, Co. and Ontario Realty, Inc., operate their rental housing business.

34. Defendants have made a cottage industry of acquiring residential properties, many of which are barely habitable, and renting them with little to no improvements to low-income Oswego-area residents who are in desperate need of rental housing.

35. Defendants own approximately 50 properties, many of which are multi-family residential properties that Defendants rent for profit. Owning a sizeable portion of available rental housing in Oswego, Defendants are major players in the market of low-rent housing in the area.

36. Defendants advertise their rental properties on Craigslist, in newspapers, and in listings provided to residents who receive public assistance benefits. In these advertisements, Defendants represent that they have a number of apartments available for rent, with rental prices as low as \$495 per month, and with all utilities included.

37. In some of their advertisements and in communications with prospective tenants, Defendants at times represent that they are willing to accept “trades” as partial payment for rental housing.

38. For women who contact Defendants to inquire about available rental housing, the “trades” that Defendants are willing to accept as payment for rent do not include manual labor or other goods, but rather sexual favors.

39. Women seeking to rent from Defendants fall victim to Defendants’ ongoing policies and practices of discrimination on the basis of sex. Pursuant to these unlawful policies and practices, Defendant Waterbury aggressively and repeatedly pursues sexual trades from women seeking to rent Defendants’ apartments; creates a severe and/or pervasive environment of sexual harassment for such women; makes discriminatory statements on the basis of sex; and

retaliates against women who reject his sexual advances, complain about his illegal conduct, or otherwise attempt to assert their statutorily-protected fair housing rights.

40. Defendants implement their ongoing policies and practices of discrimination against women as follows: Women who contact Defendant Waterbury in response to an advertisement or posting for low-rent housing are invited to meet with Defendant Waterbury in person so that he can show them the apartments that he has available. In some cases, women are encouraged or instructed to come to the appointment alone. If they refuse, the apartment is no longer made available to them.

41. When a woman indicates that she is interested in renting an apartment that Defendant Waterbury has shown to her, Defendant Waterbury often quotes a price for rent that is higher than the prices listed in his advertisements, more than the woman has indicated that she is able to spend, or out-of-line with comparable rental units in the area. In addition to the high monthly rental price he quotes, Defendant Waterbury purports to require upfront fees above and beyond the usual security deposit and first month's rent that most landlords require, such as last month's rent and/or other deposits he requires to "hold" the apartment.

42. Defendant Waterbury quotes these inflated rental prices and fees to prospective female tenants in order to gain leverage to negotiate sexual trades.

43. Defendant Waterbury then preys upon women who tell him that they cannot afford to pay the amount he requires, reveal that they receive public assistance, represent that they are desperate for housing, or otherwise express any sort of vulnerability. Defendant Waterbury tells these women that there are "other ways" that they can pay the rent or "required" fees in addition to, or in lieu of, money. When women offer to clean or do other maintenance work for him, he rejects these offers, telling them instead to be "more creative." And it is quite

clear what he means by “creative”: he goes on to explicitly ask women to perform “sexual favors” to lessen their financial obligations to him.

44. Defendant Waterbury is relentless. He has repeatedly contacted women to follow up on his prior offers to accept sexual trades for rent, even showing up at a woman’s home to reiterate his request. He persists in making unwelcome sexual advances on women, even if they explicitly tell him no.

45. In fact, Defendant Waterbury often refuses to accept no for an answer. Through force and intimidation, he has coerced women into engaging in unwanted sexual acts—even going so far as to physically block the door to prevent a prospective tenant from leaving the apartment viewing until she complied with his demand for oral sex.

46. In sum, Defendant Waterbury routinely confers housing benefits, and sets the price and other conditions of rental housing, on the granting of sexual favors.

47. As a direct result of Defendant Waterbury’s repeated sexual advances, some women have been forced to abandon their efforts to rent from him altogether. These women are at a disadvantage in their search for housing, as Defendants own a substantial portion of the limited low-rent housing in the area. Thus, a significant portion of affordable housing is unavailable to these women because they do not wish to subject themselves to Defendant Waterbury’s unwanted sexual advances and demands.

48. Women who reject Defendant Waterbury’s advances, but rent an apartment from Defendants nonetheless, do not get the benefits that Defendants condition upon the granting of sexual favors. Some of these women have been required to pay additional fees and rental costs that they would not have had to pay if they had acquiesced to Defendant Waterbury’s sexual demands.

49. Compounding the oppressiveness of Defendant Waterbury's harassing conduct, female tenants often find it all but impossible to cut off contact with him. Because Defendant Waterbury is solely responsible for collecting rent, communicating with tenants regarding their rent payments and obligations, and making repairs to their apartments, interacting with Defendant Waterbury is unavoidable. Defendant Waterbury's pervasive sexual demands create a hostile environment for these women, who loathe being subjected to his frequent demands, but are required to interact with him nevertheless. Because these women live in constant fear of Defendants' sexual harassment, they can never be comfortable in, or fully enjoy the sanctity and privacy of, their homes.

50. While women who are desperate for affordable housing and thus reluctantly acquiesce to Defendant Waterbury's demands pay less in rent than those who reject his advances, they, too, have been repeatedly harassed on the basis of their sex. Defendant Waterbury has frequently demanded sex in exchange for his continued agreement to set more favorable financial terms and conditions on his rental housing.

51. In flagrant abuse of his position and authority, Defendant Waterbury has shown up to women's homes unannounced to demand sex as payment for rent and has even let himself into a rental unit, without permission, using the key he held as a landlord. Further, he has conditioned his performance of property maintenance and repairs on these women's continued willingness to perform sexual favors. These women are prevented from fully enjoying their homes because of Defendant Waterbury's constant harassment.

52. In addition to charging higher fees and rent as punishment for rejecting his sexual advances, withholding maintenance and other housing-related services unless sexual favors are performed, and coercing and intimidating women through his constant harassment, Defendant

Waterbury has also sought to deter women from exercising their statutorily-protected fair housing rights by threatening and retaliating against women who object to his illegal behavior. Defendant Waterbury reminds the women he harasses that he is well-connected and powerful and attempts to wield his purported power in an effort to dissuade or discourage women from declining his advances or reporting his conduct. For example, on a number of occasions, Defendant Waterbury has threatened, or pursued, legal action against women who have attempted to discontinue their housing relationship with Defendants in an effort to prevent them from exercising their statutorily-protected fair housing rights. Indeed, after Plaintiffs Sarita Arellano, Angel Bardin, Cara Cappelletti, and Stephanie Yablonski formally complained about Defendants' illegal conduct by initiating the instant action, Defendants retaliated against Plaintiffs by suing them without justification, seeking to recover, among other things, payment of the inflated rents and fees Defendants charged as punishment when these women rejected Defendant Waterbury's advances.

53. Plaintiff CNY Fair Housing is a private, non-profit fair housing organization that works to ensure fair housing opportunity for residents of Central and Northern New York. CNY Fair Housing first received a complaint about Defendant Waterbury in or around the fall of 2016, and received additional complaints about his discriminatory and harassing conduct thereafter.

54. In response to these complaints, CNY Fair Housing launched an extensive investigation of Defendants, which included identifying victims of Defendants' harassment, interviewing witnesses who corroborate the Individual Plaintiffs' accounts, monitoring Defendants' advertisements and online postings from Oswego residents to identify instances of Defendants' harassment and additional victims, collecting relevant data from third parties, and analyzing the results of the information they have collected.

55. CNY Fair Housing's investigation revealed Defendants' continuing violation of federal and state fair housing laws through an ongoing practice of egregious and repeated sexual harassment against women, and spanning a period of years, from at least 2012 to the present.

56. Among the many women that CNY Fair Housing has counseled and interviewed are the Individual Plaintiffs, young women who have encountered Defendant Waterbury in their search for low-rent housing in Oswego, New York. Each of these women fell victim to Defendant Waterbury's severe and/or repeated sexual harassment at a time when they were in need of housing. These Individual Plaintiffs are just some of the women who have fallen victim to Defendants' ongoing pattern of brazen sexual harassment.

Plaintiff AmiJo Jordal

57. Plaintiff AmiJo Jordal is 32 years old. She lives in Oswego, New York.

58. In or around November 2012, Ms. Jordal was searching for an apartment to rent in Oswego. During her search, she saw a Craigslist advertisement for a one-bedroom apartment that she could afford.

59. Ms. Jordal contacted the number listed in the advertisement and spoke to Defendant Douglas Waterbury, who owned the apartment. She scheduled an appointment with Defendant Waterbury to view the apartment in person.

60. At the scheduled appointment, Defendant Waterbury gave Ms. Jordal a tour of the one-bedroom unit and asked her questions about her income. Ms. Jordal told Defendant Waterbury that she had recently been approved to receive benefits from the Department of Social Services ("DSS") and that she would be using those benefits to pay her rent.

61. After learning that Ms. Jordal received DSS benefits, and assuming that she had limited resources, Defendant Waterbury informed her that there were "other ways" that she could

pay him rent. Based on his tone of voice and his demeanor, Ms. Jordal understood that Defendant Waterbury was referring to sexual favors, but she ignored the comment, as she had no interest in his proposal.

62. Defendant Waterbury then moved toward the door of the apartment. He blocked the entryway and explicitly told her, “You won’t have to pay a security deposit if you give me head.”

63. Defendant Waterbury’s actions terrified Ms. Jordal. She did not want to have any type of sexual contact with him. However, he was larger than her and had purposefully positioned himself in the doorway so that she could not leave the apartment. Afraid that he would become violent if she tried to escape, and feeling as if she had no choice but to comply with his demands, Ms. Jordal performed oral sex on Defendant Waterbury. Afterwards, as soon as Defendant Waterbury finally moved from the doorway and allowed Ms. Jordal to leave the apartment, Ms. Jordal fled. Shaken from her experience with Defendant Waterbury, Ms. Jordal was forced to abandon all efforts to rent any housing from him.

64. Ms. Jordal continues to experience fear and anxiety as a result of her unwanted encounter with Defendant Waterbury. Since 2012, she has had to search for rental housing but has found that Defendant Waterbury owns a substantial number of the available, low-rent apartments in the area. Accordingly, Defendants’ discriminatory acts continue to make a sizeable number of apartments unavailable to her, as she remains in fear that she will be subjected to Defendants’ abusive conduct. Ms. Jordal’s fear and distress is compounded by the fact that she often sees Defendant Waterbury around town, and she is forced to relive her traumatic experience every time she encounters him.

Plaintiff Tiphani Carbone

65. Plaintiff Tiphani Carbone is 25 years old. She is homeless and currently resides with her family in a motel in Pulaski, New York.

66. Ms. Carbone first met Defendant Waterbury in or around late 2016, when she encountered him as she was walking in Oswego, New York. Ms. Carbone was carrying a number of items in her arms. Defendant Waterbury, who had been driving, pulled up to her in his car and offered her a ride home. She accepted, and Defendant Waterbury drove her to her apartment.

67. While in Defendant Waterbury's car, Ms. Carbone and Defendant Waterbury discussed her current landlord, the fact that her landlord planned to sell the building in which she lived, and that Defendant Waterbury owned a number of rental properties in the area. Defendant Waterbury asked for Ms. Carbone's telephone number so that he could contact her about available housing.

68. Additionally, Defendant Waterbury asked Ms. Carbone questions about her income, and Ms. Carbone informed him that she paid her rent with assistance from DSS.

69. Consistent with Defendant Waterbury's pattern of preying upon women with limited resources, when he learned that Ms. Carbone received public assistance, he told her that he could "work with" her in setting a price for rent. When Ms. Carbone asked him to explain what he meant, Defendant Waterbury explicitly asked her if she would be willing to perform "sexual favors" in order to lower the security deposit and/or rent that she would be required to pay him. Defendant Waterbury's sexual advances made Ms. Carbone extremely uncomfortable. She told him no and got out of his car.

70. For a period of months following their initial interaction, Defendant Waterbury continued to harass Ms. Carbone by repeatedly making unwelcome sexual advances toward her, offering to trade sexual favors for cheaper rent, and demanding to meet with her in person to discuss the terms of his rental housing. Ms. Carbone repeatedly rejected Defendant Waterbury's advances, making clear to him that she did not want to have any sexual interaction with him.

71. For example, Defendant Waterbury contacted Ms. Carbone by telephone and approached her in person when he saw her around town to discuss apartments he had available for rent. Defendant Waterbury then reiterated his offer to lower the price of the rent or the security deposit for his rental housing if she agreed to perform sexual favors. Each time Defendant Waterbury made a sexual request, Ms. Carbone told him no.

72. On one occasion, Defendant Waterbury showed up to Ms. Carbone's apartment where she lived with her boyfriend and demanded to speak to her alone about the terms of renting an apartment from him.

73. Another time, Ms. Carbone unwittingly contacted Defendant Waterbury after calling a number associated with a listing for low-rent apartments in a DSS pamphlet while she was actively looking for a new apartment to rent. Defendant Waterbury, who apparently recognized her telephone number, continued to press Ms. Carbone about his desire to meet with her alone, without her boyfriend present, to discuss the listed apartment.

74. Although Ms. Carbone needed housing, and had not yet found another available alternative that she could afford at that time, she told Defendant Waterbury that she was no longer interested in the apartment. Ms. Carbone declined Defendant Waterbury's invitation to view the apartment because she did not want to be alone with him and be subjected to his demands.

75. On a separate instance, Ms. Carbone and her boyfriend were searching through listings for available apartments and saw an advertisement for two-bedroom apartments at a price point they could afford. The advertisement did not provide the name of the landlord. Ms. Carbone's boyfriend called the number. Defendant Waterbury answered. Despite having posted an advertisement for available two-bedroom apartments, Defendant Waterbury represented to Ms. Carbone's boyfriend that he had no such apartments available.

76. Believing that Defendant Waterbury's representations were false, Ms. Carbone called the same number minutes later to inquire about the availability of two-bedroom apartments for rent. Defendant Waterbury again answered the call, but gave Ms. Carbone completely different information, telling her that he did, in fact, have two-bedroom apartments available and again reiterating that he would lower the rent and deposit amounts if she performed "sexual favors" for him. When Ms. Carbone tried to avoid Defendant Waterbury's harassment by telling Defendant Waterbury that her boyfriend would be viewing the apartments and handling any logistics associated with renting an apartment, Defendant Waterbury told her that she needed to meet with him alone if she wanted to see his properties.

77. In sum, Defendant Waterbury repeatedly conditioned the price for his rental housing—and the availability of such housing—on Ms. Carbone's agreement to perform sexual favors for him. Defendant Waterbury did not provide Ms. Carbone the option to discuss renting an apartment from him without also discussing her willingness to have sex with him in order to satisfy her rental obligations.

78. Although Ms. Carbone needed an apartment at the time that she had these interactions with Defendant Waterbury, she did not want to have any sexual contact with him and did not want to subject herself to his ongoing harassment. Accordingly, as a direct result of

his harassing conduct, she abandoned all efforts to secure rental housing from him and has avoided making inquiries regarding any building or rental unit that he owns.

79. Defendant Waterbury's constant harassment caused Ms. Carbone to suffer fear, anxiety, and emotional distress. Further, Defendants' unlawful actions have impacted her ability to secure housing for herself and her family. Defendant Waterbury owns many of the apartments in Oswego that would have been in Ms. Carbone's budget. However, because of his repeated and aggressive sexual harassment, Ms. Carbone is unable to pursue rentals in any of those apartments. Despite holding a DSS voucher, which would cover the rent that she would be required to pay for private housing, Ms. Carbone and her family remain homeless.

Plaintiffs Amaleah Spicer and Emily Hamelin

80. Plaintiffs Amaleah Spicer and Emily Hamelin reside in Oswego, New York. They are both 24 years old.

81. In the summer of 2014, Ms. Spicer was almost seven months pregnant with her second child. She was sleeping on a couch in her father's one-bedroom apartment and needed to find a place of her own to live with her children.

82. While searching for housing, Ms. Spicer came across a Craigslist advertisement for rental housing that stated that the landlord was willing to do "trades." Based upon the advertisement, Ms. Spicer assumed that the landlord allowed tenants to perform cleaning and other manual labor for a reduced rental rate. She contacted the number in the advertisement and spoke with Defendant Waterbury, who had posted the listing. She made an appointment to meet with him to view his apartments.

83. Ms. Spicer brought her young daughter to the appointment with her. Ms. Spicer told Defendant Waterbury the price range that she could afford for rent and that she would be paying her rent with assistance from DSS.

84. Defendant Waterbury showed Ms. Spicer at least two apartments that he had available for rent. She expressed interest in renting one of the units he showed her.

85. Ms. Spicer inquired about the rental price of the apartment. Defendant Waterbury quoted her a price that was much higher than the price range that she told him she could afford.

86. When Ms. Spicer told Defendant Waterbury that she could not afford to rent the apartment at the price quoted, Defendant Waterbury informed her that her financial obligations to him would be less if she did “trades.” Ms. Spicer asked Defendant Waterbury if he was referring to household work like cleaning or painting, but Defendant Waterbury responded, “No, you know, trades.” As he made the statement, Defendant Waterbury grabbed his crotch. Ms. Spicer was offended that Defendant Waterbury had made an explicitly sexual gesture in front of her daughter, and she immediately left the apartment.

87. After a difficult and time-consuming search, Ms. Spicer ultimately found another apartment to rent.

88. By May of 2015, Ms. Spicer needed to find another place to live with her children. Ms. Spicer and her friend, Plaintiff Emily Hamelin, decided that they would look for a place to live together as roommates, along with their children, in order to cut down on their respective monthly expenses.

89. Both Ms. Spicer and Ms. Hamelin had limited incomes and resources. They looked for, but could not find, a suitable, available home for rent that they could afford. As their move-out dates became imminent, Ms. Spicer reluctantly contacted Defendant Waterbury, who

she knew owned a number of low-rent properties in the area, to see if he had any housing that she and Ms. Hamelin could rent.

90. Consistent with his ongoing policies and practices of sexual harassment, Defendant Waterbury conditioned both the availability and price of his rental housing on Ms. Spicer's and Ms. Hamelin's agreement to have sex with him. Through Defendant Waterbury's statements and actions, both women understood that he would penalize them, either by attempting to charge them higher prices for rent or refusing to rent to them at all, unless they were willing to perform sexual favors for him. Desperate for housing, and believing that they had no other options, Ms. Spicer and Ms. Hamelin reluctantly acquiesced to his demands in order to lease an apartment from him.

91. For a period of many months following their inquiry—both leading up to the time that they moved into the home that they ultimately leased from Defendant Waterbury and afterwards—Defendant Waterbury subjected Ms. Spicer and Ms. Hamelin to ongoing, severe, and pervasive sexual harassment, which included, among other things, frequent demands for sex in exchange for continued housing benefits.

92. When Defendant Waterbury was showing Ms. Spicer and Ms. Hamelin apartments and homes that he had available for rent, he told them explicitly that the price that they would have to pay for rent depended on their agreement to perform sexual favors as “trades.” In other words, they would have to pay more money for his rental housing if they did not have sex with him, and less money if they did.

93. Before Ms. Spicer and Ms. Hamelin moved into their new rental home, Defendant Waterbury contacted them to demand sex. Both Ms. Spicer and Ms. Hamelin told him that they did not want him to come over, but Defendant Waterbury showed up anyway. Through

intimidation, Defendant Waterbury coerced both women into having sex with him, even though Ms. Spicer and Ms. Hamelin repeatedly told him that they did not want to, as payment for continuing to provide them with housing.

94. Defendant Waterbury's actions after Ms. Spicer and Ms. Hamelin moved into the rental property in July 2015 were equally brazen. Defendant Waterbury repeatedly called Ms. Spicer and Ms. Hamelin demanding sex. He would insist that Ms. Spicer accompany him to one of his other apartments to have sex with him while Ms. Hamelin stayed home to watch the children, and vice versa. On at least one occasion, he insisted that the women find a babysitter so that they could both accompany him to another location to have sex.

95. Defendant Waterbury would get visibly angry if Ms. Spicer and Ms. Hamelin resisted his sexual advances. When Ms. Spicer and Ms. Hamelin attempted to ignore Defendant Waterbury's telephone calls, he would show up to the house unannounced. He even let himself into the rental home against their wishes by using the key that he held as their landlord.

96. Based on Defendant Waterbury's statements and conduct, both women understood that if they did not continue to have sex with him, they and their young children would be evicted.

97. Not only did Defendant Waterbury condition their ability to live in the unit on Ms. Spicer's and Ms. Hamelin's acquiescence to his sexual demands, but Defendant Waterbury also conditioned his performance of necessary maintenance tasks on sexual favors. The home that they were renting from Defendant Waterbury had a number of significant maintenance problems. For example, the garage was filled with garbage, the home was infested with mice and other rodents, and the furnace was not working. In response to their requests for maintenance service, Defendant Waterbury would complain that the women were not as "fun" as

he wanted them to be, that they were not having sex with him as frequently as he wanted, and that they should not use protection during the sex he demanded from them.

98. By August 2015, Ms. Spicer and Ms. Hamelin decided to live separately. Ms. Spicer began looking for another home to rent. Again, with her limited income, she had difficulty finding places that she could afford. Defendant Waterbury had affordable properties that were available for rent, but he continued to insist that she perform sexual favors for him in order to rent any of his properties.

99. Up until the very end of August 2015, Defendant Waterbury continued to make unwelcome sexual advances on Ms. Spicer, demand sex from her, and condition the price and availability of his rental housing on her agreement to engage in sex acts with him.

100. At the end of August, Ms. Spicer received a call from another landlord about an available apartment that she could rent. She immediately signed a lease with the new landlord so that she would not have to continue to fulfill Defendant Waterbury's sexual requests and demands.

101. Ms. Hamelin continued to live in Defendant Waterbury's rental property after Ms. Spicer left, while she looked for another home that she could rent free from Defendant Waterbury's constant, unwelcomed sexual advances and harassment. By October 2015, it was too cold to live in a home with no working furnace, and she wanted to escape Defendant Waterbury's continuing sexual demands, so she left.

102. In total, Defendant Waterbury required Ms. Spicer and Ms. Hamelin to engage in sexual acts with Defendant Waterbury in excess of fifteen times each, all as part of Defendant Waterbury's ongoing pattern of sexual harassment against women who rent housing from him. In doing so, Defendant Waterbury repeatedly placed Ms. Spicer and Ms. Hamelin in a position

where they were forced to choose between their housing, a basic necessity, and their desire to avoid his sexual advances. Each unwanted encounter with Defendant Waterbury caused Ms. Spicer and Ms. Hamelin to experience anxiety, fear, emotional distress, and significant embarrassment. The cumulative impact of his harassing conduct has caused their injuries to persist to present.

Plaintiffs Sarita Arellano and Angel Bardin

103. Sarita Arellano and Angel Bardin are partners. Ms. Arellano is 27 years old and Ms. Bardin is 32 years old. They reside in Oswego, New York. In 2017, Defendant Waterbury was their landlord.

104. Throughout the time that they lived in his rental property, Defendant Waterbury subjected Ms. Arellano and Ms. Bardin to continuous, severe, and pervasive sexual harassment by, among other things, making repeated and unwelcome sexual requests in connection with their rent payments.

105. In or around May of 2017, Ms. Arellano and Ms. Bardin were looking for an apartment to rent. Ms. Arellano saw an advertisement for one- to four-bedroom apartments available for rent starting at \$495 per month.

106. Ms. Arellano contacted the telephone number listed in connection with the apartments and reached Defendant Waterbury, who had placed the advertisement. She set up an appointment with Defendant Waterbury for her and Ms. Bardin to view Defendant Waterbury's apartments in person.

107. Ms. Arellano and Ms. Bardin met with Defendant Waterbury to view the apartments that he had available for rent. Ms. Arellano and Ms. Bardin expressed interest in renting one of the apartments that they toured.

108. Defendant Waterbury told Ms. Arellano and Ms. Bardin that the apartment would go fast, and that they had to pay a deposit to hold it.

109. Ms. Bardin indicated that she could only afford to pay a \$100 deposit to hold the apartment. Defendant Waterbury agreed to accept that amount.

110. Defendant Waterbury, Ms. Arellano, and Ms. Bardin discussed the rental terms for the apartment. Defendant Waterbury informed the two women that the rent for the one-bedroom apartment would be \$1,198 per month. Defendant Waterbury presented the women with a two-year lease, insisting that they should sign a two-year agreement to lock in the price.

111. The almost \$1,200 per month that Defendant Waterbury required Ms. Arellano and Ms. Bardin to pay for the one-bedroom apartment was higher than rents for similar one-bedroom apartments in the area. Defendant Waterbury used the inflated rent as leverage to negotiate a more reasonable rental price in exchange for sexual favors.

112. In addition to the monthly rent for the apartment, Defendant Waterbury also informed Ms. Arellano and Ms. Bardin that they would have to pay a security deposit of \$1,198, first month's rent (of the same price), and last month's rent before moving into the apartment. They would also be required to pay a pet deposit for their dog.

113. Ms. Bardin told Defendant Waterbury that she and Ms. Arellano would need time to pay that amount of money. In response, Defendant Waterbury indicated that he would be willing to "work with" them, telling them that he would waive the security and pet deposits.

114. Ms. Arellano's and Ms. Bardin's deadline for moving out of their existing unit was rapidly approaching, but they still needed to come up with the first and last month's rent before moving into Defendant Waterbury's apartment. Ms. Bardin contacted Defendant

Waterbury to determine if they could move into the apartment earlier, without paying the full amount that he was requesting upfront.

115. Defendant Waterbury wanted to meet with Ms. Arellano and Ms. Bardin in-person to discuss their request. Ms. Arellano and Ms. Bardin agreed to the in-person meeting.

116. During the meeting, Defendant Waterbury asked Ms. Bardin and Ms. Arellano to tell him how “badly” they wanted the apartment, how “dedicated” they were to getting the apartment, and what they would be willing to do to move into the apartment earlier.

117. Ms. Bardin explained that she had noticed maintenance issues with the apartment and could fix those issues, but Defendant Waterbury told her that he already had someone to do maintenance for him, and was looking for them to do something more “personal” for him. Defendant Waterbury specifically asked Ms. Arellano and Ms. Bardin if they would be willing to do “personal favors” to move into the apartment earlier. Based upon his tone, demeanor, and the fact that he had rejected the offer to perform maintenance-type services at the apartment, Ms. Arellano and Ms. Bardin understood Defendant Waterbury’s reference to “personal favors” to mean sexual favors.

118. Defendant Waterbury’s request for “personal favors” made Ms. Arellano and Ms. Bardin extraordinarily uncomfortable. They had no desire whatsoever to have any sort of sexual contact with Defendant Waterbury, and ignored his inappropriate request.

119. In addition to his request for sexual favors, Defendant Waterbury asked Ms. Arellano and Ms. Bardin intrusive, personal questions about their sexual orientations and relationship history while discussing the terms of rental with them. Defendant Waterbury probed whether they had ever been with men and other personal matters about their sexual histories.

120. Both women continued to ignore Defendant Waterbury's sexual advances and his questions about their sexual histories.

121. Ultimately, because they did not take him up on his offer to perform "personal favors," Defendant Waterbury demanded that Ms. Arellano and Ms. Bardin sign a document giving him the power to evict them immediately, without the regular notices required by law, in order to move into the apartment.

122. Ms. Arellano and Ms. Bardin moved into Defendant Waterbury's one-bedroom rental unit shortly thereafter.

123. Even after they moved in, Defendant Waterbury continued to aggressively pursue sexual trades for rent. In doing so, he has created a severe and/or pervasive hostile environment in which both women have been forced to endure his repeated requests for sexual and personal favors in their communications with him about the terms and conditions of their rental housing.

124. For example, on one occasion, Defendant Waterbury came to the apartment and asked both women to step outside to talk to him. He expressly asked the women whether they would perform sexual favors, telling them that if they agreed, they would not be required to pay him as much money. Both women said no, and accordingly, they were required to continue to pay a higher rental rate.

125. On other occasions, when Defendant Waterbury has seen Ms. Arellano and Ms. Bardin in person at the apartment building, he has continued to probe their willingness to perform personal or sexual favors for him.

126. Defendant Waterbury has retaliated against Ms. Arellano and Ms. Bardin for their refusal to comply with his sexual requests. Although he had initially agreed to waive the security deposit, he reversed course after they moved in, insisting that they owed him an

additional \$1,198 in rent and fees. On at least one occasion, Defendant Waterbury has charged Ms. Bardin's credit card, without her express authorization, for additional money that he claims he was owed, which she would not have been required to pay if she had not rejected his advances.

127. Had Ms. Arellano and Ms. Bardin agreed to perform sexual favors for Defendant Waterbury, he would not have required them to pay a security deposit, first month's rent, and last month's rent upfront. Indeed, he has not required male tenants, or female tenants who cede to his sexual demands, to pay last month's rent in addition to other rent payments and deposits.

128. Consistent with Defendants' practice of seeking to intimidate and retaliate against women who oppose Defendant Waterbury's conduct, on December 1, 2017, after Ms. Bardin and Ms. Arellano formally complained about Defendants' harassment by filing the instant lawsuit, Defendants brought suit against Ms. Bardin and Ms. Arellano for the very rent and fees that Plaintiffs allege Defendants assessed unlawfully. Defendants pursued legal action against Ms. Arellano and Ms. Bardin without justification and on account of their decision to exercise their statutorily-protected fair housing rights.

129. As a direct result of Defendant Waterbury's repeated and continuous sexual requests, Ms. Arellano and Ms. Bardin were unable to freely enjoy their apartment. Although they did not want to interact with Defendant Waterbury because of his repeated sexual harassment, they could not avoid communicating with him because he was their landlord. Because these women lived in constant fear of Defendants' sexual harassment, they could never be comfortable in, or fully enjoy the sanctity and privacy of, their homes. Ultimately, as a result of Defendants' harassing conduct and retaliatory behavior, Ms. Arellano and Ms. Bardin had no choice but to discontinue their housing relationship with Defendants and vacate the property.

Plaintiff Stephanie Yablonski

130. Plaintiff Stephanie Yablonski resides in Lacona, New York. She is 24 years old.

131. In the spring of 2016, while searching for an apartment to rent, Ms. Yablonski saw a Craigslist post advertising available apartment units.

132. Ms. Yablonski contacted the number listed on the advertisement and spoke to Defendant Waterbury. She told Defendant Waterbury that she was looking for a two-bedroom apartment for her and her children to move into as soon as possible, and that she could pay no more than \$700 a month for rent. Ms. Yablonski set up an appointment with Defendant Waterbury to view Defendants' available apartments.

133. Defendant Waterbury showed Ms. Yablonski several of Defendants' apartments. For each apartment that he showed her, Defendant Waterbury quoted a rental price that was significantly more than Ms. Yablonski informed him that she could pay. Ms. Yablonski told Defendant Waterbury that the apartments he was showing to her were outside of her rental budget, but Defendant Waterbury told her not to worry about the price because the two could "help each other out."

134. The last property that Defendant Waterbury showed Ms. Yablonski was a single-family home in New Haven, New York. The home included an attached two-bedroom apartment unit. Ms. Yablonski loved the size and structure of the home, but the property was filthy and in need of serious repair.

135. Ms. Yablonski told Defendant Waterbury that she had significant concerns about the physical condition of the home. Defendant Waterbury, however, sought to reassure her, promising that he would have the property professionally cleaned and would perform all repairs prior to her move. He also told Ms. Yablonski that he would consider a rent-to-own agreement

for the property, through which a portion of her monthly payments would be applied toward a down payment for the home.

136. After discussing with Ms. Yablonski the possibility of her owning the property, Defendant Waterbury sat down on the couch, spread his legs, put his arm around Ms. Yablonski, and asked her if she thought they could make a deal. He suggested that they go to another one of his properties in Oswego to continue discussing the terms of the rent-to-own agreement. He further told Ms. Yablonski that he would be willing to work things out if she would give him a “release.” Based on his body language and tone, Ms. Yablonski believed that Defendant Waterbury’s use of the word “release” was sexual in nature.

137. Ms. Yablonski quickly rebuffed what she perceived to be Defendant Waterbury’s sexual advances and attempted to redirect the conversation toward discussing the terms of the rent-to-own agreement.

138. After their initial meeting, Ms. Yablonski and Defendant Waterbury continued to discuss the contract terms for the New Haven property. Defendant Waterbury informed Ms. Yablonski that although the monthly payment for the home was \$1,800, he would permit her to sub-rent the attached apartment unit to another tenant, which would cover a significant portion of her monthly payment obligations. Further, he indicated that he would not require Ms. Yablonski to pay any security deposit. Understanding that she needed to move into the property immediately, he once again assured her that all repairs and cleaning would be completed prior to her move, and that she would not be required to pay him anything until all such repairs were made. Defendant Waterbury told Ms. Yablonski that, through their agreement, he would ultimately sell the property to her, extolling the virtues of homeownership, and causing Ms.

Yablonski to become increasingly excited about the prospect of owning her own home for herself and her family.

139. Convinced by Defendant Waterbury's representations, and believing that Waterbury's prior inappropriate comments could have just been a momentary lapse in judgment, Ms. Yablonski signed the rent-to-own agreement. Ms. Yablonski and her family moved into the New Haven home in April 2016.

140. Far from being a one-time occurrence, as soon as Ms. Yablonski moved into the property, Defendant Waterbury ramped up the pressure and requests for sexual demands. He expressly conditioned his agreement to honor the representations that he had made to her regarding her housing on her willingness to perform sexual favors. Defendant Waterbury's repeated, brazen, and rampant sexual harassment caused Ms. Yablonski to move out of the New Haven home after only two months.

141. For example, Defendant Waterbury repeatedly called Ms. Yablonski to insist that they meet in-person so that she could give him a "release."

142. In addition to asking for a "release" on numerous occasions, Defendant Waterbury made other sexual statements regarding Ms. Yablonski and her appearance. For example, Waterbury remarked several times on Ms. Yablonski's body and suggested that she "put [her] body to good use."

143. Defendant Waterbury's harassment of Ms. Yablonski during the months that she lived at his property was severe, pervasive, and seemingly boundless. Defendant Waterbury asked a contractor he hired to make repairs to the home to alert him to when Ms. Yablonski was alone. In addition, Defendant Waterbury drove by the house at all hours of the day to check in on Ms. Yablonski.

144. When Ms. Yablonski told Defendant Waterbury that she was not interested in engaging in any sexual trades with him, Defendant Waterbury began to threaten her. Defendant Waterbury told Ms. Yablonski repeatedly that if she did not perform sexual favors for him, he would unilaterally rescind their rent-to-own arrangement and that her monthly rent would go up at least \$500. When Ms. Yablonski challenged him on his ability to change the terms of their agreement, Defendant Waterbury warned Ms. Yablonski that he was a powerful man and could do what he wanted. He reminded her that he already had a binding contract with her and could take her to court if she attempted to leave the property or get out of the contract.

145. Defendant Waterbury also conditioned his performance of the maintenance tasks he had previously agreed to complete on Ms. Yablonski's willingness to have sex. Contrary to his representations, the repairs he had agreed to make had not been completed before she moved in the home. There were, for example, no railings on the steps, which presented a significant safety hazard for Ms. Yablonski's children. When Ms. Yablonski complained about the state of the home and made maintenance requests, Defendant Waterbury changed the subject back to his request to meet with her in person. Defendant Waterbury's words and tone made it clear that he was conditioning his obligations to her as a landlord on her willingness to engage in sex acts with him.

146. After months of harassment, Defendant Waterbury told Ms. Yablonski that their arrangement was "not working for him," and that she needed to give him something more. Ms. Yablonski again understood Defendant Waterbury's comments to refer to sexual favors.

147. When Ms. Yablonski once again told him that she would not perform any sexual acts or favors for him, Defendant Waterbury's tone changed. Because she would not agree to engage in any sexual acts, Defendant Waterbury told Ms. Yablonski that she needed to move out

immediately or otherwise pay him a large sum of money he now claimed she owed him in back rent despite his prior representations to the contrary about her payment obligations.

148. Ms. Yablonski felt powerless. It was obvious to her that Defendant Waterbury would not stop pursuing and demanding sex from her, and that he would continue to use the terms of her housing arrangement to pressure her to give into his unwanted demands. Feeling as if she had no other options, Ms. Yablonski moved her family out of the New Haven house so as to avoid being subjected to Defendants' harassment.

149. Defendants engaged in additional retaliatory conduct after Ms. Yablonski left Defendants' property. Despite having no choice but to discontinue her housing relationship with Defendants because of Defendant Waterbury's sexual harassment, Defendants countersued her for, among other things, over \$24,000 in rent for months during which she no longer lived in Defendant Waterbury's property. Defendants sued Ms. Yablonski only after she formally complained about Defendants' sexual harassment, without justification, and because she sought to exercise her statutorily-protected fair housing rights.

150. Defendants' harassment had, and continues to have, a significant impact on Ms. Yablonski. Defendant Waterbury's constant demands for sexual acts—and his brazen attempts to wield his power over her housing situation to convince her to acquiesce to those demands—caused her significant fear, anxiety, embarrassment, and emotional distress. Since moving out of Defendant Waterbury's property, Ms. Yablonski and her family have resided with a female relative to avoid any circumstance under which she would rent from a male landlord again.

Plaintiff Cara Cappelletti

151. Plaintiff Cara Cappelletti resides in Mexico, New York. She is 35 years old.

152. In early November 2016, Ms. Cappelletti responded to a Craigslist advertisement placed by Defendant Waterbury. The advertisement listed efficiencies, studios, and one- to two-bedroom apartment units for \$495 and up. Ms. Cappelletti was looking for a two-bedroom apartment for her and her family.

153. At the time that she saw Defendants' advertisement, Ms. Cappelletti was homeless. She had been living in a friend's camper, and she was desperate to secure housing for her family before the weather worsened.

154. Ms. Cappelletti contacted Defendant Waterbury. She told Defendant Waterbury that she had a limited income and that her budget was only \$800. Defendant Waterbury informed her that his two-bedroom units were above her price point, but told her that she could view the apartments that he had available and the two could further discuss the rental price for the apartments when they met in person.

155. Ms. Cappelletti met with Defendant Waterbury to view several apartments, and Ms. Cappelletti found an apartment on West 3rd Street in Oswego that she wanted to rent. Defendant Waterbury informed her that he usually rented the apartment to students and that he could get over \$1,200 a month in rent from them.

156. However, Defendant Waterbury told Ms. Cappelletti that he was willing to "work with" her on the rental price for the apartment. Defendant Waterbury informed Ms. Cappelletti that if she was able to come up with a security deposit and first month's rent, they could agree to an arrangement by which Ms. Cappelletti could pay him \$995 in rent and "work off" the difference.

157. To account for the difference, Ms. Cappelletti offered to perform repair services or cleaning work. While Defendant Waterbury told her that he would consider that arrangement,

he also told her that there were “other things” that Ms. Cappelletti could do to “make more money” and that “would take less time.” As he made the statement, he rocked on his heels and tilted forward toward Ms. Cappelletti. Ms. Cappelletti found Defendant Waterbury’s statement and behavior to be odd and ignored him.

158. Defendant Waterbury and Ms. Cappelletti eventually agreed that she would rent the apartment on West 3rd Street at a monthly rate of \$995. Ms. Cappelletti told Waterbury that she could perform cleaning services or repair work in addition to her monthly rent. Defendant Waterbury agreed that Ms. Cappelletti could move her family into the apartment by December 2, 2016, provided that she paid off the security deposit and first month’s rent before that date.

159. In the ensuing weeks, Ms. Cappelletti worked hard to save up money for the move.

160. The next time that Ms. Cappelletti and Defendant Waterbury met, Ms. Cappelletti handed him the first installation toward her deposit, \$450 in cash.

161. Defendant Waterbury asked Ms. Cappelletti to meet him at another of Defendants’ properties. Believing that she would soon be signing a lease for the apartment, she agreed to meet him there.

162. Even though Defendant Waterbury accepted Ms. Cappelletti’s payment toward her deposit, he indicated that he was not yet prepared to sign a lease. He reminded her that he usually rented the apartment to students who could pay more for the apartment than Ms. Cappelletti was able to pay. Defendant Waterbury asked Ms. Cappelletti what she was willing to do to get a lease signed that day.

163. Defendant Waterbury then led Ms. Cappelletti to a bedroom. In the bedroom, he told Ms. Cappelletti that they could “take care of this here,” and after that, he would allow her to sign a lease for the West 3rd Street apartment immediately.

164. Ms. Cappelletti understood that Defendant Waterbury was demanding that she have sex with him in order to sign the lease and secure the apartment. Defendant Waterbury’s words and actions made clear to her that if she did not have sex with him, he would not rent that apartment—or any apartment—to her.

165. It was, by that point, well into November, and Ms. Cappelletti was desperate to secure housing immediately for her family. Because she had no money to put toward a security deposit for another apartment, and because Defendant Waterbury had made clear that he would only make the apartment available for rent if she had sex with him, Ms. Cappelletti reluctantly acquiesced to Defendants Waterbury’s sexual demands.

166. Ms. Cappelletti told Defendant Waterbury that she knew that he was asking her for sex in order to sign the lease. Acknowledging that he was, in fact, propositioning her sexually, Defendant Waterbury responded that Ms. Cappelletti “seemed like a smart girl.” He demanded that Ms. Cappelletti get on the bed and take off her shirt, and he proceeded to have sexual intercourse with her.

167. At some point during the subsequent sexual act, Ms. Cappelletti grew increasingly distressed and told Defendant Waterbury that she wanted him to stop. But Defendant Waterbury would not stop. Even though Ms. Cappelletti told him several times that she did not consent to any further sexual acts, he continued to assault her and engage in sex acts with her against her will.

168. Afterward, Defendant Waterbury agreed to let Ms. Cappelletti sign a lease, but when Ms. Cappelletti asked for a copy of the lease, he refused to give it to her.

169. Two weeks later, Ms. Cappelletti met Defendant Waterbury to give him a second installation toward her deposit. At this meeting, Defendant Waterbury made clear that she had not “done enough” for him to be able to fully secure the rental apartment or to obtain a copy of her lease agreement. He told her that he had ultimately rented the apartment on West 3rd Street to someone else, and that they would need to look at other places.

170. Ms. Cappelletti had no choice in the matter; she could not live in a camper for much longer and she had no money or time to re-start her housing search.

171. Defendant Waterbury took Ms. Cappelletti to another apartment. He told her that she could rent the apartment to her for \$895 a month. Defendant Waterbury proceeded to once again demand sex from Ms. Cappelletti in exchange for agreeing to sign an amended lease for this second apartment. Feeling as if she had no other option, Ms. Cappelletti again reluctantly agreed to his demands.

172. The two unwelcome sexual encounters that Defendant Waterbury had with Ms. Cappelletti occurred at different properties owned or managed by Defendants. Both properties were outfitted with a bed, but otherwise held little furniture. Near both beds, Defendant Waterbury had previously stashed several items related to sexual activity, including condoms, sex toys, and wipes, so that they were easily accessible.

173. After her unwelcome sexual encounters with Defendant Waterbury, Ms. Cappelletti decided that she would only meet Defendant Waterbury in public to deliver her subsequent payment installments or to discuss the terms of rent with him. She made excuses as

to why she could not have sex with him, and, on at least one occasion, she brought her daughter along in an effort to deter his advances.

174. Ms. Cappelletti's efforts to avoid Defendant Waterbury agitated him. As a result of her refusal to have sex with him again, Defendant Waterbury refused to provide Ms. Cappelletti receipts for any cash payments that she gave him.

175. Ms. Cappelletti and her family moved in on December 2.

176. Immediately upon moving in, Defendant Waterbury subjected Ms. Cappelletti to numerous acts of brazen, severe, and pervasive sexual harassment. For example, within the first week of her move, Defendant Waterbury knocked at Ms. Cappelletti's door at least four times demanding to speak to her. The purpose of the visits were allegedly to discuss Ms. Cappelletti's rent, even though Ms. Cappelletti had already paid Defendant Waterbury.

177. At one point, when Ms. Cappelletti pointed out that she did not owe him any money, Defendant Waterbury told Ms. Cappelletti that, with Christmas (and the need to purchase presents for her children) approaching, he anticipated that she would be behind in next month's rent and wanted to talk to her in advance about what "arrangements" could be made. Ms. Cappelletti clearly understood that Defendant Waterbury was again making sexual advances toward her.

178. Ms. Cappelletti began to stay away from her apartment, hoping that Defendant Waterbury would get the message that she was not around or available. She avoided being at home alone for fear that Waterbury would come to the house to harass her. When she knew that no members of her family were at home, she would wander around local stores or sit at the local McDonalds in order to avoid interacting with Defendant Waterbury.

179. Defendant Waterbury showed no signs of relenting. At least every other day, Defendant Waterbury drove through Ms. Cappelletti's driveway in an effort to harass her.

180. When Defendant Waterbury realized that Ms. Cappelletti was avoiding him, he increased the pressure by withholding previously agreed upon housing-related services.

181. For example, even though Defendant Waterbury had told Ms. Cappelletti that snow removal was covered in her rental payment, he refused to plow her driveway because she would not give into his sexual demands. Instead, on multiple occasions, Ms. Cappelletti saw Defendant Waterbury drive slowly through her driveway in his snow-plow truck without dropping the plow, so that the truck did not actually clear away any snow from her property. Ms. Cappelletti understood that Defendant Waterbury was sending a threat that she would not be able to receive those, and other, housing-related services unless she agreed to have sex with him.

182. Ms. Cappelletti soon realized that she could not continue to live in the hostile environment created by Defendant Waterbury's harassment. Despite her best efforts, she could not dodge Defendant Waterbury's advances, and she was increasingly fearful about the well-being of her children.

183. Sometime toward the end of December 2016, Ms. Cappelletti called the Oswego County Housing Authority to report the house's uninhabitable conditions. Because Defendant Waterbury had neglected to perform routine maintenance on the home, and because Ms. Cappelletti could have no interaction with him without being subjected to his harassment, the condition of the home had rapidly deteriorated. Significant portions of the walls of the second story of the house were covered in mold. Ultimately, County officials inspected the property, confirmed the severity of the mold problem, and advised her that she needed to move.

184. Ms. Cappelletti had to move out of Defendant Waterbury's property almost immediately. Lacking funds and time to find a suitable apartment, Ms. Cappelletti was forced to move her family into a cramped, two-bedroom trailer that lacked sufficient space to hold her five-person household.

185. As a result of the immediacy of the move, Ms. Cappelletti left behind numerous boxes of her possessions that she could not take with her. Defendant Waterbury did not return her security deposit.

186. Ms. Cappelletti vacated Defendants' property in January 2017. Almost a year later, and only after Ms. Cappelletti filed the instant action to formally complain about Defendants' conduct, Defendants countersued Ms. Cappelletti for landlord-tenant claims, seeking to recover, among other things, \$329.60 in unpaid rent Defendants now claim Ms. Cappelletti owed from over a year ago. Defendants' conduct in initiating this meritless legal action against Ms. Cappelletti because she asserted her statutorily-protected fair housing rights is consistent with Defendants' overall practices of attempting to intimidate women who object to Defendant Waterbury's illegal harassment.

187. Ms. Cappelletti has suffered significant emotional distress as a direct result of Defendants' unlawful harassment. Defendant Waterbury preyed on Ms. Cappelletti at each and every step of her housing process. In addition to the unwelcome sexual acts that Defendant Waterbury demanded of her in order to sign the lease, Defendant Waterbury subjected Ms. Cappelletti to an onslaught of intimidation and harassment once she moved in. Ms. Cappelletti spent the duration of her time in the apartment living in constant fear of Defendant Waterbury's next unannounced appearance. The harm caused by Defendants' sexual harassment persists to the present.

INJURY TO PLAINTIFFS

188. Defendants' actions in repeatedly propositioning the Individual Plaintiffs for sexual trades in exchange for rent and other housing benefits, as described above, have caused the Individual Plaintiffs injuries, both emotional and financial.

189. As a direct, proximate, and foreseeable result of Defendants' persistent and flagrant harassment, the Individual Plaintiffs have suffered and continue to suffer emotional distress, humiliation, loss of housing opportunities, and the deprivation of their housing and civil rights.

190. In addition to the emotional distress that they suffered, the Individual Plaintiffs have suffered economic loss as a direct, proximate, and foreseeable result of Defendants' discriminatory conduct. These losses include but are not limited to: payment of higher rents, fees, or deposits when sexual advances were rejected, being forced to look elsewhere for housing to avoid renting any of the many properties affiliated with Defendants, forfeiture of deposits and other payments, and other harms.

191. As a direct, proximate, and foreseeable result of Defendants' discriminatory actions, as described above, CNY Fair Housing has been required to expend significant staff time and incur expenses to identify the scope of Defendants' unlawful conduct and the breadth of its impact, and, furthermore, to take steps to counteract the detrimental effects of Defendants' conduct.

192. For example, CNY Fair Housing has expended significant time and resources identifying and counseling victims of Defendants' harassment, interviewing witnesses, monitoring Defendants' advertisements and online postings from Oswego residents concerning

Defendants to identify instances of Defendants' continuing harassment and additional victims, collecting relevant data from third parties, and analyzing the results of their data collection.

193. CNY Fair Housing has been forced to make out-of-pocket expenditures to conduct its investigation of Defendants' discriminatory acts and identify appropriate counteractive measures, including travel expenses and costs related to its data collection.

194. In addition, CNY Fair Housing has had to expend, and will continue to have to expend, resources to counteract the effects of Defendants' discrimination by, among other things, conducting outreach to the community about Defendants' discriminatory harassment and educating community members about sexual harassment and discrimination on the basis of sex. These activities have required, and will continue to require, the expenditure of considerable financial resources and staff time.

195. For example, in connection with one of its outreach efforts, CNY Fair Housing staff created educational flyers and distributed them at multiple locations throughout the Oswego region. The flyers detailed the FHA's protections against sexual harassment and explained CNY Fair Housing's efforts in helping to enforce fair housing law.

196. Additionally, CNY Fair Housing produced advertisements and purchased advertising space at Oswego bus shelters detailing information on sexual harassment. In direct response to Defendants' discrimination, CNY Fair Housing staff have also conducted trainings and presentations on sexual harassment with agencies serving the Oswego-area and counseled multiple victims on their fair housing rights against sex-based discrimination, including but not limited to the Individual Plaintiffs.

197. Because it has had to devote so much of its time and resources to address Defendants' discriminatory conduct, CNY Fair Housing has had to put on hold, or shelve

entirely, other projects that would have helped to further its mission. In other words, Defendants' discriminatory acts forced CNY Fair Housing to divert its scant resources from other activities it sought to conduct.

198. Some of the projects on which CNY Fair Housing would have expended its resources and staff time were it not for Defendants' acts include:

- a. Multiple training sessions for landlords and real estate professionals with regard to fair housing compliance, which would have served over two hundred individuals and would have been paid for by the housing providers;
- b. Audit-based testing designed to address complaints of systemic discrimination, including investigation into local real estate sales practices and rental discrimination against families with children;
- c. An investigation into discriminatory practices by a City of Utica property management company;
- d. Completion of the Executive Director's licensed real-estate instructor certification, a necessary qualification to teach fair housing courses in the region;
- e. Participation in, and planning of, scheduled outreach events and workshops, including CNY Fair Housing's fall conference, thereby limiting the organization's ability to achieve desired levels of community outreach and sponsorship;
- f. Participation in a community task force in the City of Syracuse to improve housing quality; and
- g. Filing of enforcement complaints with state and federal regulatory agencies.

199. In addition to the damages it has suffered as a result of being required to divert its limited resources, Defendants' discriminatory acts have frustrated, and continue to frustrate,

CNY Fair Housing's mission of ensuring that all people have equal access to housing opportunities in its service region and of eliminating housing discrimination against protected classes, including women. Defendants' flagrant and recurring violations of the Fair Housing Act directly impede CNY Fair Housing's efforts, both in educating the public on their fair housing rights and in preventing discriminatory decision-making by housing providers, and has, accordingly, damaged CNY Fair Housing's reputation.

200. Further, with its six-person staff, CNY Fair Housing has very limited resources, and discriminatory practices that require it to divert those resources from other worthy projects frustrate the full achievement of CNY Fair Housing's broad mission.

201. The injury to CNY Fair Housing's mission is a direct, proximate, and foreseeable result of Defendants' discrimination.

202. CNY Fair Housing's investigation and counteraction of Defendants' conduct, its diversion of resources, and the frustration of its mission continue through the present, and will continue until Defendants' discriminatory conduct ceases and the harms caused by Defendants' actions are remedied. Defendants' discriminatory acts have injured, and are continuing to injure, CNY Fair Housing.

203. Defendants' unlawful actions as described herein were, and remain, intentional, willful and knowing, and/or have been, and are, implemented with callous and reckless disregard for Plaintiffs' legal rights.

CAUSES OF ACTION

**FIRST CAUSE OF ACTION
(All Plaintiffs Against All Defendants)**

Violation of Fair Housing Act, 42 U.S.C. § 3601, *et seq.*

204. Plaintiffs repeat and incorporate by reference all allegations contained in paragraphs 1 through 203 as if fully set forth herein.

205. Defendants' conduct, as described above, constitutes quid pro quo harassment. Defendants have made unwelcome requests or demands to engage in sexual conduct where submission to the request or demand, either explicitly or implicitly, is made a condition related to: the rental or availability of a dwelling; the terms, conditions, or privileges of the rental; and/or the provision of services or facilities in connection to the rental.

206. Defendants' conduct, as described above, constitutes hostile environment harassment. Defendants have engaged in unwelcome conduct that is sufficiently severe or pervasive as to interfere with: the availability, rental, or use or enjoyment of a dwelling; the terms, conditions or privileges of the rental; and/or the provision or enjoyment of services or facilities in connection to the rental.

207. Defendants' conduct, as described above, violates multiple provisions of the Fair Housing Act. Specifically, Defendants' conduct constitutes:

- a. A denial of housing or making housing unavailable because of sex, in violation of Section 804(a) of the FHA, 42 U.S.C. § 3604(a);
- b. Discrimination in the terms, conditions, or privileges of the rental of dwellings, or in the provision of services or facilities in connection therewith, because of sex, in violation of Section 804(b) of the FHA, 42 U.S.C. § 3604(b);

c. The making of statements with respect to the rental of dwellings that indicate a preference, limitation, or discrimination based on sex, in violation of Section 804(c) of the FHA, 42 U.S.C. § 3604(c); and

d. Coercion, intimidation, threats, or interference with persons in the exercise or enjoyment of, or on account of their having exercised or enjoyed, their rights under Section 804 of the Fair Housing Act, in violation of Section 818 of the FHA, 42 U.S.C. § 3617.

208. Plaintiffs have been injured by the discriminatory conduct of Defendants. Such persons are “aggrieved persons” as defined in 42 U.S.C. § 3602(i) and have suffered damages as a result of Defendants’ conduct.

209. The conduct of Defendants was intentional, willful, and/or taken in reckless disregard for Plaintiffs’ rights and the rights of others.

**SECOND CAUSE OF ACTION
(All Plaintiffs Against All Defendants)**

Violation of New York Executive Law § 296

210. Plaintiffs repeat and incorporate by reference all allegations contained in paragraphs 1 through 203 as if fully set forth herein.

211. Defendants’ conduct, as described above, violates multiple provisions of N.Y. Executive Law § 296. Specifically, Defendants’ conduct constitutes:

a. A denial or withholding of housing because of sex, in violation of N.Y. Executive Law § 296-5(a)(1) and (c)(1);

b. Discrimination in the terms, conditions, or privileges of the rental of dwellings, or in the provision of services or facilities in connection therewith, because of sex, in violation of N.Y. Executive Law § 296-5(a)(2) and (c)(2);

c. The making of statements with respect to the rental of dwellings that indicate a limitation, specification, or discrimination based on sex, in violation of N.Y. Executive Law § 296-5(a)(3) and (c)(3);

d. Retaliation or discrimination against persons because they have opposed practices forbidden under the statute, in violation of N.Y. Executive Law § 296-7.

212. The conduct of Defendants was intentional, willful, and/or taken in reckless disregard for Plaintiffs' rights and the rights of others.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that judgment be entered against Defendants as follows:

a. Declaring that Defendants' actions violate the Federal Fair Housing Act, 42 U.S.C. § 3601, *et seq.* and the New York State Human Rights Law, New York Executive Law § 296, *et seq.*

b. Permanently enjoining Defendants from engaging in the conduct described herein and directing Defendants to take all affirmative steps necessary to remedy the effects of the conduct described herein and to prevent additional instances of such conduct or similar conduct from occurring in the future;

c. Awarding compensatory damages to each Plaintiff in an amount to be determined by a jury that would fully compensate each Plaintiff for the injuries caused by the conduct of Defendants alleged herein;

d. Awarding punitive damages to each Plaintiff in an amount to be determined by a jury that would punish Defendants for the willful, wanton, and reckless conduct alleged herein and that would effectively deter similar conduct in the future;

- e. Awarding reasonable attorneys' fees and costs; and
- f. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to FED. R. CIV. P. 38(b), Plaintiffs demand a trial by jury on all issues triable as of right.

Dated: February 9, 2018

Respectfully submitted,

/s/ Jia M. Cobb

Megan Cacace (admitted *pro hac vice*)

Jia M. Cobb (admitted *pro hac vice*)

Yiyang Wu (admitted *pro hac vice*)

RELMAN, DANE & COLFAX PLLC

1225 19th Street, N.W., Suite 600

Washington, D.C. 20036

(202) 728-1888

(202) 728-0848 (facsimile)

mcacace@relmanlaw.com

jcobb@relmanlaw.com

ywu@relmanlaw.com

Conor Kirchner

CNY Fair Housing, Inc.

731 James Street

Syracuse, NY 13203

(315) 471-0420

ckirchn@cnyfairhousing.org

Attorneys for Plaintiffs