UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
CHARLOTTESVILLE DIVISION

CLAIRE PAYTON and JONATHAN KATZ, Plaintiffs, v. LIANA ARIAS DE VELASCO GUALLART and CHRISTOPHER TSCHAPPATT, Defendants.	Case No. 3:22-cv-42 **COMPLAINT** Jury Trial Demanded

Plaintiffs Claire Payton and Jonathan Katz ("Plaintiffs"), a married couple with a child, bring this action under the federal Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601–3619, and the Virginia Fair Housing Law ("VFHL"), Va. Code Ann. §§ 36-96.1–96.73, against their former landlords, Defendants Liana Arias De Velasco Guallart and Christopher Tschappatt, a married couple ("Defendants"), for discriminating against them in the provision of rental housing based on familial status, stating a discriminatory policy or preference against renting to families with children, and retaliating against them for asserting their rights under the FHA and VFHL.

INTRODUCTION

1. This lawsuit presents a textbook case of housing discrimination based on familial status prohibited by the FHA and VFHL: When Defendants learned in April 2020 that Dr. Payton was pregnant, they refused to renew Plaintiffs' lease on the apartment at 501 Commerce Street in Charlottesville, Virginia (the "Apartment"), because, as Defendant Guallart wrote in a text message to Mr. Katz on April 12, 2020: "We don't take . . . families with children . . . ." That statement—and Defendants' decision to act on that policy or preference by refusing to

renew Plaintiffs' lease just three days later after learning that Plaintiffs were expecting a child—are plain and unambiguous violations of the prohibitions on housing discrimination based on familial status.

2. At the time Defendants refused to renew Plaintiffs' lease, Dr. Payton was seven months pregnant and due to give birth in June 2020. Dr. Payton, a historian who was completing a postdoctoral fellowship at the University of Virginia ("UVA"), and Mr. Katz, a journalist and author, were thrilled to become parents after years of trying to start a family. They were eagerly preparing to welcome a child to their home, while also working to ensure that they stayed safe and healthy during the then-emerging COVID-19 crisis.

3. On April 12, 2020, Defendant Guallart sent a text message to Mr. Katz asking whether Plaintiffs intended to renew their lease, which was set to expire on July 31, 2020. Mr. Katz responded to ask whether any terms of the lease would change and to confirm that they had until 90 days before the lease expiration date—May 2, 2020—to decide whether to renew.

4. In a series of text messages on April 13, 2020, Defendant Guallart confirmed that Plaintiffs had until May 2 to decide whether to renew their lease, and that the rent would increase. She also told Mr. Katz that, "As long as nothing changes on your end, we are happy to renew with you guys." In the same text message exchange, though, she asked Mr. Katz to "[l]et us know if there are any changes on the number of people staying with you two."

5. Mr. Katz was perplexed by that inquiry. He knew that Defendant Tschappatt, Defendant Guallart's husband, had recently seen a visibly pregnant Dr. Payton in their yard. Defendant Guallart was also frequently in the neighborhood since Defendants owned several rental properties nearby. Mr. Katz assumed that both Defendants knew of Dr. Payton's pregnancy by that time, Mr. Katz asked Defendant Guallart to clarify what she meant by "the

number of people staying with us." In response, Defendant Guallart texted, "We don't take roommates, *families with children* or instruments, musicians, dogs and the such" (emphasis added), citing concerns about noise transfer between adjoining apartments.

6. Shocked by Defendant Guallart's text, Mr. Katz responded, writing that, "As you have probably noticed, Claire is pregnant." He added that under federal and state law, as well as the nondiscrimination provision of their lease, a landlord may not consider a tenant's pregnancy or the expected birth of a child in making a lease renewal decision. Defendant Guallart responded that, "the noise policy is also in the lease and you cannot keep a new born [sic] quiet."

7. In subsequent text messages, Mr. Katz repeated to Defendant Guallart that her statements were unlawful—sharing citations to the familial status protections in both the FHA and VFHL, as well as a federal case citation. Mr. Katz also shared a white paper on the FHA's familial status protections, published by a national apartment industry trade association, which discussed why a landlord's concerns about noise from children is not a legally permissible basis to denying housing to families.

8. Unmoved, Defendant Guallart wrote to Mr. Katz that he was "reading [the laws] wrong" and that there was "nothing illegal" in her comments.

9. The next day, April 15, 2020, Mr. Katz texted Defendant Guallart to reiterate Plaintiffs' interest in renewing their lease and their desire to maintain an amicable relationship with Defendants. He noted that the recent exchange had "created an extreme amount of stress for myself, Claire, and our unborn child," particularly given the daunting prospect of being forced to move with a new infant during COVID-19 and under Virginia's emergency stay-at-home order. Mr. Katz repeated their concern that refusing to do so because of Dr. Payton's pregnancy and the upcoming birth of their child would violate the FHA and VFHL.

10. An hour later, Defendant Guallart emailed Mr. Katz to inform him that Defendants "will not renew the lease with you in August." She described Mr. Katz's texts informing her that her statements and conduct were unlawful as "inappropriate," reflective of "a terrible attitude on your part," and an "overly defensive reaction to perfectly reasonable requests for solutions to a potential problem." She described Mr. Katz's texts as the "last straw" in Defendants' decision not to renew Plaintiffs' lease.

11. As April progressed, the national COVID-19 emergency continued to worsen. Dr. Payton and Mr. Katz became increasingly anxious about having to show their current apartment to prospective tenants, conduct their own housing search, move, and prepare for the imminent birth of their child. The couple was worried about their own health and the health of their unborn daughter if they contracted COVID-19: Dr. Payton had been told by her doctors that she was at elevated risk of preeclampsia, a serious pregnancy complication, and Mr. Katz was still recovering from an unexpected stroke he suffered just seven months earlier in September 2019 and a subsequent heart surgery in February 2020 needed as part of his stroke recovery. They understood that becoming seriously ill with COVID-19—and the stress and costs of moving to a new home with a newborn—could be avoided if they could remain in the Apartment.

12. On April 30, 2020, Plaintiffs made a final but unsuccessful attempt to make peace with Defendants and extend their lease. Dr. Payton emailed Defendant Guallart, writing that she and Mr. Katz wished to stay on as tenants and to repair their relationship with Defendants. Dr. Payton wrote that she and Mr. Katz would "greatly prefer" to renew their lease for another year but, alternatively, would be open to a month-to-month lease "allowing us to move at a time when the pandemic and the social distancing situation allow." Dr. Payton added that moving during the statewide stay-at-home order with a new infant would be virtually impossible. She expressed

Plaintiffs' desire to work with Defendants to find a solution to their noise concerns, offering to "keep the baby away from the shared wall and in the front room in order to minimize the amount of noise that the neighbors might experience at night." Dr. Payton noted that if Defendants refused both options, they would have no choice but to pursue legal action, albeit reluctantly.

13. Defendant Guallart flatly rejected Plaintiffs' good-faith attempt to address Defendants' concerns and to remain in their home. In an email later on April 30, she callously dismissed Plaintiffs' well-founded concerns about moving during the pandemic, writing, "Everyone else can move so, I don't see why you could not." She repeatedly described Plaintiffs' efforts to find a workable solution in lieu of pursuing legal action as "insulting and bullying" and added, "You just don't get it. We won't be bullied by you or anyone else." She added, "Your note does nothing to reassure us that your attitude would change." With respect to Dr. Payton's potential legal action, Defendant Guallart wrote, "IF [sic] you think you really have a case, go ahead but, you will learn a very valuable lesson in life and it will be expensive, you are right there but, . . . to you!" (ellipsis in the original).

14. Less than two months later, on June 20, 2020, Plaintiffs' daughter was born by unplanned Cesarean section. Faced with no other option, Plaintiffs rented another apartment, sight unseen, and were forced to move with their newborn in July 2020, just weeks after her birth and while Dr. Payton was still recovering from childbirth.

15. On August 14, 2020, Plaintiffs filed a housing discrimination complaint against Defendants with the Virginia Fair Housing Office ("VFHO"), alleging violations of the FHA and VFHL, which they amended on August 27, 2020. Before their administrative complaint was resolved, Plaintiffs voluntarily withdrew their VFHO complaint on June 23, 2022, to pursue their claims in federal court. VFHO closed their complaint on June 27, 2022.

16. Plaintiffs now bring this action under the FHA and VFHL. In this Complaint, Plaintiffs allege that Defendants refused to renew or to negotiate for the renewal of their lease based on the basis of familial status because they were expecting a child, in violation of 42 U.S.C. § 3604(a) and Va. Code Ann. § 36-96.3(A)(1); discriminated against them in the terms and conditions of their lease in violation of 42 U.S.C. § 3604(b) and Va. Code Ann. § 36-96.3(A)(2); made discriminatory statements reflecting a policy or preference against renting to families with children, in violation of 42 U.S.C. § 3604(c) and Va. Code Ann. § 36-96.3(A)(3); and retaliated against them for asserting their fair housing rights, in violation of 42 U.S.C. § 3617 and Va. Code Ann. § 36-96.5. Plaintiffs seek compensatory damages for their monetary and non-monetary injuries, punitive damages, injunctive relief, and their attorneys' fees and costs.

PARTIES

17. Plaintiff Claire Payton is a resident of Charlottesville, Virginia. Dr. Payton is a historian employed by the University of Virginia. She lives with her husband, Plaintiff Jonathan Katz, and their two-year-old daughter. From August 6, 2018, to July 31, 2020, Dr. Payton lived with Mr. Katz in the Apartment at 501 Commerce Street in Charlottesville, Virginia, which they rented from Defendants.

18. Plaintiff Jonathan Katz is a resident of Charlottesville, Virginia. Mr. Katz is a journalist and author. He lives with his wife, Plaintiff Claire Payton, and their two-year-old daughter. From August 6, 2018, to July 31, 2020, Mr. Katz lived with Dr. Payton in the Apartment at 501 Commerce Street in Charlottesville, Virginia, which they rented from Defendants.

19. Defendant Liana Arias De Velasco Guallart is a resident of Roanoke, Virginia. Defendant Guallart and her husband, Defendant Christopher Tschappatt, co-own and manage

three multi-unit residential rental buildings in Charlottesville, Virginia, including a two-unit duplex at 501–503 Commerce Street. With Defendant Tschappatt, Defendant Guallart rented the Apartment at 501 Commerce Street to Plaintiffs from August 6, 2018, to July 31, 2020.

20. Defendant Christopher Tschappatt is a resident of Roanoke, Virginia. Defendant Tschappatt and his wife, Defendant Liana Arias De Velasco Guallart, co-own and manage three multi-unit residential rental buildings in Charlottesville, Virginia, including a two-unit duplex at 501–503 Commerce Street. With Defendant Tschappatt, Defendant Guallart rented the Apartment at 501 Commerce Street to Plaintiffs from August 6, 2018, to July 31, 2020.

JURISDICTION AND VENUE

21. This Court has jurisdiction over this matter under 28 U.S.C. § 1331, 28 U.S.C. § 1343, and 42 U.S.C. § 3613.

22. This Court has supplemental jurisdiction over Plaintiffs' state law claims under 28 U.S.C. § 1367.

23. Venue is proper in the Western District of Virginia under 28 U.S.C. § 1391 because Defendants reside and do business in the District, a substantial part of the events or omissions giving rise to Plaintiffs' claims arose in the District, and the rental property at 501 Commerce Street in Charlottesville, Virginia that Defendants own and rented to Plaintiffs from August 6, 2018, to July 31, 2020, is situated in the District.

24. Venue is proper in the Charlottesville Division under W.D. Va. Gen. R. 2 because Defendants do business in Albemarle County, a substantial part of the events or omissions giving rise to Plaintiffs' claims arose in Albemarle County, Virginia, and the rental property at 501 Commerce Street in Charlottesville, Virginia that Defendants own and rented to Plaintiffs from August 6, 2018, to July 31, 2020, is situated in Albemarle County, Virginia.

FACTS

I. PLAINTIFFS SIGNED A TWO-YEAR LEASE ON THEIR APARTMENT AT 501 COMMERCE STREET IN 2018.

25. In May 2018, Plaintiffs were planning to move to Charlottesville from Durham, North Carolina, as Dr. Payton was set to begin two-year postdoctoral fellowship at UVA beginning in August 2018.

26. They found a two-bedroom, two-bathroom apartment located at 501 Commerce Street in downtown Charlottesville (the "Apartment") on Craigslist, a classified advertisements website. Defendants had advertised the unit as a 1500-square-foot, two-bedroom plus loft, two-bathroom apartment.

27. The Apartment, which adjoins another apartment owned by Defendants at 503 Commerce Street, is one-half of a side-by-side duplex in a former church that Defendants converted to residential units.

28. Given Dr. Payton's upcoming fellowship, Plaintiffs were pleased to find an apartment within walking distance to the UVA campus.

29. On May 25, 2018, Plaintiffs signed a two-year lease for the Apartment, which Defendants executed on May 30, 2018. The lease ran from August 6, 2018, to July 31, 2020. The lease was on a standard residential lease form provided by the Virginia Association of Realtors. When they signed the lease, Plaintiffs paid Defendants their prorated first month's rent, a refundable $1,675.00 security deposit, and a nonrefundable $500.00 pet fee for their cat, Woodruff.

30. The lease provided for automatic renewal unless either Party notified the other at least 90 days before the end of the lease term that they wished to terminate the lease or if

Defendants notified Plaintiffs of a change in lease terms, such as increased rent. Under paragraph 1(j) of the lease,

> Either party may terminate this Lease effective as of the end of the then-existing Term by giving the other party written notice at least NINETY (90) days before the end of the then-existing Term. If no such notice of termination is given, the Term of this Lease shall be extended for self-renewing terms of 12 MONTHS (TWELVE). If Landlord intends to change the terms or conditions of this Lease, including increasing the Rent, for any renewal term thereafter, Landlord will give Tenant written notice at least NINETY days prior to the end of the then applicable term.

31. Based on this provision, Plaintiffs understood that if their lease would automatically renew if neither they nor Defendants provided a notice of termination at least 90 days before the expiration of the lease on July 31, 2020 (*i.e.*, by May 2, 2020).

32. The top of the first page of the lease contained the following statement: "This Property will be shown and made available without regard to race, color, creed, religion, national origin, sex, familial status, handicap or elderliness in compliance with all applicable federal, state and local fair housing laws and regulations." The lease also contained a nondiscrimination provision stating, in paragraph 25, that "Landlord and Agent shall not discriminate against any Tenant in the provisions of services or in any other manner on the basis of any protected class under Federal, state or local law or the REALTOR® Code of Ethics."

33. At the time Plaintiffs signed the lease, and at all times relevant to this Complaint, the FHA and VFHL prohibited discrimination in housing on the basis of familial status, and the Charlottesville Human Rights Ordinance prohibited housing discrimination on the basis of "pregnancy, childbirth or related medical conditions."[1] Both the FHA and VFHL define "familial

[1] In 2021, the Charlottesville Human Rights Ordinance was amended to, in relevant part, replace the prohibition on housing discrimination based on "pregnancy, childbirth, or related medical

status" as one or more minor children living with a parent or guardian, and specify that the statutes' familial status protections also apply to "any person who is pregnant." 42 U.S.C. § 3602(k); Va. Code Ann. § 36-96.1:1.

34. Throughout their tenancy, Plaintiffs were excellent tenants. They always paid their $1,675.00 monthly rent on time, along with additional payments for utilities with their monthly rent payments, and otherwise complied with the terms of their lease. Defendants never cited them for a violation of the lease. Indeed, Defendant Guallart later described Dr. Payton and Mr. Katz as "fantastic" tenants in a reference to a subsequent landlord.

II. DURING THEIR LEASE TERM, DR. PAYTON AND MR. KATZ LEARNED THAT DR. PAYTON WAS PREGNANT WITH THEIR FIRST CHILD.

35. Dr. Payton and Mr. Katz, who were married in 2013, had tried for many years to have a baby. After unsuccessful attempts to get pregnant and a miscarriage in 2018, the couple pursued in vitro fertilization, or IVF, to become pregnant. IVF was successful and in October 2019, Dr. Payton learned that she was pregnant with her and Mr. Katz's first child. Her due date was June 13, 2020.

36. Dr. Payton's medical providers advised her that because she became pregnant through IVF, she was at elevated risk of preeclampsia, a serious medical condition associated with high blood pressure. Preeclampsia, which usually begins after 20 weeks of pregnancy in women whose blood pressure had previously been in the standard range, can result in serious health harms and death to expectant mothers and their fetuses.[2] Adverse health consequences from preeclampsia include kidney damage, liver damage, placental eruption, fetal growth

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conditions" with a prohibition on discrimination based on "familial status." Charlottesville, Va., Code § 2-431(b).

[2] *See* Mayo Clinic, Preeclampsia; Symptoms & causes (Apr. 15, 2022), https://www.mayoclinic.org/diseases-conditions/preeclampsia/symptoms-causes/syc-20355745.

restriction, preterm birth, seizures, future cardiovascular disease, and attendant consequences for the health of the unborn fetus.[3] Treatments for preeclampsia include medications to control blood pressure and, in many cases, preterm delivery of the infant.[4]

37. Given her elevated risk of preeclampsia, Dr. Payton's medical providers recommended that she take blood thinners daily and regularly monitor her blood pressure.

III. DEFENDANTS WERE WILLING TO RENEW PLAINTIFFS' LEASE UNTIL THEY LEARNED THAT PLAINTIFFS WERE EXPECTING A BABY.

A. Defendants Began to Inquire About Plaintiffs' Plans Over a Month Before the Deadline to Renew Their Lease.

38. On March 16, 2020—six weeks before Plaintiffs' lease required them to decide whether to renew on May 2, 2020, and over four months before the lease was set to expire on July 31, 2020—Defendant Guallart texted Mr. Katz to "double check with you about your plans for next year" and to ask whether he and Dr. Payton intended to renew their lease.

39. At that early date, Plaintiffs were uncertain about their plans. Dr. Payton's postdoctoral fellowship at UVA was set to end at the conclusion of the 2019–2020 academic year and she was in the midst of her search for subsequent employment, which included being a finalist for another position at UVA. As Defendant Guallart was aware, Mr. Katz was still recovering from a stroke that he suffered in late September 2019. Mr. Katz was also recovering from a recent heart procedure in February 2020, which was part of his medical recovery from the stroke. Mr. Katz responded to Defendant Guallart that they hoped to stay for at least another year but that they were not certain, at present, whether they would renew. Mr. Katz also informed

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[3] *Id.*

[4] *See* Mayo Clinic, Preeclampsia; Diagnosis & treatment (Apr. 15, 2022), https://www.mayoclinic.org/diseases-conditions/preeclampsia/diagnosis-treatment/drc-20355751.

Defendant Guallart that he and Dr. Payton were self-isolating at home because of the COVID-19 pandemic.

B. Defendants Were Willing to Renew Plaintiffs' Lease Until Learning of Dr. Payton's Pregnancy.

40. Between April 12 and April 15, 2020, Defendant Guallart and Mr. Katz exchanged a series of text messages and emails about Plaintiffs' possible renewal of their lease.

41. On April 12, 2020, Defendant Guallart texted Mr. Katz to let him know that she had started advertising the Apartment. In her text, she wrote, "with the weird times we are going through we decided to start advertising the unit to make sure we don't get behind. We can later on regroup and see what we ate [sic] all doing." Before Mr. Katz responded, Defendant Guallart sent a second text message, adding, "I will work on the assumption that our lease will end so it won't auto renew at the end of April."

42. Mr. Katz replied to ask what Defendant Guallart meant by "regroup" and to confirm that under the lease they had until May 2, 2020—90 days before their current lease ended on July 31, 2020—to inform Defendants if they wanted to renew the lease or not. Defendant Guallart confirmed that Plaintiffs had until 90 days before the end of the lease to make their decision, explaining that by "regroup," she "meant you will let us know when you know what you plan on doing when you know. I know you dont [sic] know yet so, no hurry."

43. Concerned about why Defendants were advertising their apartment weeks before the renewal deadline, Mr. Katz responded to Defendant Guallart, writing, "It is most likely that we will renew. I just want to make 100% sure that we will be able to as long as we inform you of such before May 2. Also please let us know if you are going to change any of the terms."

44. Defendant Guallart responded that the rent would increase to $1,750/month but that "otherwise the same requirements apply." She concluded that "[a]s long as nothing changes on your end, we are happy to renew with you guys. Thanks!!"

C. Defendant Guallart Informed Mr. Katz that Defendants Do Not Rent to Families with Children.

45. Until this point in their text message exchange, Defendant Guallart had not directly answered Mr. Katz's question about whether he and Dr. Payton had until May 2, 2020, to inform Defendants about whether they wished to renew their lease. So Mr. Katz texted Defendant Guallart again to confirm that "as long as we let you know by May 2 (90 days before July 31), we can renew no problem?"

46. Defendant Guallart responded, "Other things remaining the same or better as i [sic] wrote above, yes, we can do a new lease for the two of you. Your parents found their own place right? Let us know if there are any changes on the number of people staying with you."[5]

47. Mr. Katz knew that, on or about March 28, 2020, Defendant Tschappatt saw a visibly pregnant Dr. Payton outside of the Apartment, and that Defendant Guallart was frequently in the neighborhood. Because Mr. Katz assumed Defendant Guallart already knew about Dr. Payton's pregnancy, he was puzzled by the question. In a text message response to Defendant Guallart on April 13, 2020, Mr. Katz confirmed that his parents had found other lodging for their visit, and asked, "What do you mean by the number of people staying with us?"

[5] In February 2020, Mr. Katz's parents had inquired about renting a nearby Airbnb unit operated by Defendants for a planned extended visit later in the spring, but ultimately found other accommodations.

48. At no point in the conversation had Dr. Payton's pregnancy come up. But in response to Mr. Katz's question, Defendant Guallart cited noise concerns and informed him that Defendants "don't take . . . families with children." Her full message is reproduced as Figure 1.

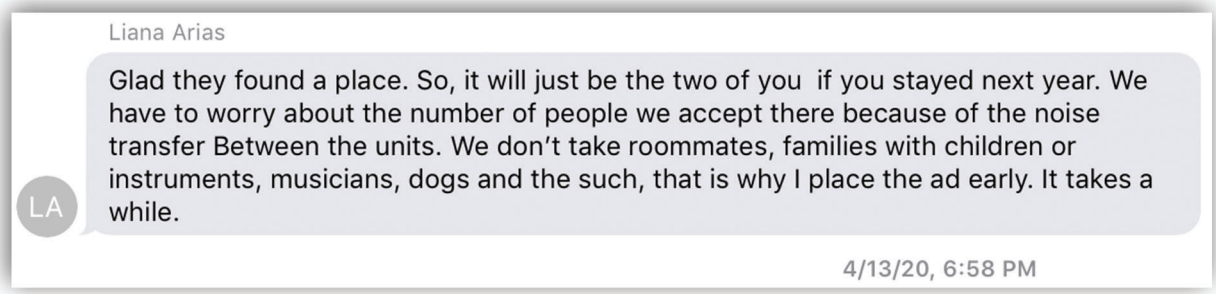

Figure 1

IV. WHEN PLAINTIFFS INFORMED DEFENDANTS THAT THEY WERE EXPECTING A CHILD, DEFENDANT GUALLART TOLD THEM THIS WOULD BE A "PROBLEM" AND ENCOURAGED THEM TO MOVE.

A. Mr. Katz Told Defendant Guallart That Dr. Payton Was Pregnant and Warned Her That Discrimination Based on Familial Status is Prohibited.

49. Plaintiffs were taken aback by Defendant Guallart's discriminatory statement that Defendants "don't take . . . families with children." The day after Mr. Katz received that text, April 14, 2020, Mr. Katz texted Defendant Guallart to formally notify her that Dr. Payton was pregnant and warn her that a policy against renting to families with children violated the lease, federal law, and state law. Addressing Defendant Guallart's concern about "the noise transfer Between [sic] the units," Mr. Katz added that noise issues would likely improve because "[t]he noise and filth we've been living with for the last two years from the construction site will certainly be gone," referring to the disruptive construction of a new hotel, the Quirk, directly across the street from their Apartment during the entirety of their tenancy. Mr. Katz's full text message is reproduced in Figure 2.

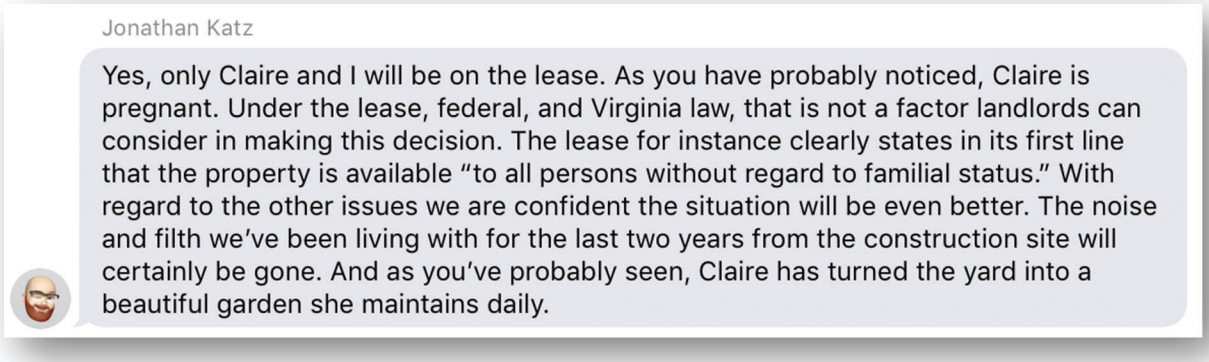

Figure 2

50. In response, Defendant Guallart denied being aware of Dr. Payton's pregnancy. She congratulated Plaintiffs but explained that having a baby in the apartment would likely violate the noise policy in the lease and that a baby would likely disturb the neighbors in the adjoining unit. She wrote, "i [sic] am very sorry to report that this might actually be a problem as you know because of the transfer of noise between apartments. . . . We are very happy for you but, the noise policy is also in the lease and you cannot keep a new born [sic] quiet. If you can think of a solution that will work we are happy to listen but, for your own sake this may not be a good venue for you guys any longer. It is stressful and hard work enough to become parents without the extra worry of letting your neighbors sleep at night." Defendant Guallart's full text message is reproduced in Figure 3 below.

51. In that same message, Defendant Guallart attempted to steer Plaintiffs to rent other housing that "would better suit you now," suggesting they find "a place without stairs." *See* Figure 3. Plaintiffs, who had never raised concerns about stairs, understood this comment as a further effort by Defendant Guallart to justify her discriminatory policy. Although Defendant Guallart invited Plaintiffs to "come up" with "a solution" to the "problem" of having a baby, she

concluded her text by writing, "Just don't see how it might and i [sic] am sorry because I know you like our church and for that we are thankful." *See* Figure 3.

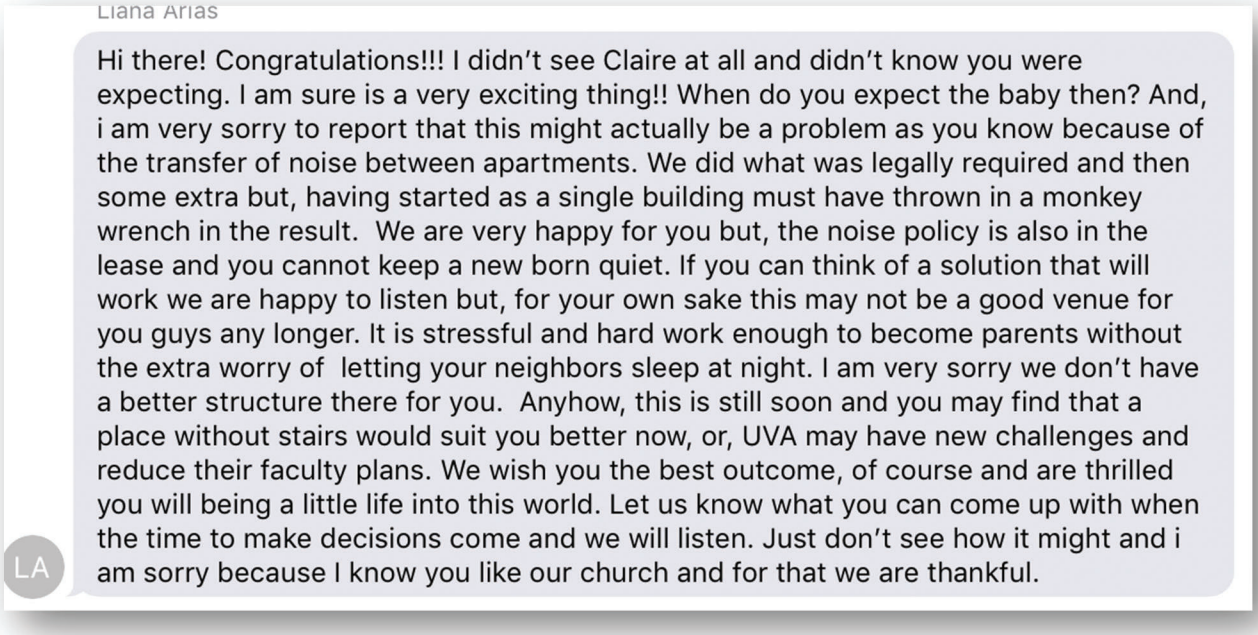

Figure 3

52. Defendant Guallart did not limit her discriminatory statements to Plaintiffs. Plaintiffs learned from their neighbor, the occupant of the adjoining unit at 503 Commerce Street, that around this same time, in mid-April 2020, Defendant Guallart told the neighbor that Dr. Payton was pregnant and warned her that the baby would likely be noisy. When the neighbor shared this information with Plaintiffs, the neighbor told them that she did not share Defendants' concern about the noise of a baby.

B. Plaintiffs Reiterated to Defendant Guallart That Her Statements Violated Federal and State Fair Housing Laws.

53. Plaintiffs understood Defendant Guallart's message as a plain attempt to steer them to other housing because of Dr. Payton's pregnancy, with the tacit implication that they were not welcome to renew their lease because they were expecting a child.

54. Mr. Katz texted Defendant Guallart, writing, "I don't know how to say this, and I don't want to harm our very good relationship over the past two years but what you are saying is illegal." Citing the FHA and VFHL, he explained that, "You can't prohibit families with children from renting an apartment on the basis of noise concerns." In support of that point, he attached a 2016 white paper published by the National Multifamily Housing Coalition, a national trade association for rental housing providers, describing the FHA's familial status discrimination prohibition and how a landlord's concerns about noise from a child may not legally be considered in deciding whether to rent to a family.[6] In that message, Mr. Katz also provided Defendant Guallart a citation to the parallel provision of the VFHL.

55. Ms. Guallart, who has worked as a court interpreter, responded to this information by telling Mr. Katz, "I think you are reading it wrong. I have done tenancy court for many years also in New York. I assure you there is nothing illegal in my comments." She again invited him to "come up with a solution" to her concerns about the noise from their baby, but added, "i [sic] have to protect all my tenants."

56. Mr. Katz implored her to read the article he sent, noting a federal court decision cited in the article that held that concerns about noise from children is not a valid justification for denying housing to families with children. Referring to the disruptive noise from the Quirk Hotel construction site, Mr. Katz added, "The idea that noise will be worse in the coming year compared to what we've endured for the past two years does not seem credible."

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[6] Michael W. Skojec & Michael C. Cianfichi, *Fair Housing: Familial Status and Occupancy* (March 2016), https://www.nmhc.org/uploadedFiles/Articles/External_Resources/Fair%20Housing%20White%20Paper%202016-03%20FINAL.pdf.

57. The next day, April 15, 2020, Mr. Katz followed up with Defendant Guallart by text message, informing her that her discriminatory statements "have created an extreme amount of stress for myself, Claire, and our unborn child." Giving Defendants the benefit of the doubt, he continued, "We can understand if somehow you were not aware that your sole reason for refusing to allow us to exercise the option to renew our lease—Claire's pregnancy and the upcoming birth of our child—is discriminatory and illegal." But, he added, now that Plaintiffs had advised Defendants of their rights under the FHA and the VFHL, a refusal to renew Plaintiffs' lease would be plainly unlawful. He emphasized that "[o]ur intention was and is to renew our lease," and expressed his and Dr. Payton's preference "to continue an amicable relationship with you and Chris and to renew our lease as soon as it feasible to do so." Mr. Katz cited the likely difficulty in finding a new home given the various COVID-19 restrictions then in effect, including Virginia's emergency shelter-in-place order, and asked for additional time to determine whether to renew their lease given those circumstances.

C. Immediately After Plaintiffs Asserted Their Fair Housing Rights, Defendants Notified Plaintiffs That They Would Not Renew Their Lease.

58. Just over one hour after receiving Mr. Katz's text on April 15, 2020, Defendant Guallart responded by email, writing, "Please take this note as a confirmation that we will not renew the lease with you in August."

59. Contradicting her own statements from three days earlier that Defendants would be "very happy to renew with you guys," Defendant Guallart accused Plaintiffs of being "difficult tenants" and stated that she and Defendant Tschappatt "hope[d] to God you were going to move out on your own."

60. Defendant Guallart stated, in no uncertain terms, that Defendants' decision not to renew Plaintiffs' lease was due, at least in part, to Mr. Katz's texts informing her that a refusal to

renew Plaintiffs' lease because they were expecting a child would violate their rights under the FHA and VFHL. Defendant Guallart expressly called the recent text exchange with Mr. Katz the "last straw" in motivating Defendants' nonrenewal decision. She labeled Mr. Katz's comments about her discriminatory statements and conduct as "inappropriate," reflective of "a terrible attitude on your part," and an "overly defensive reaction to perfectly reasonable requests for solutions to a potential problem."

61. Callously dismissing Mr. Katz's well-founded concerns about finding a new home with an infant during Virginia's shelter-in-place order, Defendant Guallart wrote, "Everyone is able to move these days even if things are tricky."

62. Nine days later, on April 24, 2020, Defendants placed a written notice under Plaintiffs' door, labeled "LEASE CANCELLATION NOTICE" and signed by Defendant Guallart, stating, "This is [sic] notice of termination of your lease is to remind you in writing one more time and hand delivered under your door that we, the landlords of 501 Commerce St. Charlottesville VA, will not renew the lease with you when it expires on July 31st."

D. Faced with the Prospect of Losing Their Home and Being Forced to Move with a Newborn During the Height of the COVID-19 Pandemic, Plaintiffs Made a Final Plea to Defendants to Renew or Extend Their Lease.

63. In the weeks leading up to Defendants' final refusal to renew Plaintiffs' lease, the nationwide COVID-19 crisis had worsened significantly. Between March 31 and April 30, 2020, the number of COVID cases in Virginia spiked from 1,250 cases to over 15,846 cases.[7] During that same period, the number of COVID-related deaths rose in Virginia rose from 27 to 558.[8]

[7] *See* COVID Tracking Project, Virginia, https://covidtracking.com/data/state/virginia.

[8] *Id.*

64. On March 12, 2020, Virginia Governor Ralph Northam declared a state of emergency because of COVID-19,[9] followed by a series of executive orders responding to the escalating number of COVID-19 cases in the Commonwealth:

a. On March 20, 2020, Governor Northam issued an executive order expanding the number of hospital and nursing home beds in the Commonwealth based on data showing that "the number of cases of COVID-19 continues to increase within the Commonwealth and in neighboring states."[10]

b. On March 24, 2020, the Governor ordered all restaurants in Virginia to close their dining rooms and that other types of small businesses close entirely.[11]

c. On March 30, 2020, the Governor issued a "temporary stay at home" order, requiring that "[a]ll individuals in Virginia . . . remain at their place of residence," with limited enumerated exceptions, and mandating social distancing outside of the home, until at least June 10, 2020.[12]

d. During April 20, 2020, Governor Northam issued additional executive orders including postponing the May and June 2020 elections, in response to the rapidly increasing number of COVID cases and deaths.[13]

[9] Commonwealth of Va., Office of the Gov., Exec. Order 51 (Mar. 12, 2020).

[10] Commonwealth of Va., Office of the Gov., Exec. Order 52 (Mar. 20, 2020).

[11] Commonwealth of Va., Office of the Gov., Exec. Order 53 (Mar. 24, 2020).

[12] Commonwealth of Va., Office of the Gov., Exec. Order 55 (Mar.30, 2020).

[13] Commonwealth of Va., Office of the Gov., Executive Order 56 (Apr. 13, 2020); Commonwealth of Va., Office of the Gov., Executive Order 59 (Apr. 24, 2020).

65. As the COVID-19 pandemic worsened, Dr. Payton and Mr. Katz became increasingly anxious about having to show their current apartment to prospective tenants, conduct their own housing search, move, and prepare for the upcoming birth of their child.

66. The couple was worried about their own health and the health of their unborn daughter if they contracted COVID-19, particularly given Dr. Payton's elevated risk of developing preeclampsia and Mr. Katz's recovery from his September 2019 stroke and February 2020 heart procedure. They worried that possible exposure to COVID-19—and the stress and expense of moving to a new home with a newborn under the unprecedented public health crisis—were unnecessary risks that could be avoided if Defendants permitted them to renew their lease or, at the very least, gave them more time before forcing them to move.

67. On April 30, 2020, Dr. Payton emailed Defendant Guallart, noting that she and Mr. Katz had been "disheartened" by the recent communications, and suggesting that "given the circumstances it would be best to work to repair our relationship and to stay on as tenants."

68. In an effort to "come up with a solution" to Defendants' noise concerns, as Defendant Guallart had previously invited them to do, Dr. Payton wrote that she and Mr. Katz "are happy to make changes to how we inhabit the apartment to take into account your various concerns," including assuring Defendants that, "we will, as much as possible, keep the baby away from the shared wall and in the front room in order to minimize the amount of noise that the neighbors might hear at night," and offering to consider other suggestions to minimize noise concerns.

69. Dr. Payton proposed two options to renew or extend their lease, writing:

> The first option (the one we would greatly prefer) is to renew our lease with you for another year.
>
> . . .
>
> A second option is that we go month-to-month for up to five months (until December 31), allowing us to move at a time when the pandemic and the social distancing situation allow. Finding a new apartment for July with a statewide stay-at-home order in place until at least mid-June, and arranging movers will simply not be possible for obvious reasons.

70. Dr. Payton then added, "The third option, which we will only pursue reluctantly, is to take the matter to court. . . . This is not our first choice!" Dr. Payton noted that, after consulting with several attorneys, they were confident that Defendants had violated federal and state law and that Defendants' exposure to damages and legal fees would be significant. Dr. Payton added that the prospect of litigation would be "unpleasant for everyone" and reemphasized that their strong preference was to find an amicable solution and remain as tenants.

E. Defendants Again Rejected Plaintiffs' Efforts to Negotiate for the Renewal or Extension of Their Lease, Describing Plaintiffs' Assertion of Their Fair Housing Rights as "Insulting and Bullying."

71. That same day, Defendant Guallart emailed Dr. Payton back, describing Dr. Payton's email as "bullying," rejecting Plaintiffs' proposed compromises out of hand, and expressly inviting Plaintiffs to bring legal action against her and Defendant Tschappatt. And again, Defendant Guallart dismissed Plaintiffs' reasonable concerns about moving during the COVID-19 pandemic and emergency orders. Her email, in full, read:

> Hello guys,
>
> Look, we have 5 apartments changing over starting this Sunday. Everyone else can move so, I don't see why you could not. Your note does nothing to reassure us that your attitude would change. I think option 4 – you've had over 100 days to find another place to

> your liking – is the best offer at this point and for ALL of us. You just don't get it. We won't be bullied by your or anyone else. IF [sic] you think you really have a case, go ahead but, you will learn a very valuable lesson in life and it will be expensive, you are right there but,… [sic] to you! The problem is the way you approach others and nothing else. I wish it were different but, we don't want a year of difficulties and that is what I see with you there.
>
> I am sorry and wish you the best, but please don't write anymore, you are still insulting and bullying us in it (!!). It does not help. You just can't see it. You have now 90 days and I trust you will find a nice place where you feel more comfortable and less unnecessarily threatened[.] We hope that you find what you are looking for. We tired [sic] to be nice to you from the start and can't figure out what we have done to you. Luckily in the state of VA we don't have to have any relationship if we don't want to. It will be better for all of us in the end.
>
> Best,
>
> Liana

72. A month later, on or about May 29, 2020, Defendants signed a one-year lease with a new tenant for 501 Commerce Street, effective August 1, 2020. The new tenant, Christopher Simmons, was the sole applicant for the apartment. Mr. Simmons was the only occupant listed on the lease and did not have children.

73. Defendants have never rented the Apartment or the adjoining unit at 503 Commerce Street to a family with a child or to a tenant expecting a child.

V. DEFENDANTS' REFUSAL TO RENEW OR EXTEND PLAINTIFFS' LEASE FORCED PLAINTIFFS TO MOVE WITH A NEWBORN INFANT DURING THE HEIGHT OF THE COVID-19 CRISIS.

74. Defendants' actions placed Plaintiffs into a stressful, destabilizing, and medically dangerous position. At the time of Defendant Guallart's final email on April 30, 2020, refusing to renew or extend their lease, Plaintiffs' baby was due in less than two months (and just over a month before the end of their lease on July 31, 2020). Both Dr. Payton and Mr. Katz had

underlying medical conditions—for Dr. Payton, being pregnant with an elevated risk of preeclampsia; for Mr. Katz, his recent stroke—that put them at high risk for complications from COVID-19. Searching for a new home—and moving with a newborn—under these circumstances caused both of them extraordinary and undue stress for themselves and their child.

75. While much was yet unknown about the effects of COVID-19 on pregnant women, by March 2020, medical experts were already expressing concern that pregnant women were at higher risk of severe or fatal COVID-19 relative to the general population.[14] As more data became available in the following months, the Centers for Disease Control and Prevention ("CDC") concluded in June 2020 that pregnant women who contracted COVID-19 were "significantly more likely to be hospitalized, admitted to the intensive care unit, and receive mechanical ventilation than nonpregnant women."[15] The CDC also identified stroke as an underlying condition that might put an individual at high risk of severe complications from COVID-19.

76. Instead of spending the final months of Dr. Payton's pregnancy preparing for the arrival of their baby—setting up her nursery, stocking up on diapers and other necessities, and, indeed, staying healthy—Plaintiffs instead were forced to devote time and energy into showing the Apartment to a prospective tenant, seeking legal assistance, searching for housing virtually without being able to see their new home in person, and arranging a move within days of their daughter's birth.

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[14] Kaiser Family Foundation, *Novel Coronavirus "COVID-19": Special Considerations for Pregnant Women* (Mar. 17, 2020), https://www.kff.org/coronavirus-covid-19/issue-brief/novel-coronavirus-covid-19-special-considerations-for-pregnant-women/.

[15] Centers for Disease Control & Prevention, *CDC updates, expands list of people at risk of severe COVID-19 illness* (Jun. 25, 2020), https://www.cdc.gov/media/releases/2020/p0625-update-expands-covid-19.html.

77. Dr. Payton, in particular, experienced severe anxiety and distress after Defendants refused to renew Plaintiffs' lease. After Defendants refused to renew their lease, Dr. Payton's medical providers prescribed her anti-anxiety medications to control her symptoms and blood pressure—a necessity given her elevated risk of preeclampsia in late pregnancy that could be exacerbated by the heightened anxiety she was suffering because of Defendants' actions. On many nights, Mr. Katz was awakened by Dr. Payton sobbing in the middle of the night.

78. On May 13, 2020, Plaintiffs rented the first available apartment that met their basic needs. They were unable to see the apartment in person before moving in and would likely not have moved there under other circumstances. The apartment was located further away from the UVA campus and was less convenient for both Plaintiffs than the Apartment at 501 Commerce had been.

79. To secure the new apartment, Plaintiffs needed to sign a lease starting in mid-July 2020, several weeks before the end of their lease with Defendants. Accordingly, they had to pay rent for two apartments for that period.

80. On June 20, 2020, Dr. Payton gave birth to Plaintiffs' child through an unplanned Cesarean section, an invasive abdominal surgery with a lengthy recovery time for the mother.

81. In the first few weeks after their daughter was born—some of the most difficult, joyful, and tiring weeks for new parents—Plaintiffs were instead forced to prepare for an undesired move—all while navigating the logistical hurdles of avoiding COVID-19 infection.

82. The move could not have come at a worse time. Plaintiffs' baby was just weeks old. Dr. Payton, who was still recovering from her Cesarean section, was unable to lift heavy objects or help with packing. To move under these circumstances, Plaintiffs needed to hire packers, movers, and cleaners, at significant cost. To avoid unnecessary contact with the multiple

individuals entering their home in the days leading up to the move, Plaintiffs and their baby needed to vacate the Apartment on multiple occasions, causing added stress and inconvenience.

83. On July 26, 2020, just weeks after Ms. Payton gave birth, Plaintiffs moved out of the Apartment. On July 31, 2020, they relinquished the Apartment to Defendants.

VI. PLAINTIFFS FILED A FAIR HOUSING COMPLAINT AGAINST DEFENDANTS WITH THE VIRGINIA FAIR HOUSING OFFICE.

84. In May 2020, Plaintiffs sought the assistance of a nonprofit fair housing organization, Housing Opportunities Made Equal of Virginia, Inc. ("HOME"), to understand their rights and options.

85. HOME investigated Plaintiffs' complaint and assisted them in filing a fair housing discrimination complaint with the Virginia Fair Housing Office on August 14, 2020. Plaintiffs' VFHO complaint, which they amended on August 27, 2020, alleged violations of the FHA and VFHL based on the factual allegations described in this Complaint.

86. HOME also filed a separate complaint with VFHO against Defendants based on the organization's investigation and the assistance it provided to Plaintiffs.

87. VFHO investigated both complaints, including interviewing both Plaintiffs, both Defendants, and collecting information from the Parties. On January 4, 2022, VFHO notified Plaintiffs and HOME that the agency's two investigations of Defendants had been completed.

88. Based on its recommendations, VFHO recommended to the Virginia Fair Housing Board ("VFHB") that it find probable cause that Defendants violated Plaintiffs' rights under the FHA and VFHL.

89. VFHB's anticipated vote on whether to accept VFHO's recommendation of a probable cause finding, originally scheduled for February 2022, was postponed several times, delaying resolution of Plaintiffs' claims. Accordingly, Plaintiffs voluntarily withdrew their

VFHO complaint on June 23, 2022, to pursue their claims in federal court. VFHO closed their complaint on June 27, 2022.

VII. DEFENDANTS' RETALIATION AGAINST PLAINTIFFS PERSISTED AFTER THEIR FORCED MOVE.

90. In further retaliation for Plaintiffs' assertion of their fair housing rights and pursuit of legal action, and in violation of Plaintiffs' lease, Defendants improperly withheld Plaintiffs' security deposit for nearly six months.

91. Under the lease, Defendants were required to return Plaintiffs' $1,675.00 security deposit (with accrued interest) within 45 days of the termination of their tenancy, minus any permissible deductions. The lease further required that, if any deductions were made, Defendants provide an itemized list of all deductions within that same 45-day period.

92. Plaintiffs made every effort to return the Apartment in the condition they found it in. After Plaintiffs moved out of the Apartment on July 26, 2020, they hired a professional cleaning service to thoroughly clean the Apartment. On the last day of the lease, July 31, 2020, Plaintiffs also addressed other requests and questions that Defendant Guallart raised after inspecting the Apartment the day before. That evening, Defendant Guallart replied, "We will wait for the water bill and mail the deposit minus any other things needed if any to you Asap."

93. One month later, on August 31, 2020, Defendant Guallart emailed Plaintiffs to notify them that she would only be returning $1292.92 of their $1675.00 security deposit, reflecting a permissible deduction of $82.08 for their final water bill, in addition to $300 for her and Defendant Tschappatt's time spent preparing the Apartment for the next tenant, including "cleaning" that Plaintiffs had already done and incidental costs. Defendant Guallart did not itemize these deductions as required under the lease. Instead, she told Plaintiffs that if they

preferred an itemized list, the amount of the deduction would increase. Defendants never provided an itemization of deductions to Plaintiffs.

94. Defendants did not return the security deposit, or any portion thereof, to Plaintiffs within the 45-day deadline set by the lease (i.e., by September 14, 2020).

95. On October 23, 2020, having still not received their security deposit from Defendants, Plaintiffs filed a small claims action against Defendants in the Charlottesville General District Court. On December 15, 2020, that court ordered Defendants to refund Plaintiffs their full security deposit, excluding the amount of the water payment, for a refund of $1592.92. The court also ordered Defendants to pay Plaintiffs' costs and interest totaling $104.79.

96. Even after this small claims court order against them, Defendants waited until January 7, 2021, to issue a refund check to Plaintiffs, and even then failed to pay them the full amount due. Defendants initially paid Plaintiffs only $1,592.92, which did not include the amount owed for costs and interest. On January 13, 2021, Mr. Katz inquired about the outstanding amount. In a January 15, 2021, email to Mr. Katz, Defendant Guallart responded, "The judge made an error in awarding you costs and interests. It was your decision to go that route and wait until December to solve it, not ours. […] I hope that you accept that this is a fairer resolution and that we need no other communication."

97. After Mr. Katz advised Defendant Guallart that her refusal to pay the $104.79 in costs and interest violated the small claims court judgment entered against her, she remitted the remaining $104.79 for costs and interest to Plaintiffs, accompanied by the message, "I fear you will find that there are consequences to all our actions. Toxic behavior never ends well in my experience."

98. Plaintiffs now bring this fair housing lawsuit to hold Defendants accountable for their discriminatory and retaliatory actions that violated Plaintiffs' rights under the FHA and VFHL.

INJURIES TO PLAINTIFFS

99. As a result of Defendants' discriminatory and retaliatory conduct described above, Plaintiffs and their child have suffered irreparable loss and injury, including but not limited to economic loss, emotional distress, loss of housing opportunities, and the deprivation of their housing and civil rights.

100. Defendants' conduct described above was willful, intentional, and knowing, and was implemented with callous and reckless disregard for Plaintiffs' rights under the law. Despite repeated warnings from Plaintiffs that Defendants' statements and actions violated the FHA and VFHL, and that they would be forced to take legal action if Defendants refused to renew or extend their lease because they were expecting a child, Defendants ignored those warnings and engaged in the discriminatory and retaliatory conduct against Plaintiffs described in this Complaint.

CAUSES OF ACTION

COUNT I:
Fair Housing Act, 42 U.S.C. § 3604
Discrimination on the Basis of Familial Status

101. Plaintiffs repeat and incorporate by reference all of the allegations set forth above.

102. Defendants' acts, policies, and practices constitute intentional discrimination on the basis of familial status in violation of 42 U.S.C. § 3604, in that:

a. Defendants' acts, policies, and practices constitute a refusal to rent housing or negotiate for the rental of housing because of familial status, and have made housing unavailable because of familial status, in violation of 42 U.S.C. § 3604(a);

b. Defendants' acts, policies, and practices subjected Plaintiffs to different terms, conditions, and privileges of rental housing because of familial status, in violation of 42 U.S.C. § 3604(b); and

c. Defendants' statements to Plaintiffs and others indicated a discriminatory preference or limitation in the provision of rental housing based on familial status in violation of in violation of 42 U.S.C. § 3604(c).

103. Plaintiffs have been injured by Defendants' conduct and have suffered damages as a result.

104. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

COUNT II:
Fair Housing Act, 42 U.S.C. § 3617
Retaliation

105. Plaintiffs repeat and incorporate by reference all of the allegations set forth above.

106. Under 42 U.S.C. § 3617, "[i]t shall be unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by section . . . 3604" of the Fair Housing Act.

107. Defendants' retaliation against Plaintiffs for asserting their rights and pursuing legal action under the Fair Housing Act, including refusing to renew or extend their lease and unlawfully withholding their security deposit, violated Plaintiffs' rights under 42 U.S.C. § 3617.

108. Plaintiffs have been injured by Defendants' conduct and have suffered damages as a result.

109. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

COUNT III:
Virginia Fair Housing Law, Va. Code Ann. § 36-96.3
Discrimination Because of Familial Status

110. Plaintiffs repeat and incorporate by reference all of the allegations set forth above.

111. Defendants' acts, policies, and practices constitute intentional discrimination on the basis of familial status in violation of the Virginia Fair Housing Law, Va. Code Ann. § 36-96.3(A), in that:

a. Defendants' acts, policies, and practices constitute a refusal to rent housing or negotiate for the rental of housing because of familial status, and have made housing unavailable because of familial status, in violation of Va. Code Ann. § 36-96.3(A)(1);

b. Defendants' acts, policies, and practices provide different terms, conditions, and privileges of rental housing because of familial status, in violation of Va. Code Ann. § 36-96.3(A)(2); and

c. Defendants' statements to Plaintiffs and others indicated a discriminatory preference or limitation in the provision of rental housing based on familial status in violation of Va. Code Ann. § 36-96.3(A)(3).

112. Plaintiffs have been injured by Defendants' conduct and have suffered damages as a result.

113. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

COUNT IV:
Virginia Fair Housing Law, Va. Code Ann. § 36-96.5
Retaliation

114. Plaintiffs repeat and incorporate by reference all of the allegations set forth above.

115. Under Va. Code Ann. § 36-96.5, "[i]t shall be an unlawful discriminatory housing practice for any person to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on the account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by [the Virginia Fair Housing Law]."

116. Defendants' retaliation against Plaintiffs for asserting their rights and pursuing legal action under the Virginia Fair Housing Law, including refusing to renew or extend their lease and unlawfully withholding their security deposit, violates Plaintiffs' rights under Va. Code Ann. § 36-96.5.

117. Plaintiffs have been injured by Defendants' conduct and have suffered damages as a result.

118. Defendants' conduct was intentional, willful, and made in reckless disregard of the known rights of others.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs Claire Payton and Jonathan Katz respectfully request that the Court:

(1) Enter a declaratory judgment that Defendants' actions, statements, and policies complained of in this Complaint violated and continue to violate the Fair Housing Act, 42 U.S.C. § 3604, and the Virginia Fair Housing Law, Va. Code Ann. § 36-96.3(A);

(2) Enter a permanent injunction:

(a) enjoining and restraining Defendants from denying or limiting rental housing to tenants or prospective tenants based on familial status, and from making, printing, publishing, or causing to be made, printed, or published any notice, statement, or advertisement with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination; and

(b) directing Defendants to take all affirmative steps necessary to remedy the effects of the illegal, discriminatory conduct against Plaintiffs and to prevent future instances of such conduct or similar conduct;

(3) Award compensatory damages to Plaintiffs in an amount to be determined by a jury that would fully compensate Plaintiffs for the injuries caused by the conduct of Defendants alleged in this Complaint;

(4) Award punitive damages to Plaintiffs in an amount to be determined by a jury that would punish Defendants for the willful, malicious, and reckless conduct alleged in this Complaint and that would effectively deter similar conduct in the future;

(5) Award Plaintiffs their reasonable attorneys' fees and costs under 42 U.S.C. § 3613(c)(2) and Va. Code. Ann. § 36-96.18(C);

(6) Award pre-judgment interest to Plaintiffs; and

(7) Order such other relief as this Court deems just and equitable.

DEMAND FOR JURY TRIAL

Under Fed. R. Civ. P. 38(b), Plaintiffs demand a trial by jury on all issues triable as of right.

DATED: July 27, 2022

Respectfully submitted,

/s/ V. Kathleen Dougherty

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Attorneys for Plaintiffs

* Application for *pro hac vice* admission forthcoming

JS 44 (Rev. 04/21)

CIVIL COVER SHEET

3:22-cv-42

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS

CLAIRE PAYTON and JONATHAN KATZ

(b) County of Residence of First Listed Plaintiff Albemarle
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
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DEFENDANTS

LIANA ARIAS DE VELASCO GUALLART and CHRISTOPHER TSCHAPPATT

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☐ 1 U.S. Government Plaintiff
- ☒ 3 Federal Question *(U.S. Government Not a Party)*
- ☐ 2 U.S. Government Defendant
- ☐ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*

(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

Click here for: Nature of Suit Code Descriptions.

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
- ☐ 365 Personal Injury - Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

CIVIL RIGHTS
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☒ 443 Housing/ Accommodations
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 448 Education

PRISONER PETITIONS

Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee - Conditions of Confinement

FORFEITURE/PENALTY
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Management Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Retirement Income Security Act

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

INTELLECTUAL PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 835 Patent - Abbreviated New Drug Application
- ☐ 840 Trademark
- ☐ 880 Defend Trade Secrets Act of 2016

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

OTHER STATUTES
- ☐ 375 False Claims Act
- ☐ 376 Qui Tam (31 USC 3729(a))
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit (15 USC 1681 or 1692)
- ☐ 485 Telephone Consumer Protection Act
- ☐ 490 Cable/Sat TV
- ☐ 850 Securities/Commodities/ Exchange
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Information Act
- ☐ 896 Arbitration
- ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

V. ORIGIN *(Place an "X" in One Box Only)*

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District *(specify)* ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***:
Fair Housing Act ("FHA"), 42 U.S.C. §§ 3601–3619 and Virginia Fair Housing Law ("VFHL"), Va. Code Ann. §§ 36-96.1–96.73

Brief description of cause:
Housing Discrimination based on familial status prohibited by the FHA and VFHL

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.

DEMAND $

CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE _____ DOCKET NUMBER _____

DATE
Jul 27, 2022

SIGNATURE OF ATTORNEY OF RECORD
/s/ V. Kathleen Dougherty

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT $402.00 APPLYING IFP _____ JUDGE Moon MAG. JUDGE _____

AVAWDC-3998667