

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Linda Lee Soderstrom, Maria Johnson,
Craig Goodwin, Jurline Bryant, and Julio
Stalin de Tourniel, *on behalf of themselves
and others similarly situated*, and

HOME Line, *a Minnesota nonprofit
corporation*,

Plaintiffs,

v.

MSP Crossroads Apartments LLC, *a
Minnesota corporation*, and Soderberg
Apartment Specialists (SAS), *a Minnesota
corporation*,

Defendants.

Civil No. 0:16-cv-233 ADM/KMM

**ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT, CONDITIONAL CERTIFICATION OF SETTLEMENT CLASS,
APPOINTMENT OF CLASS REPRESENTATIVES AND CLASS COUNSEL,
APPROVAL OF SETTLEMENT NOTICE AND DISTRIBUTION,
APPOINTMENT OF A SETTLEMENT ADMINISTRATOR, AND
SCHEDULING OF A FINAL APPROVAL HEARING**

This matter came before the undersigned United States District Judge for a ruling on Plaintiffs Linda Lee Soderstrom, Maria Johnson, Craig Goodwin, Jurline Bryant, and Julio Stalin de Tourniel (collectively, the “Class Plaintiffs”) and Plaintiff HOME Line’s (with Class Plaintiffs, collectively “Plaintiffs”) Motion for Preliminary Approval of Class Action Settlement, Conditional Certification of Settlement Class, Appointment of Class Representatives and Class Counsel, Approval of Settlement Notice and Distribution,

Appointment of a Settlement Administrator, and Scheduling of a Final Approval Hearing [Docket No. 174] (“Motion”).

Defendants MSP Crossroads Apartments LLC and Soderberg Apartment Specialists (“SAS”) (collectively, “Defendants”), have filed a Response [Docket No. 183] stating that they do not oppose the Motion.

Claire J. Lee (“Lee”) has filed a Response [Docket No. 182] objecting to the Settlement Agreement. Lee’s objections will be addressed at the Final Approval Hearing for the Settlement Agreement, provided her objections comply with all requirements set forth in Section VI., below. Lee also requests that tenants of the Crossroads apartment complex be provided notice of potential health risks from spray paint that may have been used in remodeling the complex. The Court declines this request because Lee’s concerns are unrelated to Plaintiffs’ claims of discrimination under the Fair Housing Act (“FHA”), 42 U.S.C. § 3604.

Plaintiffs’ Motion is granted as follows:

WHEREAS, Plaintiffs and Defendants have entered into a Stipulation and Agreement of Settlement [Docket No. 178] Ex. 1 (“Settlement Agreement”) dated as of September 29, 2017, which is intended to resolve the above-entitled class action litigation (the “Action”);

WHEREAS, the Court finds that it has jurisdiction over the Action and each of the parties to the Settlement Agreement; and

WHEREAS, the Settlement Agreement, together with the Exhibits thereto, sets forth the terms and conditions for a proposed settlement and dismissal of the Action with prejudice; and

WHEREAS, the Court has reviewed Plaintiffs' Motion for Preliminary Approval of Settlement and supporting Memorandum of Law, together with the Settlement Agreement and the Exhibits thereto; and

WHEREAS, the Court is satisfied that the terms and conditions set forth in the Settlement Agreement were the result of good faith, arm's length settlement negotiations between competent and experienced counsel, and is further satisfied that the requirements for granting preliminary approval of the Settlement are otherwise satisfied;

IT IS HEREBY ORDERED that:

I. Preliminary Approval of the Settlement Agreement

A. Unless otherwise provided herein, the terms used in this Order are defined in accordance with the definitions of such terms set forth in the Settlement Agreement.

B. The terms of the Settlement Agreement are hereby preliminarily approved, subject to further consideration at the Final Approval Hearing provided for herein. The Court finds that the Settlement encompassed by the Settlement Agreement is preliminarily determined to be fair, reasonable, adequate, and in the best interests of the Class, raises no obvious reasons to doubt its fairness, and raises a reasonable basis for presuming that the Settlement and its terms satisfy the requirements of Federal Rules of Civil Procedure 23(c)(2) and 23(e) and due process so that Notice of the Settlement should be given.

II. Conditional Certification of the Settlement Class

A. The Court conditionally finds that named Plaintiffs Linda Lee Soderstrom, Maria Johnson, Craig Goodwin, Jurline Bryant, and Julio Stalin de Tourniel are members of the Displacement Class and that, for purposes of settlement, they: (1) satisfy the requirements of typicality; (2) adequately represent the interests of the Displacement Class; and (3) should be appointed as representatives of the Displacement Class.

B. The Court conditionally finds that named Plaintiffs Linda Lee Soderstrom, Maria Johnson, and Jurline Bryant are members of the Application Class, and that, for purposes of settlement, they: (1) satisfy the requirements of typicality; (2) adequately represent the interests of the Application Class; and (3) should be appointed as representatives of the Application Class.

C. The Court conditionally determines that the Displacement Class and the Application Class meet all applicable requirements of Fed. R. Civ. P. 23, and the Court conditionally certifies, for settlement purposes only, the following Settlement Class, made up of two classes (the “Displacement Class” and the “Application Class,” or collectively, the “Classes”) under Federal Rule of Civil Procedure 23(b)(2) defined as:

- (a) **The Displacement Class.** All persons who were tenants at the Property as of September 30, 2015, but no longer reside there and whose household at the time of their occupancy of the property included at least one person qualifying as a member of a protected class under the Fair Housing Act, 42 U.S.C. § 3602 et seq., (the “Act”) under one of the following categories:

1. Non-white;

2. Handicapped as defined by the Act;
3. National origin; and
4. Familial status. In this case, that would be limited to tenants who had or desired to have more than two individuals reside in the unit due to at least one individual under the age of 18 residing in the unit.

(b) **The Application Class.** All persons who, from September 30, 2015, until the Execution Date of this Settlement Agreement, either applied for tenancy at the Property but were rejected, or completed a Guest Card expressing interest in tenancy at the Property but did not apply, as a result of the screening criteria imposed by Defendants and whose household included at least one person qualifying as a member of a protected class under the Act, under one of the following categories:

1. Non-white;
2. Handicapped as defined by the Act;
3. National origin; and
4. Familial status. In this case, that would be limited to tenants who had or desired to have more than two individuals reside in the unit due to at least one individual under the age of 18 residing in the unit.

III. Appointment of Class Counsel

A. The Court hereby appoints the Housing Justice Center and Lockridge Grindal Nauen P.L.L.P. as Class Counsel for the Settlement Class.

B. In appointing Class Counsel for the Settlement Class, the Court has considered the work that such counsel have performed in representing Plaintiffs, counsel's experience in handling class actions and other complex litigation, and in prosecuting the types of claims asserted in the action, counsel's knowledge of the applicable law, and the resources counsel has committed and will continue to commit to representing the class. The Court finds, pursuant to Fed. R. Civ. P. 23(g), that such counsel will fairly and adequately represent the interest of the class and meets the standards outlined in Fed. R. Civ. P. 23(g)(1).

IV. Final Approval Hearing and Related Deadlines

A. The Court hereby sets a Final Approval Hearing to: (1) finally determine whether the Settlement Class satisfies the requirements of Fed. R. Civ. P. 23 and should be finally certified for settlement purposes only; (2) review objections, if any, to the Settlement Agreement and the Settlement terms set forth therein; (3) consider the fairness, reasonableness and adequacy of the Settlement; (4) consider Class Counsel's application for an award of reimbursement of reasonable litigation expenses and attorney's fees; (5) consider Class Counsel's application for payment of Incentive Awards; and (6) consider whether the Court shall issue a final order and judgment approving the settlement and dismissing the Action with prejudice pursuant to Minn. R. Civ. P. 54.02.

B. The Final Approval Hearing is scheduled for 2:00 p.m. on Tuesday, January 23, 2018 ("Final Approval Hearing Date") at the United States District Court for

the District of Minnesota, United States Courthouse, Courtroom 13W, 300 South Fourth Street, Minneapolis, Minnesota 55415.

C. The Court further sets the following additional deadlines:

(1) Class Notice shall be provided to the Settlement Class no later than seven (7) calendar days after entry of this Order (the “Notice Date”);

(2) Objections to the Settlement shall be filed with the Court and a copy mailed or electronically submitted to counsel for the Parties at the physical or electronic address provided in the Notice and/or postmarked no later than sixty (60) days after the Notice Date (the “Objection Deadline”);

(3) All Claim Forms shall be mailed or electronically submitted to the Notice Provider at the physical or electronic address provided in the Notice and/or postmarked no later than sixty (60) days after the Notice Date (the “Claims Deadline”);

(4) The Motion for Final Approval of Settlement and all briefing and/or other papers to be submitted in support of final approval of the Settlement, or in opposition to any Objection to the Settlement, shall be filed within twenty-one (21) calendar days after the Claims Deadline;

(5) Applications for an award of reimbursement of reasonable litigation expenses and attorney's fees or for Incentive Awards, and all briefing and/or other papers to be submitted in support of the Applications, shall be filed within twenty-one (21) calendar days after the Claims Deadline;

D. The Final Approval Hearing Date shall be subject to adjournment by the Court without further notice to the members of the Settlement Class, other than that which may be posted by the Court.

V. Notice to Settlement Class

A. The Court finds that the Notice Program: (1) meets the requirements of Fed. R. Civ. P. 23(c)(2)(a) and due process; (2) directs notice in a reasonable matter to all Class Members who would be bound by the proposal; (3) is the best practicable notice under the circumstances; (3) is reasonably calculated, under the circumstances, to apprise members of the Settlement Class of the pendency of the Action and their right to object to the Settlement; and (4) is reasonable and constitutes due, adequate and sufficient notice to all those entitled to receive notice of the Settlement.

B. The Court hereby approves the Notice Program, Class Notice and Claim Form as set forth in the Settlement Agreement and as attached as Exhibits to the Settlement Agreement. Class Counsel shall cause the Class Notice and Claim Form to be disseminated in the manner set forth in the Notice Program on or before the Notice Date. Prior to the Final Approval Hearing, the Parties, through their counsel, shall file with the Court a sworn statement attesting to compliance with the Notice Program.

C. The Court appoints JND Legal Administration LLC as the Claims Administrator in this Action.

VI. Objection to Settlement

A. Any member of the Settlement Class may, but need not, submit comments or objections concerning the Settlement. Any Settlement Class Member may object to

the fairness, reasonableness or adequacy of: (1) any of the terms of the Settlement; (2) entry of a Final Order and Judgment approving the Settlement; (3) Class Counsel's anticipated application for attorneys' fees and expenses; and/or (4) Class Counsel's anticipated application for Incentive Awards for Plaintiffs.¹ To do so, any Settlement Class Member must comply with the terms for objections to the settlement as set forth in the Settlement Agreement and the Notice, and must submit to Class Counsel, postmarked on or before the Objection Deadline, a statement of his or her objection, as well as the specific reason, if any, for each objection, including any legal support that the Settlement Class Member wishes to bring to the Court's attention and any evidence that the Settlement Class Member wishes to introduce in support of his/her objection, and to state whether the Settlement Class Member and/or his/her counsel wish to make an appearance at the Final Approval Hearing.

B. Any member of the Settlement Class making an objection must personally sign the objection, and include the following information in the objection: (1) his/her name, address and telephone number, and if such Settlement Class Member is represented by counsel, the name, address and telephone number of such counsel; (2) certification that such Settlement Class Member is a Settlement Class Member; (3) a list of all legal proceedings in which the Settlement Class Member filed an objection related to any class action settlement within the past five years; (4) a written statement specifically describing all of the Settlement Class Member's objections to the Settlement

¹ The amounts to be requested in the anticipated applications for attorneys' fees and expenses and Incentive Awards are included in the long form of the Class Notice. See Horn Decl. [Docket No. 179] Ex. A at 8.

and the reasons for such objections; and (5) a statement as to whether the Settlement Class Member intends to attend the Final Approval Hearing.

C. Only members of the Settlement Class who served valid and timely objections in accordance with the terms of the Settlement Agreement shall be entitled to be heard at the Final Approval Hearing. An objecting Settlement Class Member may only object on his/her own behalf. Any Settlement Class Member who does not timely serve a valid and timely objection shall be deemed to have waived any such objection, and shall be foreclosed from seeking any review of the Settlement or the terms of this Agreement, either by appeal or by other means.

VII. Additional Orders

A. All applicable pre-trial deadlines in the Action shall be continued indefinitely so that the Parties shall in no way be prejudiced by their efforts to resolve the Action through the Settlement Agreement.

B. If the Settlement Agreement is terminated and/or the Settlement is not consummated for any reason, all Parties shall be restored to their respective positions as of the date immediately prior to the Execution Date of the Settlement Agreement.

IT IS SO ORDERED.

BY THE COURT:

s/Ann D. Montgomery
ANN D. MONTGOMERY
U.S. DISTRICT JUDGE

Dated: October 19, 2017.