SUPERIOR COURT OF THE DISTRICT OF COLUMBIA CIVIL DIVISION

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Plaintiff,

Case No. 2018 CA 007285 B

v.

VISTA RIDGE LIMITED PARTNERSHIP, et al.

Respondents/Defendants.

CONSENT JUDGMENT AND ORDER

This matter comes before the Court on the joint motion of the District of Columbia, ("District") and Defendants Vista Ridge Limited Partnership ("Vista Ridge"), Washington Housing Corporation, Castle Management Corporation, Joseph Kisha, and Tina Shaw (collectively "Vista Ridge Defendants"), pursuant to SCR-Civil R. 68-I, for entry of this Consent Judgment and Order ("Consent Order") to resolve the District's claims in this matter. The District and Vista Ridge Defendants (collectively, the "Parties") agree to the relief set forth in this Consent Order, and the Court further finds that the entry of the Consent Order is in the public interest.

I. THE PARTIES

1. Plaintiff District of Columbia is a municipal corporation empowered to sue and be sued and is the local government for the territory constituting the seat of the government of the United States. Pursuant to D.C. Code §§ 28-3814 and 28-3909(a)-(b), the Attorney General is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys' fees for violations of the District of Columbia Consumer Protection Procedures Act ("CPPA"), D.C. Code § 28-3901, *et seq.* and is also authorized to bring cases under

the Tenant Receivership Act, D.C. Code §§ 42-3651.02(a)-(b) and the Drug-, Firearm- and Prostitution- Nuisance Abatement Act D.C. Code § 42–3101.

- 2. Defendant Vista Ridge Limited Partnership ("Vista Ridge") is a limited partnership operating in the District of Columbia organized under the laws of the state of Maryland that maintains a principal place of business at 3040 Stanton Road SE, Unit 101, Washington, D.C. 20020. At the time of the filing of this lawsuit, Vista Ridge Limited Partnership held legal title to Vista Ridge and owned a 100 percent fee simple interest in a 398-unit Section 8 and market rate multifamily apartment complex consisting of 1, 2, 3, and 4 bedroom units located at 2402-2424 Elvans Road SE, 2500-2514 Pomeroy Road SE, and 2540-2557 Elvans Road SE, Washington, DC 20020, known as "Forest Ridge" and "The Vista Apartments" ("The Property").
- 3. Defendant Castle Management Corporation ("Castle Management") is a corporation organized under the laws of the District of Columbia that maintains a principal place of business at 3040 Stanton Road SE, Unit 101, Washington, D.C. 20020. Castle Management was responsible for property management of the Property.
- 4. Defendant Washington Housing Corporation is a corporation organized under the laws of the state of Maryland that maintains a principal place of business at 11 East Chase St., Baltimore, MD 21202. Washington Housing Corporation is the general partner of Vista Ridge Limited Partnership.
- 5. Defendant Joseph Kisha ("Kisha") is a principal and founder of Vista Ridge Limited Partnership, Castle Management Corporation, and Washington Housing Corporation. He is the limited partner of Vista Ridge Limited Partnership and president of Washington Housing Corporation.

6. Defendant Tina Shaw is the Chief Financial Officer of Castle Management Corporation.

II. <u>DEFINITIONS</u>

- 7. "Consumer" shall include the definition contained in D.C. Code § 28-3901(a)(2) and for purposes of this Consent Order shall refer to any resident of the District of Columbia to whom Defendants have offered or sold rental housing accommodations.
- 8. "Habitable housing" for purposes of this Consent Order shall mean housing in compliance with the D.C. Housing Code (Sections 1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Titles 12A-12L of the District of Columbia Municipal Regulations), and the D.C. indoor mold law (D.C. Code §§ 8-241.01-241.09), and regulations (20 DCMR §§ 3200-3299).
- 9. "Vista Ridge" shall refer to the 398-unit Section 8 and market rate multifamily apartment complex consisting of 1, 2, 3, and 4 bedroom units located at 2402-2424 Elvans Road SE, 2500-2514 Pomeroy Road SE, and 2540-2557 Elvans Road SE, Washington, DC 20020, known as "Forest Ridge" and "The Vista Apartments" ("The Property") previously owned by Vista Ridge Limited Partnership.

III. <u>VISTA RIDGE PROCEEDING</u>

- 10. On October 16, 2018, the Office of the Attorney General of the District of Columbia initiated an action against the Vista Ridge Defendants in the Superior Court of the District of Columbia, as Case No. 2018 CA 7285 B ("DC Litigation").
- 11. On December 17, 2018, the District of Columbia filed its Amended Complaint in the DC Litigation, seeking various forms of non-monetary relief and damages.

IV. RELATED PROCEEDINGS: VISTA RIDGE BANKRUPTCY

- 12. On March 1, 2019, Vista Ridge filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Columbia (the "Bankruptcy Case") in the action *In re Vista Ridge Limited Partnership*, No. 19-00126-SMT.
- 13. On July 18, 2019, the District of Columbia filed Claim Number 34 in the Bankruptcy Case, based on the unliquidated amounts claimed in the DC Litigation.
- 14. In November and December 2019, Vista Ridge filed bankruptcy claim objections, including objections to District of Columbia's Proof of Claim (collectively, the "Claim Objections"), raising various defenses as to why the amounts claimed by the District of Columbia are unenforceable against Vista Ridge under applicable law.
- 15. On March 31, 2020, the Property was sold out of Bankruptcy to Skyline Apartments, LP.
- 16. As a part of an Order of the U.S. Bankruptcy Court for the District of Columbia (the "Bankruptcy Court") approving the settlement (the "Vista Ridge Settlement") between Vista Ridge, the District, and certain tenants of the Vista Ridge Property, Vista Ridge agreed that the District will receive or have the ability to direct the payment of \$3,500,000 to resolve the District's claims against the Vista Ridge Defendants and, in turn, claim Number 34 in the Bankruptcy Case.
- 17. The Parties agreed that the payments and assignment to the District outlined in Paragraph 16 may be used by the District for any lawful purpose, and fully satisfy the Vista Ridge Defendants' monetary obligations in connection with the District's claims asserted, or that could have been asserted, based on the facts alleged in the Vista Ridge Complaint. \$1,948,653 of the \$3,500,000 paid pursuant to this Order shall be distributed to current and former tenants of the Property as restitution.

V. <u>APPLICATION</u>

18. The provisions of this Consent Order shall apply to all Vista Ridge Defendants and all persons or entities that they control or have the ability to control, including without limitation its principals, officers, directors, employees, agents, successors, assignees, affiliates, merged or acquired entities, or wholly owned subsidiaries, and all other persons acting in concert with the Vista Ridge Defendants now and in the future.

A. <u>REPRESENTATIONS OF DEFENDANTS</u>

19. Vista Ridge Defendants represent that they have provided the District with materially full and complete rent roll information for the period of March 1, 2014 to February 28, 2019, including complete information concerning the rent monies that were (i) charged to tenants, (ii) paid by tenants, or (iii) that was due but not paid by tenants through February 2019.

B. <u>INJUNCTIVE TERMS</u>

General Prohibitions

- 20. Vista Ridge Defendants shall not engage in any act or practice in violation of the CPPA in connection with the offer or sale of any consumer good or service.
- 21. Vista Ridge Defendants shall not make any representations that their goods or services have a certification or characteristic that they do not have.
- 22. Vista Ridge Defendants shall not make any representations that their goods or services are of a particular standard or quality if in fact they are of another.
- 23. Vista Ridge Defendants shall not make any oral or written statements that have the capacity, tendency, or effect of deceiving or misleading consumers.
- 24. Vista Ridge Defendants shall not make any misrepresentations concerning a material fact that have the tendency to mislead consumers.

- 25. Vista Ridge Defendants shall not fail to state a material fact, the omission of which deceives or tends to deceive consumers.
- 26. Vista Ridge Defendants shall not make any statements that mislead consumers concerning their willingness and ability to supply them with habitable housing.
- 27. Vista Ridge Defendants shall not offer for rental any residential housing in the District of Columbia unless they are able to supply habitable housing to any prospective tenant.

C. PAYMENT TO THE DISTRICT

- 28. In connection with the Bankruptcy Case, Vista Ridge will distribute to the District or at the District's direction the total sum of \$3,500,000. The District may use this distribution for any lawful purposes, including, but not limited to, restitution to current and former tenants of the Vista Ridge Defendants, attorneys' fees, and other costs of investigation and litigation, and/or be placed in, or applied to, the District's restitution fund or litigation support fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorney General for the District of Columbia. \$1,948,653 of the \$3,500,000 paid pursuant to this Order shall be distributed to current and former tenants of the Property as restitution. Vista Ridge Defendants agree to cooperate with the District in obtaining any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.
- 29. Upon approval of the Bankruptcy Court, receipt of all payments addressed in paragraph 28, and entry of this Order, the District releases the Vista Ridge Defendants from: (i) all claims of the District against the Vista Ridge Defendants asserted in the DC Litigation or that could have been asserted based on the facts alleged in the DC Litigation and (ii) the contingent unliquidated claims of the District asserted in the Proof of Claim filed in Bankruptcy Case.

30. Upon satisfaction of the conditions in paragraph 29 above, the District shall withdraw Claim Number 34 in the Bankruptcy Case.

D. <u>ADDITIONAL TERMS</u>

- 31. The District is entering this Consent Order based on the representation made by the Vista Ridge Defendants in this Consent Order. If the District uncovers evidence that any of the Vista Ridge Defendants' representations are materially false, the Vista Ridge Defendants agree that the District may seek to modify or rescind the terms of this Consent Order and/or take additional legal action against the Vista Ridge Defendants for injunctive relief or to seek additional restitution from the Vista Ridge Defendants on behalf of any tenants for whom accurate rent roll information was not provided.
- 32. Vista Ridge Defendants shall not cause or encourage third parties, or knowingly permit third parties acting on its behalf, to engage in practices from which the Vista Ridge Defendants are prohibited by this Consent Order.
- 33. In entering into this Consent Order, the Parties are neither extinguishing any rights otherwise available to consumers except those specifically addressed herein, nor creating any right not otherwise available under the laws of the District of Columbia.
- 34. This Court retains jurisdiction of this Consent Order for the purpose of enforcing this Consent Order and for the purpose of granting such additional relief as may be necessary and appropriate.
- 35. If any clause, provision or section of this Consent Order shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Order and this Consent Order shall be

construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision

had not been contained herein.

36. Nothing in this Consent Order shall be construed as relieving Vista Ridge

Defendants of the obligation to comply with all state and federal laws, regulations or rules, nor

shall any of the provisions of this Consent Order be deemed to be permission to engage in any acts

or practices prohibited by such laws, regulations, or rules.

37. Vista Ridge Defendants shall not participate, directly or indirectly, in any activity

or form a separate entity or corporation for the purpose of engaging in acts or practices in whole

or in part that are prohibited in this Consent Order or for any other purpose that would otherwise

circumvent any part of this Consent Order or the spirit or purposes of this Consent Order.

38. The Parties may apply to the Court to modify this Consent Order by agreement at

any time. Any Party may apply to the Court, without all Parties' agreement, to modify this Consent

Order for good cause shown based on a substantial change in law or fact occurring after the date

this Consent Order is entered.

39. This Consent Order may be executed in counterparts, and a facsimile or .pdf

signature shall be deemed to be, and shall have the same force and effect, as an original signature.

40. All notices under this Consent Order shall be provided to the following address via

first class and electronic mail, unless a different address is specified in writing by the party

changing such address:

For the District:

Jennifer L. Berger, Esq.

Chief, Social Justice Section

District of Columbia Office of the Attorney General

441 4th Street, N.W., Suite 600 South

Washington, D.C. 20001

(202) 727-1038

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jennifer.berger@dc.gov

For the Defendants:

Michael Tucci, Esq.
Stinson LLP
1775 Pennsylvania Avenue, NW, Suite 800
Washington, DC 20006
michael.tucci@stinson.com

Brian Donnelly, Esq. Nixon Peabody LLP 799 9th St. NW Suite 500 Washington, DC 20001 bdonnelly@nixonpeabody.com

CONSENTED TO FOR THE DISTRICT OF COLUMBIA:

KARL A. RACINE

Attorney General for the District of Columbia

KATHLEEN KONOPKA

Deputy Attorney General, Public Advocacy Division

JIMMY ROCK

Assistant Deputy Attorney General, Public Advocacy Division

BENJAMIN M. WISEMAN

Director, Office of Consumer Protection

JENNIFER L. BERGER

Chief, Social Justice Section

MONIQUE COBB STEPHON WOODS

Assistant Attorney General

District of Columbia Office of the Attorney General

441 4th Street, N.W. Suite 600-S

Washington, D.C. 20001

& while

(202) 727-3012 (phone)

Dated: 7/9/2020

Dated: 6-12-20

CONSENTED TO INDIVIDUALLY

| Joseph | h A | hisha |
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| JOSEPH G.K | ISHA | |
| (All | 114 | |
| TINA SHAW | | |

CONSENTED TO FOR CASTLE MANAGEMENT CORPORATION

JOSEPH G. KISHA, President

CONSENTED TO FOR WASHINGTON HOUSING CORPORATION

JØSEPH G. KISHA, President

CONSENTED TO FOR VISTA RIDGE LIMITED PARTNERSHIP

By its General Partner, Washington Housing Corporation

JOSEPH G. KISHA, President Washington Housing Corporation

Dated: 6-12-20

SO ORDERED AND ADJUDGED.

| Judge Jason Park | |
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| Superior Court Judge | |