

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,

Plaintiff,

v.

THOMAS K. STEPHENSON,

Defendant.

2018 CA 004448 B

Judge Hiram E. Puig-Lugo

JUDGMENT AND INJUNCTIVE ORDER

This case concerns the unlawful practices of Defendant Thomas K. Stephenson in connection with his ownership and management of the residential apartment buildings located at 711 and 719 49th Street NE, Washington, DC, 20019 (the “Property”). Defendant misrepresented to his tenants, many of whom have low income, that he would provide habitable apartments free of housing code violations, mold, and other serious conditions that threaten the tenants’ health and safety.

On June 21, 2018, the Plaintiff District of Columbia filed its Petition for Appointment of Receiver and Complaint for Permanent Injunction and Other Equitable Relief in this matter alleging that Defendant (1) made deceptive statements and material omissions in violation of the Consumer Protection Procedures Act (“CPPA”), D.C. Code § 28-3901, *et seq.*, when offering rental housing accommodations and (2) violated Title 16 of the DCMR by failing to abate numerous housing code violations and other serious conditions, which also violate the CPPA, D.C. Code § 28-3904(dd). On July 23, 2020, this Court granted the District’s Motion for Summary Judgment as to Liability for Violations of the Consumer Protection Procedures Act, finding Defendant liable for violations of the CPPA.

THEREFORE, IT IS ORDERED as follows:

FINDINGS

1. This Court has jurisdiction over this matter.
2. The Court incorporates the Facts and Evidence Supporting Entry of Final Judgment in the District's Motion for Entry of Judgment, including its attached exhibits.
3. The Court incorporates its finding of facts in its July 23, 2020 ruling granting the District's Motion for Summary Judgment as to Liability for Violations of the Consumer Protection Procedures Act.
4. Based on the record and Defendant's past conduct, the Court finds there is some cognizable danger that Defendant will violate the CPPA in the future through the offer and sale of rental housing services to District consumers.
5. Based on the record and the assessment conducted by the District's expert, Defendant continued to charge full rent to tenants while failing to abate serious housing conditions at the Property for several years. As a result, Defendant properly owes restitution as set out below for failure to maintain the Property in habitable condition.
6. Based on these findings of facts and conclusions of law, the Court finds that permanent injunctive relief, restitution, civil penalties, and payment of costs are appropriate as authorized under § 28-3909 of the CPPA.
7. For purposes of this Judgment and Injunctive Order, the District's housing laws shall mean housing in compliance with the D.C. Housing Code (1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Titles 12A-12L of the District of Columbia Municipal Regulations), the D.C. indoor mold law (D.C. Code §§ 8-241.01-241.09), and regulations (20 DCMR §§3200-3299).

I.

APPLICATION

A. The provisions of this Judgment and Order shall apply to Defendant Thomas K. Stephenson (“Stephenson”) and his agents, employees and assigns, and any partnership, corporation or entity in which he, currently or in the future, has an ownership interest, has authority to control, or has the authority to establish policy.

B. The provisions of this Judgment and Order shall apply to Defendant in connection with his offer and/or sale of rental housing in the District of Columbia, including the provision of rental housing accommodations.

II.

INJUNCTION

IT IS FURTHER ORDERED that:

A. The Defendant shall cease and desist from committing any unfair or deceptive trade practices that violate the CPPA.

B. Defendant shall not make any misrepresentations concerning a material fact that has a tendency to mislead any consumers. D.C. Code § 28-3904(e).

C. Defendant shall not omit material facts that the omission of which has a tendency to mislead any consumers. D.C. Code § 28-3904(f).

D. Defendant shall not violate any provision of Title 16 of the District of Columbia Municipal Regulations. D.C. Code § 28-3904(dd).

6. Defendant shall not make any statements that mislead consumers concerning their willingness and ability to supply consumers with housing in compliance with the District’s housing laws.

E. Defendant shall not offer, sell, or supply for rent any residential housing in the District of Columbia unless he is able to supply housing in compliance with the District's housing laws.

F. In the event Defendant owns or manages more than four (4) residential dwellings in the District of Columbia, whether multifamily or single-family homes, Defendant shall:

- 1 hire a licensed property management company, in consultation with the Office of the Attorney General for the District of Columbia, to oversee rent collection and repairs;
- 2 maintain separate business financial accounts to manage rental income and expenditures related to property management;
- 3 conduct and maintain biannual financial audits;
- 4 obtain and maintain a property manager's license as approved by the District of Columbia Department of Consumer and Regulatory Affairs ("DCRA") or any successor government agency responsible for approving professional licenses;
- 5 implement written policies for selecting contractors and vetting their credentials and status of licensures where applicable; and
- 6 implement written policies and training procedures for managing residential rental property.

G. Defendant shall notify the District in writing within one (1) month of acquiring more than four (4) residential rental dwellings in the District of Columbia the addresses of the properties acquire and the number of rental units at each address.

H. If due to changed circumstances, or any change in existing laws, Defendant is unable to comply with any of the specific prohibitions or affirmative obligations that are imposed by the injunctive terms of this Judgment and Order, any party may petition the Court to amend this Judgment and Order.

III.

MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

A. Within thirty (30) days of the entry of this Judgment and Order, Defendant shall pay tenants a restitution of **\$270,367.27**, reflecting the restitution determined by the District to be owed to tenants

B. Within thirty (30) days of the entry of this Judgment and Order, Defendant shall pay the District of Columbia the sum of **\$313,000** as a civil penalty pursuant to D.C. Code §28-3909(b).

C. Defendant shall pay to the District the sum of **\$41,065.67** for costs and fees incurred by the District in connection with this action, pursuant to D.C. Code §32-1307(b)(1).

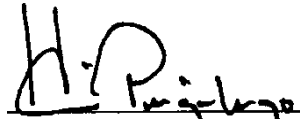
D. Judgment be and hereby is entered against Defendant Thomas K. Stephenson in the amount of **\$624,432.94**.

IV.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED THIS 1st day of February, 2021.



Hiram E. Puig-Lugo
Associate Judge
Superior Court of the District of Columbia

Copies electronically to:

Jennifer Berger, Esq.
Monique Cobb, Esq.
Stephon Woods, Esq.
Argatonia Weatherington, Esq.
Counsel for Plaintiff

Thomas Stephenson
Defendant