

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-01782-JMS-TAB

**JOINT NOTICE OF FILING AMENDED EXHIBIT IN SUPPORT OF MOTION FOR  
PRELIMINARY APPROVAL OF SETTLEMENT AGREEMENT AND PROPOSED  
ORDER**

Pursuant to the Court's Minute Entry dated January 11, 2023, Plaintiffs and Class Representatives Mory Kamano, Norma Tejeda, Cordell Spencer, Maria Gaspar, and Franklin Paz ("Plaintiffs") and Defendants Rainbow Realty Group, Inc., Empire Holding Corp., Shore Waters Development, LLC, Alley Cat Trust, Sporting Trust, Sunflower Trust, Sunshine Trust, Redskins Trust, and James Hotka ("Defendants") (collectively, "Parties") hereby notify the Court of the filing of an amended exhibit to the Parties' Joint Motion for Certification of Class Settlement and Preliminary Approval of Settlement Agreement [Filing No. 381-1]. To allow the Court to readily see the modifications from the previous version, the Parties are attaching clean (attached as Ex. A) and redline (attached as Ex. B) versions of the following:

1. A revised Settlement Agreement that reflects the revisions to language regarding logistics for the filing of objections to which the Parties agreed during the January 11, 2023 telephonic conference in this matter, as well as limited additional changes to the administration of the Settlement Fund proposed by the claims administrator Plaintiffs are retaining and to which the Parties have agreed;

2. A revised claims notice that contains parallel language regarding logistics for the filing of objections to the terms of the Settlement Agreement; and
3. A revised claims form to remove reference to an online claims filing process, which is not called for in the Settlement Agreement. Based on information received from the claims administrator, such a process would be prohibitively expensive given the amount set aside for claims administration.

The Parties are also attaching a revised Proposed Order (attached as Ex. C) that removes reference to a Preliminary Approval Hearing and states that the Final Fairness Hearing will take place on May 11, 2023 at 10:00 am.

Dated: January 18, 2023

Respectfully submitted,

/s/ Reed Colfax

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**CERTIFICATE OF SERVICE**

I hereby certify that on January 18, 2023, a copy of the Notice of Filing was filed and served electronically on all counsel of record using the Court's CM/ECF system.

/s/ Reed Colfax  
Reed Colfax

# **EXHIBIT A**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-1782-JMS-TAB

**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Settlement Agreement”) is entered into pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of this Court, the Settlement Agreement is entered into among Plaintiffs Fair Housing Center of Central Indiana, Inc. (“FHCCI”), Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejeda, both individually and on behalf of all Class Members (defined in paragraph 1(g) below), and Defendants Rainbow Realty Group, Inc., Empire Holding Corporation, Shore Waters Development, LLC, Alley Cat Trust, Sporting Trust, Sunflower Trust, Sunshine Trust, Redskins Trust, and James R. Hotka (“Defendants”).

**I. BACKGROUND**

On May 30, 2017, Plaintiffs commenced this action individually, and on behalf of a class of individuals who entered into RTB Agreements with Defendants on or after January 1, 2009, excluding individuals who successfully paid off their agreements, for alleged violations of the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act

(“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5 (the “Civil Action”).

Since that time, this Civil Action has been vigorously prosecuted and defended with extensive discovery, including the production of tens of thousands of pages of documents, the taking of numerous depositions, the exchange of multiple expert reports, and the filing of numerous motions.

On December 17, 2018, Plaintiffs filed a Third Amended Complaint, which is the operative complaint in this Civil Action, asserting the same claims.

On March 27, 2020, the Court granted in part and denied in part Plaintiffs’ motion for class certification, certifying certain claims under the FHA, ECOA, TILA, the Indiana Home Loan Practices Act, and Indiana Code § 32-31-8-5, *et seq.*, pursuant to Federal Rule of Civil Procedure 23(b)(2). The Court defined the class as all people who entered into an RTB Agreement with Defendants for a residential property since the beginning of 2009, excluding those who successfully paid off their agreement.

On March 10, 2021, the Court granted Defendant’s Motion for Partial Summary Judgment on Plaintiffs’ class claims under the Indiana Home Loan Practices Act, and Indiana Code § 32-31-8-5, *et seq.* On April 13, 2021, the U.S. Court of Appeals for the Seventh Circuit denied Plaintiffs’ petition for leave to appeal the class certification order pursuant to Federal Rule of Civil Procedure 23(f).

On August 12, 2022, the Court denied Plaintiffs’ Motion for Partial Summary Judgment in its entirety and granted Defendant’s cross-motion for summary judgment on Plaintiffs’ class and individual claims pursuant to TILA, ECOA, and FHA (as to disparate impact claims). As a

result of the Court's August 12, 2022, summary judgment ruling, Plaintiffs' remaining claims included the Class Representatives' individual FHA disparate treatment claims for injunctive relief, declaratory relief, and damages, their Indiana statutory claims, and class FHA disparate treatment claims for declaratory and injunctive relief.

Plaintiffs subsequently filed a motion for reconsideration of the Court's summary judgment order, which the Court denied in part. Plaintiffs subsequently voluntarily dismissed, with prejudice, any remaining claims they had under ECOA.

Plaintiffs, by their counsel, have conducted discussions and arm's-length negotiations with Defendants, by their counsel, with respect to a compromise and settlement of the Civil Action.

Based upon their investigation, Plaintiffs and their counsel have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable and adequate to Plaintiffs and the Class, and in their best interests, and have agreed to settle the claims raised in the Civil Action pursuant to the terms, provisions, and conditions of this Settlement Agreement, after considering: (i) the benefits that Plaintiffs and the Class Members will receive from the Settlement Agreement; (ii) the attendant risks of litigation; (iii) the difficulties, expense and delays inherent in such litigation; (iv) the Defendant's solvency and/or potential for bankruptcy; (v) the risk of inadequate or absent insurance coverage; (vi) the belief of Plaintiffs that the Settlement is fair, reasonable, and adequate, and in the best interest of all Class Members; and (vii) the desirability of permitting the Settlement to be consummated as provided by the terms of this Settlement Agreement.

Defendants have entered into this Settlement Agreement to resolve any and all controversies and disputes arising out of or relating to the allegations made in the Civil Action,



and to avoid the burden, risk, uncertainty, expense, and disruption to their business operations associated with further litigation. Defendants do not in any way acknowledge, admit to, or concede any of the allegations made by the Plaintiffs in the Civil Action, and they expressly disclaim and deny any fault or liability, or any charges of wrongdoing that have been or could have been asserted in the Civil Action.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs, on behalf of themselves and the Class Members, and Defendants, subject to the approval of the Court pursuant to the procedures mandated by Federal Rule of Civil Procedure 23(e), as follows:

## II. DEFINITIONS

1. The following terms, as used in this Settlement Agreement, have the following meanings:

- a. “Administration Costs Account” means the portion of the Settlement Fund allocated for reimbursing the Claims Administration for costs incurred administering the Class Fund.
- b. “Civil Action” means this matter, captioned *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, United States District Court, Southern District of Indiana, Case No. 1:17-cv-1782.
- c. “Claimant” means an individual who has submitted a Claim Form.
- d. “Claims Administrator” means the company chosen by Plaintiffs’ Counsel to administer the claims in this case.
- e. “Claims Administration Costs” means costs and expenses of the Notices and instructions to the Class Members and administration of the Settlement Fund, escrow fees, Taxes, custodial fees, and expenses incurred in connection with processing Claim Forms,

distributing the Settlement Fund, providing any necessary tax forms to Class Members, and all other costs incurred in connection with administering the Settlement.

f. “Claim Form” means the form substantially in the form of Exhibit 1, subject only to suggested revisions by the Claims Administrator, if any, to which the Parties hereto reasonably agree.

g. “Class” means all Class Members.

h. “Class Members” means all individuals, including Class Representatives and Declarants, who entered into a RTB Agreement with any Defendant and/or any Individual Land Trust (as Seller), during the Class Period, excluding all persons who opt out of the Settlement and all persons who successfully paid off their RTB Agreement. If multiple persons signed a single RTB Agreement, all of those persons collectively shall be considered a single Class Member.

i. “Class Member List” means an Excel spreadsheet provided by Defendants containing the names, last known addresses, last known telephone numbers, social security numbers, and information sufficient to determine eligibility as a Class Member of all known Class Members. This list will be used only for purposes of administering the settlement and will not be used by Plaintiffs, Class Members, or their Counsel for any other purpose.

j. “Class Period” means the period between January 1, 2009 and September 30, 2019.

k. “Class Representatives” means and refers, individually and collectively, to Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejada.

l. “Court” means the United States District Court for the Southern District of Indiana.

m. “Declarant” means an individual who is a Class Member and who provided a signed declaration to Plaintiffs’ Counsel as evidence in support of Plaintiffs’ Motion for Class Certification in the Civil Action. A list of all Declarants is attached as Exhibit 2.

n. “Defendants” means Rainbow Realty Group, Inc., Empire Holding Corporation, Shore Waters Development, LLC, Alley Cat Trust, Sporting Trust, Sunflower Trust, Sunshine Trust, Redskins Trust, and James R. Hotka, and all their past and present officers, directors, employees, agents, attorneys, servants, representatives, parents, subsidiaries, affiliates, partners, shareholders, and all other persons, partnerships, or corporations with whom any of the former have been, or are now, affiliated and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing, including but not limited to each and every Individual Land Trust identified in any RTB Agreement.

o. “Defense Counsel” means the law firm of Dentons Bingham Greenebaum LLP.

p. “Distribution Amount” means the amount calculated by the Claims Administrator pursuant to the formulas set forth herein to be paid to each Qualified Class Member.

q. “Distribution Basis” means the number calculated by the Claims Administrator to be used as a multiplier of Individual Distribution Factors to determine ratable distributions to Qualified Class Members.

r. “Effective Date” means the latest of the following dates: (a) the date sixty-one (61) calendar days after the entry of the Final Approval Order, if there are no appeals; or (b) if there is any appeal of the Final Approval Order, the day after all appeals are finally resolved in favor of final approval of this Settlement Agreement.

s. “Escrow Amount” means the portion of the Settlement Fund allocated for distribution to Qualified Class Members.

t. “Final Approval Order” means the order entered by the Court after the Final Fairness Hearing, approving the terms and conditions of this Settlement Agreement.

u. “Final Fairness Hearing” means the hearing before the Court relating to the Motion for Final Approval.

v. “Individual Distribution Factor” means the number calculated by the Claims Administrator for each Qualified Class Member that reflects the basis for calculating each Qualified Class Member’s distribution from the Class Fund.

w. “Individual Land Trust” means the entity identified as “Seller” in each RTB Agreement.

x. “Named Plaintiffs” means the Class Representatives and the Fair Housing Center of Central Indiana.

y. “Notice” means the Notice of Settlement and Fairness Hearing, which is to be sent to members of the Class in both English and Spanish, substantially in the form attached hereto as Exhibit 3, subject only to suggested revisions by the Claims Administrator, if any, to which the Parties hereto reasonably agree.

z. “Plaintiffs’ Counsel” means the law firms of Relman Colfax PLLC and RileyCate LLC.

aa. “Qualified Class Member” means a Class Member who is (i) a Named Plaintiff; (ii) Declarant; and/or (iii) has submitted a Claim Form and appears on the Class Member List. Where multiple individuals have signed a single RTB Agreement, those individuals shall collectively constitute a single Qualified Class Member.

bb. “Released Claim(s)” means those claims defined in and/or otherwise within the scope of Section X of this Settlement Agreement.

cc. “Released Person(s)” means those persons defined in and/or otherwise within the scope of Section X of this Settlement Agreement.

dd. “RTB Agreement” means any agreement, entitled “Purchase Agreement,” entered into at any time among a Class Member, and any of the Defendants.

ee. “Settlement” means the settlement into which the Parties have entered, in order to resolve this Civil Action. The terms of the Settlement are set forth in this Settlement Agreement.

ff. “Settlement Fund” means the cash amounts to be distributed across all Qualified Class Members by the Claims Administrator. The Settlement Fund is to be kept in one or more interest-bearing accounts created by Plaintiffs’ Counsel on behalf of Plaintiffs and the Class designated and controlled by the Claims Administrator for distribution to Qualified Class Members and payment of Claims Administration Costs.

gg. “Settlement Payment” means all the cash amounts to be paid by or on behalf of Defendants in settlement of the Civil Action pursuant to the terms and conditions of this Settlement Agreement, including any interest accrued on those amounts and including the Settlement Fund.

## **II. SETTLEMENT CLASS**

2. The Parties agree and stipulate that for purposes of resolution of claims for injunctive, declaratory, monetary, or any other relief alleged or that could have been alleged in this Civil Action, pursuant to the Court’s approval, the putative Class should be certified under Rules 23(a), 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure.

3. The Parties agree that the following Class should be approved and certified pursuant to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure: all

persons who entered into an RTB Agreement at any time during the Class Period and have not paid off their RTB Agreement.

### **III. ALLOCATION AND DISTRIBUTION OF MONETARY RELIEF**

4. **Settlement Payment:** Defendants agree to make a Settlement Payment of \$750,000 in full and final settlement of this Civil Action, pursuant to the terms of this Settlement Agreement. Defendants do not agree to pay any additional amounts, for unforeseen administration costs or otherwise. Upon payment of the Settlement Payment, Defendants shall have no further financial, administrative, or other obligations regarding administration of the Settlement or otherwise, other than as specifically delineated herein. Defendants shall have no responsibility or liability regarding any actions or services provided by or obligations of the Claims Administrator and/or Plaintiffs' Counsel pursuant to this Settlement Agreement.

5. Of the Settlement Payment, Defendants shall pay \$575,000 to a Settlement Fund created by Plaintiffs' Counsel, upon timely provision of appropriate deposit information from Plaintiffs' Counsel to Defense Counsel. The Settlement Fund shall be earmarked for distribution as follows:

- a. Escrow Amount: Within ten (10) days following the Effective Date, Defendants shall pay \$525,000 into the Settlement Fund;
- b. Administration Costs Amount: Within five (5) days following the date of entry of the Final Approval Order, Defendants shall pay or cause to be paid \$50,000 into the Settlement Fund. Funds from the Administration Costs Amount shall be dispersed, as reasonably required and without further approval of the Court, to pay Claims Administration Costs incurred by the Claims Administrator, billed to Plaintiffs' Counsel as they become due. If the amount expended or that will be

expended for class administration exceeds \$50,000, Plaintiffs' Counsel may seek Court approval for the dispersal of additional costs from the Settlement Fund being disbursed to Qualified Class Members. Defendants shall have no additional obligation if such amount exceeds \$50,000. If the amount expended for class administration is less than \$50,000, the difference shall be added to the Escrow Amount for dispersal to Qualified Class Members.

Plaintiffs' Counsel will provide in writing to Defense counsel all necessary account information reasonably required for Defendants to timely comply with their obligations under this paragraph 5.

6. **Allocation of Escrow Amount:** Within thirty-one (31) days after the Effective Date, the funds in the Escrow Amount shall be allocated and disbursed in the following manner:

- a. Each Class Representative shall receive \$5,000 plus any amount due under subparagraph d.
- b. Each Declarant who submits a Claim Form shall receive \$2,500 plus any amount due under subparagraph d.
- c. The balance of the funds in the Escrow Amount shall be distributed to Qualified Class Members as reimbursement for the damages they incurred that may be compensable pursuant to the claims alleged in the Third Amended Complaint. The proposed allocation provides that the Settlement Fund will be entirely exhausted by distributions to Qualified Class Members such that there are no remaining funds following those distributions.
- d. The Distribution Amount for each Class Member will be calculated by multiplying each Individual Distribution Factor by the Distribution Basis. Each

Class member's Individual Distribution Factor will be calculated by one of the following methods:

(1) For all Class Members who signed their RTB Agreement between January 1, 2009 and May 30, 2012 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, and (c) all divided by 1000. 
$$([\text{\# of months on RTB Agreement}] \times [\text{monthly payment}]) / 1000$$

(2) For all Class Members who signed their RTB Agreement between May 31, 2012 and May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; and add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000. 
$$([\text{\# of months on RTB Agreement}] \times [\text{monthly payment}]) / 1000 + (([\text{monthly payment}] \times [\text{\# of months of RTB agreement}]) - [\text{purchase price}]) / 6000$$

(3) For all Class Members who signed their RTB Agreement after May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000; and (a) all multiplied by 1.25. 
$$([\text{\# of months on RTB Agreement}] \times ([\text{monthly payment}] / 1000 + (([\text{monthly payment}] \times [\text{\# of months of RTB agreement}]) - [\text{purchase price}] / 6000)) \times 1.25$$

- e. The Class Administrator shall determine, based on the applicable above-stated formulation, the Individual Distribution Factor for each Qualified Class Member who submitted a valid claim. The Distribution Basis shall be calculated by subtracting the sum of amount designated from the Escrow Fund to be paid Class Representatives and Declarants from \$525,000 and dividing the result by the sum of all Individual Distribution Factors.

7. Within fourteen (14) days following the entry of the Final Approval Order,

Defendants shall pay a sum of \$175,000. This payment shall be made in the form of a check



payable to Relman Colfax IOLTA Account and delivered to Reed Colfax, Relman Colfax, 1225 19th Street NW, Suite 600, Washington, DC, 20036. This payment shall be distributed as follows:

- a. \$125,000 shall be designated for payment to Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejeda as compensation for the damages alleged in the Third Amended Complaint pursuant to their individual claims.
  - b. \$50,000 shall be designated for payment to FHCCI as compensation for its alleged diversion of resources and frustration of mission as a result of Defendants' alleged actions as set forth in the Third Amended Complaint.
8. Plaintiffs and Plaintiffs' Counsel agree to waive any right to recover fees and costs available as the prevailing parties under any statute whose violation is alleged in the Third Amended Complaint.
9. The Settlement will be non-recapture; *i.e.*, it is not a claims-made settlement. Defendants have no ability to keep or recover any of the Settlement monies unless the Settlement Agreement does not become effective.
10. Administration and implementation of the Escrow Amount, including the distribution of funds, shall be the responsibility of the Claims Administrator. The Claims Administrator shall use its best efforts to complete the disbursement of the Settlement Fund as expeditiously as possible.
11. All (i) taxes on the income of the Settlement Fund and (ii) expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively, "Taxes") shall be paid out of the

Administration Costs Amount, shall be considered to be a cost of administration of the Settlement, and shall be timely paid by the Claims Administrator without prior order of the Court.

12. The Claims Administrator shall be solely responsible for timely filing all informational and other tax returns necessary to report any net taxable income earned by the funds in the Settlement Fund and shall timely file all informational and other tax returns necessary to report any income earned by the funds in the Settlement Fund and shall be solely responsible for timely taking out of the funds in the Settlement Fund, as and when legally required, any tax payments, including interest and penalties due on income earned by the funds in the Settlement Fund. All taxes (including any interest and penalties) due with respect to the income earned by the funds in the Settlement Fund shall be paid from the Settlement Fund. The Parties shall have no responsibility to make any filings relating to the Settlement Fund and will have no responsibility to pay taxes on income earned by the Settlement Fund or pay any taxes on the Settlement Fund, unless the Settlement is not consummated and the Settlement Fund is returned. In the event the Settlement is not consummated, Defendants shall be responsible for the payment of all taxes (including any interest or penalties) on said income.

13. Prior to disbursement of the funds in the Settlement Fund, the Claims Administrator shall estimate the Claims Administration Costs expected to be incurred to finalize implementation and administration of the Settlement. Based on that estimation, Plaintiffs' Counsel shall determine whether any remaining funds in the Administration Costs Amount shall be dispersed to the Escrow Amount for allocation to Qualified Class Members.

#### IV. RELIEF PROVIDED BY THE SETTLEMENT

14. In full, complete and final resolution of the claims Plaintiffs asserted or that they could have asserted in the Civil Action, either individually or on behalf of the Class, arising in whole or in part from the facts asserted in the Civil Action, and subject to the satisfaction of all the terms and conditions of this Settlement Agreement, the Parties agree to the following:

15. **Monetary Relief:** As provided in Section III, Defendants shall pay or cause to be paid the total amount of \$750,000 in full and final settlement of the Civil Action, including but not necessarily limited to all claims and allegations that were or could have been alleged arising in whole or in part from the facts asserted in the Civil Action, for class or individual relief, pursuant to the terms and conditions of this Settlement Agreement.

16. **Nonmonetary Relief:** Defendants agree to the following undertakings as terms under this Settlement Agreement and consent to the jurisdiction of the Court for a period of three years following the Effective Date in the event of any alleged breach of this paragraph:

- a. Compliance with Law: Defendants agree to comply, to the extent applicable, with all laws and legal prohibitions forming the bases of Counts I through VII of the Third Amended Complaint. This includes, without limitation, compliance with the provisions of the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5. By agreeing to this provision as a condition of settlement, Defendants do not admit (and they expressly deny) that they have, at any time, violated any of the statutory provisions described in this paragraph 16(a).

- b. Training: Defendants shall ensure that within six months of the Effective Date, all officers, directors, management-level employees, and employees who interact with customers receive comprehensive training about the fair housing laws, lending discrimination, and predatory lending by a trainer and with a length and agenda approved by the Director of the State of Indiana HUD Field Office. If Defendants are unable to locate and schedule training consistent with training requirements herein, FHCCI will provide referrals for known training options and entities Defendants may use to locate and schedule an acceptable training. This training will be repeated on an annual basis for a period of three years. By agreeing to this provision as a condition to settlement, Defendants do not intend to represent that they do not already provide all legally required and proper training on the issues described in this paragraph 16(b).
- c. Policy: Defendants agree to adopt the Fair Housing Policy attached as Exhibit 4.

**V. NOTICE OF SETTLEMENT AGREEMENT AND FAIRNESS HEARING**

17. Within fourteen (14) calendar days of execution of this Settlement Agreement, the Parties shall file a joint motion with the Court for preliminary approval of this Settlement Agreement. In the Joint Motion for Preliminary Approval, the Parties will ask the Court:

- a. to set dates for individuals to opt out of this Settlement Agreement or to submit objections to this Settlement Agreement, the former of which will be the Effective Date and the latter of which will be thirty-six (36) calendar days from the date the Notice of Settlement and Fairness Hearing is transmitted to the Class Members, and

b. for a Final Fairness Hearing for Final Approval of the Settlement before the Court at the earliest practicable date following the sixtieth day after the preliminary approval of the settlement.

18. Within thirty (30) calendar days of the execution of this Settlement Agreement, Defendants shall prepare and deliver to Plaintiffs' Counsel the Class Member List containing the names, last known addresses, last known telephone numbers, known social security numbers, and all known information necessary to determine Distribution Amounts under the procedure set forth in Paragraph 6 above.

19. The Claims Administrator shall conduct a skip trace to determine, to the best extent possible and using its discretion, the most likely current address of each individual on the Class Member List.

20. No later than fifty-one (51) calendar days prior to the Final Fairness Hearing, the Claims Administrator shall mail a Notice of Settlement and Fairness Hearing and a Claim Form ("Claim Form"), in a form agreed to by all Parties, and attached hereto as Exhibits 3 and 1 respectively, via U.S. mail to the last known address of each and every Class Member.

21. No later than the date on which the Claims Administrator first mails the Claim Forms, the Class Administrator shall maintain and staff with live persons a toll free "800" line to receive calls from Class Members between the hours of 9:30 a.m. and 6:00 p.m. (Eastern Standard Time), Mondays through Fridays. At all other times, the line shall be answered by a voicemail message recording device. These hours of telephone coverage shall be subject to revision and modification upon agreement of the Plaintiffs and Defendants based on the recommendation of the Claims Administrator.

22. If the Court denies the Preliminary Approval Motion, the Parties will work together in good faith to address the Court's concerns and consider options for continuing to pursue a mutually agreed resolution to this Civil Action. If these efforts are ultimately unsuccessful, this Civil Action will resume as if no settlement had been attempted, and this Settlement Agreement will be null and void, with no force or effect.

23. **Class Member Opt Outs.**

- a. Any Class Member who chooses to opt out of the monetary relief provided through this Settlement Agreement must mail via First Class U.S. Mail, postage prepaid, a written, signed statement to the Claims Administrator that states he or she is opting out of the Settlement Agreement, and include his or her name, address, e-mail address(es), and telephone number(s) and state, "I opt out of the *Fair Housing Center of Central Indiana v. Rainbow Realty, Inc.* Settlement" ("Opt Out Statement").
- b. The end of the time period to opt out of this Agreement ("Opt Out Period") shall be the Effective Date.
- c. Any Class Member who does not properly submit an Opt Out Statement pursuant to this Agreement prior to the Effective Date will be deemed to have accepted this Agreement and its terms, and will be eligible to participate as a Class Member by filing a Claim Form.
- d. An Opt Out will only be effective if all persons who signed a single RTB Agreement submit an Opt Out Statement.
- e. The Claims Administrator will stamp on the original of each Opt Out Statement that it receives the date on which it was received and shall send copies of each

Opt Out Statement and the accompanying envelope to Plaintiffs' Counsel and Defense Counsel not later than three (3) calendar days after receipt thereof. The Claims Administrator will also, within five (5) calendar days of the end of the Opt Out Period, provide to Plaintiffs' Counsel to file with the Clerk of Court stamped copies of any Opt Out Statements and envelopes accompanying them. The Claims Administrator will retain the stamped originals of all Opt Out Statements and originals of all envelopes accompanying Opt Out Statements in its files until such time as the Claims Administrator is relieved of its duties and responsibilities under this Settlement Agreement.

24. **Objections:** Persons who wish to object to the terms of this Settlement Agreement may submit objections, in accordance with the requirements and format described in the Appendix to the Joint Motion for Preliminary Approval, as follows:

- a. Objections shall state the objector's name, address, and telephone number; set forth a description of the objector's basis for objecting; include copies of any documentation supporting the objections; state the name and address of the objector's counsel, if any; and state whether the objector wishes the opportunity to be heard in Court at the Final Fairness Hearing on this Settlement Agreement.
- b. Objectors shall send their objections to the Claims Administrator no later than thirty-six (36) calendar days after the day on which the Claims Administrator transmits the Notice of Settlement and Fairness Hearing to the Class Members.
- c. Within ten (10) days after the deadline for serving objections has passed, Plaintiffs' Counsel shall file a Report listing any objectors, with the objections attached to the Report, and indicating whether the objectors wish to be heard at

the Final Fairness Hearing. If no objectors timely filed objections, the Report shall so state.

- d. No later than five (5) calendar days prior to the Final Fairness Hearing on this Settlement Agreement, the Parties shall file their responses, if any, to all objections that were timely served in accordance with the deadlines set forth in this Section V.
- e. A Class Member who has submitted an Opt Out Statement may not submit objections to this Settlement Agreement.

## **VI. ELIGIBLE CLASS MEMBERS**

25. Eligibility to receive a Distribution Amount from the Escrow Fund shall be contingent upon:

- a. Submission of a completed Claim Form signed under oath pursuant to the requirements of 28 U.S.C. § 1746 and postmarked no later than sixty-one (61) days after the date of entry of the Final Approval Order (unless such period is extended by Order of the Court);
- b. Confirmation by the Claims Administrator that the Claimant appears on the Class Member List; and
- c. A determination that the person has not opted out of the Civil Action, pursuant to paragraph 24 hereof.

26. All Claim Forms must be submitted within sixty-one (61) days of the date of entry of the Final Approval Order, unless such period is extended by Order of the Court. Any Class Member who fails to submit a Claim Form by such date, excluding individuals who opt out of the Settlement, shall be forever barred from receiving any payment pursuant to this Settlement



Agreement (unless, by Order of the Court, a later-submitted Claim Form by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Settlement Agreement and the Settlement including the terms of the Final Approval Order to be entered in the Civil Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Released Claims and Released Named Plaintiffs' Claims. The date on which a Claim Form shall be deemed to have been submitted shall be determined in accordance with paragraph 59.

27. Each Class Member must submit his or her own Claim Form to the Claims Administrator. A parent, legal guardian, conservator, or next friend may complete and sign a Claim Form on behalf of a minor, a person adjudicated legally or mentally incapacitated or incompetent in accordance with state law, or a person who is found by his physician to be medically incapable of contracting.

28. The Claims Administrator shall, on a periodic basis, submit reports of its activities upon request by Plaintiffs' Counsel or Defense Counsel. Upon the request of Plaintiffs' Counsel or Defense Counsel, the Claims Administrator shall provide copies of Claim Forms and any and all other documents or information related to the claims procedure.

## **VII. APPROVAL AND ENTRY OF THIS AGREEMENT**

29. No later than twenty-one (21) days before the Final Fairness Hearing, the Parties shall jointly file a Motion for Final Approval. If the Court determines that the terms of this Settlement Agreement are fair, reasonable, equitable, and otherwise consistent with federal law, the Court may approve and enter this Agreement at or following the Final Fairness Hearing on this Settlement Agreement.

### **VIII. DISPUTE RESOLUTION AND DEFENSE OF THIS AGREEMENT**

30. The Parties shall attempt to resolve informally any dispute(s) that may arise under this Settlement Agreement. If the Parties are unable to reach a resolution after reasonably seeking to resolve a dispute that arises under this Settlement Agreement, then any Party may move the Court for resolution, but only after:

- a. Providing written notice to the other Party(ies) of the dispute at least thirty (30) calendar days prior to filing such a motion; and
- b. Submitting with its motion a written certification that it has conferred with counsel for the other Party(ies) and unsuccessfully attempted to resolve the issue through reasonable negotiation.

31. The thirty (30) calendar day period of written notice and attempted resolution may be waived by the Court if the matter, in the Court's judgment, requires a more immediate resolution.

32. In the event this Agreement or its implementation is challenged by the filing of an action, including a claim for entitlement to damages arising out of the implementation of this Agreement, the Parties shall fully defend the lawfulness of this Agreement. If such collateral challenge arises in state court, the Parties shall promptly seek to remove such action to federal court.

### **IX. NO ADMISSION OF LIABILITY**

33. This Settlement Agreement does not constitute and shall not be deemed to be a finding, determination, or adjudication by the Court, nor an admission by any Party, regarding the merits, validity, or accuracy of any of the allegations, claims, or defenses. This Settlement Agreement represents the compromise of disputed claims that the Parties recognize would

require contested, protracted, costly, and burdensome litigation to otherwise resolve. Defendants deny that they have any policy or engaged in any pattern or practice of unlawful discrimination, or that they have violated any applicable law, statute, regulation, or policy, including, but not limited to, the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5.

34. Nothing in this Settlement Agreement shall be used or construed as an admission of liability and this Settlement Agreement shall not be offered or received in evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature or for any other purpose, other than to enforce the terms of this Settlement Agreement.

#### **X. GENERAL RELEASES OF ALL CLAIMS**

35. Named Plaintiffs’ Release. As of the Effective Date and except as to the rights and obligations provided for under the terms of this Settlement Agreement, Named Plaintiffs, on behalf of themselves and/or their respective heirs, assigns, beneficiaries, and successors or affiliates, shall automatically be deemed to have fully and irrevocably released and forever discharged Defendants, and all of their past, present and future predecessors, successors, parents, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, members or owners, representatives, attorneys, insurers, and agents, from any and all losses, fees, charges, complaints, claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, legal, statutory, or equitable, based in

contract, tort, or any other theory, that results or may result from, arise out of, and/or relate to the conduct, omissions, duties, or facts prior to the Effective Date that Named Plaintiffs alleged or could have alleged arising out of the allegations set forth in the Civil Action, including without limitation all class and/or individual claims that were or could have been brought for declaratory, injunctive, monetary, or any other relief arising from the conduct, omissions, duties, or facts and allegations set forth in the Civil Action that have been contemplated in any manner by the Court in this Civil Action.

36. Class Members' Release of Class and/or Individual Claims. As of the Effective Date and except as to the rights and obligations provided for under the terms of this Settlement Agreement, all Class Members, on behalf of themselves and/or their respective heirs, assigns, beneficiaries, and successors or affiliates, shall automatically be deemed to have fully and irrevocably released and forever discharged Defendants, and all of their past, present and future predecessors, successors, parents, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, members or owners, representatives, attorneys, insurers, and agents, from any and all losses, fees, charges, complaints, claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, legal, statutory, or equitable, based in contract, tort, or any other theory, that results or may result from, arise out of, and/or related to the conduct, omissions, duties, or facts and allegations set forth in the Civil Action, including but not limited to all class and/or individual claims that were or could have been brought by any individual Class Member for declaratory, injunctive, monetary, or any other relief arising from the conduct, omissions, duties, or facts and allegations set forth in the Civil Action that have been contemplated in any manner by the Court in this Civil Action.

37. Named Plaintiffs and Class Members who do not opt out, and their attorneys, shall be released, acquitted, and forever discharged from any and all claims, demands, actions, suits and causes of action, whether class, individual or otherwise in nature, that the Defendants ever had, now have, or hereafter can, shall, or may have on account of, or in any way arising out of, any and all known and unknown, foreseen and unforeseen, suspected or unsuspected injuries or damages, and the consequences thereof, in any way arising out of the claims or causes of action asserted in the Civil Action.

38. The releases set forth in this Part X shall not encompass or be deemed to impair any claims that may arise out of the implementation of this Settlement Agreement.

39. The provisions of this Settlement Agreement are not intended to eliminate or terminate any rights otherwise available to the Parties for acts by a Party occurring after the Effective Date.

## **XI. PUBLICITY**

40. The Parties, Plaintiffs' Counsel, and Defense Counsel agree that they will prepare and publish, in an agreed upon manner, a Joint Press Release in the form attached hereto as Exhibit 5 (the "Joint Press Release"). Other than the Joint Press Release, the Parties, Plaintiffs' Counsel, and Defense Counsel agree that neither they nor any of them will notify or direct any third party to notify any member of the media regarding the terms and/or conditions of this Settlement Agreement., nor shall they (or any of them) issue, promote, or influence any other press release or other publication to the media. In addition, the Class Representatives and Class Members shall not post or disseminate the terms of this Settlement Agreement on any social media or website. In response to any media or other inquiries or if otherwise contacted regarding this Civil Action or the Settlement, Named Plaintiffs, Plaintiffs' Counsel, and/or the Class

Members may respond only generally that the case has been settled by mutual agreement and the Settlement was a fair and reasonable result.

## **XII. MODIFICATION**

41. No waiver, modification, or amendment of any term of this Agreement will be effective unless made in writing, approved by counsel for the Parties, and approved and entered by the Court.

## **XIII. SEVERABILITY AND CONSTRUCTION**

42. Whenever possible, each term of this Settlement Agreement will be interpreted in such a manner as to be valid and enforceable, provided, however, that in the event any term of this Settlement Agreement should be determined to be or rendered invalid or unenforceable, all other terms of this Settlement Agreement will remain in force. If application of any term of this Settlement Agreement to any person or circumstance should be determined to be invalid or unenforceable, the application of such term to other persons and circumstances will remain in force and unaffected to the extent permitted by law.

43. The terms of this Settlement Agreement are the product of joint negotiation and will not be construed as having been authored by one party rather than another.

44. The captions or headings in this Settlement Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Settlement Agreement.

## **XIV. GENERAL PROVISIONS**

45. On the date that the Parties have executed this Settlement Agreement, the Parties shall be bound by its terms, and this Settlement Agreement shall not be rescinded except in accordance with paragraph 48.

46. After the Court has preliminarily approved this Settlement Agreement and before the Court issues a Final Approval Order approving this Settlement Agreement, disbursements of reasonable Claims Administration Costs may be made from the Administrative Costs Account as set forth in paragraph 5(b).

47. In no event shall Plaintiffs, Defendants, or their counsel have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such distribution and administration, except as expressly otherwise provided in this Settlement Agreement.

48. If the Court does not approve this Settlement Agreement or any part thereof, or if such approval is materially modified or set aside on appeal, or if the Court enters the Final Approval Order and appellate review is sought, and following appellate review, such Final Approval Order is not ultimately affirmed upon exhaustion of the judicial process, then Defendants and Plaintiffs shall each, in their sole discretion, have the option to rescind this Settlement Agreement in its entirety, and any and all parts of the Settlement Fund, inclusive of interest accrued shall be returned forthwith to Defendants.

49. Plaintiffs and Defendants expressly reserve all of their rights if the Settlement Agreement does not become finally approved or if it is properly rescinded by the Plaintiffs or Defendants under paragraph 48.

50. Defendants agree to cooperate with Plaintiffs by providing to the Claims Administrator documents and electronic information required to facilitate Notice to the Class, eligibility determinations, and allocation and distribution of the fund to Qualified Class Members.

51. This Settlement Agreement constitutes the entire agreement between Plaintiffs and Defendants pertaining to the Settlement of the Civil Action and supersedes any and all prior and contemporaneous undertakings of Plaintiffs and Defendants in connection therewith. This Settlement Agreement may be modified or amended only by a writing executed by Plaintiffs and Defendants and approved by the Court.

52. This Settlement Agreement may be executed in counterparts by Plaintiffs and Defendants.

53. Nothing expressed or implied in this Settlement Agreement is intended to or shall be construed to confer upon or give any person or entity other than Named Plaintiffs, Class Members, and Defendants, any right or remedy under or by reason of this Settlement Agreement.

54. The undersigned persons represent that they are authorized to enter into this Settlement Agreement on behalf of the Parties they represent, and, on behalf of themselves and the Parties they represent, hereby agree to use their best efforts to obtain all approvals necessary and to do all other things necessary or helpful to effectuate the implementation of this Settlement Agreement according to its terms, including the exchange of documents and materials needed for the purpose of providing the Notice and conducting any hearing, and to satisfy the material conditions of this Settlement Agreement.

55. Deadlines set forth herein may be modified by order of the Court.

56. The date of submission of any document submitted in connection with this Agreement shall be determined as follows:

- a. Mail: Considered submitted on the postmark date.
- b. Overnight Delivery: Considered submitted on the date delivered to the carrier.



- c. Facsimile: Considered submitted on the transmission date at the local time of the submitting party.
- d. Email: Considered submitted on the date emailed at the local time of the submitting party.
- e. Other Delivery or any situation where the governing date applicable to a category above cannot be determined: Considered submitted on the date of receipt.

The date of submission of documents submitted to Class Counsel, Defense Counsel, Defendant or the Court rather than to the Claims Administrator shall be determined under the same criteria; to the extent subparagraph (e) applies in such circumstance, receipt by such party shall control.

#### **XV. COMPUTATION OF TIME AND DEADLINES**

57. In computing any period of time prescribed or allowed by this Agreement, unless otherwise stated, “days” refers to business days. If any deadline referenced in this Agreement falls on a weekend or a federal holiday, the deadline will be moved to the next business day.

58. The Parties recognize that, from time to time, unforeseen events, such as exigent business circumstances, personnel issues, and contract negotiations with third parties, cause delays in the accomplishment of objectives, no matter how well intentioned and diligent the Parties may be. Accordingly, with regard to provisions of this Settlement Agreement that require that certain acts be taken within specified periods, except as otherwise provided, the Parties understand and agree that Court approval will not be required for reasonable extensions of deadlines. In the event that any Party determines that an action required by this Settlement Agreement cannot be taken within the specified time period, that Party will promptly notify the other Party/Parties that it anticipates a delay, the reason for the delay, and a reasonable proposed

alternative deadline. The Parties will endeavor to cooperate in reasonably adjusting such deadlines.

#### **XVI. COSTS, EXPENSES, AND FEES**

59. Each Party shall bear its own costs, expenses, and attorney's fees incurred in connection with this Litigation, including any costs, expenses, and attorney's fees incurred as a result of obligations imposed by this Settlement Agreement.

#### **XVII. NOTICE UNDER THE CLASS ACTION FAIRNESS ACT**

60. The Class Action Fairness Act of 2005 ("CAFA") requires Defendants to inform certain federal and state officials about this Settlement. *See* 28 U.S.C. § 1715.


61. Under the provisions of CAFA, Defendants will service notice on the appropriate officials within ten (10) days after the Parties file the Settlement Agreement with the Court. *See* 28 U.S.C. 1715(b).

#### **XVIII. VENUE**

62. This Settlement Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the United States and the State of Indiana, and all claims relating in any way to this Settlement Agreement shall be brought in the United States District Court for the Southern District of Indiana.

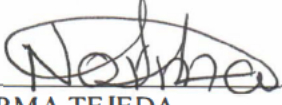


AGREED TO/ACEPTÓ:  <u>Marta de la Luz Gaspar Casas</u> MARIA GASPAR  DATE/FECHA: <u>12-30-2022</u> AGREED TO/ACEPTÓ:    <u>FRANKLIN PAZ</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>CORDELL SPENCER</u>  DATE/FECHA:	AGREED TO/ACEPTÓ:    <u>MORY KAMANO</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>NORMA TEJEDA</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>FAIR HOUSING CENTER OF CENTRAL INDIANA, INC.</u>  DATE/FECHA:
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AGREED TO/ACEPTÓ:  _____ MARIA GASPAR  DATE/FECHA:	AGREED TO/ACEPTÓ:   12/28/2022 _____ MORY KAMANO  DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ FRANKLIN PAZ  DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ NORMA TEJEDA  DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ CORDELL SPENCER  DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC.  DATE/FECHA:

AGREED TO/ACEPTÓ:  _____ MARIA GASPAR DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ MORY KAMANO DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ Franklin Paz FRANKLIN PAZ DATE/FECHA: 28/12/2022	AGREED TO/ACEPTÓ:  _____ NORMA TEJEDA DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ CORDELL SPENCER DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA:



AGREED TO/ACEPTÓ:  _____ MARIA GASPAR  DATE/FECHA: AGREED TO/ACEPTÓ:  _____ FRANKLIN PAZ  DATE/FECHA: AGREED TO/ACEPTÓ:	AGREED TO/ACEPTÓ:  _____ MORY KAMANO  DATE/FECHA: AGREED TO/ACEPTÓ:   _____ NORMA TEJEDA  DATE/FECHA: 12/28/22 AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA:
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AGREED TO/ACEPTÓ:

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MARIA GASPAR

DATE/FECHA:

AGREED TO/ACEPTÓ:

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FRANKLIN PAZ

DATE/FECHA:

AGREED TO/ACEPTÓ:

*Cordeell Spencer*  
CORDELL SPENCER

DATE/FECHA:

*Dec 30, 2022*

AGREED TO/ACEPTÓ:

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MORY KAMANO

DATE/FECHA:

AGREED TO/ACEPTÓ:

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NORMA TEJEDA

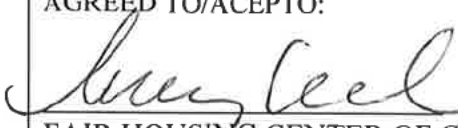
DATE/FECHA:

AGREED TO/ACEPTÓ:



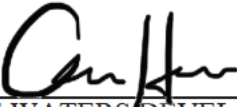
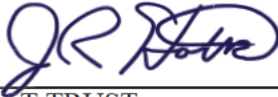
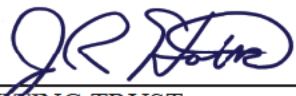


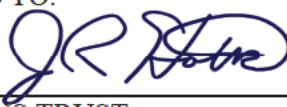

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FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC.

DATE/FECHA:

AGREED TO/ACEPTO:  _____ MARIA GASPAR DATE/FECHA: AGREED TO/ACEPTO:  _____ FRANKLIN PAZ DATE/FECHA: AGREED TO/ACEPTO:  _____ CORDELL SPENCER DATE/FECHA:	AGREED TO/ACEPTO:  _____ MORY KAMANO DATE/FECHA: AGREED TO/ACEPTO:  _____ NORMA TEJEDA DATE/FECHA: AGREED TO/ACEPTO:  FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA: 12/28/2022
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<p>AGREED TO:</p> <p></p> <p>RAINBOW REALTY GROUP, INC. James R Hotka, President</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>EMPIRE HOLDING CORPORATION James R Hotka, President</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SHORE WATERS DEVELOPMENT LLC Christopher J Hotka Member and Manager</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>ALLEY CAT TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SPORTING TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>SUNFLOWER TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SUNSHINE TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>REDSKINS TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>JAMES R. HOTKA James R Hotka</p> <p>DATE: January 4, 2023</p>	

# **EXHIBIT 1**

**INSTRUCTIONS**

**READ ALL INSTRUCTIONS CAREFULLY BEFORE FILLING OUT THE CLAIM FORM**

1. Fill in all blank spaces in the claim form with clearly printed or typed information.
2. You must sign and date the claim form.
3. By signing your claim form, you are declaring under penalty of perjury that the information provided is true and correct. Please understand that you could be subject to criminal penalties for submitting any false information on your form.
4. If you have any questions about this form, call the Claims Administrator at [###]. There is no fee for any service or assistance provided by the Claims Administrator. **DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT.**
5. Mail your signed and completed claim form to: [ADDRESS]. **YOUR CLAIM FORM MUST BE POSTMARKED ON OR BEFORE [DATE]. LATE CLAIM FORMS WILL NOT BE CONSIDERED.**
6. If your address changes at any time, mail your new address to the Claims Administrator at the address above. Any change of address must be in writing and include your signature.
7. You do not need an attorney to help you submit a claim form. If you do wish to consult an attorney, however, you may do so at your own expense.
8. Please keep a copy of the completed form for your records.

# RAINBOW REALTY GROUP, INC., CLASS ACTION CLAIM FORM

*Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*  
*Case No. 1:17-cv-1782-JMS-TAB*

FULL NAME: \_\_\_\_\_  
Last First Middle

STREET ADDRESS: \_\_\_\_\_  
Street No. Street Name Apt. No.

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Daytime Evening

SOCIAL SECURITY #: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_

1. Did you enter into a Rent-to-Buy agreement (entitled "Purchase Agreement") with Rainbow Realty Group, Inc., and/or an affiliated entity on January 1, 2009, or any date thereafter?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. If you answered yes to Question 1, have you paid off your RTB Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. I understand that I could be subject to criminal penalties for submitting any false information on this claim form.

\_\_\_\_\_  
Signature

Executed on \_\_\_\_\_  
(today's date)

**MAIL THIS FORM TO: [ADDRESS]**

**THIS CLAIM FORM MUST BE POSTMARKED ON OR BEFORE [DATE]**

**LATE CLAIM FORMS WILL NOT BE CONSIDERED**

### **INSTRUCCIONES**

#### **LEA DETENIDAMENTE TODAS LAS INSTRUCCIONES ANTES DE LLENAR EL FORMULARIO DE DEMANDA**

1. Llene todos los espacios en blanco que hay en el formulario de demanda con información escrita a máquina o impresa de la manera legible.
2. Usted debe firmar y fecha el formulario de demanda.
3. Al firmar su formulario de demanda, usted está declarando bajo pena de perjurio que la información provista es veraz y correcta. Sírvese tener presente que usted podría ser pasible de sanciones penales por presentar información falsa en su formulario.
4. Si usted tiene alguna pregunta sobre este formulario, llame al Administrador de Demandas al [###]. No se aplica arancel alguno por ningún servicio ni asistencia provistos por el Administrador de Demandas. **NO SE COMUNIQUE CON EL TRIBUNAL NI CON EL SECRETARIO DEL TRIBUNAL.**
5. Envíe por correo su formulario de demanda firmado y completo dirigido a: [DIRECCIÓN]. **SU FORMULARIO DE DEMANDA DEBE ESTAR MATASELLADO O A MÁS TARDAR EL DÍA [FECHA]. NO SE CONSIDERARÁN FORMULARIOS DE DEMANDA PRESENTADOS EN FORMA TARDÍA.**
6. Si usted cambia su domicilio en cualquier momento, envíe por correo su nuevo domicilio al Administrador de Demandas a la dirección consignada más arriba. Todo cambio de domicilio debe notificarse por escrito y tiene que incluir su firma.
7. No hace falta que cuente con la ayuda de un abogado para presentar un formulario de demanda. No obstante, si desea consultar a un abogado, usted podrá hacerlo a su propio cargo y costo.
8. Sírvese conservar una copia del formulario completo para sus registros.

# RAINBOW REALTY GROUP, INC., FORMULARIO DE DEMANDA MEDIANTE ACCIÓN DE CLASE

*Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*  
*Caso Nro. 1:17-cv-1782-JMS-TAB*

NOMBRE COMPLETO:

\_\_\_\_\_  
Nombre                      Apellido                      Primer Nombre                      Segundo

DIRECCIÓN FÍSICA:

\_\_\_\_\_  
Calle Nro.                      Nombre de la Calle                      Depto. Nro.

CIUDAD: \_\_\_\_\_ ESTADO: \_\_\_\_\_ CÓDIGO POSTAL: \_\_\_\_\_

TELÉFONO: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Horario diurno                      Vespertino

NRO. DEL SEGURO SOCIAL: \_\_\_\_\_ FECHA DE NACIMIENTO: \_\_\_\_\_

1. ¿Celebró usted un contrato de alquiler con opción de compra (denominado «Contrato de Compraventa») con Rainbow Realty Group, Inc., y/o con alguna entidad afiliada el día 1.º de enero de 2009, o en cualquier fecha posterior?

Sí \_\_\_\_\_ No \_\_\_\_\_

2. Si usted respondió que sí a la Pregunta 1, ¿usted ya canceló totalmente su Contrato de Alquiler con Opción de Compra?

Sí \_\_\_\_\_ No \_\_\_\_\_

Al firmar su formulario de demanda, usted está declarando bajo pena de perjurio que la información provista es veraz y correcta. Entiendo que yo podría ser pasible de sanciones penales por presentar información falsa en su formulario.

\_\_\_\_\_  
Firma

Firmado el día \_\_\_\_\_  
(fecha de hoy)

**ENVÍE POR CORREO ESTE FORMULARIO A: [DIRECCIÓN]**

**EL PRESENTE FORMULARIO DE DEMANDA DEBE ESTAR MATASELLADO A MÁS TARDAR EL DÍA [FECHA].**

**NO SE CONSIDERARÁN FORMULARIOS DE DEMANDA PRESENTADOS EN FORMA TARDÍA.**

# **EXHIBIT 2**



<b>Declarant Name</b>	<b>Address of Rainbow Home</b>
Augusta Allen	3901 N. Srathmore Drive, Indianapolis, IN 46235
Christopher Allen	3245 N. Arsenal Avenue, Indianapolis, IN 46218
Jose Alvarez	17 N. Tacoma Avenue, Indianapolis, IN 46201
Gail Brewer	521 Chase Street, Anderson, Indian 46016
Jay Burnett	9919 Maureen Drive, Indianapolis, IN 46235
Edna Cardenas	1145 W. 32 <sup>nd</sup> Street, Indianapolis, IN 46208
Crystal Coffey	1915 W. Lambert Street, Indianapolis, IN 46221
Teriana Davis	3245 Arsenal Avenue, Indianapolis, IN 46218
Amanda Gilman	1201 N. Denny Street, Indianapolis, IN 46201
Robert Graves	420 S. Oakland Avenue, Indianapolis, IN 46219
Tanya Mitchell	1110 N. Tibbs Avenue, Indianapolis, IN 46222
Tod Northington	2101 S. Barth Avenue, Indianapolis, IN 46203
Jennifer Osborne	1129 N. Gale Street Indianapolis, IN 46201
Carmen Santiago Pagán	1317 S. Shepard Street, Indianapolis, IN 46221
Odell Palmore	3353 N. Arsenal Avenue, Indianapolis, IN 46218
Marva Perkins	9919 Maureen Drive, Indianapolis, IN 46235

Jairo T. Pineda	2214 N. Webster Avenue, Indianapolis, IN 46219
Keith Sharp	931-33 N. Rural, Indianapolis, IN 26201
Elizabeth Stephens	2014 N. Colorado Avenue, Indianapolis, IN 46218
Jose Taveras	1145 W. 32 <sup>nd</sup> Street, Indianapolis, IN 46208
Gaylon Townsell Sr.	3286 N. Ralston Avenue, Indianapolis, IN 46218
Eva Watts	3705 N. Graceland Avenue, Indianapolis, IN 46208

# **EXHIBIT 3**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-1782-JMS-TAB

**THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.**

**TO: All customers who entered into a Rent-to-Buy Agreement with Rainbow Realty Group, Inc. or any affiliated entity from January 1, 2009 to September 20, 2019**

THIS IS A COURT-ORDERED NOTICE.  
THIS IS NOT A SOLICITATION FROM A LAWYER.

This notice is to inform you of a proposed Settlement that has been reached in a class action lawsuit brought by customers who entered into Rent-to-Buy Agreements with Rainbow Realty Group, Inc. and/or affiliated entities (collectively, “Rainbow” or “Defendants”) from January 1, 2009 to September 30, 2019 and have not paid off their agreements. The proposed settlement, if granted final approval by the Court, will result in a total Settlement Fund of \$525,000 to pay all Plaintiff Class Members’ claims, \$125,000 to pay the individual claims of the Named Plaintiffs, and \$50,000 for administrative costs. **If you are a Class Member, you are eligible to receive a share of the Settlement Payment.** The proposed settlement also requires Rainbow to adopt certain training and policies.

IF THIS NOTICE IS ADDRESSED TO YOU, YOU HAVE BEEN IDENTIFIED AS A POTENTIAL CLASS MEMBER. As a Class Member, you have the right to know about this Settlement and how this Settlement may generally affect your legal rights. This notice describes the lawsuit, the Settlement, the legal rights of all Class Members, and the applicable deadlines. Your options are explained in this notice and summarized in the following chart:

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
<b>PARTICIPATE IN THE SETTLEMENT</b>	To participate in the Settlement, you must submit a Claim Form. Submitting a Claim

	Form is the only way that you can receive a share of the Settlement Fund. A Claim Form is included with this notice. You are not required to retain your own attorney to file a Claim Form, and you will not be required to pay any money for the services of Plaintiffs' Counsel.
<b>OPT OUT OF THE SETTLEMENT</b>	If you opt out of the Settlement, you will not be eligible to receive a share of the Settlement Fund.
<b>OBJECT</b>	You have the right to object to the proposed Settlement. To do so, you must submit a written objection to the Court, as described more fully in this notice. You cannot object to the Settlement unless you are a Class Member and you do not opt out of the Settlement
<b>DO NOTHING</b>	If you are a Class Member and do not submit a Claim Form, you will not be eligible to receive a share of the Settlement Fund. You will, however, remain a Class Member, which means that you will be bound by any judgments or orders entered by the Court in this lawsuit.

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## BASIC INFORMATION

### 1. Why did I get this notice?

Plaintiffs and Defendants are asking the Court to allow or “certify” for settlement a class in a class action lawsuit that affects you. Rainbow’s records show that you entered into a Rent-to-Buy Agreement with Rainbow between January 1, 2009 and September 30, 2019 and have not paid off that agreement. This notice explains that the Plaintiffs and Rainbow have presented a settlement of the lawsuit to the Court, asked the Court to approve it, and received preliminary approval. The Honorable Jane E. Magnus-Stinson of the United States District Court for the Southern District of Indiana is overseeing this class action. The lawsuit is known as *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, Civil Action No. 1:17-cv-1782.

### 2. What is this lawsuit about?

This lawsuit is about whether Rainbow failed to follow state and federal fair housing and lending laws, discriminated on the basis of race or national origin, and violated state habitability laws in its administration of its Rent-to-Buy (“RTB”) program.

### 3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” sue on behalf of other people who have similar claims. The people together are a “class” or “class members.” The RTB customers who sued on behalf of the class are also called the Plaintiffs. The companies they sued are called the Defendants. One court resolves the issues for everyone in the class—except for those people who choose to opt out of the class. The class action approach avoids the need for numerous people to file similar individual lawsuits, and it allows the court system to resolve these claims in an efficient and economical way.

## THE CLAIMS IN THIS LAWSUIT

### 4. What does this lawsuit complain about?

In the lawsuit, the Plaintiffs say that Defendants engaged in a pattern or practice of intentional discrimination on the basis of race, color, and/or national origin in their administration of the Rent-to-Buy Agreement. The Plaintiffs also say that Defendants’ program had a disparate impact on Black and Latino customers, meaning that even though the program was neutral on its face, it disadvantaged Black and Latino customers in ways that cannot be legally justified. Plaintiffs also say that Defendants failed to follow a federal fair lending law and provide required notices about the terms of the RTB Agreements and deceived customers about the terms of the RTB agreements in violation of a state fair lending law. Finally, Plaintiffs claim that Defendants failed to provide their customers with habitable homes. The Plaintiffs claim that these practices violated the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5 and originally claimed that the practices also violated the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*

## **5. How do the Defendants answer?**

Defendants deny that the state and federal fair lending regulations apply to the Rent-to-Buy program on the ground that the Rent-to-Buy agreement is a typical lease, rather than a loan to purchase the home. Defendants also deny that they have engaged in a pattern or practice of intentional racial discrimination and that the program has have a disparate impact on Black and Latino customers. Finally, Defendants deny that the conditions of homes in the Rent-to-Buy program violates Indiana habitability laws.

## **6. What does the lawsuit ask for?**

The Plaintiffs filed this case to seek money that customers paid to Defendants, the finance charges agreed to, the cost of the work customers did on their RTB homes, damages for emotional distress, and other relief for class members. The lawsuit also asked for declaratory relief that Defendants had violated the FHA, ECOA, TILA, Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5, and an injunction prohibiting them from continuing to do so.

## **7. What has the Court decided?**

The Court has already made numerous decisions affecting the claims in this case. First, the Court has decided that only certain claims can be pursued on a class-wide basis. In particular, the Court decided that the Class's claims for money damages that the Defendants discriminated on the basis of race and national origin, one of its federal fair lending claims, and three of the issues Plaintiffs raised under state fair lending laws cannot be decided on a class basis. This means that the Class could not seek relief for these claims in this litigation unless the Court's decisions were reversed by an appeals court.

The Court has also decided that Defendants won on the remaining state law fair lending class claim, the class claim that Defendants violated the Indiana habitability statute, the federal fair lending claims under TILA, most of the claims under ECOA, and Plaintiffs' disparate impact claim under the FHA. Plaintiffs decided it would be in the best interests of the Class to dismiss the small number of claims under ECOA that the Court had not yet addressed.

Were this case to go to trial, the only claims that would be tried would be (a) class claims seeking declaratory and injunctive relief that Defendants intentionally discriminated on the basis of race and national origin under the Fair Housing Act; (b) the Plaintiffs' individual intentional discrimination claims for damages under the FHA; and (c) Plaintiffs' individual claims that Defendants violated state habitability and fair lending laws. Even if Plaintiffs won at trial, Class Members would not receive any damages and any entitlement to class damages would be dependent on an appeals court reversing some of the Court's decisions.

# **WHO IS IN THE CLASS?**

## **8. Am I part of this class?**

If this notice is addressed to you, Rainbow's records indicate that you are part of the class. If you fit within the class definition below and submit a claim form, you will be included as part of the class and receive a payment unless you ask to opt out. If you do not opt out and do not submit a



claim form, you will be a member of the class and bound by the Court's decisions in this case, but will NOT receive a payment. You do not have to have participated in this lawsuit in any way up to this point in order to be a Class Member.

The Court's class definition includes all customers who entered into a Rent-to-Buy Agreement with any Defendant or any individual land trust associated with any Defendant from January 1, 2009 to September 30, 2019. If multiple persons signed a single RTB Agreement, all of those persons collectively are considered a single Class Member. If you fit this class definition, you are a member of the Class, even if you signed a Conditional Sales Contract with a Defendant.

#### **9. Who are the Class Representatives?**

The Class Representatives are Maria Gaspar, Franklin Paz, Norma Tejeda, Mory Kamano, and Cordell Spencer. The Court decided that these customers who entered into RTB Agreements with Rainbow and have not paid off their RTB Agreements fairly and adequately represent the interests of the class.

### **Summary of Proposed Settlement Agreement**

#### **10. How much money will be paid to class members?**

Under the proposed settlement, the Defendants will pay \$525,000 to settle the class claims, an additional \$175,000 to settle the individual claims of the Named Plaintiffs, including the Class Representatives and the Fair Housing Center of Central Indiana, Inc, and \$50,000 in administrative costs.

The \$525,000 Class Settlement Payment shall be designated for payments to Class Members. The individual allocation to each Class Member will be calculated by the Claims Administrator, who has had no prior role in this litigation. They will rely on information provided by Defendants to calculate the allocation. The Claims Administrator will calculate the individual allocation to Class Members as follows:

- a. Each Class Representative shall receive \$5,000 in recognition of the Class Representatives' significant efforts in bringing and prosecuting this action for the five years it has been pending, including involvement in litigation strategy, provision of information to Class Counsel, responding to Defendants' discovery requests, appearing and testifying at depositions noticed by Defendants, and advancing the interests of the class.
- b. Each Declarant, or person who submitted a declaration in this case, who submits a Claim Form shall receive \$2,500 in recognition of their substantial contribution to key filings in this case.
- c. The balance of the \$525,000 shall be distributed to Class Members who properly submit Claim Forms (including Class Representatives and Declarants) as reimbursement for the damages they incurred that may be compensable pursuant to the claims alleged in the Third Amended Complaint. A Class Member's

allocation will be based, as specified in more detail below, on (a) the length of time between when the RTB Agreement was signed and the date the home was vacated or a conditional sales contract was signed; (b) the monthly payment; and (c) the date when the customer entered into the RTB Agreement. The Distribution Amount for each Class Member who properly submits a Claim Form will be calculated by multiplying each Individual Distribution Factor by the Distribution Basis. Each Class member's Individual Distribution Factor will be calculated by one of the following methods:

(1) For all Class Members who signed their RTB Agreement between January 1, 2009 and May 30, 2012 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, and (c) all divided by 1000.  $([\# \text{ of months on RTB Agreement}][\text{monthly payment}])/1000$

(2) For all Class Members who signed their RTB Agreement between May 31, 2012 and May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; and add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000.  $([\# \text{ of months on RTB Agreement}](\text{monthly payment})/1000 + ([\text{monthly payment}] \times [\# \text{ of months of RTB agreement}]) - [\text{purchase price}])/6000$

(3) For all Class Members who signed their RTB Agreement after May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000; and (a) all multiplied by 1.25.  $(([\# \text{ of months on RTB Agreement}](\text{monthly payment})/1000 + ([\text{monthly payment}] \times [\# \text{ of months of RTB agreement}]) - [\text{purchase price}])/6000) \times 1.25$

- d. The Class Administrator shall determine, based on the applicable above-stated formulation, the Individual Distribution Factor for each Class Member who submitted a valid claim. The Distribution Basis shall be calculated by subtracting the sum of \$5,000 for each Class Representative and the amount designated to be paid to Declarants from \$525,000 and dividing the result by the sum of all Individual Distribution Factors.

- e. The proposed allocation provides that the Settlement Payments will be entirely exhausted by distributions to Class Members who properly submit claims forms. There are no remaining funds following those distributions.
2. The additional \$175,000 will be designated for payments for the Named Plaintiffs' individual claims. Each of the Class Representatives will receive a payment of \$25,000. These payments are compensatory damages for their individual claims for damages under state law and the Fair Housing Act, which, unlike class members' claims, were poised to go to trial, \$50,000 shall be designated for payment to the Fair Housing Center of Central Indiana, Inc., another plaintiff, as compensation for its diversion of resources and frustration of mission as a result of Defendants' alleged actions.

#### **11. How much money will be paid to Class Counsel?**

Plaintiffs' counsel will not receive any payment as a result of this Settlement.

#### **12. How will the rest of the money be used?**

\$50,000 will be used to pay administrative costs related to the Settlement. This includes funds to pay for the Claims Administrator, who will mail and process claim forms, process payments to Class Members, calculate allocations to Class Members, and notify Class Members about this Settlement.

#### **13. What changes to Defendants' policies does this settlement require?**

In addition to the monetary payment, the settlement requires Defendants to train certain personnel about the fair housing laws, lending discrimination, and predatory lending annually for a period of three years and to adopt a Fair Housing Policy. Defendants have also agreed to comply with the provisions of the FHA, ECOA, TILA, the Indiana Home Loan Practices Act ("HLP"), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5.

### **Your Rights and Options**

#### **14. What do I do to receive a payment from the Settlement?**

**If you wish to receive a payment from this settlement, you should properly complete the Claim Form included with this notice using the pre-addressed, stamped envelope before [DATE].** If you do nothing, you will not receive a share of the Settlement Payment. You will be bound by the Court's decision and will have released all claims against Rainbow related to the allegations raised in this lawsuit.

You are not required to retain your own attorney to remain in this lawsuit or to request or file a Claim Form or questionnaire. You will not be required to pay any money for the services of Class Counsel or their representatives and assistants.

If you remain in the lawsuit, and if the Court grants final approval of the proposed Settlement, then you will be bound by all of the terms of the Settlement. This means that you will not be able to bring a separate lawsuit or other legal proceeding against Defendants related to the allegations and claims described above that are included in this lawsuit. Nor will you be able to challenge the Settlement Agreement after it has been finally approved by the Court. You will be legally bound by all of the orders the Court issues and the judgments the judge and jury make in this class action. To receive a share of the Settlement Payment, you will additionally have to submit a claim form.

### **15. Why would I ask to opt out?**

You might choose to opt out of the settlement if you believe that Defendants did not violate the law. For example, you might opt out if you believe Rainbow provided you with a habitable home, did not violate fair lending laws, or did not discriminate against Black and Latino communities in the way it operated its Rent-to-Buy program.

You might also choose to opt out if you wish to bring or have already brought a separate lawsuit related to the facts and claims alleged in this lawsuit. If you decide to opt out and pursue your own claim, you will have to hire and arrange for payment of your own lawyer, or represent yourself, and you will have to prove your own claims. If you are considering opting out from this lawsuit so that you can pursue a claim against Defendants for the same claims alleged in this lawsuit, you should consult your lawyer immediately to determine if opting out is in your best interest.

### **16. How do I ask the Court to opt out of the Settlement?**

To opt out of the settlement, you must send a written, signed letter by First Class U.S. Mail stating that you want to opt out from *Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.* The letter must state the following: “I opt out of the *Fair Housing Center of Central Indiana v. Rainbow Realty, Inc.* Settlement.”

The letter must include your name, current address, email address(es), and telephone number. Be sure to include the case name and case number (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, No. 1:17-cv-1782) and sign the letter. You must mail your Opt Out Statement by 61 calendar days after the entry of the Final Approval Order, if there are no appeals; or, if there is any appeal of the Final Approval Order, the day after all appeals are finally resolved in favor of final approval of this Settlement Agreement to: [Claims Administrator Address]. If you do not request exclusion or if your letter of exclusion is not postmarked on or before the due date, you will be included in the class. Late requests to be excluded from the class will not be effective.

## **Hearing on Proposed Settlement Agreement**

### **17. What has to happen before the Settlement becomes final?**

The Court, which has made a preliminary finding that the proposed Settlement is fair and just, has scheduled a hearing (the “Fairness Hearing”) to determine whether it will grant final

approval of the Settlement. The Court will hold this hearing at 10:00 a.m. on May 11, 2023 at the United States District Court for Southern District of Indiana located at the Birch Bayh Federal Building, 46 E. Ohio St., Indianapolis, Indiana, in Courtroom #202.

It is not necessary for you to appear at the hearing or to file anything with the Court before the hearing. If you fit within the Court's definition of the class, then your interests will be adequately represented at the hearing by the named Plaintiffs and Plaintiffs' Counsel.

However, subject to the following requirements, you may submit written comments on the proposed Settlement, and you may speak to the Court, either personally or through your own attorney, at the hearing on May 11, 2023 at 10:00 a.m.

### **18. Can I object to the Settlement?**

If you wish to object to the proposed Settlement, you must send a letter that includes the following:

- Your name, address, and telephone number;
- The name and number of the case (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, No. 1:17-cv-1782)
- The basis for your objection(s);
- Whether you wish to be heard in Court at the Fairness Hearing;
- A list of any witnesses you may call to testify at the Fairness Hearing;
- Copies of any document you intend to present to the Court at the Fairness Hearing and all other documents in support of your objections;
- Your signature

You may not object to the proposed Settlement if you opt out of the Class.

Your objection, along with any supporting material you wish to submit, must be mailed and postmarked no later than [date], to of the [Claims Administrator Address]

### **19. Can I speak at the Fairness Hearing?**

If you wish to request permission to speak at the hearing, you must file with the Court a "Notice of Intent to Appear." Your notice must include the following:

- Your name, address, and telephone number;
- The name of the case (*Moore, et al. v. Johnson*, No. 00-953);
- The name, address, and telephone number of any attorney(s) who will be appearing on your behalf at the Fairness Hearing; and
- Your signature.

You must mail your Notice of Intent to Appear, postmarked no later than to the [Claims Administrator] at [Claims Administrator's address]

Your appearance at the hearing, as well as that of your attorney, will be at your own expense.

## **CLASS COUNSEL**

### **20. Do I have a lawyer in this case?**

The Court decided that attorneys from the law firm Relman Colfax PLLC are qualified to represent you and all Class Members and appointed them to be “Class Counsel.” Contact information for Class Counsel is as follows:

Relman Colfax PLLC  
Attn: Rainbow Team  
1225 Nineteenth St., NW  
Suite 600  
Washington, DC 20036  
Tel. (202) 728-1888  
Fax. (202) 728-0848  
<http://relmanlaw.com>

### **21. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel are working on your behalf. But, if you want your own lawyer, you will have to make your own arrangements for the payment of that lawyer. For example, you can ask him or her to appear at the Fairness Hearing for you if you want someone other than Class Counsel to speak for you.

## **QUESTIONS**

### **22. What if I have questions?**

This notice summarizes the proposed Settlement. The Settlement Agreement and Plaintiffs’ Motion for Preliminary Approval contain more details about the Settlement, the distribution of the Settlement Payment, and the changes to the Defendants’ policies. You can access these documents at \_\_\_\_\_.

Any inquiries by Class Members concerning this notice or the class action should be directed to the Claims Administrator at [phone number]. You can also direct questions, by phone or in writing, to Zoila Hinson or Gabriel Diaz, who can be reached at (202) 728-1888, [zhinson@relmanlaw.com](mailto:zhinson@relmanlaw.com), [gdiaz@relmanlaw.com](mailto:gdiaz@relmanlaw.com), or at Relman Colfax PLLC, 1225 Nineteenth St., NW, Suite 600, Washington, DC 20036.

**TRIBUNAL FEDERAL DE PRIMERA INSTANCIA  
DISTRITO SUR DE INDIANA  
FUERO DE INDIANÁPOLIS**

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Caso Nro. 1:17-cv-1782-JMS-TAB

**LA PRESENTE NOTIFICACIÓN PODRÍA AFECTAR SUS DERECHOS. SÍRVASE  
LEERLA CON DETENIMIENTO.**

**PARA: Todos los clientes que celebraron un contrato de alquiler con opción de compra con Rainbow Realty Group, Inc., o con alguna entidad afiliada desde el día 1.º de enero de 2009 hasta el 20 de septiembre de 2019**

LA PRESENTE ES UNA NOTIFICACIÓN DISPUESTA POR UN TRIBUNAL.  
NO SE TRATA DE UNA GESTIÓN REALIZADA POR UN ABOGADO.

La presente notificación consiste en informarle a usted acerca de la propuesta de un Acuerdo Conciliatorio que se ha alcanzado en un juicio de acción de clase iniciado por los clientes que han celebrado Contratos de Alquiler con Opción de Compra con Rainbow Realty Group, Inc. y/o sus entidades afiliadas (colectivamente aludidas como «Rainbow» o las «Demandadas») entre el 1.º de enero de 2009 y el 30 de septiembre de 2019 y que no han cancelado totalmente sus contratos. El acuerdo conciliatorio propuesto, en caso de que el Tribunal conceda su homologación definitiva, generará un Fondo Conciliatorio total de USD \$525.000 para pagarles sus demandas a todos los Miembros de la Clase de Demandantes, USD \$125.000 para pagar las demandas individuales de los Demandantes Nombrados, y USD \$50.000 en concepto de costos administrativos. **Si usted es Miembro de la Clase, resulta elegible para recibir una parte del Pago del Acuerdo Conciliatorio.** El acuerdo conciliatorio propuesto también le exige a Rainbow adoptar determinadas políticas y medidas de capacitación.

SI LA PRESENTE NOTIFICACIÓN ESTÁ DIRIGIDA A USTED, ES PORQUE USTED HA SIDO IDENTIFICADO COMO POTENCIAL MIEMBRO DE LA CLASE. En calidad de Miembro de la Clase, usted tiene el derecho de saber acerca de este Acuerdo Conciliatorio y cómo éste podría llegar a afectar sus derechos legales. La presente notificación describe el juicio, el Acuerdo Conciliatorio, los derechos legales de todos los Miembros de la Clase y



los respectivos plazos aplicables. Sus opciones se explican en esta notificación y se resumen en el siguiente cuadro:

<b>SUS DERECHOS LEGALES Y OPCIONES EN CUANTO AL ACUERDO CONCILIATORIO</b>	
<b>PARTICIPAR EN EL ACUERDO CONCILIATORIO</b>	Para participar en el Acuerdo Conciliatorio, usted debe presentar un Formulario de Demanda. Presentar un Formulario de Demanda es la única manera en que puede llegar a recibir una parte del Fondo Conciliatorio. Se incluye un Formulario de Demanda en esta notificación. Usted no está obligado a contratar a su propio abogado para presentar un Formulario de Demanda, toda vez que tampoco estará obligado a pagar ninguna suma de dinero por los servicios del Abogado de los Demandantes.
<b>DESISTIR DE PARTICIPAR EN EL ACUERDO CONCILIATORIO</b>	Si usted desiste de participar en el Acuerdo Conciliatorio, no resultará elegible para recibir una parte del Fondo Conciliatorio.
<b>IMPUGNAR</b>	Usted tiene el derecho de impugnar el Acuerdo Conciliatorio propuesto. Para hacerlo, usted debe presentar una impugnación por escrito ante el Tribunal, tal como se describe con mayor detalle en esta notificación. Usted no puede impugnar el Acuerdo Conciliatorio si usted no es Miembro de la Clase y no desiste de participar en el Acuerdo Conciliatorio.
<b>NO HACER NADA</b>	Si usted es Miembro de la Clase y no presenta un Formulario de Demanda, no resultará elegible para recibir una parte del Fondo Conciliatorio. Sin embargo, usted seguirá siendo un Miembro de la Clase, lo cual implica que quedará obligado en virtud de las sentencias y órdenes judiciales dictadas por el Tribunal de este juicio.



## **QUÉ ES LO QUE CONTIENE ESTA NOTIFICACIÓN**

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## INFORMACIÓN BÁSICA

### 1. ¿Por qué recibí esta notificación?

Tanto los Demandantes como las Demandadas le están solicitando al Tribunal que haga lugar u «homologue» para proceder con un acuerdo conciliatorio a una clase en el marco de un juicio de acción de clase que lo afecta a usted. Los registros de Rainbow demuestran que usted celebró un Contrato de Alquiler con Opción de Compra con Rainbow entre el 1.º de enero de 2009 y el 30 de septiembre de 2019 y que no ha cancelado totalmente dicho contrato. Esta notificación explica que los Demandantes y Rainbow han presentado un acuerdo conciliatorio del juicio ante el Tribunal, le han solicitado a éste homologarlo y de hecho ya recibió una homologación preliminar. La Honorable Jueza Jane E. Magnus-Stinson a cargo del Tribunal Federal de Primera Instancia por el Distrito Sur de Indiana está supervisando esta acción de clase. La carátula del juicio se conoce como *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, Acción Civil Nro. 1:17-cv-1782.

### 2. ¿De qué se trata este juicio?

Este juicio gira en torno a la cuestión de si Rainbow incumplió las leyes estatales y federales vigentes en materia de créditos y viviendas justas, y si violó las leyes estatales de habitabilidad en la administración que tuvo a su cargo de su programa de Alquiler con Opción de Compra («RTB», por sus siglas de referencia en inglés).

### 3. ¿En qué consiste y quiénes participan en una acción de clase?

En un juicio de acción de clase, una o varias personas denominadas «Representantes de la Clase» demanda en nombre y representación de otras personas que tiene pretensiones legales similares. Todas esas personas juntas conforman una «clase» o bien son «miembros de la clase». Los clientes del RTB que demandaron en nombre y representación de la clase también se denominan los Demandantes. Las compañías a las que ellos demandaron se denominan las Demandadas. Un tribunal resuelve las cuestiones para todos los integrantes de la clase, excepto por aquellas personas que hayan optado por desistir de participar en la clase. El método de la acción de clase evita la necesidad de que una numerosa cantidad de personas tenga que entablar juicios individuales similares, y además le permite al sistema judicial resolver estas demandas de una manera económica y eficiente.

## LAS DEMANDAS PLANTEADAS EN ESTE JUICIO

### 4. ¿Cuál es la pretensión que se esgrime en este juicio?

En el juicio, los Demandantes aducen que las Demandadas incurrieron en un patrón o práctica de discriminación dolosa basada en la raza, el color y/o la nacionalidad en su administración del Contrato de Alquiler con Opción de Compra. Los Demandantes también afirman que el programa de las Demandadas tuvo un impacto dispar sobre los clientes negros y latinos, lo cual implica que si bien el programa lucía aparentemente neutral, puso en desventaja a los clientes negros y latinos de maneras que no encuentran ningún justificativo legal. Los Demandantes también aducen que las Demandadas incumplieron la ley federal de créditos justos y omitieron

diligenciar las notificaciones requeridas sobre las cláusulas de los Contratos del RTB y engañaron a los clientes acerca de las referidas cláusulas contractuales, violando así una ley estatal de créditos justos. Por último, los Demandantes alegan que las Demandadas no les proveyeron a sus clientes viviendas habitables. Los Demandantes reclaman que estas prácticas violaron la Ley de Vivienda Justa (“FHA”), la normativa prevista en el Título 42 del U.S.C. en su § 3601 y sgts., la Ley de Veracidad en los Préstamos (“TILA”), la normativa prevista en el Título 15 del U.S.C. en su § 1601 y sgts., la Ley de Prácticas Crediticias Inmobiliarias de Indiana (“HPLA”), el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5 y además adujeron originalmente que dichas prácticas también violaron la Ley de Igualdad de Oportunidades Crediticias (“ECOA”), y la normativa prevista en el Título 15 del U.S.C. en su § 1691 y sgts.

### **5. ¿Cómo responden las Demandadas?**

Las Demandadas niegan que las normativas estatales y federales vigentes en materia de créditos justos se apliquen al programa de Alquiler con Opción de Compra aduciendo que el contrato de Alquiler con Opción de Compra se trata de un típico contrato de alquiler y no así un préstamo para comprar la vivienda. Las Demandadas también niegan haber incurrido en un patrón o práctica de discriminación racial intencional y que el programa haya tenido un impacto dispar en los clientes negros y latinos. Por último, las Demandadas niegan que las condiciones en que se encontraban las viviendas en el programa de Alquiler con Opción de Compra violaran las leyes de habitabilidad de Indiana.

### **6. ¿Qué es lo que se pretende con el juicio?**

Los Demandantes presentaron esta demanda con el propósito de recuperar el dinero abonado por los clientes a las Demandadas, los cargos financieros acordados, el costo del trabajo que realizaron los clientes en sus respectivas viviendas del programa RTB, los daños y perjuicios por afectación emocional y demás resarcimientos aplicables a los miembros de la clase. Con el juicio también se pretendió una reparación declarativa en el sentido de que las Demandadas habían violado las leyes FHA, ECOA, TILA, el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5, además de una medida cautelar que les prohíba continuar haciéndolo.

### **7. ¿Qué ha resuelto el Tribunal?**

El Tribunal ya ha adoptado numerosas decisiones que afectan las pretensiones de este caso. En primer lugar, el Tribunal ha decidido que sólo se pueden impulsar determinadas pretensiones bajo la modalidad de una acción de clase. En particular, el Tribunal resolvió que las demandas de la Clase por daños y perjuicios pecuniarios en relación a que las Demandadas incurrieron en discriminación por motivos de raza y origen nacional, una de sus pretensiones relacionadas con la ley federal de créditos justos, y tres de las cuestiones planteadas por los Demandantes en virtud de las leyes estatales de créditos justos no pueden resolverse bajo la modalidad de una acción de clase. Esto significa que la Clase no podría procurar un resarcimiento por estas pretensiones en este litigio a menos que las decisiones del Tribunal fueran revocadas por una cámara de apelaciones.

El Tribunal también resolvió que las Demandadas vencieron en cuanto a la restante demanda de clase relacionada con la ley estatal de crédito justo, la demanda de clase en el sentido de que las

Demandadas habían violado la ley de habitabilidad de Indiana, las demandas federales por créditos justos en virtud de la ley TILA, la mayoría de las demandas fundadas en la ley ECOA, y la demanda por impacto dispar sobre los Demandantes de conformidad con la ley FHA. Los Demandantes decidieron que redundaría en pos de los intereses superiores de la Clase desestimar un pequeño número de demandas fundadas en la ley ECOA que el Tribunal todavía no había abordado.

De llegar a etapa de juicio esta causa, las únicas pretensiones que serían juzgadas serían (a) las demandas de clase por las que se procura una reparación declarativa y un resarcimiento cautelar en el sentido de que las Demandadas incurrieron en discriminación intencional por motivos de raza y origen nacional de conformidad con la Ley de Vivienda Justa; (b) las demandas por daños y perjuicios planteadas por los Demandantes en razón de su discriminación intencional individual y conformes a la ley FHA; y (c) las demandas individuales de los Demandantes en el sentido de que las Demandadas violaron las leyes estatales de créditos justos y habitabilidad. Aunque los Demandantes vencieron en la etapa de juicio, los Miembros de la Clase no recibirían ninguna indemnización por daños y perjuicios ni toda legitimación para percibir una indemnización por daños y perjuicios para toda la clase quedarían supeditado al hecho de que la cámara de apelaciones revoque algunas de las resoluciones dictadas por el Tribunal de primera instancia.

## **¿QUIÉNES INTEGRAN LA CLASE?**

### **8. ¿Formo parte de esta clase?**

Si esta notificación está dirigida a usted es porque los registros de Rainbow indican que usted forma parte de la clase. Si usted encuadra dentro de la definición de clase consignada más adelante y presenta un formulario de demanda, usted quedará incluido como parte de la clase y recibirá un pago a menos que usted opte por desistir de participar. Si usted no opta por desistir de participar y no presenta un formulario de demanda, usted pasará a ser miembro de la clase y quedará obligado por las decisiones del Tribunal en esta causa, pero NO recibirá un pago. Usted no tiene que haber participado en este juicio en modo alguno hasta este punto para poder ser un Miembro de la Clase.

La definición de clase dada por el Tribunal incluye a todos los clientes que celebraron un Contrato de Alquiler con Opción de Compra con cualquier Demandada o con cualquier fideicomiso inmobiliario individual asociado con cualquiera de las Demandadas desde el día 1.º de enero de 2009 hasta el 30 de septiembre de 2019 Si múltiples personas firmaron un único Contrato de RTB, todas esas personas firmantes se considerarán colectivamente como un solo Miembro de la Clase. Si usted encuadra dentro de esta definición de clase, usted es miembro de la Clase, aunque haya firmado un Contrato de Compraventa Condicional con alguna Demandada.

### **9. ¿Quiénes son los Representantes de la Clase?**

Los Representantes de la Clase son María Gaspar, Franklin Paz, Norma Tejeda, Mory Kamano y Cordell Spencer. El Tribunal resolvió que estos clientes que celebraron los Contratos de RTB con Rainbow y que no han cancelado totalmente sus Contratos de RTB representan fiel y adecuadamente los intereses de la clase.

## **Resumen del Acuerdo Conciliatorio propuesto**

### **10. ¿Cuánto dinero se les pagará a los miembros de la clase?**

En virtud del acuerdo conciliatorio propuesto, las Demandadas pagarán USD \$525.000 para resolver las demandas de clase, USD \$175.000 adicionales para resolver las demandas individuales de los Demandantes Nombrados, incluidos los Representantes de la Clase y Fair Housing Center of Central Indiana, Inc., más USD \$50.000 en concepto de costos administrativos.

El Pago Conciliatorio de la Clase de USD \$525.000 serán designados para su liquidación a favor de los Miembros de la Clase. La asignación individual a cada Miembro de la Clase será calculada por el Administrador de Demandas, quien no ha tenido ningún role anterior en este litigio. Se basará en la información provista por las Demandadas para calcular la asignación. El Administrador de Demandas calculará la asignación individual a los Miembros de la Clase de la siguiente manera:

- a. Cada Representante de la Clase recibirá USD \$5.000 en concepto de reconocimiento de los esfuerzos significativos realizados por los Representantes de la clase en el impulso y la gestión de esta demanda durante los cinco años que ha estado en trámite, que también incluye su participación en la estrategia judicial, la provisión de información al Abogado de la Clase, la contestación a los pedidos de producción de pruebas de las Demandadas, la comparecencia y las declaraciones testimoniales en las audiencias de deposición notificadas por las Demandadas, y la promoción de los intereses de la clase.
- b. Cada Declarante, o persona que haya presentado una declaración en esta causa, que presente un Formulario de Demanda recibirá USD \$2.500 como reconocimiento de su aporte sustancial a las presentaciones claves efectuadas en esta causa.
- c. El saldo de USD \$525.000 serán distribuidos a los Miembros de la Clase que presenten correctamente los Formularios de Demanda (incluidos los Representantes de la Clase y los Declarantes) en concepto de reembolso por los daños y perjuicios sufridos que pudieren ser indemnizables de conformidad con las pretensiones alegadas en la Tercera Ampliación de la Demanda. La asignación a un Miembro de la Clase se basará, según se especifica con mayor detalle más adelante, en (a) el tiempo transcurrido entre al firma del Contrato de RTB y la fecha de desocupación de la vivienda o la firma de un contrato de compraventa condicional; (b) el pago mensual; y (c) la fecha en la que el cliente celebró un Contrato de RTB. El Monto Objeto de Distribución para cada Miembro de la Clase que presente correctamente un Formulario de Demanda se calculará multiplicando cada Factor de Distribución Individual por la Base de Distribución. El Factor de Distribución Individual de cada Miembro de la Clase se calculará según uno de los siguientes métodos:
  - (1) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB entre el 1.º de enero de 2009 y el 30 de mayo de 2012:
    - (a) El número de meses redondeado al mes más cercano entre la fecha de

firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000.  $([\text{Nro. de meses del Contrato de RTB}] [\text{pago mensual}])/1000$

(2) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB entre el 31 de mayo de 2012 y el 30 de mayo de 2014: (a) El número de meses redondeado al mes más cercano entre la fecha de firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000; y sumar (a) el pago mensual, (b) multiplicado por el número de meses de la vigencia del contrato, (c) menos el precio de compra, (d) dividido por 6000.  $([\text{Nro. de meses del Contrato de RTB}] (\text{pago mensual})/1000 + (([\text{pago mensual}] \times [\text{Nro. de meses del contrato de RTB}]) - [\text{precio de compra}])/6000$

(3) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB después del 30 de mayo de 2014: (a) El número de meses redondeado al mes más cercano entre la fecha de firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000; y sumar (a) el pago mensual, (b) multiplicado por el número de meses de la vigencia del contrato, (c) menos el precio de compra, (d) dividido por 6000; y (a) todo ello multiplicado por 1,25.  $([\text{Nro. de meses del Contrato de RTB}] (\text{pago mensual})/1000 + (([\text{pago mensual}] \times [\text{Nro. de meses del contrato de RTB}]) - [\text{precio de compra}])/6000 \times 1,25$

- d. El Administrador de la Clase determinará, en función de la fórmula aplicable antes detallada, el Factor de Distribución Individual para cada Miembro de la Clase que haya presentado una demanda válida. La Base de la Distribución se calculará restando la suma de USD \$5.000 por cada Representante de la Clase y el monto designado para ser pagado a los Declarantes de los USD \$525.000 y dividiendo el resultado por la suma de todos los Factores de Distribución Individual.
  - e. La asignación propuesta dispone que los Pagos del Acuerdo Conciliatorio se agotarán en su totalidad por las distribuciones efectuadas a los Miembros de la Clase que presenten correctamente los formularios de demandas. No quedarán más fondos remanentes tras la realización de esas distribuciones.
2. Los USD \$175.000 adicionales serán designados para efectuar los pagos correspondientes a las demandas individuales de los Demandantes Nombrados. Cada uno de los Representantes de la Clase recibirán un pago de USD \$25.000. Estos pagos son en concepto de indemnización compensatoria por los daños y perjuicios efectivos reclamados por sus demandas individuales conformes a la legislación estatal y la Ley de Vivienda Justa, las

cuales, a diferencia de las demandas de los miembros de la clase, estaban listas para proceder a etapa de juicio, USD \$50.000 serán designados para su pago a Fair Housing Center of Central Indiana, Inc., otro demandante, en concepto de indemnización por su desvío de recursos y frustración de su misión como resultado de las presuntas acciones de las Demandadas.

### **11. ¿Cuánto dinero se le pagará al Abogado de la Clase?**

El abogado de los Demandantes no recibirá ningún pago como consecuencia de este Acuerdo Conciliatorio.

### **12. ¿Cómo se utilizará el resto del dinero?**

Se utilizarán los USD \$50.000 para pagar los costos administrativos relacionados con el Acuerdo Conciliatorio. Esto incluye los fondos que hay que pagarle al Administrador de Demandas, quien enviará por correo y procesará los formularios de demanda, liquidará los pagos a los Miembros de la Clase, calculará las asignaciones a los Miembros de la Clase y los notificará acerca de este Acuerdo Conciliatorio.

### **13. ¿Qué cambios este acuerdo conciliatorio requiere hacer a las políticas de las Demandadas?**

Además del pago monetario, el acuerdo conciliatorio les exige a las Demandadas capacitar en forma anual a determinados miembros de su personal sobre las leyes de vivienda justa, la discriminación crediticia y prácticas crediticias predatorias durante un período de tres años, así como también adoptar una Política de Vivienda Justa. Las Demandadas también aceptan cumplir con las disposiciones de las leyes FHA, ECOA, TILA, la Ley de Prácticas de Créditos Hipotecarios de Indiana (la “HLPa”), el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5.

## **Sus derechos y opciones**

### **14. ¿Qué debo hacer para recibir un pago del Acuerdo Conciliatorio?**

**Si usted desea recibir un pago procedente de este acuerdo conciliatorio, usted debería completar correctamente el Formulario de Demanda incluido en esta notificación utilizando el sobre ya estampillado y dirigido antes del día [FECHA].** Si usted no hace nada, no recibirá una parte del Pago Conciliatorio. Usted quedará obligado en virtud de la decisión del Tribunal y habrá finiquitado todas las demandas contra Rainbow relacionadas con las afirmaciones planteadas en este juicio.

Usted no está obligado a contratar a su propio abogado para continuar en este juicio ni para solicitar o presentar un Formulario de Demanda o un interrogatorio. Usted no está obligado a pagar ninguna suma de dinero por los servicios del Abogado de los Demandantes o sus representantes o asistentes.



Si usted sigue en este juicio, y si el Tribunal concede la homologación definitiva del Acuerdo Conciliatorio propuesto, entonces sí quedará obligado en virtud de todas las disposiciones del Acuerdo Conciliatorio. Esto implica que usted no podrá entablar un juicio por separado u otro proceso legal en contra de las Demandadas en relación con las pretensiones y demandas que se describen más arriba y se incluyen en este juicio. Usted tampoco podrá impugnar el Acuerdo Conciliatorio una vez homologado definitivamente por el Tribunal. Usted quedará obligado por todas las medidas dictadas por el Tribunal y las sentencias o los veredictos que el juez o jurado interviniente emitan en esta acción de clase. Para recibir una parte del Pago Conciliatorio, además tendrá que presentar un formulario de demanda.

### **15. ¿Por qué pediría desistir de participar?**

Usted podría optar por desistir de participar del acuerdo conciliatorio si cree que las Demandadas no violaron la ley. Por ejemplo, usted podría optar por desistir de participar si usted cree que Rainbow le brindó una vivienda habitable, no violó las leyes de créditos justos, ni lo discriminó por pertenecer a las comunidades negras o latinas en la manera en que aplicó su programa de Alquiler con Opción de Compra.

También usted podría optar por desistir si desea iniciar o ya ha iniciado un juicio por separado relacionado con los hechos y las demandas planteadas en este juicio. Si usted decide optar por desistir y escoge impulsar su propia demanda, tendrá que contratar y gestionar el pago de su propio abogado, o representarse a sí mismo, y usted tendrá que demostrar sus propias pretensiones. Si usted está considerando optar por desistir de participar en este juicio de manera tal que usted pueda impulsar una demanda en contra de las Demandadas por las mismas pretensiones esgrimidas en este juicio, usted debería consultar a su abogado de inmediato para poder determinar si optar por desistir de participar redunda en su mayor conveniencia e interés.

### **16. ¿Cómo le pido al Tribunal desistir de participar en el Acuerdo Conciliatorio?**

Para optar por desistir de participar en el acuerdo conciliatorio, usted deberá enviar por correo certificado oficial de los EE. UU. una carta firmada por escrito donde manifieste que desea optar por desistir de participar en el juicio caratulado *Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.* La carta debe consignar lo siguiente: “Opto por desistir de participar en el Acuerdo Conciliatorio del juicio caratulado *Fair Housing Center of Central Indiana v. Rainbow Realty, Inc.*”.

La carta debe incluir su nombre, domicilio actual, dirección(es) de correo electrónico y número de teléfono. Asegúrese de incluir el nombre y número de la causa (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, Nro. 1:17-cv-1782) y de firmar la carta. Debe enviar por correo postal su Declaración de Opción de Desistimiento a más tardar y un 61 días calendario después de la entrada en vigor de la Orden de aprobación definitiva, si no hay apelaciones; o si hay alguna apelación de la Orden de aprobación definitiva, el día después de que todas las apelaciones se resuelvan definitivamente a favor de la aprobación definitiva de este Acuerdo de conciliación. a: [Dirección del Administrador de Demandas]. Si usted no solicita la exclusión o si su carta de exclusión no consta matasellada a más tardar el fecha de cierre, usted quedará incluido en la clase. Los pedidos extemporáneos de exclusión de la clase no surtirán efecto.



## **Audiencia sobre el Acuerdo Conciliatorio propuesto**

### **17. ¿Qué tiene que suceder antes de que el Acuerdo Conciliatorio quede firme?**

El Tribunal que ha dictado la resolución preliminar en el sentido de que el Acuerdo Conciliatorio propuesto es justo y razonable, ha programado una audiencia (la así llamada «Audiencia de Justicia») para determinar si concederá la homologación definitiva del Acuerdo Conciliatorio. El Tribunal celebrará esta audiencia a las diez de la mañana del día el 11 de mayo de 2023 en la sede del Tribunal Federal de Primera Instancia por el Distrito Sur de Indiana sita en el Edificio Federal Birch Bayh, 46 E. Ohio St., Indianápolis, Indiana, en el Despacho Nro. 202.

No es necesario que usted comparezca en la audiencia ni que presente ningún escrito ante el Tribunal con anterioridad a dicha audiencia. Si usted encuadra dentro de la definición de la clase establecida por el Tribunal, entonces sus intereses se verán representados en forma adecuada en la audiencia por el Abogado de los Demandantes y de los Demandantes Nombrados.

Sin embargo, de conformidad con los siguientes requisitos, usted podrá presentar comentarios por escrito sobre el Acuerdo Conciliatorio propuesto, y también podrá dirigirse al Tribunal, ya sea en forma personal o por medio de su propio abogado, en la audiencia el 11 de mayo de 2023 a las diez de la mañana.

### **18. ¿Puedo impugnar el Acuerdo Conciliatorio?**

Si usted desea impugnar el Acuerdo Conciliatorio propuesto, deberá enviar una carta que incluya los siguientes datos:

- Su nombre, domicilio y número de teléfono;
- El nombre y número de la causa (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, Nro. 1:17-cv-1782)
- El fundamento de su impugnación;
- Si usted desea ser oído ante el Tribunal en ocasión de la Audiencia de Justicia;
- Un listado de todos los testigos que usted podría convocar para declarar en la Audiencia de Justicia;
- Copias de todos los documentos que usted pretende presentar ante el Tribunal en la Audiencia de Justicia y todos los demás documentos que sustenten sus impugnaciones;
- Su firma

Usted no podrá impugnar el Acuerdo Conciliatorio propuesto si opta por excluirse de la Clase.

Su impugnación, junto con todo el material de respaldo que desee presentar, debe ser enviada por correo postal y matasellada a más tardar el día [fecha], dirigida a la [dirección del Administrador de Demandas]:

### **19. ¿Puedo hablar en la Audiencia de Justicia?**

Si usted desea solicitar permiso para hablar en la audiencia, deberá presentar ante el Tribunal un «Aviso de Intención de Comparecer». Su aviso debe incluir la siguiente información:

- Su nombre, domicilio y número de teléfono;
- El nombre de la causa (*Moore, et al. v. Johnson*, Nro. 00-953);
- El nombre, domicilio y número de teléfono de todos los abogados que comparecerán en su nombre y representación en la Audiencia de Justicia; y
- Su firma.

Usted debe enviarles por correo Su Aviso de Intención de Comparecer, matasellada a más tardar el día [fecha] al [Administrador de Demandas] a la [dirección del Administrador de Demandas] Su comparecencia en la audiencia, así como también la de su abogado, correrán por su exclusivo costo y cargo.

## **ABOGADO DE LA CLASE**

### **20. ¿Cuento con un abogado en esta causa?**

El Tribunal decidió que los abogados del estudio jurídico Relman Colfax PLLC se encuentran habilitados para representarlo a usted y a todos los Miembros de la Clase, por lo cual los designó como el «Abogado de la Clase». La información de contacto correspondiente al Abogado de la Clase es la siguiente:

Relman Colfax PLLC  
Atn.: Equipo de Rainbow  
1225 Nineteenth St., NW  
Suite 600  
Washington, DC 20036  
Tel. (202) 728-1888  
Fax. (202) 728-0848  
<http://relmanlaw.com>

### **21. ¿Debería conseguirme a mi propio abogado?**

No hace falta que contrate a su propio abogado porque el Abogado de la Clase se encuentra trabajando en nombre y representación de usted. Sin embargo, si desea contar con su propio abogado, tendrá que realizar sus propias gestiones para pagarle sus respectivos honorarios. Por ejemplo, usted puede pedirle que comparezca en la Audiencia de Justicia en su nombre si es que usted desea que otro profesional distinto del Abogado de la Clase hable por usted.

## **PREGUNTAS**

### **22. ¿Qué sucede si tengo alguna pregunta?**

Este aviso resume el Acuerdo Conciliatorio propuesto. El documento del Acuerdo Conciliatorio y el Pedido de Homologación Preliminar presentado por los Demandantes contienen más detalles sobre el Acuerdo Conciliatorio, la distribución del Pago Conciliatorio y los cambios efectuados a las políticas de las Demandadas. Usted puede acceder a estos documentos en \_\_\_\_\_.

Toda consulta planteada por los Miembros de la Clase en cuanto a esta Notificación o la acción de clase deberían dirigirse al Administrador de Demandas al [número de teléfono]. También puede dirigir preguntas, por teléfono o por escrito, dirigidas a Zoila Hinson o a Gabriel Diaz, con quienes podrá comunicarse al (202) 728-1888, [zhinson@relmanlaw.com](mailto:zhinson@relmanlaw.com), [gdiaz@relmanlaw.com](mailto:gdiaz@relmanlaw.com), o bien a Relman Colfax PLLC, 1225 Nineteenth St., NW, Suite 600, Washington, DC 20036.

# **EXHIBIT 4**

## **EQUAL HOUSING OPPORTUNITY POLICY**

Rainbow Realty Group, Inc., its owner James R. Hotka, and all related companies (“Companies”) are committed to equal housing opportunity in accordance with the fair housing laws at all our properties across greater Indianapolis and State of Indiana. Consistent with this policy, the Companies’ officers, employees, and representatives are prohibited from the following actions in the course of their work for the Companies:

1. Refuse to show, refuse to negotiate for the rental or sale of, or otherwise make unavailable or deny, a property to any person because of race, color, religion, sex, familial status, national origin, or disability (each is a “prohibited basis”);
2. Discriminate against any person in the terms, conditions, or privileges of renting or selling a property or in engaging in a credit or lending transaction because of a prohibited basis, including targeting unfair or unequal policies toward people of color;
3. Discriminate against any person in the terms, conditions, or privileges of providing services or facilities in connection with renting or selling a property or in engaging in a credit or lending transaction because of a prohibited basis, including targeting unfair or unequal policies towards people of color;
4. Make any verbal or written statement, including advertising, with respect to the rental or sale of a property or in engaging in a credit or lending transaction that misleads or fails to disclose in a meaningful way the terms and conditions of an agreement, or that misleads any person with regard to their rights to disclosure and to be free of unfair or deceptive practices;
5. Make any verbal or written statement, including advertising, with respect to the rental or sale of a property or a credit or lending transaction that indicates any preference, limitation, or discrimination concerning a prohibited basis; or
6. Threaten, coerce, or intimidate any person exercising a fair housing right, or impose different conditions on any person because of the exercise of a fair housing right;

Any violation of this Equal Housing Opportunity Policy will lead to discipline, up to and including termination of a person associated with the Companies.

# EXHIBIT 5

For Immediate Release – [Date]

Contacts: Amy Nelson, Executive Director  
Fair Housing Center of Central Indiana  
Phone: 317-644-0673 x1001  
Email: [anelson@fhcci.org](mailto:anelson@fhcci.org)

James R. Hotka  
Rainbow Realty Group, Inc.  
Phone: (317) 357-4000

### **SETTLEMENT OF FAIR HOUSING LAWSUIT REACHED INVOLVING INDIANAPOLIS RENT-TO-OWN COMPANY**

INDIANAPOLIS, IN – Today, the Fair Housing Center of Central Indiana (FHCCI) and Rainbow Realty Group, Inc. (Rainbow) announce a settlement agreement between the FHCCI, its clients, and Rainbow Realty, a real-estate brokerage firm the FHCCI challenged in a federal lawsuit for allegedly running a discriminatory rent-to-own program.

The settlement provides compensation for Rainbow rent-to-buy customers and the FHCCI. The agreement, which has been preliminarily approved by the federal district court judge for the case, also calls for the implementation of several Fair Housing related policies. The federal court will hold a final approval hearing on the settlement in approximately two months. As part of the settlement, Rainbow Realty admits to no harm or wrongdoing.

The lawsuit was originally filed on May 30, 2017. On March 27, 2020, a federal court certified a class to address certain of the asserted claims. On March 10, 2021 and August 12, 2022, the Court issued summary judgment orders which limited the plaintiffs' claims. In October of 2022, the parties agreed to resolve this matter.

The attorneys for the plaintiffs were [Relman Colfax PLLC](#) and [Riley Cate LLC](#).  
The attorneys for the defendants were [Dentons Bingham Greenebaum LLP](#).

# **EXHIBIT B**



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-1782-JMS-TAB

**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Settlement Agreement”) is entered into pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of this Court, the Settlement Agreement is entered into among Plaintiffs Fair Housing Center of Central Indiana, Inc. (“FHCCI”), Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejeda, both individually and on behalf of all Class Members (defined in paragraph 1(g) below), and Defendants Rainbow Realty Group, Inc., Empire Holding Corporation, Shore Waters Development, LLC, Alley Cat Trust, Sporting Trust, Sunflower Trust, Sunshine Trust, Redskins Trust, and James R. Hotka (“Defendants”).

**I. BACKGROUND**

On May 30, 2017, Plaintiffs commenced this action individually, and on behalf of a class of individuals who entered into RTB Agreements with Defendants on or after January 1, 2009, excluding individuals who successfully paid off their agreements, for alleged violations of the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act

(“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5 (the “Civil Action”).

Since that time, this Civil Action has been vigorously prosecuted and defended with extensive discovery, including the production of tens of thousands of pages of documents, the taking of numerous depositions, the exchange of multiple expert reports, and the filing of numerous motions.

On December 17, 2018, Plaintiffs filed a Third Amended Complaint, which is the operative complaint in this Civil Action, asserting the same claims.

On March 27, 2020, the Court granted in part and denied in part Plaintiffs’ motion for class certification, certifying certain claims under the FHA, ECOA, TILA, the Indiana Home Loan Practices Act, and Indiana Code § 32-31-8-5, *et seq.*, pursuant to Federal Rule of Civil Procedure 23(b)(2). The Court defined the class as all people who entered into an RTB Agreement with Defendants for a residential property since the beginning of 2009, excluding those who successfully paid off their agreement.

On March 10, 2021, the Court granted Defendant’s Motion for Partial Summary Judgment on Plaintiffs’ class claims under the Indiana Home Loan Practices Act, and Indiana Code § 32-31-8-5, *et seq.* On April 13, 2021, the U.S. Court of Appeals for the Seventh Circuit denied Plaintiffs’ petition for leave to appeal the class certification order pursuant to Federal Rule of Civil Procedure 23(f).

On August 12, 2022, the Court denied Plaintiffs’ Motion for Partial Summary Judgment in its entirety and granted Defendant’s cross-motion for summary judgment on Plaintiffs’ class and individual claims pursuant to TILA, ECOA, and FHA (as to disparate impact claims). As a

result of the Court's August 12, 2022, summary judgment ruling, Plaintiffs' remaining claims included the Class Representatives' individual FHA disparate treatment claims for injunctive relief, declaratory relief, and damages, their Indiana statutory claims, and class FHA disparate treatment claims for declaratory and injunctive relief.

Plaintiffs subsequently filed a motion for reconsideration of the Court's summary judgment order, which the Court denied in part. Plaintiffs subsequently voluntarily dismissed, with prejudice, any remaining claims they had under ECOA.

Plaintiffs, by their counsel, have conducted discussions and arm's-length negotiations with Defendants, by their counsel, with respect to a compromise and settlement of the Civil Action.

Based upon their investigation, Plaintiffs and their counsel have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable and adequate to Plaintiffs and the Class, and in their best interests, and have agreed to settle the claims raised in the Civil Action pursuant to the terms, provisions, and conditions of this Settlement Agreement, after considering: (i) the benefits that Plaintiffs and the Class Members will receive from the Settlement Agreement; (ii) the attendant risks of litigation; (iii) the difficulties, expense and delays inherent in such litigation; (iv) the Defendant's solvency and/or potential for bankruptcy; (v) the risk of inadequate or absent insurance coverage; (vi) the belief of Plaintiffs that the Settlement is fair, reasonable, and adequate, and in the best interest of all Class Members; and (vii) the desirability of permitting the Settlement to be consummated as provided by the terms of this Settlement Agreement.

Defendants have entered into this Settlement Agreement to resolve any and all controversies and disputes arising out of or relating to the allegations made in the Civil Action,

and to avoid the burden, risk, uncertainty, expense, and disruption to their business operations associated with further litigation. Defendants do not in any way acknowledge, admit to, or concede any of the allegations made by the Plaintiffs in the Civil Action, and they expressly disclaim and deny any fault or liability, or any charges of wrongdoing that have been or could have been asserted in the Civil Action.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs, on behalf of themselves and the Class Members, and Defendants, subject to the approval of the Court pursuant to the procedures mandated by Federal Rule of Civil Procedure 23(e), as follows:

## II. DEFINITIONS

1. The following terms, as used in this Settlement Agreement, have the following meanings:

a. “Administration Costs Account” means ~~an interest bearing account created, designated and controlled by Plaintiffs’ Counsel~~ the portion of the Settlement Fund allocated for reimbursing the Claims Administration for costs incurred administering the Class Fund.

b. “Civil Action” means this matter, captioned *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, United States District Court, Southern District of Indiana, Case No. 1:17-cv-1782.

c. “Claimant” means an individual who has submitted a Claim Form.

d. “Claims Administrator” means the company chosen by Plaintiffs’ Counsel to administer the claims in this case.

e. “Claims Administration Costs” means costs and expenses of the Notices and instructions to the Class Members and administration of the Settlement Fund, escrow fees, Taxes, custodial fees, and expenses incurred in connection with processing Claim Forms,

distributing the Settlement Fund, providing any necessary tax forms to Class Members, and all other costs incurred in connection with administering the Settlement.

f. “Claim Form” means the form substantially in the form of Exhibit 1, subject only to suggested revisions by the Claims Administrator, if any, to which the Parties hereto reasonably agree.

g. “Class” means all Class Members.

h. “Class Members” means all individuals, including Class Representatives and Declarants, who entered into a RTB Agreement with any Defendant and/or any Individual Land Trust (as Seller), during the Class Period, excluding all persons who opt out of the Settlement and all persons who successfully paid off their RTB Agreement. If multiple persons signed a single RTB Agreement, all of those persons collectively shall be considered a single Class Member.

i. “Class Member List” means an Excel spreadsheet provided by Defendants containing the names, last known addresses, last known telephone numbers, social security numbers, and information sufficient to determine eligibility as a Class Member of all known Class Members. This list will be used only for purposes of administering the settlement and will not be used by Plaintiffs, Class Members, or their Counsel for any other purpose.

j. “Class Period” means the period between January 1, 2009 and September 30, 2019.

k. “Class Representatives” means and refers, individually and collectively, to Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejeda.

l. “Court” means the United States District Court for the Southern District of Indiana.

m. “Declarant” means an individual who is a Class Member and who provided a signed declaration to Plaintiffs’ Counsel as evidence in support of Plaintiffs’ Motion for Class Certification in the Civil Action. A list of all Declarants is attached as Exhibit 2.

n. “Defendants” means Rainbow Realty Group, Inc., Empire Holding Corporation, Shore Waters Development, LLC, Alley Cat Trust, Sporting Trust, Sunflower Trust, Sunshine Trust, Redskins Trust, and James R. Hotka, and all their past and present officers, directors, employees, agents, attorneys, servants, representatives, parents, subsidiaries, affiliates, partners, shareholders, and all other persons, partnerships, or corporations with whom any of the former have been, or are now, affiliated and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing, including but not limited to each and every Individual Land Trust identified in any RTB Agreement.

o. “Defense Counsel” means the law firm of Dentons Bingham Greenebaum LLP.

p. “Distribution Amount” means the amount calculated by the Claims Administrator pursuant to the formulas set forth herein to be paid to each Qualified Class Member.

q. “Distribution Basis” means the number calculated by the Claims Administrator to be used as a multiplier of Individual Distribution Factors to determine ratable distributions to Qualified Class Members.

r. “Effective Date” means the latest of the following dates: (a) the date sixty-one (61) calendar days after the entry of the Final Approval Order, if there are no appeals; or (b) if there is any appeal of the Final Approval Order, the day after all appeals are finally resolved in favor of final approval of this Settlement Agreement.

s. “Escrow ~~Account~~Amount” means ~~an interest-bearing escrow account created by Plaintiffs’ Counsel on behalf the portion of Plaintiffs and the Class designated and controlled by the Claims Administrator~~Settlement Fund allocated for distribution to Qualified Class Members.

t. “Final Approval Order” means the order entered by the Court after the Final Fairness Hearing, approving the terms and conditions of this Settlement Agreement.

u. “Final Fairness Hearing” means the hearing before the Court relating to the Motion for Final Approval.

v. “Individual Distribution Factor” means the number calculated by the Claims Administrator for each Qualified Class Member that reflects the basis for calculating each Qualified Class Member’s distribution from the Class Fund.

w. “Individual Land Trust” means the entity identified as “Seller” in each RTB Agreement.

x. “Named Plaintiffs” means the Class Representatives and the Fair Housing Center of Central Indiana.

y. “Notice” means the Notice of Settlement and Fairness Hearing, which is to be sent to members of the Class in both English and Spanish, substantially in the form attached hereto as Exhibit 3, subject only to suggested revisions by the Claims Administrator, if any, to which the Parties hereto reasonably agree.

z. “Plaintiffs’ Counsel” means the law firms of Relman Colfax PLLC and RileyCate LLC.

~~aa. “Preliminary Approval Hearing” means the hearing before the District Court in relation to the Motion for Preliminary Approval.~~

~~bb~~-aa. “Qualified Class Member” means a Class Member who is (i) a Named Plaintiff; (ii) Declarant; and/or (iii) has submitted a Claim Form and appears on the Class Member List. Where multiple individuals have signed a single RTB Agreement, those individuals shall collectively constitute a single Qualified Class Member.

~~ee~~-bb. “Released Claim(s)” means those claims defined in and/or otherwise within the scope of Section X of this Settlement Agreement.

~~dd~~-cc. “Released Person(s)” means those persons defined in and/or otherwise within the scope of Section X of this Settlement Agreement.

~~ee~~-dd. “RTB Agreement” means any agreement, entitled “Purchase Agreement,” entered into at any time among a Class Member, and any of the Defendants.

~~ff~~-ee. “Settlement” means the settlement into which the Parties have entered, in order to resolve this Civil Action. The terms of the Settlement are set forth in this Settlement Agreement.

~~gg~~-ff. “Settlement Fund” means the cash amounts to be distributed across all Qualified Class Members by the Claims Administrator. The Settlement Fund is to be kept in one or more interest-bearing accounts created by Plaintiffs’ Counsel on behalf of Plaintiffs and the Class designated and controlled by the Claims Administrator for distribution to Qualified Class Members and payment of Claims Administration Costs.

~~hh~~-gg. “Settlement Payment” means all the cash amounts to be paid by or on behalf of Defendants in settlement of the Civil Action pursuant to the terms and conditions of this Settlement Agreement, including any interest accrued on those amounts and including the Settlement Fund.

## II. SETTLEMENT CLASS



2. The Parties agree and stipulate that for purposes of resolution of claims for injunctive, declaratory, monetary, or any other relief alleged or that could have been alleged in this Civil Action, pursuant to the Court's approval, the putative Class should be certified under Rules 23(a), 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure.

3. The Parties agree that the following Class should be approved and certified pursuant to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure: all persons who entered into an RTB Agreement at any time during the Class Period and have not paid off their RTB Agreement.

### **III. ALLOCATION AND DISTRIBUTION OF MONETARY RELIEF**

4. **Settlement Payment:** Defendants agree to make a Settlement Payment of \$750,000 in full and final settlement of this Civil Action, pursuant to the terms of this Settlement Agreement. Defendants do not agree to pay any additional amounts, for unforeseen administration costs or otherwise. Upon payment of the Settlement Payment, Defendants shall have no further financial, administrative, or other obligations regarding administration of the Settlement or otherwise, other than as specifically delineated herein. Defendants shall have no responsibility or liability regarding any actions or services provided by or obligations of the Claims Administrator and/or Plaintiffs' Counsel pursuant to this Settlement Agreement.

5. Of the Settlement Payment, Defendants shall pay \$575,000 to a Settlement Fund created by Plaintiffs' Counsel, upon timely provision of appropriate deposit information from Plaintiffs' Counsel to Defense Counsel. The Settlement Fund, ~~then,~~ shall be ~~distributed into two separate accounts at a federally insured financial institution chosen by Plaintiffs' Counsel, earmarked for distribution~~ as follows:

- a. Escrow ~~Aeeount~~Amount: Within ten (10) days following the Effective Date, Defendants shall pay \$525,000 into the ~~Eserow Aeeount~~;Settlement Fund;
- b. Administration Costs ~~Aeeount~~Amount: Within five (5) days following the date of entry of the Final Approval Order, Defendants shall pay or cause to be paid \$50,000 into the ~~“Administration Costs Aeeount~~.Settlement Fund. Funds from the Administration Costs ~~Aeeount~~Amount shall be dispersed, as reasonably required and without further approval of the Court, to pay Claims Administration Costs incurred by the Claims Administrator, billed to Plaintiffs’ Counsel as they become due. If the amount expended or that will be expended for class administration exceeds \$50,000, Plaintiffs’ Counsel may seek Court approval for the dispersal of additional costs from the Settlement Fund being disbursed to Qualified Class Members. Defendants shall have no additional obligation if such amount exceeds \$50,000. If the amount expended for class administration is less than \$50,000, the difference shall be added to the Escrow ~~Aeeount~~Amount for dispersal to Qualified Class Members.

Plaintiffs’ Counsel will provide in writing to Defense counsel all necessary account information reasonably required for Defendants to timely comply with their obligations under this paragraph

5.

6. **Allocation of Escrow ~~Aeeount~~Amount**: Within thirty-one (31) days after the Effective Date, the funds in the Escrow ~~Aeeount shall~~Amount shall be allocated and disbursed in the following manner:

- a. Each Class Representative shall receive \$5,000 plus any amount due under subparagraph d.

- b. Each Declarant who submits a Claim Form shall receive \$2,500 plus any amount due under subparagraph d.
- c. The balance of the funds in the Escrow ~~Account~~Amount shall be distributed to Qualified Class Members as reimbursement for the damages they incurred that may be compensable pursuant to the claims alleged in the Third Amended Complaint. The proposed allocation provides that the Settlement Fund will be entirely exhausted by distributions to Qualified Class Members such that there are no remaining funds following those distributions.
- d. The Distribution Amount for each Class Member will be calculated by multiplying each Individual Distribution Factor by the Distribution Basis. Each Class member's Individual Distribution Factor will be calculated by one of the following methods:
  - (1) For all Class Members who signed their RTB Agreement between January 1, 2009 and May 30, 2012 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, and (c) all divided by 1000. 
$$([\text{\# of months on RTB Agreement}] \times [\text{monthly payment}])/1000$$
  - (2) For all Class Members who signed their RTB Agreement between May 31, 2012 and May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; and add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000. 
$$([\text{\# of months on RTB Agreement}] \times [\text{monthly payment}])/1000 + (([\text{monthly payment}] \times [\text{\# of months of RTB agreement}]) - [\text{purchase price}])/6000$$
  - (3) For all Class Members who signed their RTB Agreement after May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement signed and the date the home vacated or

the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000; and (a) all multiplied by 1.25.  $(([\text{\# of months on RTB Agreement}] \times [(\text{monthly payment})/1000 + (([\text{monthly payment}] \times [\text{\# of months of RTB agreement}]) - [\text{purchase price}])/6000) \times 1.25$

- e. The Class Administrator shall determine, based on the applicable above-stated formulation, the Individual Distribution Factor for each Qualified Class Member who submitted a valid claim. The Distribution Basis shall be calculated by subtracting the sum of amount designated from the Escrow Fund to be paid Class Representatives and Declarants from \$525,000 and dividing the result by the sum of all Individual Distribution Factors.

7. Within fourteen (14) days following the entry of the Final Approval Order, Defendants shall pay a sum of \$175,000. This payment shall be made in the form of a check payable to Relman Colfax IOLTA Account and delivered to Reed Colfax, Relman Colfax, 1225 19th Street NW, Suite 600, Washington, DC, 20036. This payment shall be distributed as follows:

- a. \$125,000 shall be designated for payment to Maria Gaspar, Mory Kamano, Franklin Paz, Cordell Spencer, and Norma Tejeda as compensation for the damages alleged in the Third Amended Complaint pursuant to their individual claims.
- b. \$50,000 shall be designated for payment to FHCCI as compensation for its alleged diversion of resources and frustration of mission as a result of Defendants' alleged actions as set forth in the Third Amended Complaint.

8. Plaintiffs and Plaintiffs' Counsel agree to waive any right to recover fees and costs available as the prevailing parties under any statute whose violation is alleged in the Third Amended Complaint.

9. The Settlement will be non-recapture; *i.e.*, it is not a claims-made settlement. Defendants have no ability to keep or recover any of the Settlement monies unless the Settlement Agreement does not become effective.

10. Administration and implementation of the Escrow ~~Account~~Amount, including the distribution of funds, shall be the responsibility of the Claims Administrator. The Claims Administrator shall use its best efforts to complete the disbursement of the Settlement Fund as expeditiously as possible.

11. All (i) taxes on the income of the Settlement Fund and (ii) expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively, "Taxes") shall be paid out of the Administration Costs ~~Account~~Amount, shall be considered to be a cost of administration of the Settlement, and shall be timely paid by the Claims Administrator without prior order of the Court.

12. The Claims Administrator shall be solely responsible for timely filing all informational and other tax returns necessary to report any net taxable income earned by the funds in the ~~Eserow Account~~Settlement Fund and shall timely file all informational and other tax returns necessary to report any income earned by the funds in the ~~Eserow Account~~Settlement Fund and shall be solely responsible for timely taking out of the funds in the ~~Eserow Account~~Settlement Fund, as and when legally required, any tax payments, including interest and penalties due on income earned by the funds in the ~~Eserow Account~~Settlement Fund. All taxes (including any interest and penalties) due with respect to the income earned by the funds in the ~~Eserow Account~~Settlement Fund shall be paid from the Settlement Fund. The Parties shall have no responsibility to make any filings relating to the Settlement Fund and will have no

responsibility to pay taxes on income earned by the Settlement Fund or pay any taxes on the Settlement Fund, unless the Settlement is not consummated and the Settlement Fund is returned. In the event the Settlement is not consummated, Defendants shall be responsible for the payment of all taxes (including any interest or penalties) on said income.

13. Prior to disbursement of the funds in the ~~Escrow Account~~Settlement Fund, the Claims Administrator shall estimate the Claims Administration Costs expected to be incurred to finalize implementation and administration of the Settlement. Based on that estimation, Plaintiffs' Counsel shall determine whether any remaining funds in the Administration Costs ~~Account~~Amount shall be dispersed to the Escrow ~~Account~~Amount for allocation to Qualified Class Members.

#### IV. RELIEF PROVIDED BY THE SETTLEMENT

14. In full, complete and final resolution of the claims Plaintiffs asserted or that they could have asserted in the Civil Action, either individually or on behalf of the Class, arising in whole or in part from the facts asserted in the Civil Action, and subject to the satisfaction of all the terms and conditions of this Settlement Agreement, the Parties agree to the following:

15. **Monetary Relief:** As provided in Section III, Defendants shall pay or cause to be paid the total amount of \$750,000 in full and final settlement of the Civil Action, including but not necessarily limited to all claims and allegations that were or could have been alleged arising in whole or in part from the facts asserted in the Civil Action, for class or individual relief, pursuant to the terms and conditions of this Settlement Agreement.

16. **Nonmonetary Relief:** Defendants agree to the following undertakings as terms under this Settlement Agreement and consent to the jurisdiction of the Court for a period of three years following the Effective Date in the event of any alleged breach of this paragraph:

- a. Compliance with Law: Defendants agree to comply, to the extent applicable, with all laws and legal prohibitions forming the bases of Counts I through VII of the Third Amended Complaint. This includes, without limitation, compliance with the provisions of the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5. By agreeing to this provision as a condition of settlement, Defendants do not admit (and they expressly deny) that they have, at any time, violated any of the statutory provisions described in this paragraph 16(a).
- b. Training: Defendants shall ensure that within six months of the Effective Date, all officers, directors, management-level employees, and employees who interact with customers receive comprehensive training about the fair housing laws, lending discrimination, and predatory lending by a trainer and with a length and agenda approved by the Director of the State of Indiana HUD Field Office. If Defendants are unable to locate and schedule training consistent with training requirements herein, FHCCI will provide referrals for known training options and entities Defendants may use to locate and schedule an acceptable training. This training will be repeated on an annual basis for a period of three years. By agreeing to this provision as a condition to settlement, Defendants do not intend to represent that they do not already provide all legally required and proper training on the issues described in this paragraph 16(b).
- c. Policy: Defendants agree to adopt the Fair Housing Policy attached as Exhibit 4.

**V. NOTICE OF SETTLEMENT AGREEMENT AND FAIRNESS HEARING**

17. Within fourteen (14) calendar days of execution of this Settlement Agreement, the Parties shall ~~jointly request from the Court an expeditious preliminary fairness hearing at least seven (7) days after the request, and shall~~ file a joint motion with the Court for preliminary approval of this Settlement Agreement. In the Joint Motion for Preliminary Approval, the Parties will ask the Court:

- a. to set dates for individuals to opt out of this Settlement Agreement or to submit objections to this Settlement Agreement, the former of which will be the Effective Date and the latter of which will be thirty-six (36) calendar days from the date the Notice of Settlement and Fairness Hearing is transmitted to the Class Members, and
- b. for a Final Fairness Hearing for Final Approval of the Settlement before the Court at the earliest practicable date following the sixtieth day after the ~~Preliminary Approval Hearing~~ preliminary approval of the settlement.

18. Within thirty (30) calendar days of the execution of this Settlement Agreement, Defendants shall prepare and deliver to Plaintiffs' Counsel the Class Member List containing the names, last known addresses, last known telephone numbers, known social security numbers, and all known information necessary to determine Distribution Amounts under the procedure set forth in Paragraph 6 above.

19. The Claims Administrator shall conduct a skip trace to determine, to the best extent possible and using its discretion, the most likely current address of each individual on the Class Member List.



20. No later than fifty-one (51) calendar days prior to the Final Fairness Hearing, the Claims Administrator shall mail a Notice of Settlement and Fairness Hearing and a Claim Form (“Claim Form”), in a form agreed to by all Parties, and attached hereto as Exhibits 3 and 1 respectively, via ~~certified~~ U.S. mail to the last known address of each and every Class Member.

21. No later than the date on which the Claims Administrator first mails the Claim Forms, the Class Administrator shall maintain and staff with live persons a toll free “800” line to receive calls from Class Members between the hours of 9:30 a.m. and 6:00 p.m. (Eastern Standard Time), Mondays through Fridays. At all other times, the line shall be answered by a voicemail message recording device. These hours of telephone coverage shall be subject to revision and modification upon agreement of the Plaintiffs and Defendants based on the recommendation of the Claims Administrator.

22. If the Court denies the Preliminary Approval Motion, the Parties will work together in good faith to address the Court’s concerns and consider options for continuing to pursue a mutually agreed resolution to this Civil Action. If these efforts are ultimately unsuccessful, this Civil Action will resume as if no settlement had been attempted, and this Settlement Agreement will be null and void, with no force or effect.

23. **Class Member Opt Outs.**

- a. Any Class Member who chooses to opt out of the monetary relief provided through this Settlement Agreement must mail via First Class U.S. Mail, postage prepaid, a written, signed statement to the Claims Administrator that states he or she is opting out of the Settlement Agreement, and include his or her name, address, e-mail address(es), and telephone number(s) and state, “I opt out of the

*Fair Housing Center of Central Indiana v. Rainbow Realty, Inc. Settlement*”

(“Opt Out Statement”).

- b. The end of the time period to opt out of this Agreement (“Opt Out Period”) shall be the Effective Date.
- c. Any Class Member who does not properly submit an Opt Out Statement pursuant to this Agreement prior to the Effective Date will be deemed to have accepted this Agreement and its terms, and will be eligible to participate as a Class Member by filing a Claim Form.
- d. An Opt Out will only be effective if all persons who signed a single RTB Agreement submit an Opt Out Statement.
- e. The Claims Administrator will stamp ~~the postmarked date~~ on the original of each Opt Out Statement that it receives the date on which it was received and shall send copies of each Opt Out Statement and the accompanying envelope to Plaintiffs’ Counsel and Defense Counsel not later than three (3) calendar days after receipt thereof. The Claims Administrator will also, within five (5) calendar days of the end of the Opt Out Period, provide to Plaintiffs’ Counsel to file with the Clerk of Court stamped copies of any Opt Out Statements and envelopes accompanying them. The Claims Administrator will retain the stamped originals of all Opt Out Statements and originals of all envelopes accompanying Opt Out Statements in its files until such time as the Claims Administrator is relieved of its duties and responsibilities under this Settlement Agreement.

24. **Objections:** Persons who wish to object to the terms of this Settlement

Agreement may submit objections, in accordance with the requirements and format described in the Appendix to the Joint Motion for Preliminary Approval, as follows:

a. Objections shall state the ~~objector's~~objector's name, address, and telephone number; set forth a description of the ~~objector's~~objector's basis for objecting; include copies of any documentation supporting the objections; state the name and address of the ~~objector's~~objector's counsel, if any; and state whether the objector wishes the opportunity to be heard in Court at the Final Fairness Hearing on this Settlement Agreement.

~~b. Objectors shall file~~send their objections ~~onto~~ the ~~docket with the Court, with service on Plaintiffs' Counsel and Defense Counsel.~~

~~c. b. Objections must be filed with the Court and served on Plaintiffs' Counsel and Defense Counsel~~Claims Administrator no later than thirty-six (36) calendar days after the day on which the Claims Administrator transmits the Notice of Settlement and Fairness Hearing to the Class Members.

c. Within ten (10) days after the deadline for serving objections has passed, Plaintiffs' Counsel shall file a Report listing any objectors, with the objections attached to the Report, and indicating whether the objectors wish to be heard at the Final Fairness Hearing. If no objectors timely filed objections, the Report shall so state.

~~d. a. A Class Member who has submitted an Opt Out Statement may not submit objections to this Settlement Agreement.~~

~~e.d.~~ No later than five (5) calendar days prior to the Final Fairness Hearing on this Settlement Agreement, the Parties shall file their responses, if any, to all objections that were timely ~~received by the Court~~served in accordance with the deadlines set forth in this Section V.

e. A Class Member who has submitted an Opt Out Statement may not submit objections to this Settlement Agreement.

## **VI. ELIGIBLE CLASS MEMBERS**

25. Eligibility to receive a Distribution Amount from the Escrow Fund shall be contingent upon:

- a. Submission of a completed Claim Form- signed under oath pursuant to the requirements of 28 U.S.C. § 1746 and postmarked no later than sixty-one (61) days after the date of entry of the Final Approval Order (unless such period is extended by Order of the Court);
- b. Confirmation by the Claims Administrator that the Claimant appears on the Class Member List; and
- c. A determination that the person has not opted out of the Civil Action, pursuant to paragraph 24 hereof.

26. All Claim Forms must be submitted within sixty-one (61) days of the date of entry of the Final Approval Order, unless such period is extended by Order of the Court. Any Class Member who fails to submit a Claim Form by such date, excluding individuals who opt out of the Settlement, shall be forever barred from receiving any payment pursuant to this Settlement Agreement (unless, by Order of the Court, a later-submitted Claim Form by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Settlement

Agreement and the Settlement including the terms of the Final Approval Order to be entered in the Civil Action and the releases provided for herein, and will be barred from bringing any action against the Released Persons concerning the Released Claims and Released Named Plaintiffs' Claims. The date on which a Claim Form shall be deemed to have been submitted shall be determined in accordance with paragraph 59.

27. Each Class Member must submit his or her own Claim Form to the Claims Administrator. A parent, legal guardian, conservator, or next friend may complete and sign a Claim Form on behalf of a minor, a person adjudicated legally or mentally incapacitated or incompetent in accordance with state law, or a person who is found by his physician to be medically incapable of contracting.

28. The Claims Administrator shall, on a periodic basis, submit reports of its activities upon request by Plaintiffs' Counsel or Defense Counsel. Upon the request of Plaintiffs' Counsel or Defense Counsel, the Claims Administrator shall provide copies of Claim Forms and any and all other documents or information related to the claims procedure.

## **VII. APPROVAL AND ENTRY OF THIS AGREEMENT**

29. No later than twenty-one (21) days before the Final Fairness Hearing, the Parties shall jointly file a Motion for Final Approval. If the Court determines that the terms of this Settlement Agreement are fair, reasonable, equitable, and otherwise consistent with federal law, the Court may approve and enter this Agreement at or following the Final Fairness Hearing on this Settlement Agreement.

## **VIII. DISPUTE RESOLUTION AND DEFENSE OF THIS AGREEMENT**

30. The Parties shall attempt to resolve informally any dispute(s) that may arise under this Settlement Agreement. If the Parties are unable to reach a resolution after reasonably

seeking to resolve a dispute that arises under this Settlement Agreement, then any Party may move the Court for resolution, but only after:

- a. Providing written notice to the other Party(ies) of the dispute at least thirty (30) calendar days prior to filing such a motion; and
- b. Submitting with its motion a written certification that it has conferred with counsel for the other Party(ies) and unsuccessfully attempted to resolve the issue through reasonable negotiation.

31. The thirty (30) calendar day period of written notice and attempted resolution may be waived by the Court if the matter, in the Court's judgment, requires a more immediate resolution.

32. In the event this Agreement or its implementation is challenged by the filing of an action, including a claim for entitlement to damages arising out of the implementation of this Agreement, the Parties shall fully defend the lawfulness of this Agreement. If such collateral challenge arises in state court, the Parties shall promptly seek to remove such action to federal court.

#### **IX. NO ADMISSION OF LIABILITY**

33. This Settlement Agreement does not constitute and shall not be deemed to be a finding, determination, or adjudication by the Court, nor an admission by any Party, regarding the merits, validity, or accuracy of any of the allegations, claims, or defenses. This Settlement Agreement represents the compromise of disputed claims that the Parties recognize would require contested, protracted, costly, and burdensome litigation to otherwise resolve. Defendants deny that they have any policy or engaged in any pattern or practice of unlawful discrimination, or that they have violated any applicable law, statute, regulation, or policy, including, but not

limited to, the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLP”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5.

34. Nothing in this Settlement Agreement shall be used or construed as an admission of liability and this Settlement Agreement shall not be offered or received in evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature or for any other purpose, other than to enforce the terms of this Settlement Agreement.

#### **X. GENERAL RELEASES OF ALL CLAIMS**

35. Named Plaintiffs’ Release. As of the Effective Date and except as to the rights and obligations provided for under the terms of this Settlement Agreement, Named Plaintiffs, on behalf of themselves and/or their respective heirs, assigns, beneficiaries, and successors or affiliates, shall automatically be deemed to have fully and irrevocably released and forever discharged Defendants, and all of their past, present and future predecessors, successors, parents, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, members or owners, representatives, attorneys, insurers, and agents, from any and all losses, fees, charges, complaints, claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, legal, statutory, or equitable, based in contract, tort, or any other theory, that results or may result from, arise out of, and/or relate to the conduct, omissions, duties, or facts prior to the Effective Date that Named Plaintiffs alleged or could have alleged arising out of the allegations set forth in the Civil Action, including without

limitation all class and/or individual claims that were or could have been brought for declaratory, injunctive, monetary, or any other relief arising from the conduct, omissions, duties, or facts and allegations set forth in the Civil Action that have been contemplated in any manner by the Court in this Civil Action.

36. Class Members' Release of Class and/or Individual Claims. As of the Effective Date and except as to the rights and obligations provided for under the terms of this Settlement Agreement, all Class Members, on behalf of themselves and/or their respective heirs, assigns, beneficiaries, and successors or affiliates, shall automatically be deemed to have fully and irrevocably released and forever discharged Defendants, and all of their past, present and future predecessors, successors, parents, subsidiaries, divisions, employees, affiliates, assigns, officers, directors, shareholders, members or owners, representatives, attorneys, insurers, and agents, from any and all losses, fees, charges, complaints, claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, whether known or unknown, asserted or unasserted, suspected or unsuspected, fixed or contingent, legal, statutory, or equitable, based in contract, tort, or any other theory, that results or may result from, arise out of, and/or related to the conduct, omissions, duties, or facts and allegations set forth in the Civil Action, including but not limited to all class and/or individual claims that were or could have been brought by any individual Class Member for declaratory, injunctive, monetary, or any other relief arising from the conduct, omissions, duties, or facts and allegations set forth in the Civil Action that have been contemplated in any manner by the Court in this Civil Action.

37. Named Plaintiffs and Class Members who do not opt out, and their attorneys, shall be released, acquitted, and forever discharged from any and all claims, demands, actions, suits and causes of action, whether class, individual or otherwise in nature, that the Defendants



ever had, now have, or hereafter can, shall, or may have on account of, or in any way arising out of, any and all known and unknown, foreseen and unforeseen, suspected or unsuspected injuries or damages, and the consequences thereof, in any way arising out of the claims or causes of action asserted in the Civil Action.

38. The releases set forth in this Part X shall not encompass or be deemed to impair any claims that may arise out of the implementation of this Settlement Agreement.

39. The provisions of this Settlement Agreement are not intended to eliminate or terminate any rights otherwise available to the Parties for acts by a Party occurring after the Effective Date.

## **XI. PUBLICITY**

40. The Parties, Plaintiffs' Counsel, and Defense Counsel agree that they will prepare and publish, in an agreed upon manner, a Joint Press Release in the form attached hereto as Exhibit 5 (the "Joint Press Release"). Other than the Joint Press Release, the Parties, Plaintiffs' Counsel, and Defense Counsel agree that neither they nor any of them will notify or direct any third party to notify any member of the media regarding the terms and/or conditions of this Settlement Agreement., nor shall they (or any of them) issue, promote, or influence any other press release or other publication to the media. In addition, the Class Representatives and Class Members shall not post or disseminate the terms of this Settlement Agreement on any social media or website. In response to any media or other inquiries or if otherwise contacted regarding this Civil Action or the Settlement, Named Plaintiffs, Plaintiffs' Counsel, and/or the Class Members may respond only generally that the case has been settled by mutual agreement and the Settlement was a fair and reasonable result.

## **XII. MODIFICATION**

41. No waiver, modification, or amendment of any term of this Agreement will be effective unless made in writing, approved by counsel for the Parties, and approved and entered by the Court.

### **XIII. SEVERABILITY AND CONSTRUCTION**

42. Whenever possible, each term of this Settlement Agreement will be interpreted in such a manner as to be valid and enforceable, provided, however, that in the event any term of this Settlement Agreement should be determined to be or rendered invalid or unenforceable, all other terms of this Settlement Agreement will remain in force. If application of any term of this Settlement Agreement to any person or circumstance should be determined to be invalid or unenforceable, the application of such term to other persons and circumstances will remain in force and unaffected to the extent permitted by law.

43. The terms of this Settlement Agreement are the product of joint negotiation and will not be construed as having been authored by one party rather than another.

44. The captions or headings in this Settlement Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Settlement Agreement.

### **XIV. GENERAL PROVISIONS**

45. On the date that the Parties have executed this Settlement Agreement, the Parties shall be bound by its terms, and this Settlement Agreement shall not be rescinded except in accordance with paragraph 48.

46. After the Court has preliminarily approved this Settlement Agreement and before the Court issues a Final Approval Order approving this Settlement Agreement, disbursements of

reasonable Claims Administration Costs may be made from the Administrative Costs Account as set forth in paragraph 5(b).

47. In no event shall Plaintiffs, Defendants, or their counsel have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such distribution and administration, except as expressly otherwise provided in this Settlement Agreement.

48. If the Court does not approve this Settlement Agreement or any part thereof, or if such approval is materially modified or set aside on appeal, or if the Court enters the Final Approval Order and appellate review is sought, and following appellate review, such Final Approval Order is not ultimately affirmed upon exhaustion of the judicial process, then Defendants and Plaintiffs shall each, in their sole discretion, have the option to rescind this Settlement Agreement in its entirety, and any and all parts of the Settlement Fund, inclusive of interest accrued shall be returned forthwith to Defendants.

49. Plaintiffs and Defendants expressly reserve all of their rights if the Settlement Agreement does not become finally approved or if it is properly rescinded by the Plaintiffs or Defendants under paragraph 48.

50. Defendants agree to cooperate with Plaintiffs by providing to the Claims Administrator documents and electronic information required to facilitate Notice to the Class, eligibility determinations, and allocation and distribution of the fund to Qualified Class Members.

51. This Settlement Agreement constitutes the entire agreement between Plaintiffs and Defendants pertaining to the Settlement of the Civil Action and supersedes any and all prior

and contemporaneous undertakings of Plaintiffs and Defendants in connection therewith. This Settlement Agreement may be modified or amended only by a writing executed by Plaintiffs and Defendants and approved by the Court.

52. This Settlement Agreement may be executed in counterparts by Plaintiffs and Defendants.

53. Nothing expressed or implied in this Settlement Agreement is intended to or shall be construed to confer upon or give any person or entity other than Named Plaintiffs, Class Members, and Defendants, any right or remedy under or by reason of this Settlement Agreement.

54. The undersigned persons represent that they are authorized to enter into this Settlement Agreement on behalf of the Parties they represent, and, on behalf of themselves and the Parties they represent, hereby agree to use their best efforts to obtain all approvals necessary and to do all other things necessary or helpful to effectuate the implementation of this Settlement Agreement according to its terms, including the exchange of documents and materials needed for the purpose of providing the Notice and conducting any hearing, and to satisfy the material conditions of this Settlement Agreement.

55. Deadlines set forth herein may be modified by order of the Court.

56. The date of submission of any document submitted in connection with this Agreement shall be determined as follows:

- a. Mail: Considered submitted on the postmark date.
- b. Overnight Delivery: Considered submitted on the date delivered to the carrier.
- c. Facsimile: Considered submitted on the transmission date at the local time of the submitting party.

- d. Email: Considered submitted on the date emailed at the local time of the submitting party.
- e. Other Delivery or any situation where the governing date applicable to a category above cannot be determined: Considered submitted on the date of receipt.

The date of submission of documents submitted to Class Counsel, Defense Counsel, Defendant or the Court rather than to the Claims Administrator shall be determined under the same criteria; to the extent subparagraph (e) applies in such circumstance, receipt by such party shall control.

#### **XV. COMPUTATION OF TIME AND DEADLINES**

57. In computing any period of time prescribed or allowed by this Agreement, unless otherwise stated, “days” refers to business days. If any deadline referenced in this Agreement falls on a weekend or a federal holiday, the deadline will be moved to the next business day.

58. The Parties recognize that, from time to time, unforeseen events, such as exigent business circumstances, personnel issues, and contract negotiations with third parties, cause delays in the accomplishment of objectives, no matter how well intentioned and diligent the Parties may be. Accordingly, with regard to provisions of this Settlement Agreement that require that certain acts be taken within specified periods, except as otherwise provided, the Parties understand and agree that Court approval will not be required for reasonable extensions of deadlines. In the event that any Party determines that an action required by this Settlement Agreement cannot be taken within the specified time period, that Party will promptly notify the other Party/Parties that it anticipates a delay, the reason for the delay, and a reasonable proposed alternative deadline. The Parties will endeavor to cooperate in reasonably adjusting such deadlines.

#### **XVI. COSTS, EXPENSES, AND FEES**

59. Each Party shall bear its own costs, expenses, and attorney's fees incurred in connection with this Litigation, including any costs, expenses, and attorney's fees incurred as a result of obligations imposed by this Settlement Agreement.

#### **XVII. NOTICE UNDER THE CLASS ACTION FAIRNESS ACT**

60. The Class Action Fairness Act of 2005 ("CAFA") requires Defendants to inform certain federal and state officials about this Settlement. *See* 28 U.S.C. § 1715.


61. Under the provisions of CAFA, Defendants will service notice on the appropriate officials within ten (10) days after the Parties file the Settlement Agreement with the Court. *See* 28 U.S.C. 1715(b).

#### **XVIII. VENUE**

62. This Settlement Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the United States and the State of Indiana, and all claims relating in any way to this Settlement Agreement shall be brought in the United States District Court for the Southern District of Indiana.

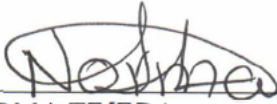


AGREED TO/ACEPTÓ:  <u>Marta de la Luz Gaspar Casas</u> MARIA GASPAR  DATE/FECHA: <u>12-30-2022</u> AGREED TO/ACEPTÓ:    <u>FRANKLIN PAZ</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>CORDELL SPENCER</u>  DATE/FECHA:	AGREED TO/ACEPTÓ:    <u>MORY KAMANO</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>NORMA TEJEDA</u>  DATE/FECHA: AGREED TO/ACEPTÓ:    <u>FAIR HOUSING CENTER OF CENTRAL INDIANA, INC.</u>  DATE/FECHA:
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AGREED TO/ACEPTÓ:  _____ MARIA GASPAR  DATE/FECHA:	AGREED TO/ACEPTÓ:   12/28/2022 _____ MORY KAMANO  DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ FRANKLIN PAZ  DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ NORMA TEJEDA  DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ CORDELL SPENCER  DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC.  DATE/FECHA:



AGREED TO/ACEPTÓ:  _____ MARIA GASPAR DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ MORY KAMANO DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ Franklin Paz FRANKLIN PAZ DATE/FECHA: 28/12/2022	AGREED TO/ACEPTÓ:  _____ NORMA TEJEDA DATE/FECHA:
AGREED TO/ACEPTÓ:  _____ CORDELL SPENCER DATE/FECHA:	AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA:

AGREED TO/ACEPTÓ:  _____ MARIA GASPAR  DATE/FECHA: AGREED TO/ACEPTÓ:  _____ FRANKLIN PAZ  DATE/FECHA: AGREED TO/ACEPTÓ:	AGREED TO/ACEPTÓ:  _____ MORY KAMANO  DATE/FECHA: AGREED TO/ACEPTÓ:   _____ NORMA TEJEDA  DATE/FECHA: 12/28/22 AGREED TO/ACEPTÓ:  _____ FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA:
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AGREED TO/ACEPTÓ:

MARIA GASPAR

DATE/FECHA:

AGREED TO/ACEPTÓ:

FRANKLIN PAZ

DATE/FECHA:

AGREED TO/ACEPTÓ:

Cordeell Spencer  
CORDELL SPENCER

DATE/FECHA: Dec 30, 2022

AGREED TO/ACEPTÓ:

MORY KAMANO

DATE/FECHA:

AGREED TO/ACEPTÓ:

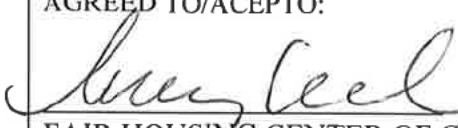
NORMA TEJEDA



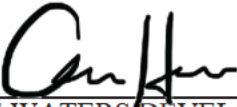
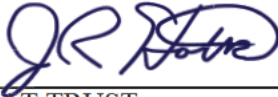
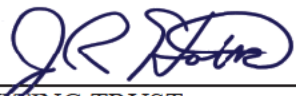


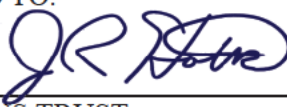

DATE/FECHA:

AGREED TO/ACEPTÓ:

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC.

DATE/FECHA:

AGREED TO/ACEPTO:  _____ MARIA GASPAR DATE/FECHA: AGREED TO/ACEPTO:  _____ FRANKLIN PAZ DATE/FECHA: AGREED TO/ACEPTO:  _____ CORDELL SPENCER DATE/FECHA:	AGREED TO/ACEPTO:  _____ MORY KAMANO DATE/FECHA: AGREED TO/ACEPTO:  _____ NORMA TEJEDA DATE/FECHA: AGREED TO/ACEPTO:  FAIR HOUSING CENTER OF CENTRAL INDIANA, INC. DATE/FECHA: 12/28/2022
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<p>AGREED TO:</p> <p></p> <p>RAINBOW REALTY GROUP, INC. James R Hotka, President</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>EMPIRE HOLDING CORPORATION James R Hotka, President</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SHORE WATERS DEVELOPMENT LLC Christopher J Hotka Member and Manager</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>ALLEY CAT TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SPORTING TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>SUNFLOWER TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>SUNSHINE TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>	<p>AGREED TO:</p> <p></p> <p>REDSKINS TRUST James R Hotka, President Empire Holding Corp, Trustee</p> <p>DATE: January 4, 2023</p>
<p>AGREED TO:</p> <p></p> <p>JAMES R. HOTKA James R Hotka</p> <p>DATE: January 4, 2023</p>	

# EXHIBIT 1



### INSTRUCTIONS

#### **READ ALL INSTRUCTIONS CAREFULLY BEFORE FILLING OUT THE CLAIM FORM**

1. Fill in all blank spaces in the claim form with clearly printed or typed information.
2. You must sign and date the claim form.
3. By signing your claim form, you are declaring under penalty of perjury that the information provided is true and correct. Please understand that you could be subject to criminal penalties for submitting any false information on your form.
4. If you have any questions about this form, call the Claims Administrator at [###]. There is no fee for any service or assistance provided by the Claims Administrator. **DO NOT CONTACT THE COURT OR THE CLERK OF THE COURT.**
5. Mail your signed and completed claim form to: [ADDRESS] ~~or submit your form online at [URL].~~ **YOUR CLAIM FORM MUST BE POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE [DATE]. LATE CLAIM FORMS WILL NOT BE CONSIDERED.**
6. If your address changes at any time, mail your new address to the Claims Administrator at the address above. Any change of address must be in writing and include your signature.
7. You do not need an attorney to help you submit a claim form. If you do wish to consult an attorney, however, you may do so at your own expense.
8. Please keep a copy of the completed form for your records.

# RAINBOW REALTY GROUP, INC., CLASS ACTION CLAIM FORM

*Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*  
*Case No. 1:17-cv-1782-JMS-TAB*

FULL NAME: \_\_\_\_\_  
Last First Middle

STREET ADDRESS: \_\_\_\_\_  
Street No. Street Name Apt. No.

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Daytime Evening

SOCIAL SECURITY #: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_

1. Did you enter into a Rent-to-Buy agreement (entitled "Purchase Agreement") with Rainbow Realty Group, Inc., and/or an affiliated entity on January 1, 2009, or any date thereafter?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. If you answered yes to Question 1, have you paid off your RTB Agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct. I understand that I could be subject to criminal penalties for submitting any false information on this claim form.

\_\_\_\_\_  
Signature

Executed on \_\_\_\_\_  
(today's date)

**MAIL THIS FORM TO: [ADDRESS]**

**THIS CLAIM FORM MUST BE POSTMARKED ON OR BEFORE [DATE]**

**LATE CLAIM FORMS WILL NOT BE CONSIDERED**



### INSTRUCCIONES

#### **LEA DETENIDAMENTE TODAS LAS INSTRUCCIONES ANTES DE LLENAR EL FORMULARIO DE DEMANDA**

1. Llene todos los espacios en blanco que hay en el formulario de demanda con información escrita a máquina o impresa de la manera legible.
2. Usted debe firmar y fecha el formulario de demanda.
3. Al firmar su formulario de demanda, usted está declarando bajo pena de perjurio que la información provista es veraz y correcta. Sírvese tener presente que usted podría ser pasible de sanciones penales por presentar información falsa en su formulario.
4. Si usted tiene alguna pregunta sobre este formulario, llame al Administrador de Demandas al [###]. No se aplica arancel alguno por ningún servicio ni asistencia provistos por el Administrador de Demandas. **NO SE COMUNIQUE CON EL TRIBUNAL NI CON EL SECRETARIO DEL TRIBUNAL.**
5. Envíe por correo su formulario de demanda firmado y completo dirigido a: [DIRECCIÓN] ~~o bien presente su formulario por Internet en [URL].~~ **SU FORMULARIO DE DEMANDA DEBE ESTAR MATASELLADO O PRESENTARSE POR INTERNET A MÁS TARDAR EL DÍA [FECHA]. NO SE CONSIDERARÁN FORMULARIOS DE DEMANDA PRESENTADOS EN FORMA TARDÍA.**
6. Si usted cambia su domicilio en cualquier momento, envíe por correo su nuevo domicilio al Administrador de Demandas a la dirección consignada más arriba. Todo cambio de domicilio debe notificarse por escrito y tiene que incluir su firma.
7. No hace falta que cuente con la ayuda de un abogado para presentar un formulario de demanda. No obstante, si desea consultar a un abogado, usted podrá hacerlo a su propio cargo y costo.
8. Sírvese conservar una copia del formulario completo para sus registros.

# RAINBOW REALTY GROUP, INC., FORMULARIO DE DEMANDA MEDIANTE ACCIÓN DE CLASE

*Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*  
*Caso Nro. 1:17-cv-1782-JMS-TAB*

NOMBRE COMPLETO:

\_\_\_\_\_  
Apellido Primer Nombre Segundo  
Nombre

DIRECCIÓN FÍSICA:

\_\_\_\_\_  
Calle Nro. Nombre de la Calle Depto. Nro.

CIUDAD: \_\_\_\_\_ ESTADO: \_\_\_\_\_ CÓDIGO POSTAL: \_\_\_\_\_

TELÉFONO: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Horario diurno Vespertino

NRO. DEL SEGURO SOCIAL: \_\_\_\_\_ FECHA DE NACIMIENTO: \_\_\_\_\_

1. ¿Celebró usted un contrato de alquiler con opción de compra (denominado «Contrato de Compraventa») con Rainbow Realty Group, Inc., y/o con alguna entidad afiliada el día 1.º de enero de 2009, o en cualquier fecha posterior?

Sí \_\_\_\_\_ No \_\_\_\_\_

2. Si usted respondió que sí a la Pregunta 1, ¿usted ya canceló totalmente su Contrato de Alquiler con Opción de Compra?

Sí \_\_\_\_\_ No \_\_\_\_\_

Al firmar su formulario de demanda, usted está declarando bajo pena de perjurio que la información provista es veraz y correcta. Entiendo que yo podría ser pasible de sanciones penales por presentar información falsa en su formulario.

\_\_\_\_\_  
Firma

Firmado el día \_\_\_\_\_  
(fecha de hoy)

**ENVÍE POR CORREO ESTE FORMULARIO A: [DIRECCIÓN]**

**EL PRESENTE FORMULARIO DE DEMANDA DEBE ESTAR MATASELLADO A MÁS  
TARDAR EL DÍA [FECHA].**

**NO SE CONSIDERARÁN FORMULARIOS DE DEMANDA PRESENTADOS EN FORMA TARDÍA.**

# **EXHIBIT 2**

<b>Declarant Name</b>	<b>Address of Rainbow Home</b>
Augusta Allen	3901 N. Srathmore Drive, Indianapolis, IN 46235
Christopher Allen	3245 N. Arsenal Avenue, Indianapolis, IN 46218
Jose Alvarez	17 N. Tacoma Avenue, Indianapolis, IN 46201
Gail Brewer	521 Chase Street, Anderson, Indian 46016
Jay Burnett	9919 Maureen Drive, Indianapolis, IN 46235
Edna Cardenas	1145 W. 32 <sup>nd</sup> Street, Indianapolis, IN 46208
Crystal Coffey	1915 W. Lambert Street, Indianapolis, IN 46221
Teriana Davis	3245 Arsenal Avenue, Indianapolis, IN 46218
Amanda Gilman	1201 N. Denny Street, Indianapolis, IN 46201
Robert Graves	420 S. Oakland Avenue, Indianapolis, IN 46219
Tanya Mitchell	1110 N. Tibbs Avenue, Indianapolis, IN 46222
Tod Northington	2101 S. Barth Avenue, Indianapolis, IN 46203
Jennifer Osborne	1129 N. Gale Street Indianapolis, IN 46201
Carmen Santiago Pagán	1317 S. Shepard Street, Indianapolis, IN 46221
Odell Palmore	3353 N. Arsenal Avenue, Indianapolis, IN 46218
Marva Perkins	9919 Maureen Drive, Indianapolis, IN 46235

Jairo T. Pineda	2214 N. Webster Avenue, Indianapolis, IN 46219
Keith Sharp	931-33 N. Rural, Indianapolis, IN 46201
Elizabeth Stephens	2014 N. Colorado Avenue, Indianapolis, IN 46218
Jose Taveras	1145 W. 32 <sup>nd</sup> Street, Indianapolis, IN 46208
Gaylon Townsell Sr.	3286 N. Ralston Avenue, Indianapolis, IN 46218
Eva Watts	3705 N. Graceland Avenue, Indianapolis, IN 46208

# **EXHIBIT 3**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-1782-JMS-TAB

**THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.**

**TO: All customers who entered into a Rent-to-Buy Agreement with Rainbow Realty Group, Inc. or any affiliated entity from January 1, 2009 to September 20, 2019**

THIS IS A COURT-ORDERED NOTICE.  
THIS IS NOT A SOLICITATION FROM A LAWYER.

This notice is to inform you of a proposed Settlement that has been reached in a class action lawsuit brought by customers who entered into Rent-to-Buy Agreements with Rainbow Realty Group, Inc. and/or affiliated entities (collectively, “Rainbow” or “Defendants”) from January 1, 2009 to September 30, 2019 and have not paid off their agreements. The proposed settlement, if granted final approval by the Court, will result in a total Settlement Fund of \$525,000 to pay all Plaintiff Class Members’ claims, \$125,000 to pay the individual claims of the Named Plaintiffs, and \$50,000 for administrative costs. **If you are a Class Member, you are eligible to receive a share of the Settlement Payment.** The proposed settlement also requires Rainbow to adopt certain training and policies.

IF THIS NOTICE IS ADDRESSED TO YOU, YOU HAVE BEEN IDENTIFIED AS A POTENTIAL CLASS MEMBER. As a Class Member, you have the right to know about this Settlement and how this Settlement may generally affect your legal rights. This notice describes the lawsuit, the Settlement, the legal rights of all Class Members, and the applicable deadlines. Your options are explained in this notice and summarized in the following chart:

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
<b>PARTICIPATE IN THE SETTLEMENT</b>	To participate in the Settlement, you must submit a Claim Form. Submitting a Claim



	Form is the only way that you can receive a share of the Settlement Fund. A Claim Form is included with this notice. You are not required to retain your own attorney to file a Claim Form, and you will not be required to pay any money for the services of Plaintiffs' Counsel.
<b>OPT OUT OF THE SETTLEMENT</b>	If you opt out of the Settlement, you will not be eligible to receive a share of the Settlement Fund.
<b>OBJECT</b>	You have the right to object to the proposed Settlement. To do so, you must submit a written objection to the Court, as described more fully in this notice. You cannot object to the Settlement unless you are a Class Member and you do not opt out of the Settlement
<b>DO NOTHING</b>	If you are a Class Member and do not submit a Claim Form, you will not be eligible to receive a share of the Settlement Fund. You will, however, remain a Class Member, which means that you will be bound by any judgments or orders entered by the Court in this lawsuit.

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## BASIC INFORMATION

### 1. Why did I get this notice?

Plaintiffs and Defendants are asking the Court to allow or “certify” for settlement a class in a class action lawsuit that affects you. Rainbow’s records show that you entered into a Rent-to-Buy Agreement with Rainbow between January 1, 2009 and September 30, 2019 and have not paid off that agreement. This notice explains that the Plaintiffs and Rainbow have presented a settlement of the lawsuit to the Court, asked the Court to approve it, and received preliminary approval. The Honorable Jane E. Magnus-Stinson of the United States District Court for the Southern District of Indiana is overseeing this class action. The lawsuit is known as *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, Civil Action No. 1:17-cv-1782.

### 2. What is this lawsuit about?

This lawsuit is about whether Rainbow failed to follow state and federal fair housing and lending laws, discriminated on the basis of race or national origin, and violated state habitability laws in its administration of its Rent-to-Buy (“RTB”) program.

### 3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representatives” sue on behalf of other people who have similar claims. The people together are a “class” or “class members.” The RTB customers who sued on behalf of the class are also called the Plaintiffs. The companies they sued are called the Defendants. One court resolves the issues for everyone in the class—except for those people who choose to opt out of the class. The class action approach avoids the need for numerous people to file similar individual lawsuits, and it allows the court system to resolve these claims in an efficient and economical way.

## THE CLAIMS IN THIS LAWSUIT

### 4. What does this lawsuit complain about?

In the lawsuit, the Plaintiffs say that Defendants engaged in a pattern or practice of intentional discrimination on the basis of race, color, and/or national origin in their administration of the Rent-to-Buy Agreement. The Plaintiffs also say that Defendants’ program had a disparate impact on Black and Latino customers, meaning that even though the program was neutral on its face, it disadvantaged Black and Latino customers in ways that cannot be legally justified. Plaintiffs also say that Defendants failed to follow a federal fair lending law and provide required notices about the terms of the RTB Agreements and deceived customers about the terms of the RTB agreements in violation of a state fair lending law. Finally, Plaintiffs claim that Defendants failed to provide their customers with habitable homes. The Plaintiffs claim that these practices violated the Fair Housing Act (“FHA”), 42 U.S.C. § 3601 *et seq.*, the Truth in Lending Act (“TILA”), 15 U.S.C. § 1601 *et seq.*, the Indiana Home Loan Practices Act (“HLPa”), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5 and originally claimed that the practices also violated the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. § 1691 *et seq.*

## **5. How do the Defendants answer?**

Defendants deny that the state and federal fair lending regulations apply to the Rent-to-Buy program on the ground that the Rent-to-Buy agreement is a typical lease, rather than a loan to purchase the home. Defendants also deny that they have engaged in a pattern or practice of intentional racial discrimination and that the program has have a disparate impact on Black and Latino customers. Finally, Defendants deny that the conditions of homes in the Rent-to-Buy program violates Indiana habitability laws.

## **6. What does the lawsuit ask for?**

The Plaintiffs filed this case to seek money that customers paid to Defendants, the finance charges agreed to, the cost of the work customers did on their RTB homes, damages for emotional distress, and other relief for class members. The lawsuit also asked for declaratory relief that Defendants had violated the FHA, ECOA, TILA, Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5, and an injunction prohibiting them from continuing to do so.

## **7. What has the Court decided?**

The Court has already made numerous decisions affecting the claims in this case. First, the Court has decided that only certain claims can be pursued on a class-wide basis. In particular, the Court decided that the Class's claims for money damages that the Defendants discriminated on the basis of race and national origin, one of its federal fair lending claims, and three of the issues Plaintiffs raised under state fair lending laws cannot be decided on a class basis. This means that the Class could not seek relief for these claims in this litigation unless the Court's decisions were reversed by an appeals court.

The Court has also decided that Defendants won on the remaining state law fair lending class claim, the class claim that Defendants violated the Indiana habitability statute, the federal fair lending claims under TILA, most of the claims under ECOA, and Plaintiffs' disparate impact claim under the FHA. Plaintiffs decided it would be in the best interests of the Class to dismiss the small number of claims under ECOA that the Court had not yet addressed.

Were this case to go to trial, the only claims that would be tried would be (a) class claims seeking declaratory and injunctive relief that Defendants intentionally discriminated on the basis of race and national origin under the Fair Housing Act; (b) the Plaintiffs' individual intentional discrimination claims for damages under the FHA; and (c) Plaintiffs' individual claims that Defendants violated state habitability and fair lending laws. Even if Plaintiffs won at trial, Class Members would not receive any damages and any entitlement to class damages would be dependent on an appeals court reversing some of the Court's decisions.

# **WHO IS IN THE CLASS?**

## **8. Am I part of this class?**

If this notice is addressed to you, Rainbow's records indicate that you are part of the class. If you fit within the class definition below and submit a claim form, you will be included as part of the class and receive a payment unless you ask to opt out. If you do not opt out and do not submit a

claim form, you will be a member of the class and bound by the Court's decisions in this case, but will NOT receive a payment. You do not have to have participated in this lawsuit in any way up to this point in order to be a Class Member.

The Court's class definition includes all customers who entered into a Rent-to-Buy Agreement with any Defendant or any individual land trust associated with any Defendant from January 1, 2009 to September 30, 2019. If multiple persons signed a single RTB Agreement, all of those persons collectively are considered a single Class Member. If you fit this class definition, you are a member of the Class, even if you signed a Conditional Sales Contract with a Defendant.

#### **9. Who are the Class Representatives?**

The Class Representatives are Maria Gaspar, Franklin Paz, Norma Tejeda, Mory Kamano, and Cordell Spencer. The Court decided that these customers who entered into RTB Agreements with Rainbow and have not paid off their RTB Agreements fairly and adequately represent the interests of the class.

### **Summary of Proposed Settlement Agreement**

#### **10. How much money will be paid to class members?**

Under the proposed settlement, the Defendants will pay \$525,000 to settle the class claims, an additional \$175,000 to settle the individual claims of the Named Plaintiffs, including the Class Representatives and the Fair Housing Center of Central Indiana, Inc, and \$50,000 in administrative costs.

The \$525,000 Class Settlement Payment shall be designated for payments to Class Members. The individual allocation to each Class Member will be calculated by the Claims Administrator, who has had no prior role in this litigation. They will rely on information provided by Defendants to calculate the allocation. The Claims Administrator will calculate the individual allocation to Class Members as follows:

- a. Each Class Representative shall receive \$5,000 in recognition of the Class Representatives' significant efforts in bringing and prosecuting this action for the five years it has been pending, including involvement in litigation strategy, provision of information to Class Counsel, responding to Defendants' discovery requests, appearing and testifying at depositions noticed by Defendants, and advancing the interests of the class.
- b. Each Declarant, or person who submitted a declaration in this case, who submits a Claim Form shall receive \$2,500 in recognition of their substantial contribution to key filings in this case.
- c. The balance of the \$525,000 shall be distributed to Class Members who properly submit Claim Forms (including Class Representatives and Declarants) as reimbursement for the damages they incurred that may be compensable pursuant to the claims alleged in the Third Amended Complaint. A Class Member's

allocation will be based, as specified in more detail below, on (a) the length of time between when the RTB Agreement was signed and the date the home was vacated or a conditional sales contract was signed; (b) the monthly payment; and (c) the date when the customer entered into the RTB Agreement. The Distribution Amount for each Class Member who properly submits a Claim Form will be calculated by multiplying each Individual Distribution Factor by the Distribution Basis. Each Class member's Individual Distribution Factor will be calculated by one of the following methods:

(1) For all Class Members who signed their RTB Agreement between January 1, 2009 and May 30, 2012 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, and (c) all divided by 1000.  $([\# \text{ of months on RTB Agreement}] [\text{monthly payment}]) / 1000$

(2) For all Class Members who signed their RTB Agreement between May 31, 2012 and May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; and add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000.  $([\# \text{ of months on RTB Agreement}] (\text{monthly payment}) / 1000 + (([\text{monthly payment}] \times [\# \text{ of months of RTB agreement}]) - [\text{purchase price}]) / 6000$

(3) For all Class Members who signed their RTB Agreement after May 30, 2014 – (a) The number of months rounded to the nearest month between the date RTB Agreement was signed and the date the home was vacated or the date a conditional sales contract was signed, (b) multiplied by the monthly payment amount, (c) all divided by 1000; add (a) the monthly payment, (b) multiplied by the number of months of the term of the agreement, (c) less the purchase price, (d) divided by 6000; and (a) all multiplied by 1.25.  $(([\# \text{ of months on RTB Agreement}] (\text{monthly payment}) / 1000 + (([\text{monthly payment}] \times [\# \text{ of months of RTB agreement}]) - [\text{purchase price}]) / 6000) \times 1.25$

- d. The Class Administrator shall determine, based on the applicable above-stated formulation, the Individual Distribution Factor for each Class Member who submitted a valid claim. The Distribution Basis shall be calculated by subtracting the sum of \$5,000 for each Class Representative and the amount designated to be paid to Declarants from \$525,000 and dividing the result by the sum of all Individual Distribution Factors.

- e. The proposed allocation provides that the Settlement Payments will be entirely exhausted by distributions to Class Members who properly submit claims forms. There are no remaining funds following those distributions.
2. The additional \$175,000 will be designated for payments for the Named Plaintiffs' individual claims. Each of the Class Representatives will receive a payment of \$25,000. These payments are compensatory damages for their individual claims for damages under state law and the Fair Housing Act, which, unlike class members' claims, were poised to go to trial, \$50,000 shall be designated for payment to the Fair Housing Center of Central Indiana, Inc., another plaintiff, as compensation for its diversion of resources and frustration of mission as a result of Defendants' alleged actions.

#### **11. How much money will be paid to Class Counsel?**

Plaintiffs' counsel will not receive any payment as a result of this Settlement.

#### **12. How will the rest of the money be used?**

\$50,000 will be used to pay administrative costs related to the Settlement. This includes funds to pay for the Claims Administrator, who will mail and process claim forms, process payments to Class Members, calculate allocations to Class Members, and notify Class Members about this Settlement.

#### **13. What changes to Defendants' policies does this settlement require?**

In addition to the monetary payment, the settlement requires Defendants to train certain personnel about the fair housing laws, lending discrimination, and predatory lending annually for a period of three years and to adopt a Fair Housing Policy. Defendants have also agreed to comply with the provisions of the FHA, ECOA, TILA, the Indiana Home Loan Practices Act ("HLP"), Indiana Code § 24-9-1-1 *et seq.*, and Indiana Code § 32-31-8-5.

### **Your Rights and Options**

#### **14. What do I do to receive a payment from the Settlement?**

**If you wish to receive a payment from this settlement, you should properly complete the Claim Form included with this notice using the pre-addressed, stamped envelope before [DATE].** If you do nothing, you will not receive a share of the Settlement Payment. You will be bound by the Court's decision and will have released all claims against Rainbow related to the allegations raised in this lawsuit.

You are not required to retain your own attorney to remain in this lawsuit or to request or file a Claim Form or questionnaire. You will not be required to pay any money for the services of Class Counsel or their representatives and assistants.



If you remain in the lawsuit, and if the Court grants final approval of the proposed Settlement, then you will be bound by all of the terms of the Settlement. This means that you will not be able to bring a separate lawsuit or other legal proceeding against Defendants related to the allegations and claims described above that are included in this lawsuit. Nor will you be able to challenge the Settlement Agreement after it has been finally approved by the Court. You will be legally bound by all of the orders the Court issues and the judgments the judge and jury make in this class action. To receive a share of the Settlement Payment, you will additionally have to submit a claim form.

#### **15. Why would I ask to opt out?**

You might choose to opt out of the settlement if you believe that Defendants did not violate the law. For example, you might opt out if you believe Rainbow provided you with a habitable home, did not violate fair lending laws, or did not discriminate against Black and Latino communities in the way it operated its Rent-to-Buy program.

You might also choose to opt out if you wish to bring or have already brought a separate lawsuit related to the facts and claims alleged in this lawsuit. If you decide to opt out and pursue your own claim, you will have to hire and arrange for payment of your own lawyer, or represent yourself, and you will have to prove your own claims. If you are considering opting out from this lawsuit so that you can pursue a claim against Defendants for the same claims alleged in this lawsuit, you should consult your lawyer immediately to determine if opting out is in your best interest.

#### **16. How do I ask the Court to opt out of the Settlement?**

To opt out of the settlement, you must send a written, signed letter by First Class U.S. Mail stating that you want to opt out from *Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.* The letter must state the following: "I opt out of the *Fair Housing Center of Central Indiana v. Rainbow Realty, Inc.* Settlement."

The letter must include your name, current address, email address(es), and telephone number. Be sure to include the case name and case number (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, No. 1:17-cv-1782) and sign the letter. ~~You must mail your Opt Out Statement by [DATE]~~ You must mail your Opt Out Statement by 61 calendar days after the entry of the Final Approval Order, if there are no appeals; or, if there is any appeal of the Final Approval Order, the day after all appeals are finally resolved in favor of final approval of this Settlement Agreement to: [Claims Administrator Address]. If you do not request exclusion or if your letter of exclusion is not postmarked on or before ~~[DATE]~~ the due date, you will be included in the class. Late requests to be excluded from the class will not be effective.

### **Hearing on Proposed Settlement Agreement**

#### **17. What has to happen before the Settlement becomes final?**

The Court, which has made a preliminary finding that the proposed Settlement is fair and just, has scheduled a hearing (the "Fairness Hearing") to determine whether it will grant final



approval of the Settlement. The Court will hold this hearing at ~~{time}~~10:00 a.m. on ~~{date}~~May 11, 2023 at the United States District Court for Southern District of Indiana located at the Birch Bayh Federal Building, 46 E. Ohio St., Indianapolis, Indiana, in Courtroom # ~~{}~~202.

It is not necessary for you to appear at the hearing or to file anything with the Court before the hearing. If you fit within the Court's definition of the class, then your interests will be adequately represented at the hearing by the named Plaintiffs and Plaintiffs' Counsel.

However, subject to the following requirements, you may submit written comments on the proposed Settlement, and you may speak to the Court, either personally or through your own attorney, at the hearing on ~~{date}~~May 11, 2023 at 10:00 a.m.

### 18. Can I object to the Settlement?

If you wish to object to the proposed Settlement, you must send a letter that includes the following:

- Your name, address, and telephone number;
- The name and number of the case (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, No. 1:17-cv-1782)
- The basis for your objection(s);
- Whether you wish to be heard in Court at the Fairness Hearing;
- A list of any witnesses you may call to testify at the Fairness Hearing;
- Copies of any document you intend to present to the Court at the Fairness Hearing and all other documents in support of your objections;
- Your signature

You may not object to the proposed Settlement if you opt out of the Class.

Your objection, along with any supporting material you wish to submit, must be mailed and postmarked no later than ~~[date]~~, to ~~all~~ of the ~~following three addresses~~: Claims Administrator Address

<del>Court</del>	<del>Plaintiffs' Counsel</del>	<del>Defense Counsel</del>
<del>United States District Court for Southern District of Indiana Birch Bayh Federal Building, 46 E. Ohio St., Indianapolis, Indiana 46204</del>	<del>Reed Colfax Relman Colfax PLLC 1225 19<sup>th</sup> St., NW #600 Washington, DC 20036</del>	<del>Briana Clark Dentons Bingham Greenebaum 10 W Market St., Suite 2700 Indianapolis, Indiana 46204</del>

### 19. Can I speak at the Fairness Hearing?

If you wish to request permission to speak at the hearing, you must file with the Court a "Notice of Intent to Appear." Your notice must include the following:

- Your name, address, and telephone number;

- The name of the case (*Moore, et al. v. Johnson*, No. 00-953);
- The name, address, and telephone number of any attorney(s) who will be appearing on your behalf at the Fairness Hearing; and
- Your signature.

You must mail your Notice of Intent to Appear, postmarked no later than ~~[date]~~ to the Court, ~~Plaintiffs' Counsel, and Defense Counsel at each of the three addresses listed above to the~~ [Claims Administrator] at [Claims Administrator's address]

Your appearance at the hearing, as well as that of your attorney, will be at your own expense.

## CLASS COUNSEL

### 20. Do I have a lawyer in this case?

The Court decided that attorneys from the law firm Relman Colfax PLLC are qualified to represent you and all Class Members and appointed them to be "Class Counsel." Contact information for Class Counsel is as follows:

Relman Colfax PLLC  
Attn: Rainbow Team  
1225 Nineteenth St., NW  
Suite 600  
Washington, DC 20036  
Tel. (202) 728-1888  
Fax. (202) 728-0848  
<http://relmanlaw.com>

### 21. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are working on your behalf. But, if you want your own lawyer, you will have to make your own arrangements for the payment of that lawyer. For example, you can ask him or her to appear at the Fairness Hearing for you if you want someone other than Class Counsel to speak for you.

## QUESTIONS

### 22. What if I have questions?

This notice summarizes the proposed Settlement. The Settlement Agreement and Plaintiffs' Motion for Preliminary Approval contain more details about the Settlement, the distribution of the Settlement Payment, and the changes to the Defendants' policies. You can access these documents at \_\_\_\_\_.

Any inquiries by Class Members concerning this notice or the class action should be directed to the Claims Administrator at [phone number]. You can also direct questions, by phone or in writing, to Zoila Hinson or Gabriel Diaz, who can be reached at (202) 728-1888,

zhinson@relmanlaw.com, gdiaz@relmanlaw.com, or at Relman Colfax PLLC, 1225 Nineteenth St., NW, Suite 600, Washington, DC 20036.

**TRIBUNAL FEDERAL DE PRIMERA INSTANCIA  
DISTRITO SUR DE INDIANA  
FUERO DE INDIANÁPOLIS**

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Demandantes,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Demandadas.

Caso Nro. 1:17-cv-1782-JMS-TAB

**LA PRESENTE NOTIFICACIÓN PODRÍA AFECTAR SUS DERECHOS. SÍRVASE  
LEERLA CON DETENIMIENTO.**

**PARA:** Todos los clientes que celebraron un contrato de alquiler con opción de compra con Rainbow Realty Group, Inc., o con alguna entidad afiliada desde el día 1.º de enero de 2009 hasta el 20 de septiembre de 2019

LA PRESENTE ES UNA NOTIFICACIÓN DISPUESTA POR UN TRIBUNAL.  
NO SE TRATA DE UNA GESTIÓN REALIZADA POR UN ABOGADO.

La presente notificación consiste en informarle a usted acerca de la propuesta de un Acuerdo Conciliatorio que se ha alcanzado en un juicio de acción de clase iniciado por los clientes que han celebrado Contratos de Alquiler con Opción de Compra con Rainbow Realty Group, Inc. y/o sus entidades afiliadas (colectivamente aludidas como «Rainbow» o las «Demandadas») entre el 1.º de enero de 2009 y el 30 de septiembre de 2019 y que no han cancelado totalmente sus contratos. El acuerdo conciliatorio propuesto, en caso de que el Tribunal conceda su homologación definitiva, generará un Fondo Conciliatorio total de USD \$525.000 para pagarles sus demandas a todos los Miembros de la Clase de Demandantes, USD \$125.000 para pagar las demandas individuales de los Demandantes Nombrados, y USD \$50.000 en concepto de costos administrativos. **Si usted es Miembro de la Clase, resulta elegible para recibir una parte del Pago del Acuerdo Conciliatorio.** El acuerdo conciliatorio propuesto también le exige a Rainbow adoptar determinadas políticas y medidas de capacitación.

SI LA PRESENTE NOTIFICACIÓN ESTÁ DIRIGIDA A USTED, ES PORQUE USTED HA SIDO IDENTIFICADO COMO POTENCIAL MIEMBRO DE LA CLASE. En calidad de Miembro de la Clase, usted tiene el derecho de saber acerca de este Acuerdo Conciliatorio y cómo éste podría llegar a afectar sus derechos legales. La presente notificación describe el juicio, el Acuerdo Conciliatorio, los derechos legales de todos los Miembros de la Clase y

los respectivos plazos aplicables. Sus opciones se explican en esta notificación y se resumen en el siguiente cuadro:

<b>SUS DERECHOS LEGALES Y OPCIONES EN CUANTO AL ACUERDO CONCILIATORIO</b>	
<b>PARTICIPAR EN EL ACUERDO CONCILIATORIO</b>	Para participar en el Acuerdo Conciliatorio, usted debe presentar un Formulario de Demanda. Presentar un Formulario de Demanda es la única manera en que puede llegar a recibir una parte del Fondo Conciliatorio. Se incluye un Formulario de Demanda en esta notificación. Usted no está obligado a contratar a su propio abogado para presentar un Formulario de Demanda, toda vez que tampoco estará obligado a pagar ninguna suma de dinero por los servicios del Abogado de los Demandantes.
<b>DESISTIR DE PARTICIPAR EN EL ACUERDO CONCILIATORIO</b>	Si usted desiste de participar en el Acuerdo Conciliatorio, no resultará elegible para recibir una parte del Fondo Conciliatorio.
<b>IMPUGNAR</b>	Usted tiene el derecho de impugnar el Acuerdo Conciliatorio propuesto. Para hacerlo, usted debe presentar una impugnación por escrito ante el Tribunal, tal como se describe con mayor detalle en esta notificación. Usted no puede impugnar el Acuerdo Conciliatorio si usted no es Miembro de la Clase y no desiste de participar en el Acuerdo Conciliatorio.
<b>NO HACER NADA</b>	Si usted es Miembro de la Clase y no presenta un Formulario de Demanda, no resultará elegible para recibir una parte del Fondo Conciliatorio. Sin embargo, usted seguirá siendo un Miembro de la Clase, lo cual implica que quedará obligado en virtud de las sentencias y órdenes judiciales dictadas por el Tribunal de este juicio.

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## INFORMACIÓN BÁSICA

### 1. ¿Por qué recibí esta notificación?

Tanto los Demandantes como las Demandadas le están solicitando al Tribunal que haga lugar u «homologue» para proceder con un acuerdo conciliatorio a una clase en el marco de un juicio de acción de clase que lo afecta a usted. Los registros de Rainbow demuestran que usted celebró un Contrato de Alquiler con Opción de Compra con Rainbow entre el 1.º de enero de 2009 y el 30 de septiembre de 2019 y que no ha cancelado totalmente dicho contrato. Esta notificación explica que los Demandantes y Rainbow han presentado un acuerdo conciliatorio del juicio ante el Tribunal, le han solicitado a éste homologarlo y de hecho ya recibió una homologación preliminar. La Honorable Jueza Jane E. Magnus-Stinson a cargo del Tribunal Federal de Primera Instancia por el Distrito Sur de Indiana está supervisando esta acción de clase. La carátula del juicio se conoce como *Fair Housing Center of Central Indiana, Inc., et al. v. Rainbow Realty Group, Inc., et al.*, Acción Civil Nro. 1:17-cv-1782.

### 2. ¿De qué se trata este juicio?

Este juicio gira en torno a la cuestión de si Rainbow incumplió las leyes estatales y federales vigentes en materia de créditos y viviendas justas, y si violó las leyes estatales de habitabilidad en la administración que tuvo a su cargo de su programa de Alquiler con Opción de Compra («RTB», por sus siglas de referencia en inglés).

### 3. ¿En qué consiste y quiénes participan en una acción de clase?

En un juicio de acción de clase, una o varias personas denominadas «Representantes de la Clase» demanda en nombre y representación de otras personas que tiene pretensiones legales similares. Todas esas personas juntas conforman una «clase» o bien son «miembros de la clase». Los clientes del RTB que demandaron en nombre y representación de la clase también se denominan los Demandantes. Las compañías a las que ellos demandaron se denominan las Demandadas. Un tribunal resuelve las cuestiones para todos los integrantes de la clase, excepto por aquellas personas que hayan optado por desistir de participar en la clase. El método de la acción de clase evita la necesidad de que una numerosa cantidad de personas tenga que entablar juicios individuales similares, y además le permite al sistema judicial resolver estas demandas de una manera económica y eficiente.

## LAS DEMANDAS PLANTEADAS EN ESTE JUICIO

### 4. ¿Cuál es la pretensión que se esgrime en este juicio?

En el juicio, los Demandantes aducen que las Demandadas incurrieron en un patrón o práctica de discriminación dolosa basada en la raza, el color y/o la nacionalidad en su administración del Contrato de Alquiler con Opción de Compra. Los Demandantes también afirman que el programa de las Demandadas tuvo un impacto dispar sobre los clientes negros y latinos, lo cual implica que si bien el programa lucía aparentemente neutral, puso en desventaja a los clientes negros y latinos de maneras que no encuentran ningún justificativo legal. Los Demandantes también aducen que las Demandadas incumplieron la ley federal de créditos justos y omitieron

diligenciar las notificaciones requeridas sobre las cláusulas de los Contratos del RTB y engañaron a los clientes acerca de las referidas cláusulas contractuales, violando así una ley estatal de créditos justos. Por último, los Demandantes alegan que las Demandadas no les proveyeron a sus clientes viviendas habitables. Los Demandantes reclaman que estas prácticas violaron la Ley de Vivienda Justa (“FHA”), la normativa prevista en el Título 42 del U.S.C. en su § 3601 y sgts., la Ley de Veracidad en los Préstamos (“TILA”), la normativa prevista en el Título 15 del U.S.C. en su § 1601 y sgts., la Ley de Prácticas Crediticias Inmobiliarias de Indiana (“HPLA”), el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5 y además adujeron originalmente que dichas prácticas también violaron la Ley de Igualdad de Oportunidades Crediticias (“ECOA”), y la normativa prevista en el Título 15 del U.S.C. en su § 1691 y sgts.

### **5. ¿Cómo responden las Demandadas?**

Las Demandadas niegan que las normativas estatales y federales vigentes en materia de créditos justos se apliquen al programa de Alquiler con Opción de Compra aduciendo que el contrato de Alquiler con Opción de Compra se trata de un típico contrato de alquiler y no así un préstamo para comprar la vivienda. Las Demandadas también niegan haber incurrido en un patrón o práctica de discriminación racial intencional y que el programa haya tenido un impacto dispar en los clientes negros y latinos. Por último, las Demandadas niegan que las condiciones en que se encontraban las viviendas en el programa de Alquiler con Opción de Compra violaran las leyes de habitabilidad de Indiana.

### **6. ¿Qué es lo que se pretende con el juicio?**

Los Demandantes presentaron esta demanda con el propósito de recuperar el dinero abonado por los clientes a las Demandadas, los cargos financieros acordados, el costo del trabajo que realizaron los clientes en sus respectivas viviendas del programa RTB, los daños y perjuicios por afectación emocional y demás resarcimientos aplicables a los miembros de la clase. Con el juicio también se pretendió una reparación declarativa en el sentido de que las Demandadas habían violado las leyes FHA, ECOA, TILA, el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5, además de una medida cautelar que les prohíba continuar haciéndolo.

### **7. ¿Qué ha resuelto el Tribunal?**

El Tribunal ya ha adoptado numerosas decisiones que afectan las pretensiones de este caso. En primer lugar, el Tribunal ha decidido que sólo se pueden impulsar determinadas pretensiones bajo la modalidad de una acción de clase. En particular, el Tribunal resolvió que las demandas de la Clase por daños y perjuicios pecuniarios en relación a que las Demandadas incurrieron en discriminación por motivos de raza y origen nacional, una de sus pretensiones relacionadas con la ley federal de créditos justos, y tres de las cuestiones planteadas por los Demandantes en virtud de las leyes estatales de créditos justos no pueden resolverse bajo la modalidad de una acción de clase. Esto significa que la Clase no podría procurar un resarcimiento por estas pretensiones en este litigio a menos que las decisiones del Tribunal fueran revocadas por una cámara de apelaciones.

El Tribunal también resolvió que las Demandadas vencieron en cuanto a la restante demanda de clase relacionada con la ley estatal de crédito justo, la demanda de clase en el sentido de que las



Demandadas habían violado la ley de habitabilidad de Indiana, las demandas federales por créditos justos en virtud de la ley TILA, la mayoría de las demandas fundadas en la ley ECOA, y la demanda por impacto dispar sobre los Demandantes de conformidad con la ley FHA. Los Demandantes decidieron que redundaría en pos de los intereses superiores de la Clase desestimar un pequeño número de demandas fundadas en la ley ECOA que el Tribunal todavía no había abordado.

De llegar a etapa de juicio esta causa, las únicas pretensiones que serían juzgadas serían (a) las demandas de clase por las que se procura una reparación declarativa y un resarcimiento cautelar en el sentido de que las Demandadas incurrieron en discriminación intencional por motivos de raza y origen nacional de conformidad con la Ley de Vivienda Justa; (b) las demandas por daños y perjuicios planteadas por los Demandantes en razón de su discriminación intencional individual y conformes a la ley FHA; y (c) las demandas individuales de los Demandantes en el sentido de que las Demandadas violaron las leyes estatales de créditos justos y habitabilidad. Aunque los Demandantes vencieron en la etapa de juicio, los Miembros de la Clase no recibirían ninguna indemnización por daños y perjuicios ni toda legitimación para percibir una indemnización por daños y perjuicios para toda la clase quedarían supeditado al hecho de que la cámara de apelaciones revoque algunas de las resoluciones dictadas por el Tribunal de primera instancia.

## **¿QUIÉNES INTEGRAN LA CLASE?**

### **8. ¿Formo parte de esta clase?**

Si esta notificación está dirigida a usted es porque los registros de Rainbow indican que usted forma parte de la clase. Si usted encuadra dentro de la definición de clase consignada más adelante y presenta un formulario de demanda, usted quedará incluido como parte de la clase y recibirá un pago a menos que usted opte por desistir de participar. Si usted no opta por desistir de participar y no presenta un formulario de demanda, usted pasará a ser miembro de la clase y quedará obligado por las decisiones del Tribunal en esta causa, pero NO recibirá un pago. Usted no tiene que haber participado en este juicio en modo alguno hasta este punto para poder ser un Miembro de la Clase.

La definición de clase dada por el Tribunal incluye a todos los clientes que celebraron un Contrato de Alquiler con Opción de Compra con cualquier Demandada o con cualquier fideicomiso inmobiliario individual asociado con cualquiera de las Demandadas desde el día 1.º de enero de 2009 hasta el 30 de septiembre de 2019 Si múltiples personas firmaron un único Contrato de RTB, todas esas personas firmantes se considerarán colectivamente como un solo Miembro de la Clase. Si usted encuadra dentro de esta definición de clase, usted es miembro de la Clase, aunque haya firmado un Contrato de Compraventa Condicional con alguna Demandada.

### **9. ¿Quiénes son los Representantes de la Clase?**

Los Representantes de la Clase son María Gaspar, Franklin Paz, Norma Tejeda, Mory Kamano y Cordell Spencer. El Tribunal resolvió que estos clientes que celebraron los Contratos de RTB con Rainbow y que no han cancelado totalmente sus Contratos de RTB representan fiel y adecuadamente los intereses de la clase.

## **Resumen del Acuerdo Conciliatorio propuesto**

### **10. ¿Cuánto dinero se les pagará a los miembros de la clase?**

En virtud del acuerdo conciliatorio propuesto, las Demandadas pagarán USD \$525.000 para resolver las demandas de clase, USD \$175.000 adicionales para resolver las demandas individuales de los Demandantes Nombrados, incluidos los Representantes de la Clase y Fair Housing Center of Central Indiana, Inc., más USD \$50.000 en concepto de costos administrativos.

El Pago Conciliatorio de la Clase de USD \$525.000 serán designados para su liquidación a favor de los Miembros de la Clase. La asignación individual a cada Miembro de la Clase será calculada por el Administrador de Demandas, quien no ha tenido ningún role anterior en este litigio. Se basará en la información provista por las Demandadas para calcular la asignación. El Administrador de Demandas calculará la asignación individual a los Miembros de la Clase de la siguiente manera:

- a. Cada Representante de la Clase recibirá USD \$5.000 en concepto de reconocimiento de los esfuerzos significativos realizados por los Representantes de la clase en el impulso y la gestión de esta demanda durante los cinco años que ha estado en trámite, que también incluye su participación en la estrategia judicial, la provisión de información al Abogado de la Clase, la contestación a los pedidos de producción de pruebas de las Demandadas, la comparecencia y las declaraciones testimoniales en las audiencias de deposición notificadas por las Demandadas, y la promoción de los intereses de la clase.
- b. Cada Declarante, o persona que haya presentado una declaración en esta causa, que presente un Formulario de Demanda recibirá USD \$2.500 como reconocimiento de su aporte sustancial a las presentaciones claves efectuadas en esta causa.
- c. El saldo de USD \$525.000 serán distribuidos a los Miembros de la Clase que presenten correctamente los Formularios de Demanda (incluidos los Representantes de la Clase y los Declarantes) en concepto de reembolso por los daños y perjuicios sufridos que pudieren ser indemnizables de conformidad con las pretensiones alegadas en la Tercera Ampliación de la Demanda. La asignación a un Miembro de la Clase se basará, según se especifica con mayor detalle más adelante, en (a) el tiempo transcurrido entre al firma del Contrato de RTB y la fecha de desocupación de la vivienda o la firma de un contrato de compraventa condicional; (b) el pago mensual; y (c) la fecha en la que el cliente celebró un Contrato de RTB. El Monto Objeto de Distribución para cada Miembro de la Clase que presente correctamente un Formulario de Demanda se calculará multiplicando cada Factor de Distribución Individual por la Base de Distribución. El Factor de Distribución Individual de cada Miembro de la Clase se calculará según uno de los siguientes métodos:
  - (1) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB entre el 1.º de enero de 2009 y el 30 de mayo de 2012:
    - (a) El número de meses redondeado al mes más cercano entre la fecha de

firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000.  $([\text{Nro. de meses del Contrato de RTB}] [\text{pago mensual}])/1000$

(2) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB entre el 31 de mayo de 2012 y el 30 de mayo de 2014: (a) El número de meses redondeado al mes más cercano entre la fecha de firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000; y sumar (a) el pago mensual, (b) multiplicado por el número de meses de la vigencia del contrato, (c) menos el precio de compra, (d) dividido por 6000.  $([\text{Nro. de meses del Contrato de RTB}] (\text{pago mensual})/1000 + (([\text{pago mensual}] \times [\text{Nro. de meses del contrato de RTB}]) - [\text{precio de compra}])/6000$

(3) Para todos los Miembros de la Clase que hayan firmado su Contrato de RTB después del 30 de mayo de 2014: (a) El número de meses redondeado al mes más cercano entre la fecha de firma del Contrato de RTB y la fecha de desocupación de la vivienda o la fecha de firma del contrato de compraventa condicional, (b) multiplicado por el monto del pago mensual, y (c) todo ello dividido por 1000; y sumar (a) el pago mensual, (b) multiplicado por el número de meses de la vigencia del contrato, (c) menos el precio de compra, (d) dividido por 6000; y (a) todo ello multiplicado por 1,25.  $([\text{Nro. de meses del Contrato de RTB}] (\text{pago mensual})/1000 + (([\text{pago mensual}] \times [\text{Nro. de meses del contrato de RTB}]) - [\text{precio de compra}])/6000 \times 1,25$

- d. El Administrador de la Clase determinará, en función de la fórmula aplicable antes detallada, el Factor de Distribución Individual para cada Miembro de la Clase que haya presentado una demanda válida. La Base de la Distribución se calculará restando la suma de USD \$5.000 por cada Representante de la Clase y el monto designado para ser pagado a los Declarantes de los USD \$525.000 y dividiendo el resultado por la suma de todos los Factores de Distribución Individual.
  - e. La asignación propuesta dispone que los Pagos del Acuerdo Conciliatorio se agotarán en su totalidad por las distribuciones efectuadas a los Miembros de la Clase que presenten correctamente los formularios de demandas. No quedarán más fondos remanentes tras la realización de esas distribuciones.
2. Los USD \$175.000 adicionales serán designados para efectuar los pagos correspondientes a las demandas individuales de los Demandantes Nombrados. Cada uno de los Representantes de la Clase recibirán un pago de USD \$25.000. Estos pagos son en concepto de indemnización compensatoria por los daños y perjuicios efectivos reclamados por sus demandas individuales conformes a la legislación estatal y la Ley de Vivienda Justa, las

cuales, a diferencia de las demandas de los miembros de la clase, estaban listas para proceder a etapa de juicio, USD \$50.000 serán designados para su pago a Fair Housing Center of Central Indiana, Inc., otro demandante, en concepto de indemnización por su desvío de recursos y frustración de su misión como resultado de las presuntas acciones de las Demandadas.

### **11. ¿Cuánto dinero se le pagará al Abogado de la Clase?**

El abogado de los Demandantes no recibirá ningún pago como consecuencia de este Acuerdo Conciliatorio.

### **12. ¿Cómo se utilizará el resto del dinero?**

Se utilizarán los USD \$50.000 para pagar los costos administrativos relacionados con el Acuerdo Conciliatorio. Esto incluye los fondos que hay que pagarle al Administrador de Demandas, quien enviará por correo y procesará los formularios de demanda, liquidará los pagos a los Miembros de la Clase, calculará las asignaciones a los Miembros de la Clase y los notificará acerca de este Acuerdo Conciliatorio.

### **13. ¿Qué cambios este acuerdo conciliatorio requiere hacer a las políticas de las Demandadas?**

Además del pago monetario, el acuerdo conciliatorio les exige a las Demandadas capacitar en forma anual a determinados miembros de su personal sobre las leyes de vivienda justa, la discriminación crediticia y prácticas crediticias predatorias durante un período de tres años, así como también adoptar una Política de Vivienda Justa. Las Demandadas también aceptan cumplir con las disposiciones de las leyes FHA, ECOA, TILA, la Ley de Prácticas de Créditos Hipotecarios de Indiana (la “HLPa”), el Código de Indiana en su § 24-9-1-1 y sgts., y el Código de Indiana en su § 32-31-8-5.

## **Sus derechos y opciones**

### **14. ¿Qué debo hacer para recibir un pago del Acuerdo Conciliatorio?**

**Si usted desea recibir un pago procedente de este acuerdo conciliatorio, usted debería completar correctamente el Formulario de Demanda incluido en esta notificación utilizando el sobre ya estampillado y dirigido antes del día [FECHA].** Si usted no hace nada, no recibirá una parte del Pago Conciliatorio. Usted quedará obligado en virtud de la decisión del Tribunal y habrá finiquitado todas las demandas contra Rainbow relacionadas con las afirmaciones planteadas en este juicio.

Usted no está obligado a contratar a su propio abogado para continuar en este juicio ni para solicitar o presentar un Formulario de Demanda o un interrogatorio. Usted no está obligado a pagar ninguna suma de dinero por los servicios del Abogado de los Demandantes o sus representantes o asistentes.

Si usted sigue en este juicio, y si el Tribunal concede la homologación definitiva del Acuerdo Conciliatorio propuesto, entonces sí quedará obligado en virtud de todas las disposiciones del Acuerdo Conciliatorio. Esto implica que usted no podrá entablar un juicio por separado u otro proceso legal en contra de las Demandadas en relación con las pretensiones y demandas que se describen más arriba y se incluyen en este juicio. Usted tampoco podrá impugnar el Acuerdo Conciliatorio una vez homologado definitivamente por el Tribunal. Usted quedará obligado por todas las medidas dictadas por el Tribunal y las sentencias o los veredictos que el juez o jurado interviniente emitan en esta acción de clase. Para recibir una parte del Pago Conciliatorio, además tendrá que presentar un formulario de demanda.

### **15. ¿Por qué pediría desistir de participar?**

Usted podría optar por desistir de participar del acuerdo conciliatorio si cree que las Demandadas no violaron la ley. Por ejemplo, usted podría optar por desistir de participar si usted cree que Rainbow le brindó una vivienda habitable, no violó las leyes de créditos justos, ni lo discriminó por pertenecer a las comunidades negras o latinas en la manera en que aplicó su programa de Alquiler con Opción de Compra.

También usted podría optar por desistir si desea iniciar o ya ha iniciado un juicio por separado relacionado con los hechos y las demandas planteadas en este juicio. Si usted decide optar por desistir y escoge impulsar su propia demanda, tendrá que contratar y gestionar el pago de su propio abogado, o representarse a sí mismo, y usted tendrá que demostrar sus propias pretensiones. Si usted está considerando optar por desistir de participar en este juicio de manera tal que usted pueda impulsar una demanda en contra de las Demandadas por las mismas pretensiones esgrimidas en este juicio, usted debería consultar a su abogado de inmediato para poder determinar si optar por desistir de participar redunda en su mayor conveniencia e interés.

### **16. ¿Cómo le pido al Tribunal desistir de participar en el Acuerdo Conciliatorio?**

Para optar por desistir de participar en el acuerdo conciliatorio, usted deberá enviar por correo certificado oficial de los EE. UU. una carta firmada por escrito donde manifieste que desea optar por desistir de participar en el juicio caratulado *Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.* La carta debe consignar lo siguiente: “Opto por desistir de participar en el Acuerdo Conciliatorio del juicio caratulado *Fair Housing Center of Central Indiana v. Rainbow Realty, Inc.*”.

La carta debe incluir su nombre, domicilio actual, dirección(es) de correo electrónico y número de teléfono. Asegúrese de incluir el nombre y número de la causa (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, Nro. 1:17-cv-1782) y de firmar la carta. Debe enviar por correo postal su Declaración de Opción de Desistimiento a más tardar el día **[FECHA]** y 61 días calendario después de la entrada en vigor de la Orden de aprobación definitiva, si no hay apelaciones; o si hay alguna apelación de la Orden de aprobación definitiva, el día después de que todas las apelaciones se resuelvan definitivamente a favor de la aprobación definitiva de este Acuerdo de conciliación. a: [Dirección del Administrador de Demandas]. Si usted no solicita la exclusión o si su carta de exclusión no consta matasellada a más tardar el día **[FECHA]**, fecha de cierre, usted quedará incluido en la clase. Los pedidos extemporáneos de exclusión de la clase no surtirán efecto.



## Audiencia sobre el Acuerdo Conciliatorio propuesto

### 17. ¿Qué tiene que suceder antes de que el Acuerdo Conciliatorio quede firme?

El Tribunal que ha dictado la resolución preliminar en el sentido de que el Acuerdo Conciliatorio propuesto es justo y razonable, ha programado una audiencia (la así llamada «Audiencia de Justicia») para determinar si concederá la homologación definitiva del Acuerdo Conciliatorio. El Tribunal celebrará esta audiencia a las ~~hora~~ a las diez de la mañana del día ~~fecha~~ el 11 de mayo de 2023 en la sede del Tribunal Federal de Primera Instancia por el Distrito Sur de Indiana sita en el Edificio Federal Birch Bayh, 46 E. Ohio St., Indianápolis, Indiana, en el Despacho Nro. ~~202~~.

No es necesario que usted comparezca en la audiencia ni que presente ningún escrito ante el Tribunal con anterioridad a dicha audiencia. Si usted encuadra dentro de la definición de la clase establecida por el Tribunal, entonces sus intereses se verán representados en forma adecuada en la audiencia por el Abogado de los Demandantes y de los Demandantes Nombrados.

Sin embargo, de conformidad con los siguientes requisitos, usted podrá presentar comentarios por escrito sobre el Acuerdo Conciliatorio propuesto, y también podrá dirigirse al Tribunal, ya sea en forma personal o por medio de su propio abogado, en la audiencia el día ~~fecha~~ 11 de mayo de 2023 a las diez de la mañana.

### 18. ¿Puedo impugnar el Acuerdo Conciliatorio?

Si usted desea impugnar el Acuerdo Conciliatorio propuesto, deberá enviar una carta que incluya los siguientes datos:

- Su nombre, domicilio y número de teléfono;
- El nombre y número de la causa (*Fair Housing Center of Central Indiana, Inc. et al. v. Rainbow Realty Group, Inc., et al.*, Nro. 1:17-cv-1782)
- El fundamento de su impugnación;
- Si usted desea ser oído ante el Tribunal en ocasión de la Audiencia de Justicia;
- Un listado de todos los testigos que usted podría convocar para declarar en la Audiencia de Justicia;
- Copias de todos los documentos que usted pretende presentar ante el Tribunal en la Audiencia de Justicia y todos los demás documentos que sustenten sus impugnaciones;
- Su firma

Usted no podrá impugnar el Acuerdo Conciliatorio propuesto si opta por excluirse de la Clase.

Su impugnación, junto con todo el material de respaldo que desee presentar, debe ser enviada por correo postal y matasellada a más tardar el día ~~fecha~~, dirigida a ~~todas las direcciones siguientes:~~ la [dirección del Administrador de Demandas]:

<del>Tribunal</del>	<del>Abogado de los Demandantes</del>	<del>Abogado de las Demandadas</del>
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<del>United States District Court for Southern District of Indiana [Tribunal Federal de Primera Instancia por el Distrito Sur de Indiana] Birch Bayh Federal Building, 46 E. Ohio St., Indianapolis, Indiana 46204</del>	<del>Reed Colfax Relman Colfax PLLC 1225 19<sup>th</sup> St., NW #600 Washington, DC 20036</del>	<del>Briana Clark Dentons Bingham Greenebaum 10 W Market St., Suite 2700 Indianapolis, Indiana 46204</del>
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### 19. ¿Puedo hablar en la Audiencia de Justicia?

Si usted desea solicitar permiso para hablar en la audiencia, deberá presentar ante el Tribunal un «Aviso de Intención de Comparecer». Su aviso debe incluir la siguiente información:

- Su nombre, domicilio y número de teléfono;
- El nombre de la causa (*Moore, et al. v. Johnson*, Nro. 00-953);
- El nombre, domicilio y número de teléfono de todos los abogados que comparecerán en su nombre y representación en la Audiencia de Justicia; y
- Su firma.

Usted debe enviarles por correo Su Aviso de Intención de Comparecer, matasellada a más tardar el día **[fecha]** al ~~Tribunal, al Abogado de los Demandantes, y al Abogado de la Defensa a cada una de las tres direcciones enumeradas más arriba. [Administrador de Demandas] a la [dirección del Administrador de Demandas]~~

Su comparecencia en la audiencia, así como también la de su abogado, correrán por su exclusivo costo y cargo.

## ABOGADO DE LA CLASE

### 20. ¿Cuento con un abogado en esta causa?

El Tribunal decidió que los abogados del estudio jurídico Relman Colfax PLLC se encuentran habilitados para representarlo a usted y a todos los Miembros de la Clase, por lo cual los designó como el «Abogado de la Clase». La información de contacto correspondiente al Abogado de la Clase es la siguiente:

Relman Colfax PLLC  
Atn.: Equipo de Rainbow  
1225 Nineteenth St., NW  
Suite 600  
Washington, DC 20036  
Tel. (202) 728-1888  
Fax. (202) 728-0848  
<http://relmanlaw.com>

**21. ¿Debería conseguirme a mi propio abogado?**

No hace falta que contrate a su propio abogado porque el Abogado de la Clase se encuentra trabajando en nombre y representación de usted. Sin embargo, si desea contar con su propio abogado, tendrá que realizar sus propias gestiones para pagarle sus respectivos honorarios. Por ejemplo, usted puede pedirle que comparezca en la Audiencia de Justicia en su nombre si es que usted desea que otro profesional distinto del Abogado de la Clase hable por usted.

**PREGUNTAS**

**22. ¿Qué sucede si tengo alguna pregunta?**

Este aviso resume el Acuerdo Conciliatorio propuesto. El documento del Acuerdo Conciliatorio y el Pedido de Homologación Preliminar presentado por los Demandantes contienen más detalles sobre el Acuerdo Conciliatorio, la distribución del Pago Conciliatorio y los cambios efectuados a las políticas de las Demandadas. Usted puede acceder a estos documentos en \_\_\_\_\_.

Toda consulta planteada por los Miembros de la Clase en cuanto a esta Notificación o la acción de clase deberían dirigirse al Administrador de Demandas al [número de teléfono]. También puede dirigir preguntas, por teléfono o por escrito, dirigidas a Zoila Hinson o a Gabriel Diaz, con quienes podrá comunicarse al (202) 728-1888, [zhinson@relmanlaw.com](mailto:zhinson@relmanlaw.com), [gdiaz@relmanlaw.com](mailto:gdiaz@relmanlaw.com), o bien a Relman Colfax PLLC, 1225 Nineteenth St., NW, Suite 600, Washington, DC 20036.



# **EXHIBIT 4**

## **EQUAL HOUSING OPPORTUNITY POLICY**

Rainbow Realty Group, Inc., its owner James R. Hotka, and all related companies (“Companies”) are committed to equal housing opportunity in accordance with the fair housing laws at all our properties across greater Indianapolis and State of Indiana. Consistent with this policy, the Companies’ officers, employees, and representatives are prohibited from the following actions in the course of their work for the Companies:

1. Refuse to show, refuse to negotiate for the rental or sale of, or otherwise make unavailable or deny, a property to any person because of race, color, religion, sex, familial status, national origin, or disability (each is a “prohibited basis”);
2. Discriminate against any person in the terms, conditions, or privileges of renting or selling a property or in engaging in a credit or lending transaction because of a prohibited basis, including targeting unfair or unequal policies toward people of color;
3. Discriminate against any person in the terms, conditions, or privileges of providing services or facilities in connection with renting or selling a property or in engaging in a credit or lending transaction because of a prohibited basis, including targeting unfair or unequal policies towards people of color;
4. Make any verbal or written statement, including advertising, with respect to the rental or sale of a property or in engaging in a credit or lending transaction that misleads or fails to disclose in a meaningful way the terms and conditions of an agreement, or that misleads any person with regard to their rights to disclosure and to be free of unfair or deceptive practices;
5. Make any verbal or written statement, including advertising, with respect to the rental or sale of a property or a credit or lending transaction that indicates any preference, limitation, or discrimination concerning a prohibited basis; or
6. Threaten, coerce, or intimidate any person exercising a fair housing right, or impose different conditions on any person because of the exercise of a fair housing right;

Any violation of this Equal Housing Opportunity Policy will lead to discipline, up to and including termination of a person associated with the Companies.

# **EXHIBIT 5**

For Immediate Release – [Date]

Contacts: Amy Nelson, Executive Director  
Fair Housing Center of Central Indiana  
Phone: 317-644-0673 x1001  
Email: [anelson@fhcci.org](mailto:anelson@fhcci.org)

James R. Hotka  
Rainbow Realty Group, Inc.  
Phone: (317) 357-4000

### **SETTLEMENT OF FAIR HOUSING LAWSUIT REACHED INVOLVING INDIANAPOLIS RENT-TO-OWN COMPANY**

INDIANAPOLIS, IN – Today, the Fair Housing Center of Central Indiana (FHCCI) and Rainbow Realty Group, Inc. (Rainbow) announce a settlement agreement between the FHCCI, its clients, and Rainbow Realty, a real-estate brokerage firm the FHCCI challenged in a federal lawsuit for allegedly running a discriminatory rent-to-own program.

The settlement provides compensation for Rainbow rent-to-buy customers and the FHCCI. The agreement, which has been preliminarily approved by the federal district court judge for the case, also calls for the implementation of several Fair Housing related policies. The federal court will hold a final approval hearing on the settlement in approximately two months. As part of the settlement, Rainbow Realty admits to no harm or wrongdoing.

The lawsuit was originally filed on May 30, 2017. On March 27, 2020, a federal court certified a class to address certain of the asserted claims. On March 10, 2021 and August 12, 2022, the Court issued summary judgment orders which limited the plaintiffs' claims. In October of 2022, the parties agreed to resolve this matter.

The attorneys for the plaintiffs were [Relman Colfax PLLC](#) and [Riley Cate LLC](#).  
The attorneys for the defendants were [Dentons Bingham Greenebaum LLP](#).

# **EXHIBIT C**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

FAIR HOUSING CENTER OF CENTRAL  
INDIANA, INC., *et al.*,

Plaintiffs,

v.

RAINBOW REALTY GROUP, INC., *et al.*,

Defendants.

Case No. 1:17-cv-01782-JMS-TAB

**[PROPOSED] ORDER APPROVING CERTIFICATION OF SETTLEMENT CLASS  
AND GRANTING PRELIMINARY APPROVAL OF SETTLEMENT AGREEMENT**

Upon consideration of the Parties' Joint Motion for Certification of Class Settlement and Preliminary Approval of Settlement Agreement and the Settlement Agreement and the exhibits attached thereto ("Settlement Agreement"), the motion is hereby GRANTED.

It is, therefore, ORDERED that:

1. For the purposes of settlement, the Court certifies the class of individuals who entered into RTB Agreements with Defendants on or after January 1, 2009, excluding individuals who successfully paid off their agreements.
2. Preliminary approval of the settlement as set forth in the Revised Settlement Agreement attached to the Parties' Notice of Filing, [Filing No. 386], is hereby granted;
3. The date on or before which class members may opt out of the Settlement Agreement shall be 61 calendar days after the entry of the Final Approval Order, if there are no appeals; or, if there is any appeal of the Final Approval Order, the day after all appeals are finally resolved in favor of final approval of this Settlement Agreement;

4. The date on or before which class members may submit objections to this Settlement Agreement that shall be 36 calendar days from the date the Notice of Settlement and Fairness Hearing is transmitted to class members; and

5. The Final Fairness Hearing for Final Approval of the Settlement shall occur on May 11, 2023 at 10:00 a.m.

Date: \_\_\_\_\_

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Hon. Jane Magnus-Stinson, Judge  
United States District Court  
Southern District of Indiana

Distribution via ECF only to all counsel of record