

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF MARYLAND

UNITED STATES OF AMERICA,)
) CIVIL ACTION
Plaintiff,) NO. 72-759 W
)
)
v.)
)
)
DONALD E. GREMLER REALTY,)
INC.,) CONSENT DECREE
)
Defendant.)
_____)

This action was instituted by the United States based on alleged violations of the Fair Housing Act of 1968, 42 U.S.C. 3601 et seq. In the complaint filed on this day, it is alleged that the defendant has engaged in a pattern and practice of resistance to the enjoyment by black persons of rights secured by the Act. The essence of the complaint is that the defendant makes dwellings and listings of dwellings in white and predominantly white neighborhoods unavailable to black persons on account of their race; shows dwellings and listings of dwellings to white persons almost exclusively in white or predominantly white neighborhoods, on account of their race; and steers and channels black persons seeking dwellings to all black and

racially changing areas, while steering white persons to white and predominantly white areas. It is also alleged that the defendant, prior to the effective date of the Fair Housing Act of 1968, 42 U.S.C. 3601 et seq., followed an overtly racially discriminatory policy in relation to housing opportunities for black persons and that the defendant has failed to take adequate steps to correct the effects of its past discriminatory practices. The complaint of the United States runs against the defendant corporation. The United States makes no allegation of acts of discrimination against the defendant's president, Donald E. Grempler, and Mary Bell Grempler, vice-president and broker of record, Grempler/ as individuals in their personal capacity.

The defendant denies the material allegations of the complaint and alleges that it has affirmatively adopted and promoted fair housing programs and policies more particularly described in an attachment numbered Appendix A. Without any admission of any violation of the Fair Housing Act of 1968, the defendant states its willingness to cooperate with the United States to improve housing opportunities for all persons without regard to race, color, religion or national origin and to undertake an affirmative program to promote

desegregated housing. In view of the willingness of the defendant to take these steps, the United States has agreed not to prosecute the litigation to seek a determination as to whether or not the defendant has discriminated in the past. Accordingly, without any adjudication of the merits, the parties have consented to the entry of this Decree as indicated by the signatures of counsel affixed hereto.

I

THEREFORE IT IS ORDERED that the defendant and its officers, agents, employees, successors and those in active concert or participation with any of them be, and each of them is, hereby permanently enjoined from:

1. Refusing or failing to show, sell or rent, a dwelling to any person because of race, color, religion or national origin.
2. Otherwise making a dwelling unavailable or denying a dwelling to any person because of race, color, religion or national origin.
3. Failing to provide and volunteer information to prospective purchasers about homes in all-white or predominantly white residential areas on account of race, color, religion or national origin.
4. Discriminating against any person in the terms, conditions, or privileges of sale or rental of

a dwelling, or in the provision of services in connection therewith, including services relating to the financing of such dwelling, and including the provision of information with respect to such services relating to financing, because of race, color, religion or national origin.

5. Making, printing, or publishing, or causing to be made, printed or published, any notice, statement or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination based on race, color, religion, or national origin.

6. Representing to any person, because of race, color, religion or national origin, that any dwelling is not available for inspection, sale or rental when such dwelling is in fact available.

II.

IT IS FURTHER ORDERED that the defendant shall forthwith adopt and implement a program of compliance with the Fair Housing Act in order to insure that in the future all dwellings listed and shown by the defendant in all areas in which it does business will be made available for inspection by and sale to black persons on the same basis that they are made available for inspection by and sale to white persons. Such a

program shall include, but shall not be limited to, the following steps:

A. The defendant shall, within ninety (90) days of the entry of this Decree, conduct an educational program for its sales personnel and other agents and employees to inform them of the provisions of this Decree and their duties under the Fair Housing Act. Such program shall include the following:

1. Furnishing a copy of this Decree to each agent and employee.
2. Informing each agent and employee, in person or by general meeting, of the provisions of this Decree and of the duties of the company and its agents and employees under the Fair Housing Act. Each agent and employee shall also be informed that his failure to comply with the provisions of this Decree shall subject him to dismissal or other disciplinary actions.
3. Securing a signed statement from each agent that he has read this Decree and received the instructions described in the preceding paragraph.

B.. The defendant shall inform the public generally and its customers or clients specifically of its nondiscriminatory policy by the following action:

1. Include on all listing contracts, exclusive or non-exclusive, in conspicuous type size, that this property is offered without respect to race, color; creed or national origin.

2. Display fair housing signs in a form approved by the Secretary of Housing and Urban Development in all offices of the defendant where there is sale or rental activity.

3. Include in all advertising and promotional literature that the company is an Equal Housing Opportunities Realtor. In addition, all advertising placed by each company or its agents shall conform to the Department of Housing and Urban Development advertising guidelines,

as published in 37 Fed. Reg., pp. 6700-02, on April 1, 1972. A copy of these guidelines is attached as Appendix B to this order.

4. Advertise on a weekly basis in newspapers that primarily serve the non-white community the availability of homes in all areas in which the defendants do business and the address of each sales office maintained by the defendants.

C. In order to assure that each black prospective purchaser has complete information regarding the availability of homes in all areas and to assure that the purchaser has complete freedom of choice in the selection of a home, the following guidelines with respect to the selection of homes to be shown shall be implemented:

1. Each prospect in the first face-to-face meeting, shall be advised orally that the company sells homes in all areas of Baltimore, Baltimore County, and all surrounding counties.

2. No agent shall limit the homes shown or offered to be shown to any prospective purchaser, or allocate an unreasonable proportion of such homes shown or offered to be shown, to areas in which a majority of the residents are of the prospective purchaser's race or in which there is a transition to such condition.

3. If a prospect requests an agent to show a specific home, the prospect shall be shown the home that satisfies the request. If the prospect is not satisfied with that home, the agent shall then select and show homes under the guidelines set out in the preceding paragraph.

4. Information with respect to racial composition of a particular area or subdivision shall only be made available in response to a specific question. No such information about the racial composition of

an area shall be used to encourage any prospect to live in an area predominantly occupied by persons of his own race, and no prospect shall be warned or advised that he will not or may not be welcome in an area because of racial opposition in the neighborhood.

5. Each prospect shall be provided full and accurate advice regarding the financial requirements necessary or desirable for the purchase of each home shown, including information as to the purchase price of homes his family income and available cash will support, the amount of family income and down payment necessary for the homes shown, and the sources available for home purchase mortgage loans.

D. In order to assure that black prospective purchasers are not discouraged from seeking homes in all areas where the defendant sells homes, the defendant shall devise and implement an affirmative program

for the recruitment and hiring of black sales agents and the assignment of a reasonable number of them to each of its offices... The parties agree that this program should be effected with as little disruption as possible of the defendants' manner of doing business, and that the means by which the goal of this program is to be implemented should be determined by the defendant so long as it is consistent with equal opportunity requirements. Accordingly, no later than ninety (90) days following the entry of this decree, the defendant shall file with the Court, with copies to plaintiff, a report describing the steps that it has initiated and the steps it plans to initiate to satisfy the requirements set out in this provision. If the plaintiff is of the opinion that the plan proposed by the defendant and the progress made thereunder, are not adequate to meet the obligations set out in this paragraph, the parties shall attempt to negotiate a mutually satisfactory agreement, as to what steps should be taken. If no agreement is reached, either party may apply to the Court for appropriate relief.

III

IT IS FURTHER ORDERED that forty-five (45) days after the date of this Decree, the defendant shall

file with the Court and serve on counsel for the United States, a report enumerating the preliminary steps it has taken to implement the provisions of this decree. This report shall include a copy of a new exclusive listing form and copies of all signed employee statements. . . .

IV

IT IS FURTHER ORDERED that ninety (90) days after the date of this order and at four-month intervals for the next two years, the defendant shall serve on counsel for the plaintiff a report containing the following information with respect to the preceding reporting period:

- A. The number of sales by race.
- B. The name of each new agent, his race, the office to which he is assigned, and a copy of his signed statement.
- C. For each black person who personally contacts an agent of the defendant to purchase a home or who purchases a home:
 - (1) His name.
 - (2) Address, including subdivision, of home purchased.
 - (3) Dates of initial contact and sale.

(4) Price of home purchased; method of financing.

(5) Sales agent handling transaction.

(6) Addresses, including subdivision, of other homes shown.

(7) Brief explanation if only homes shown in areas of minority concentration.

In addition, the defendant shall make available to the plaintiff for inspection and copying at all reasonable times, all records (the term "records" includes all papers, correspondence, applications, credit reports, offers, contracts, and other writings which constitute or contain information bearing on the defendant's obligations under this order) which relate to the sale or rental of any dwelling. The plaintiff shall accomplish the inspection and copying with a minimum of inconvenience to the defendant and its representatives. The plaintiff shall preserve the confidentiality of all information contained in the defendant's records excepting only uses of such information directly related to this order.

V

Informal Proceedings to Resolve Complaints

If during the effective life of this order, the plaintiff has a complaint against the defendant

arising out of the reports furnished pursuant to this Decree, or if information about possible discrimination by the defendant is brought to plaintiff's attention by a prospective purchaser or by any other person, the plaintiff shall furnish to the defendant in writing the substance of its information about the alleged discrimination, including (if known to plaintiff), the name and address of the person allegedly discriminated against and a brief description of the nature and substance of the complaint, including the date of the alleged incident, where it took place, and the name of the employee or employees of the defendant involved in the incident, and the names and addresses of all persons having knowledge relevant thereto. Thereafter, the defendant shall have fifteen (15) days after receipt of the complaint to investigate the complaint. If the complaint is determined by defendant to be valid, the defendant shall advise the plaintiff what steps have been taken to correct the conditions leading to such discriminatory handling or treatment. If the complaint is determined by defendant to be invalid, the defendant shall advise the plaintiff of the basis for such determination. Upon the expiration of the fifteen (15) days, the plaintiff may initiate action where it is deemed appropriate. If, however, it appears that a lapse of fifteen (15) days would effectively preclude adequate

relief, the plaintiff may initiate appropriate action at any time after advising the defendant in writing (or, in an emergency, by telephone or telegram) of the alleged violation.

VI

IT IS FURTHER ORDERED that:

A. In the event of a dispute under this Decree, either of the parties may apply to the Court for direction and resolution of such dispute, upon giving of reasonable notice to the other party.

B. The defendant's keeping of racial records for the purpose of complying with this order shall not be considered discriminatory.

C. No costs shall be assessed against any party with respect to any matter predating the date of acceptance of this order.

Done this 25th day of July, 1972.

P. D. [Signature]
United States District Judge

The undersigned hereby agree to the entry of this consent order.

Richard W. Bourne
ALEXANDER C. ROSS
RICHARD W. BOURNE
Attorneys
Department of Justice
Washington, D. C.

John B. Garvey, Jr.
JOHN B. GARVEY, JR.
Counsel for Defendant

25 July 1972

[Signature]

APPENDIX A

On behalf of Donald E. Grempler Realty, Inc.,
I wish to state that the firm's programs toward
accomplishing the intent of the Fair Housing Act of
1968 have been intense. In particular,

1. In recent years we have developed an objective system for associating the buyer's income and cash to the mortgage market. This system was designed to reduce to a minimum the subjectivity of the salesman when he selects or assigns a mortgage program to the buyer and to make it possible to serve the low income and low down payment buyer.

The elements that are used to make this objective association possible consist of an elaborate computer programmed mortgage calculator involving tax rates, transfer costs, down payment and other mortgage service costs for each tax authority in the Greater Baltimore area. In addition we have developed a form that is used to interrogate the buyer so as to establish in an optimum manner his effective income and total available cash. This information is applied to the above mentioned mortgage calculator. The computer is programmed to assist cash limited buyers in gathering information necessary to make complicated financial arrangements such as those for low down

payment loans insured by the Federal Housing Administration.

2. We have developed an objective system for associating the buyer's domestic needs to the listing market. This consists of developing and patenting of a machine capable of reviewing the entire Baltimore market area in a matter of minutes for any conceivable domestic need that the buyer could request.

To make this system more objective we developed what we call the ABC form which provides for an orderly interview of the buyer so that he may pronounce or express his desires in area, bedrooms, cost, design and extras.

3. To impose Management's desires that all our buyers be treated in the fairest manner possible we have developed and operate an auditing system which involves a seven day callback for every buyer who walks into the office or makes inquiry regarding properties to salesmen on floor duty at each of our four sales offices. The results of this system have given us a very close insight into the functions, pressures and problems of the salesman and of the buyer. An additional function of our audit system requires the auditor to contact our local offices so as to determine for Management the degree of objectivity that we are obtaining as a result of our systems. Extensive records have been kept on this.

4. We maintain an extensive educational program that is performed on a continuing basis for all of the sales personnel at this office. The firm's Friday sheet, which is delivered to all personnel, continually reminds them of the meaning of the Fair Housing Laws.

Wednesday's Progress Meetings discuss and treat this subject with great depth and many guest speakers have been invited to talk on this subject. Our salesmen have signed an acknowledgment of the Fair Housing Laws and have agreed in this form to comply with them.

We have designed, developed and operated audio visual programs which deal in great detail with the interview required to determine the buyer's domestic needs and his financial capability. These audio visual programs have improved the skills of our agents in a very measurable manner, and to our knowledge are not used elsewhere in the industry.

5. The records of this firm indicate that we do approximately 17 percent of all the business done through Multiple List in the Baltimore metropolitan area. To our knowledge we are the largest firm in

the area, and we are the only firm whose business volume represents greater than 5 percent of the total Multiple List on the market presently employing black salesmen.

We have hired black employees, both as salaried and as sales staff. We presently have six licensed black salesmen, five additional black salesmen awaiting license issuance from the state and approximately ten in license school at this time. We have advertised in the local minority papers for salesmen and I am certain enjoy a very favorable reputation for equal employment.

6. Our latest effort has been to obtain permission from The Social Security Administration, a major local black employer, to install our teletype equipment at its local office so that the employees of Social Security may have access to our data banks for the financial and listing information now available to our sales personnel.

Our counselor's job description contains expressed statements relating to equal housing. The ABC form and the House Hunters Worksheet which are given to the prospective buyer contain clear and

concise statements about his rights under Fair Housing legislation. The Management of this firm has done everything in its power to produce outreaching and progressive plans to accomplish the intents of the Fair Housing Act of 1968.

Donald E. Grempler

DONALD E. GREMPLER

President

Donald E. Grempler Realty, Inc.

4/1/72

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Assistant Secretary for Equal
Opportunity

[Docket No. R-72-108]

ADVERTISING GUIDELINES FOR FAIR HOUSING

Notice of Statement of Policy

In order to facilitate and promote compliance with the requirements of Title VIII of the Civil Rights Act of 1968, and particularly section 804(c) thereof (42 U.S.C. 3601, 3604(c)) regarding notices, statements or advertisements, the Department of Housing and Urban Development has prepared guidelines to indicate graphic and written references that are appropriate for the preparation, publication, and general use of advertising matter with respect to the sale or rental of a dwelling as defined by the Act.

Notice of a proposed statement of policy was published in the *FEDERAL REGISTER* on May 21, 1971 (36 F.R. 9266). Comments were received from 28 interested

persons and organizations and consideration has been given to each comment.

Several comments observed that the proposed policy statement was at times unnecessarily limited to the field of newspaper advertising. In response to the comments, the policy statement has been revised in several places to clarify that the guidelines apply to advertisements in all media, including, e.g., television and radio, as well as to advertising agencies and other persons who use advertising.

Several organizations suggested additional catchwords connoting a discriminatory effect for inclusion in section A-3. That section has been expanded to include several additional terms which may have a discriminatory effect when used in a discriminatory context.

In response to other comments, section A-6 has been revised to clarify how directional references could be employed in a discriminatory context with an ethnically, as well as a racially, discriminatory effect. Also, section A-7 has been added relating specifically to designation of religious, ethnic or racial facilities to identify an area or neighborhood.

A number of comments indicated that human models or Equal Opportunity advertisements can and have been used selectively to promote the development of racially exclusive communities. A new section C-4 has been added in order to meet this specific problem. The previous human models section has been clarified by revision and reorganization in the new section C, in light of comments which indicated confusion or uncertainty surrounding the use of human models.

In response to publishers' comments, Table I has been simplified and references to minimum type sizes limited to a recommendation that the type should be bold display face and no smaller than eight points.

A number of organizations suggested the inclusion of a publisher's notice to appear with real estate advertising. A suggested notice has been included as Table III, in lieu of the provision in the proposed guidelines for direct notification to all firms or persons using the advertising services of a publisher. This provision was removed in light of objections that such notification would be unworkable or would impose great hardship since a large volume of real estate advertising is placed by a great number of persons on a nonrecurring basis.

Finally, a number of minor editorial or organizational changes have been made in order to clarify or simplify the advertising guidelines.

Several organizations suggested that the guidelines make specific reference to the roles of other enforcement agencies, including the Department of Justice and local agencies. These comments suggested that the guidelines specify that they do not alter or affect conciliation agreements or court orders obtained by these agencies, as well as by the Department. Such a disclaimer appears to be unnecessary, since there is nothing in the guidelines to indicate an intent to

alter or affect agreements or orders obtained by the Department and other agencies.

This document is issued pursuant to section 7(d), Department of Housing and Urban Development Act, 42 U.S.C. 3525(d).

The statement of Policy reads as follows:

PUBLICATION GUIDELINES FOR COMPLIANCE WITH TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968

POLICY STATEMENT

Section 804(c) of title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3604(c), makes it unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling (any building, structure, or portion thereof which is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereof of any such building, structure, or portion thereof) that indicates any preference, limitation, or discrimination based on race, color, religion, or national origin, or an intention to make any such preference, limitation or discrimination.

These advertising guidelines are being issued for the purpose of assisting all advertising media, advertising agencies, and all other persons who use advertising to make, print, or publish or cause to be made, printed, or published any classified or display advertisement with respect to the sale or rental of a dwelling by the owner or his agent, in compliance with the requirements of title VIII.

Conformance with these guidelines will be considered in evaluating compliance with title VIII in connection with investigations by the Assistant Secretary of advertising practices and policies under the title.

A. *The use of words, phrases, sentences and visual aids which have a discriminatory effect.* The following words, phrases, symbols, and forms typify those most often used in residential real estate advertising to convey either overt or tacit discriminatory intent. Their use should therefore be avoided in order to eliminate their discriminatory effect. In considering a complaint under title VIII, the Assistant Secretary will normally consider the use of these and comparable words, phrases, symbols, and forms to indicate possible violation of the title and to establish a need for seeking resolution of the complaint, if it is apparent from the context of the usage that discrimination within the meaning of the Title is likely to result.

1. *Words descriptive of dwelling, landlord, and tenant.* White private home, Colored home, Jewish home.

2. *Words indicative of race, color, religion, or national origin.* Negro, Hispano, Mexican, Indian, Oriental, Black, White, WASP, Hebrew, Irish, Italian, European, etc.

3. *Catch words.* Restricted, ghetto, disadvantaged. Also, words such as private, integrated, traditional, "board approval" or "membership approved" if used in a discriminatory context.

4. *Symbols or logotypes.* Symbols or logotypes which imply or suggest race, color, religion, or national origin.

5. *Colloquialisms.* Locally accepted words or phrases which imply or suggest race, color, religion, or national origin.

6. *Directions to the real estate for sale or rent (use of maps or written instructions).* References to real estate location made in terms of racially or ethnically significant landmarks such as an existing Black de-

velopment (signal to Blacks) or an existing development known for its exclusion of minorities (signal to Whites). Specific directions given from a racially or ethnically significant area.

7. *Area (location) description.* Use of religious, ethnic, or racial facilities to describe an area, neighborhood, or location.

B. *Selective use of advertising media or content with discriminatory effect.* The selective use of advertising in various media and with respect to various housing developments or sites can lead to discriminatory results and may indicate a violation of title VIII.

1. *Selective geographic impact.* Such selective use may involve the strategic placement of billboards, brochure advertisements distributed within a limited geographic area by hand or in the mail, or advertising in particular geographic coverage editions of major metropolitan newspapers, or in local newspapers which are mainly advertising vehicles for reaching a particular segment of the community, or in displays or announcements only in selected sales offices.

2. *Selective use of equal opportunity slogan or logo.* Such selective use may involve using the equal opportunity slogan or logo in advertising reaching some geographic areas, but not others, or with respect to some properties but not others.

3. *Selective use of human models.* Such selective advertising may also involve the use of human models primarily in media that cater to one racial or ethnic segment of the population that is not balanced by a com-

plementary advertising campaign that is directed at other groups, or the use by a developer of racially mixed models to advertise one of the developments and not others.

C. *Policy and practices guidelines.* The following guidelines are offered as suggested methods of assuring equal opportunity in real estate advertising:

1. *Guidelines for use of logotype, statement, or slogan.* All advertising of residential real estate for sale or rent can contain an Equal Housing Opportunity logotype, statement or slogan as a means of educating the homeseeking public that the property is available to all persons regardless of race, color, religion, or national origin. Table 1 (see appendix) indicates suggested sizes for the use of the logotype. In all space advertising which is less than 4 column inches of a page in size, the Equal Housing Opportunity slogan should be used. The advertisement may be grouped with other advertisements under a caption which states that the housing is available to all without regard to race, color, religion, or national origin. Alternatively, 3-5 percent of the advertisement copy may be devoted to a statement of the equal housing opportunity policy of the owner or agent. Table 2 (see appendix) contains copies of the suggested Equal Housing Opportunity logotype, statement and slogan.

2. *Guidelines for use of human models.* Human models in photographs, drawings, or other graphic techniques may be used to indicate racial inclusiveness. If models are used in display advertising campaigns, the models should be clearly definable as reasonably representing both majority and minority groups in the metropolitan area. Models, if used, should indicate to the general public that the housing is open to all without regard to race, color, religion, or national origin, and is not for the exclusive use of one such group.

3. *Guidelines for notification of Fair Housing Policy.* (a) *Employees.* All publishers of advertisements, advertising agencies, and firms engaged in the sale or rental of real estate should provide a printed copy of their nondiscriminatory policy to each employee and officer.

(b) *Clients.* All publishers of advertisements and advertising agencies should post a copy of their nondiscrimination policy in a conspicuous place wherever persons come to place advertising and should have copies available for all firms and persons using their advertising services.

(c) *Publisher's notice.* All publishers are encouraged to publish at the beginning of the real estate advertising section a notice such as that appearing in Table 3 (see appendix).

Effective date: This statement of policy shall be effective May 1, 1972.

SAMUEL J. SIMMONS,
Assistant Secretary
for Equal Opportunity.

APPENDIX

The following three tables may serve as a guide for the use of the Equal Housing Opportunity logotype, statement, slogan, and publisher's notice for display advertising:

TABLE I

A simple formula can guide the real estate advertiser in using the Equal Housing Opportunity logotype, statement, or slogan. If other logotypes are used in the advertisement, then the Equal Housing Opportunity logotype should be of a size equal to the largest of the other logotypes; if no other logotypes are used, then the following guidelines can be used. In all instances, the type should be bold display face and no smaller than 8 points.

Approximate size of advertisement	Size of Logotype in inches
½ page or larger	2 x 2.
⅓ page up to ½ page	1 x 1.
4 column inches to ⅓ page	½ x ½.
Less than 4 column inches	(¹).

¹ Do not use.

TABLE II.—ILLUSTRATIONS OF LOGOTYPE, STATEMENT, AND SLOGAN

Equal Housing Opportunity logotype.



Equal Housing Opportunity statement:

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion or national origin.

Equal Housing Opportunity slogan:
"Equal Housing Opportunity."

TABLE III.—ILLUSTRATION OF PUBLISHER'S NOTICE

Publisher's notice:

All real estate advertised in this newspaper is subject to the Federal Fair Housing Act of 1968 which makes it illegal to advertise "any preference, limitation, or discrimination based on race, color, religion, or national

origin, or an intention to make any such preference, limitation, or discrimination."

This newspaper will not knowingly accept any advertising for real estate which is in violation of the law. Our readers are hereby informed that all dwellings advertised in this newspaper are available on an equal opportunity basis.

[FR Doc.72-4983 Filed 3-31-72; 8:45 am]