

ROB BONTA
Attorney General of California
NICKLAS A. AKERS
Senior Assistant Attorney General
TINA CHAROENPONG
Supervising Deputy Attorney General
MICHAEL NOVASKY (SBN 314370)
RACHEL A. FOODMAN (SBN 308364)
Deputy Attorneys General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: [REDACTED]
Email: [REDACTED]

Attorneys for the People of the State of California

FILED
Superior Court of California
County of Los Angeles

01/02/2025

David W. Slayton, Executive Officer / Clerk of Court

By: I. Flores Deputy

[EXEMPT FROM FILING FEES
UNDER GOV. CODE, § 6103]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

**THE PEOPLE OF THE STATE OF
CALIFORNIA,**

Plaintiff,

v.

REALPAGE, INC.,

Defendant.

Case No. 24STCV33415

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

The People of the State of California (“the People”), appearing through their attorney, Rob Bonta, Attorney General of the State of California, by Deputy Attorney General Michael Novasky, and RealPage, Inc., appearing through its attorney, Ashley L. Taylor, Jr., Esq. of Troutman, Pepper, Hamilton & Sanders, LLP, having stipulated to the entry of this Judgment by the Court without the taking of proof and without trial or adjudication of any fact or law, and with all parties having waived their right to appeal from the Judgment, and the Court having considered the matter and good cause appearing:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Court has jurisdiction over the allegations and subject matter of the People's Complaint filed in this action, and the parties to this action; venue is proper in this County; and this Court has jurisdiction to enter this Judgment.

2. Defendant does not admit to any violations of law alleged in the Complaint and does not admit any wrongdoing that was or could have been alleged by the People before the date of the Judgment under any law. Instead, such claimed violations are expressly denied.

INJUNCTION

3. Nothing in this Judgment shall relieve Defendant of any obligation to comply with any state or federal laws or regulations or alter the requirements of federal or state law to the extent they offer greater protection to consumers.

4. The injunctive provisions of this Judgment shall become effective immediately upon entry of this Judgment and shall apply to Defendant, as well as its successors and the assigns of all or substantially all of the membership interests of its business, any entity over which Defendant otherwise exercises ownership, control, or management, and its directors, officers, employees, agents and representatives.

5. Defendant shall comply with all requirements of the COVID-19 Tenant Relief Act, as set forth in Assembly Bill 81 (2021-2022 Reg. Sess.), including any amendments thereto.

6. For five years following entry of this Judgment, Defendant shall seek confirmation annually in writing from its source(s) of credit data, rental history data, and records of housing-related civil court actions regarding whether those data sources have adequate processes in place to filter out any "COVID-19 rental debt," as defined by Cal. Civil Code § 1179.02(c), and to prevent the use of such data as a negative factor for the purpose of evaluating a prospective housing application. The initial confirmation as to each third-party data source shall be requested by Defendant within six months after entry of this Judgment.

7. For five years following entry of this Judgment, Defendant shall continue to maintain its own internal filters to filter out and prevent the use of any "COVID-19 rental debt"

identified or provided by its source(s) of credit data, rental history data, and records of housing-related civil court actions.

8. If Defendant has not received confirmation from its source(s) as set forth in paragraph 6 above, or has not maintained internal data filters as set forth in paragraph 7 above, then Defendant shall not report the credit data, rental history data, or records of housing-related civil court actions that could constitute “COVID-19 rental debt.”

9. For five years following entry of this Judgment, Defendant will continue to filter from any of its tenant screening or scoring-related products housing-related civil court cases that may constitute COVID-19 rental debt by using the date of case filing to determine whether the case falls within the time period between March 1, 2020 and September 30, 2021. This requirement shall only apply when the date of case filing is included within the data made available to Defendant by its data source(s).

10. If a rental applicant notifies Defendant that a screening report may contain COVID-19 rental debt (“Applicant Contact”), Defendant shall, within three business days, notify any of its clients that requested the applicant screening that Defendant has received and is reviewing the Applicant Contact. Defendant will also recommend the client not deny housing based on the potential COVID-19 rental debt while the investigation is pending.

11. For five years following entry of this Judgment, Defendant shall continue to generate monthly reports from its business records regarding the volume of consumer disputes that it receives each month relating to rental history, credit, and landlord-tenant data. Defendant shall separately track the monthly volume of consumer disputes across each of those three categories of data. Defendant also shall promptly communicate to its data sources for each type of data any material trends or systematic issues that it identifies through that monitoring process that Defendant believes require remediation.

12. For five years following entry of this Judgment, Defendant shall continue to generate monthly reports from its business records regarding the average number of days it has taken Defendant to resolve disputes initiated by consumers relating to rental history, credit, and

landlord-tenant data. Defendant shall separately track the monthly averages across each of those three categories of data. If, when compared to the monthly averages that were identified to the Attorney General by Defendant on February 2, 2024, the monthly average time for completion of disputes increases by four or more days for a consecutive period of two months, then Defendant shall identify the issue to the Attorney General, along with the ongoing efforts being undertaken to reduce the monthly average.

13. For five years following entry of this Judgment, Defendant shall provide annual training to its employees who hold titles at the Director-level and above and who are involved in screening applicants on the requirements of Civil Code section 1785.20.4 and the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.). For five years following entry of this Judgment, Defendant shall also provide annual training to its employees who hold titles at the Director-level and above and who are involved in screening applicants on the requirements of the California Consumer Credit Reporting Act (Civ. Code, § 1785.1 et seq.) and the California Investigative Consumer Reporting Agencies Act (Civ. Code, § 1786 et seq.) with respect to the provisions of those laws that relate to the reporting of COVID-19 rental debt. Defendant shall ensure that the information provided in these trainings is adequately communicated to any other employees who are involved in screening applicants in the form of written policies and procedures.

14. For five years following entry of this Judgment, Defendant shall provide annual reports to the Attorney General certifying its compliance with paragraphs 6, 7, 8, 11, and 12, of this Judgment. The first compliance report shall be provided six months after entry of this Judgment and shall also include a description of the measures Defendant has taken to comply with the injunctive terms of this Judgment.

15. For five years following entry of this Judgment, Defendant shall preserve all data demonstrating compliance with the terms of this Judgment, including all submissions made to the People.

16. Within two weeks following entry of this Judgment, Defendant shall deliver a copy of this Judgment to all its principals, officers, directors, and employees who have managerial responsibility for the subject matter of the agreed-upon injunctive relief.

MONETARY PROVISIONS

17. Defendant shall pay the people \$625,000, as further described in paragraphs 18-21 of this Judgment. Payment shall be made within 45 calendar days of the date of entry of this Judgment.

18. Of the aggregate \$625,000 sum, Defendant shall pay \$312,500 in civil penalties under Business and Professions Code section 17206. These funds shall be allocated in accordance with section 17206, subdivision (c), of the Business and Professions Code, and the state's portion of these funds and any interest accrued thereon shall be for the exclusive use of the Attorney General for the enforcement of consumer protection laws, pursuant to section 17206, subdivision (c)(4), of the Business and Professions Code.

19. Of the aggregate \$625,000 sum, Defendant shall pay a total of \$312,500 in restitution under Business and Professions Code section 17203. The Attorney General may use these funds to pay restitution to the approximately 270 consumers, in his discretion, who were identified in the Attorney General's investigation as having likely been denied housing as a result of COVID-19 rental debt that was reported on a tenant screening report generated by RealPage.

20. Restitution shall be administered by a third-party administrator ("Restitution Administrator") selected by the Attorney General's office, and restitution shall be paid by the Restitution Administrator pursuant to instructions to be provided by the Attorney General's office. Payment for services rendered by the Restitution Administrator shall be paid from the corpus of Defendant's \$312,500 restitution payment and shall not increase that sum. The parties shall cooperate in good faith with each other and the Restitution Administrator to provide requested information regarding consumers receiving restitution and to resolve any issues regarding restitution.

21. The Attorney General shall deposit any unclaimed restitution and any other remaining funds, including accrued interest, into the fund established by Section 12527.6, subdivision (d) of the Government Code.

///

RELEASE

22. Effective upon payment of the amount due under Paragraph 17 of this Judgment, the People release and discharge Defendant from any civil claims that the People have asserted or could have asserted against Defendant based on violations of Civil Code, section 1785.20.4.

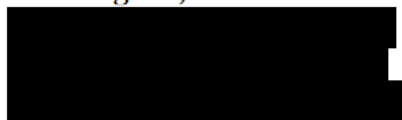
ADDITIONAL PROVISIONS

23. Jurisdiction is retained by the Court for the purpose of enabling any party to the Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or the carrying out of this Judgment, for the modification of any of the injunctive provisions hereof, for enforcement of compliance herewith, and for the punishment of violations hereof, if any.

24. Any notices required to be sent to the People or to Defendant under this Judgment shall be sent by email to the following. Any party may update its designee or address by sending written notice to the other party informing them of the change.

a. For the People of the State of California:

Deputy Attorney General Michael Novasky
Deputy Attorney General Rachel Foodman
Supervising Deputy Attorney General Tina Charoenpong
Consumer Protection Section
Office of the Attorney General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013



b. For Defendant:

Ashley L. Taylor, Jr., Esq.
Troutman, Pepper, Hamilton & Sanders, LLP
1001 Haxall Point, 15th Floor
Richmond, VA 23219
Ashley.Taylor@troutman.com

25. The clerk is ordered to enter this Judgment forthwith.

ORDERED AND ADJUDGED at Los Angeles, California

DATED: May 1, 2024



A handwritten signature in black ink, appearing to read "Theresa M. Traber".

Theresa M. Traber / Judge

JUDGE OF THE SUPERIOR COURT