

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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: (213) 269-6382
Email: Michael.Novasky@doj.ca.gov

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

Attorneys for the People of the State of California

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.

[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:

1 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

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

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

8 **INJUNCTION**

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

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

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

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

26 7. For five years following entry of this Judgment, Defendant shall continue to
27 maintain its own internal filters to filter out and prevent the use of any “COVID-19 rental debt”
28

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

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

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

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

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

25 12. For five years following entry of this Judgment, Defendant shall continue to
26 generate monthly reports from its business records regarding the average number of days it has
27 taken Defendant to resolve disputes initiated by consumers relating to rental history, credit, and
28 landlord-tenant data. Defendant shall separately track the monthly averages across each of those

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

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

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

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

25 16. Within two weeks following entry of this Judgment, Defendant shall deliver a
26 copy of this Judgment to all its principals, officers, directors, and employees who have
27 managerial responsibility for the subject matter of the agreed-upon injunctive relief.
28

MONETARY PROVISIONS

1
2 17. Defendant shall pay the people \$625,000, as further described in paragraphs 18-21
3 of this Judgment. Payment shall be made within 45 calendar days of the date of entry of this
4 Judgment.

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

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

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

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

27
28 ///

1 **RELEASE**

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

5 **ADDITIONAL PROVISIONS**

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

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

14 a. For the People of the State of California:

15 Deputy Attorney General Michael Novasky
16 Deputy Attorney General Rachel Foodman
17 Supervising Deputy Attorney General Tina Charoenpong
18 Consumer Protection Section
19 Office of the Attorney General
20 300 South Spring Street, Suite 1702
21 Los Angeles, CA 90013
Michael.Novasky@doj.ca.gov
Rachel.Foodman@doj.ca.gov
Tina.Charoenpong@doj.ca.gov

22 b. For Defendant:

23 Ashley L. Taylor, Jr., Esq.
24 Troutman, Pepper, Hamilton & Sanders, LLP
25 1001 Haxall Point, 15th Floor
26 Richmond, VA 23219
27 Ashley.Taylor@troutman.com

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

1 ORDERED AND ADJUDGED at

2

3 DATED: _____

4

JUDGE OF THE SUPERIOR COURT

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28