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PAINE HAMBLEN LLP

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF SPOKANE

KARA and BRIAN HOWARD, on behalf of  
themselves and all others similarly situated,

Case No. **19203996-32**

Plaintiffs,

COMPLAINT

vs.

DAIICHI OAKWOOD, LLC, d/b/a  
OAKWOOD CLUB APARTMENTS, a  
California limited liability company, and ISHII  
WASHINGTON PROPERTIES, LLC, d/b/a  
MCDONALD PLACE APARTMENTS, a  
Delaware limited liability company,

Defendants.

Plaintiffs Kara and Brian Howard, on behalf of themselves and all others similarly situated,  
by and through their attorneys Kirk D. Miller of *Kirk D. Miller, P.S.* and Brian G. Cameron and  
Shayne J. Sutherland of *Cameron Sutherland, PLLC*, allege the following:

**I. COMPLAINT**

1.1 This is an action for damages and remedies against Defendant Daiichi Oakwood,  
LLC, d/b/a Oakwood Club Apartments, and Defendant Ishii Washington Properties, LLC, d/b/a

COMPLAINT - 1

Kirk D. Miller, P.S.  
421 W. Riverside Ave., Ste 660  
Spokane, WA 99201  
(509) 413-1494

 COPY

1 McDonald Place Apartments, (hereinafter collectively "Defendants"), pursuant to the  
2 Washington Residential Landlord-Tenant Act, RCW 59.18, *et seq.*

## 4 II. JURISDICTION & VENUE

5 2.1 This Court has jurisdiction and venue is proper in Spokane County, Washington,  
6 because the Plaintiffs lived in Spokane County at all times relevant to the facts of this lawsuit,  
7 and Defendants regularly transacts business in Washington, including Spokane County.

## 8 III. PARTIES

9 3.1 At all relevant times, Plaintiffs were residents of Spokane County, Washington.

10 3.2 Defendant Daiichi Oakwood is a California limited liability company that is  
11 primarily engaged in the business of managing rental properties in Washington.

12 3.3 Defendant Ishii Washington Properties is a Delaware limited liability company  
13 that is primarily engaged in the business of managing rental properties in Washington.

14 3.4 Defendants Daiichi Oakwood and Ishii Washington Properties are "sister  
15 companies," each the agent of the other, sharing employees, management, policies and  
16 procedures, profits and losses, and governance.

17 3.5 Defendants and their related, parent, and subsidiary corporations are providers of  
18 services to residents, property owners, and investors in the multifamily real estate industry.

19 3.6 Defendants are an owner, lessor, sublessor, or the designated representative of the  
20 owner, lessor, or sublessor, or an agent, resident manager, or a designated property manager for  
21 multiple dwelling units, or properties of which one or more dwelling units are a part, throughout  
22 the state of Washington and elsewhere.

23 3.7 Defendants are each respectively a "Landlord" as defined by RCW 59.18.030(14).  
24 COMPLAINT - 2

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1 IV. FACTS

2 4.1 In December of 2017, Plaintiffs applied to rent an apartment located at 726 N.  
3 McDonald Road in Spokane.

4 4.2 The rental units at 726 N. McDonald Road are owned or managed by Defendants.

5 4.3 Plaintiffs were required to pay a forty-dollar (\$40) application fee as part of the  
6 tenant screening process.

7 4.4 Defendants obtain a tenant screening report on all prospective Washington tenants  
8 who are over the age of 18, including Plaintiffs.

9 4.5 All prospective tenants in the state of Washington, who are over the age of 18, are  
10 required to pay a tenant screening fee prior to renting a unit at any property Defendants own or  
11 manage.

12 4.6 Defendants use consumer reports to screen prospective tenants.

13 4.7 Prior to a prospective tenant being charged for a tenant screening fee, Defendants,  
14 either directly or through their website, provide standardized disclosures to all prospective  
15 tenants.

16 4.8 The tenant screening fee is non-refundable.

17 4.9 Prior to obtaining information about a prospective tenant, Defendants do not  
18 provide any written or posted notice to prospective tenants regarding the name of the consumer  
19 reporting agency from which information will be obtained.

20 4.10 Prior to obtaining information about a prospective tenant, Defendants do not  
21 provide any written or posted notice to prospective tenants regarding the address of the consumer  
22 reporting agency from which information will be obtained.

1 4.11 Prior to obtaining information about a prospective tenant, Defendants do not  
2 provide any written or posted notice to prospective tenants regarding the prospective tenants'  
3 rights to obtain a free copy of the consumer report in the event of a denial or other adverse  
4 action.

5 4.12 Prior to obtaining information about a prospective tenant, Defendants do not  
6 provide any written or posted notice to prospective tenants regarding the prospective tenants'  
7 right to dispute the accuracy of information appearing in the consumer report.

8 4.13 Defendants failed to provide the above-described disclosures to Plaintiffs and to  
9 all members of the putative class.

10 **V. VIOLATIONS OF WASHINGTON'S RESIDENTIAL  
11 LANDLORD-TENANT ACT (RLTA), RCW 59.18, *ET SEQ.***

12 5.1 In 2009, the Washington Legislature declared the following with respect to  
13 tenants' rights under fair credit reporting laws:

14 The legislature also finds that it is important to both landlords and  
15 tenants that consumer information concerning prospective tenants is  
16 accurate. Many tenants are unaware of their rights under federal fair  
17 credit reporting laws to dispute information that may be inaccurate.  
18 The legislature therefore finds and declares that it is the policy of  
19 the state for prospective tenants to be informed of their rights to  
20 dispute information they feel is inaccurate in order to help prevent  
21 denials of housing based upon incorrect information.<sup>1</sup>

22 5.2 In 2012, the Washington legislature additionally found the following with respect  
23 to landlords' use of tenant screening reports:

24 The legislature finds that residential landlords frequently use tenant  
25 screening reports in evaluating and selecting tenants for their rental  
properties. These tenant screening reports purchased from tenant  
screening companies may contain misleading, incomplete, or

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<sup>1</sup> See RCW 59.18.257, Findings – 2012 c 41; Residential Landlord-Tenant Act, Fair Tenant Screening Act (New Section), sub. S.B. 6315, 62d Leg. § 1 (1991).

1 inaccurate information, such as information relating to eviction or  
2 other court records. It is challenging for tenants to dispute errors  
3 until after they apply for housing and are turned down, at which  
4 point lodging disputes are seldom worthwhile. The costs of tenant  
5 screening reports are paid by applicants. Therefore, applicants who  
6 apply for housing with multiple housing providers pay repeated  
7 screening fees for successive reports containing essentially the same  
8 information.<sup>2</sup>

9 5.3 Prior to the tenant being charged any fee for a tenant screening report, Defendants  
10 were, at all times relevant to this action, required by RCW 59.18.257 to provide the name of the  
11 consumer reporting agency from which they will obtain information about the prospective  
12 tenants.

13 5.4 Prior to the tenant being charged any fee for a tenant screening report, Defendants  
14 were, at all times relevant to this action, required by RCW 59.18.257 to provide the address of  
15 the consumer reporting agency from which they will obtain information about the prospective  
16 tenants.

17 5.5 Prior to the tenant being charged any fee for a tenant screening report, Defendants  
18 were, at all times relevant to this action, required by RCW 59.18.257 to provide notice to  
19 prospective tenants regarding their right to obtain a free copy of the consumer report in the event  
20 of a denial or other adverse action.

21 5.6 Prior to the tenant being charged any fee for a tenant screening report, Defendants  
22 were, at all times relevant to this action, required by RCW 59.18.257 to provide notice to  
23 prospective tenants regarding their right to dispute the accuracy of information appearing in the  
24 consumer report.

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25 <sup>2</sup> See RCW 59.18.257, Findings – 1991 c 194; RCW 59.18.253, Findings – 1991 c 194; Residential Landlord-  
Tenant Act, Tenant Application Fees (New Section), H.B. 1336, 52d Leg. § 1 (1991).

1           5.7     Prospective tenants may decide where they will apply to rent based on which  
2 consumer report will be used for screening.

3           5.8     A prospective tenant who knows that derogatory information exists on one  
4 consumer report may choose not to waste the screening fee if another landlord utilizes the same  
5 report.

6           5.9     Alternatively, a prospective tenant may choose to apply with a prospective  
7 landlord because the prospective tenant knows that a particular consumer report contains no  
8 derogatory information.

9           5.10    Defendants' practices of failing to provide its source(s) of consumer information,  
10 prior to obtaining prospective tenants' consumer information, frustrates prospective tenants'  
11 ability to make informed decisions regarding where to apply for rental housing.

12           5.11    Defendants' practices of failing to disclose the name and address of the consumer  
13 reporting agency from which Defendants obtain information pertaining to prospective tenants  
14 violates RCW 59.18.257(1)(a)(iii).

15           5.12    Defendants' practices of failing to disclose that the prospective tenant may obtain  
16 a free copy of the consumer report in the event of a denial or other adverse action violates RCW  
17 59.18.257(1)(a)(iii).

18           5.13    Defendants' practices of failing to disclose to prospective tenants their right to  
19 dispute the accuracy of information appearing in the consumer report violates RCW  
20 59.18.257(1)(a)(iii).

21           5.14    Landlords who violate RCW 59.18.257(1)(a) are prohibited from charging  
22 prospective tenants for tenant screening fees.

1           5.15 By failing to provide the required information prior to the Plaintiffs and the  
2 members of the putative class being charged for tenant screening fees, Defendants violated RCW  
3 15.18.257(1)(b).

4           5.16 By charging prohibited tenant screening fees, Defendants caused damage to the  
5 Plaintiffs and others.

6           5.17 Defendants have required more than one hundred 100 prospective Washington  
7 tenants to pay a tenant screening fee, as a condition of its rental application process, in the three  
8 (3) years preceding the filing of this action.

9           5.18 Defendants have required more than one thousand 1,000 prospective Washington  
10 tenants to pay a tenant screening fee, as a condition of its rental application process, in the three  
11 (3) years preceding the filing of this action.

## 12   VI. UNJUST ENRICHMENT

13           6.1 Defendants were prohibited pursuant RCW 59.18.257 from charging any  
14 prospective Washington tenant a fee for tenant screening.

15           6.2 Defendants benefitted from receiving consumer reports and other useful  
16 information as a result of the prospective tenants paying the tenant screening fee.

17           6.3 Defendants were unjustly enriched by receiving the reports paid for by  
18 prospective tenants.

19           6.4 The value of the reports and information obtained by Defendants on each  
20 prospective tenant is equal to the amount paid by each tenant.

21           6.5 Defendants should not be allowed to retain the value it received via the illegal  
22 charges paid by prospective tenants.

VII. CLASS ALLEGATIONS

This action is brought on behalf of a class consisting of:

7.1 All persons;

7.2 Who applied to rent any property in Washington;

7.3 Where the rental property, on the date of the application, was owned or managed by Defendants or where Defendants were a "landlord" of the property, as defined by RCW 59.18.030(14);

7.4 Who paid any tenant screening fee to Defendants or its affiliates.

7.5 For violations related to Defendants' failure to provide the required consumer reporting agency identification and contact information, the tenants' rights to dispute the accuracy of the consumer report, and the tenants' right to receive a free copy of the report the class period is three years prior to filing of this action, through the date that the class is certified;

7.6 Plaintiffs have the same claims as the members of the class. All of the claims are based on the same factual and legal theories.

7.7 Plaintiffs will fairly and adequately represent the interests of the class members. They are committed to vigorously litigating this matter.

7.8 Neither Plaintiffs nor their counsel have any interests which might cause them not to vigorously pursue this claim.

7.9 A class action is a superior method for the fair and efficient adjudication of this controversy.

7.10 Class-wide damages are essential to induce Defendants to comply with the law.



1           7.11   The interests of the class members in individually controlling the presentation of  
2 separate claims against the Defendants is small, because the amount of damages recoverable in  
3 an individual case under RCW 59.18.257 is relatively small.

4           7.12   Certification of a class pursuant to CR 23(b)(3) is appropriate. A class action is  
5 the only appropriate means of resolving this controversy because the class members are not  
6 aware of their rights, the class is comprised of a largely vulnerable population, and the amount of  
7 available damages for many of the class members may be relatively small. In the absence of a  
8 class action, a failure of justice will result.

9           7.13   Certification of a class pursuant to CR 23(b)(2) is also appropriate. Defendant  
10 acted on grounds generally applicable to the class, making declaratory relief appropriate with  
11 respect to the class as a whole.

## 12                               **VIII. DEMAND**

13           WHEREFORE, Plaintiffs demand judgment as follows:

14           8.1    Actual damages in the amount paid for tenant screening by each prospective  
15 tenant class member;

16           8.2    Statutory damages of one hundred dollars (\$100) per prospective tenant, pursuant  
17 to RCW 59.18.257(3);

18           8.3    Costs and reasonable attorney's fees pursuant to RCW 59.18.257(3);

19           8.4    Pre-judgment interest on all amounts paid by prospective tenants for tenant  
20 screening fees;

21           8.5    Post-judgment interest;

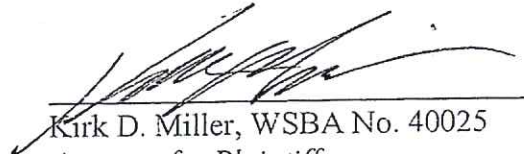
22           8.6    Declaratory judgment that Defendants' practices violate Washington's Residential  
23 Landlord-Tenant Act (RCW 59.18, *et seq.*); and  
24 COMPLAINT - 9

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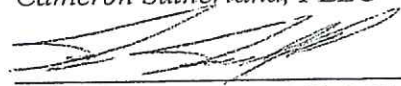
1 8.7 Such other and further relief as may be just and proper.

2  
3 DATED this 27<sup>th</sup> day of June, 2019.

4  
5 *Kirk D. Miller, P.S.*

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7   
Kirk D. Miller, WSBA No. 40025  
*Attorney for Plaintiffs*

8  
9  
10 *Cameron Sutherland, PLLC*

11   
12 Brian G. Cameron, WSBA No. 44905  
13 Shayne J. Sutherland, WSBA No. 44593  
*Co -Counsel for Plaintiffs*

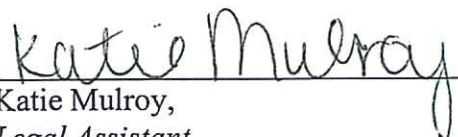
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**CERTIFICATE OF SERVICE**

I hereby declare under penalty of perjury under the laws of the state of Washington that on the date stated below I served a copy of this document in the manner indicated:

|  |  |
|--|--|
| Gregg R. Smith<br>Paine Hamblen<br>717 West Sprague Ave., Ste 1200<br>Spokane WA 99201 | <input type="checkbox"/> First Class U.S. Mail<br><input type="checkbox"/> E-Mail<br><input type="checkbox"/> Hand Delivery<br><input type="checkbox"/> Next Day Air |
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**DATED** this 24 day of September 2019.

  
Katie Mulroy,  
*Legal Assistant*