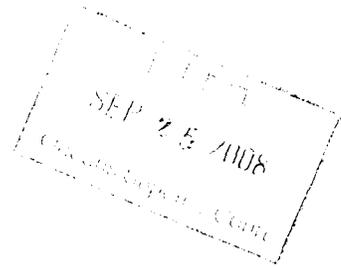


STATE OF VERMONT  
ORLEANS COUNTY, SS.



In re: ) Orleans Superior Court  
KINGDOM PROPERTY INVESTMENT ) Docket No. 139-4-07 Oscv

**STIPULATION OF SETTLEMENT AND CONSENT DECREE**

NOW COME the parties, Plaintiff State of Vermont, by and through Vermont Attorney General William H. Sorrell, and Defendant Kingdom Property Investment and hereby stipulate to the entry of following Settlement and Consent Decree. The parties agree that this Stipulation of Settlement and Consent Decree shall supersede the Assurance of Discontinuance entered into by Defendant and the State of Vermont Department of Health and filed in this Court on April 30, 2007 and that Assurance of Discontinuance shall be dismissed.

**STATEMENT OF FACTS AND STATUTORY SCHEME**

1. Kingdom Property Investment (“Defendant”) is the owner of record of property located at 55 Bayview Street, Newport, Vermont (hereinafter “the property”).
2. The property is “rental target housing” within the meaning of Vermont’s Lead Law, 18 V.S.A. § 1751(19), and are subject to the requirements of 18 V.S.A. Chapter 38.
3. The Attorney General has the right to appear in any civil action in which the State, in his judgment, had an interest. 3 V.S.A. § 157.
4. The Attorney General has an interest in ensuring agreements involving agencies of the state are complied with and honored, and an interest in ensuring that landlords comply with Vermont laws regarding habitability of housing.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

5. Lead-based paint in housing, the focus of the Vermont Lead Law, is a leading cause of childhood lead poisoning, which can result in adverse health effects, including decreases in IQ.
6. The Lead Law requires that essential maintenance practices (“EMPs”) specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
7. All paint in pre-1978 housing is presumed to be lead-based unless a certified inspector has determined that it is not lead-based. 18 V.S.A. § 1759(a).
8. EMPs include, but are not limited to, installing window well inserts, visually inspecting properties at least annually for deteriorated paint, restoring surfaces to be free of deteriorated paint within 30 days after such paint has been visually identified or reported to the owner, and posting lead-based paint hazard information in a prominent place. 18 V.S.A. § 1759(a)(2), (4) and (7).
9. The Vermont Lead Law also requires that owners of rental target housing file affidavits or compliance statements attesting to EMP performance with the Vermont Department of Health and with the owners’ insurance carrier. 18 V.S.A. § 1759(b).
10. A violation of the EMP requirements may result in a maximum civil penalty of \$10,000.00. 18 V.S.A. § 130(b)(6). Each day that a violation continues is a separate violation. 18 V.S.A. § 130(b)(6).
11. The Vermont Consumer Fraud Act, 9 V.S.A, Chapter 63, prohibits unfair and deceptive acts and practices, including the offering for rent, or the renting of, target housing that is noncompliant with the Lead Law.

12. Violations of the Consumer Fraud Act are subject to a civil penalty of up to \$10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.
13. Defendant owns the property and has in the past and continues presently to rent it and offer it for rent.
14. Defendant and the State of Vermont Department of Health entered into an Assurance of Discontinuance filed in this Court on April 30, 2007 to address Defendant's non-compliance with the Vermont Lead Law.
15. Under the terms of the April 30, 2007 Assurance of Discontinuance, Defendant agrees to penalties in the amount of "\$250 per unit for failure to file an affidavit and \$800 for per unit for failure to complete essential maintenance practices." See Assurance of Discontinuance at ¶ 8.
16. The Assurance of Discontinuance included additional penalties in the amount of "\$100 per unit per day... for non-compliance with 18 V.S.A. § 1759 and [the] Assurance of Discontinuance beginning [March 28, 2007] for interior work and [May 31, 2007] for exterior work." *Id.* at ¶ 10.
17. Defendant admits that since the filing of the Assurance of Discontinuance, no EMP affidavits for the properties have been filed with the Department of Health or its insurance carrier as required by the agreement and 18 V.S.A. § 1759(b).

#### VIOLATIONS

18. Defendant violated Vermont's Lead Law, 18 V.S.A. Chapter 38, by:

- a. Failing to file with the Department of Health affidavits attesting to EMP performance for the property by March 28, 2007 for interior work and May 31, 2007 for exterior work ; and
  - b. Failing to file with its liability insurance carrier affidavits attesting to EMP performance for the property.
19. The Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices in commerce that include the rental of, or offering for rent, housing that is noncompliant with the Lead Law.
20. By renting to tenants, and by offering for rent, property that was not in compliance with the Lead Law, Defendant engaged in deceptive acts and practices in commerce in violation of the Consumer Fraud Act, 9 V.S.A. § 2453(a), in that he misrepresented a material condition of the rental.
21. By renting to tenants, and by offering for rent, property that was not in compliance with the Lead Law, Defendant engaged in unfair acts and practices in commerce in violation of the Consumer Fraud Act, 9 V.S.A. § 2453(a), in that his actions amounted to *per se* non-compliance with existing law.
22. Defendant violated the terms and conditions of the April 30, 2007 Assurance of Discontinuance by failing to file an affidavit and failing to perform essential maintenance practices at the property.

## REMEDIES

23. Defendant shall complete EMPs at the property as follows:
- a. Not later than September 30, 2008, Defendant shall have an EMP contractor who is certified by the Vermont Department of Health complete all EMPs required by the Lead Poisoning Law in the interior of the property.
  - b. Not later than October 31, 2008, Defendant shall have EMP contractor who is certified by the Vermont Department of Health complete all EMPs required by the Lead Poisoning Law on the exterior of the property.
  - c. Within 10 days of complying with subpart (a) of this section, Defendant will file a written verification with: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, which shall certify that interior EMPs are complete.
  - d. Not later than November 7, 2008, Defendant will file with the Vermont Department of Health, Defendant's insurance carrier and with the Office of the Attorney General at the address listed in subpart (c), a completed EMP compliance statement for the property, and will give a copy to an adult in each rented unit of the compliance statement for the property.
24. Defendant shall fully and timely comply with the requirements of the Vermont Lead Law, 18 V.S.A., Chapter 38, as long as he maintains any ownership or property management service interest in the property or in any other pre-1978 residential housing in which he acquires an ownership interest.

## PENALTIES

25. Not later than October 31, 2008, Defendant shall pay \$5,000.00 in civil penalties. Payment of the civil penalty amount shall be made to the "State of Vermont" and shall be sent to: Robert F. McDougall, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

## OTHER RELIEF

26. This Stipulation of Settlement and Consent Decree is binding on Defendant, however, sale of the property may not occur unless Defendant has complied with

all obligations under this Stipulation of Settlement and Consent Decree, and, in particular, all obligations in paragraphs 23 and 25 have been completed or this Stipulation of Settlement and Consent Decree is amended in writing to transfer to the buyer or other transferee all remaining obligations.

27. Transfer of ownership of any of the property shall be consistent with Vermont law, including the provisions of 18 V.S.A. § 1767 specifically relating to the transfer of ownership of target housing.

28. This Stipulation of Settlement and Consent Decree shall not affect marketability of title.

29. Should Defendant fully transfer or sell his ownership interest in the property after completing all obligations in paragraphs 23 and 25, and being current with all obligations under this Stipulation of Settlement and Consent Decree, its obligations with respect to the property under this Stipulation of Settlement and Consent Decree is extinguished. However, nothing in this Stipulation of Settlement and Consent Decree in any way affects the obligations of future owners of any of the property under Vermont law, including under the Vermont Lead Law.

30. Nothing in this Stipulation of Settlement and Consent Decree in any way affects Defendant's other obligations under state, local, or federal law.

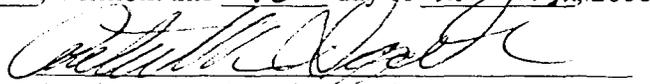
31. Defendant shall not rent, or offer for rent, any unit in the property which is not compliant with the Vermont Lead Law until EMPs have been completed and the EMP compliance statement has been distributed as described in paragraph 23(d) above.

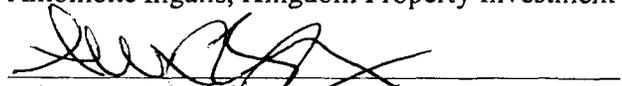
32. Any future failure by Defendant to comply with the terms of this Stipulation of Settlement and Consent Decree shall be subject to additional penalties of no less than \$1,000.00 per violation per day for each day the violation exists.

**STIPULATION**

Defendant acknowledges receipt of and voluntarily agrees to the terms of this Stipulation of Settlement Consent Decree.

DATED at Newport, Vermont this 16<sup>th</sup> day of September 2008.

  
\_\_\_\_\_  
Antoinette Ingalls, Kingdom Property Investment

  
\_\_\_\_\_  
Adam M. King, Kingdom Property Investment

  
\_\_\_\_\_  
Richard Cate, Kingdom Property Investment

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

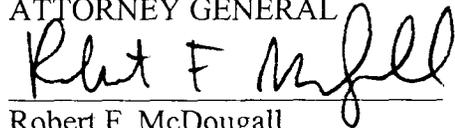
ACCEPTED on behalf of the State of Vermont:

DATED at Montpelier, Vermont this 18<sup>th</sup> day of September, 2008.

STATE OF VERMONT

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:



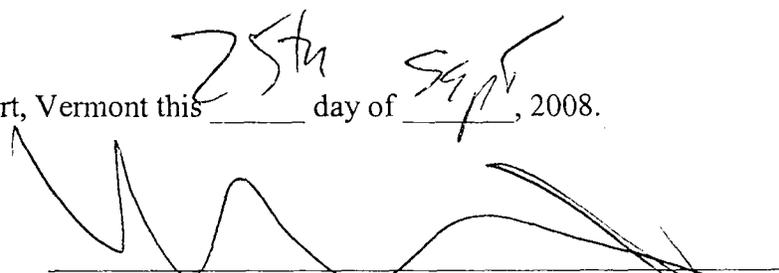
Robert F. McDougall  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.3186

**DECREE, ORDER AND FINAL JUDGMENT**

This Consent Decree is accepted and entered as a Decree, Order and Final Judgment of this Court in the matter of: *In re: Kingdom Property Investment*, Docket No. 139-4-07 Oscv.

SO ORDERED.

DATED at Newport, Vermont this 25<sup>th</sup> day of Sept, 2008.

  
Orleans Superior Court Judge

**Walter M. Morris, Jr.**



Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609