

STATE OF VERMONT  
WASHINGTON COUNTY, SS.

STATE OF VERMONT, )  
Plaintiff, )  
 )  
v. ) Washington Superior Court  
 ) Docket No. Wncv  
SISTERS and BROTHERS INVESTMENT )  
GROUP, LLP, )  
Defendant. )

**COMPLAINT**

NOW COMES the State of Vermont, by and through Vermont Attorney General William H. Sorrell, and pursuant to the Vermont Lead Law, 18 V.S.A., Chapter 38; and the Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63; hereby makes the following Complaint against Sisters and Brothers Investment Group, LLP, (“Defendant”) who owns numerous rental properties and has failed to file affidavits of essential maintenance practices as required by 18 V.S.A. § 1759(b).<sup>1</sup>

**ALLEGATIONS**

*The Parties*

1. Defendant Sisters and Brothers Investment Group, LLP, is the owner of numerous rental properties in northwestern Vermont. Twenty-six (26) of the properties located in the towns and cities of Burlington, Colchester, Essex Junction, Milton, Waterbury and Winooski have been identified as having been built prior to 1978.

2. The twenty-six properties are “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

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<sup>1</sup> Unless otherwise noted, the statutory cites in the Allegations and Causes of Action are to the Lead Law that was in effect at the time the Defendant failed to act in accordance with the law. Requests for Relief, and the cites therein, reflect amendments that went into effect on July 1, 2008.

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V.S.A. Chapter 38. Defendant has admitted that prior to being contacted by the Attorney General's Office, all but four of the twenty-six properties were not in compliance with the requirements of 18 V.S.A. Chapter 38 and have not been in compliance since June 2005. These 22 non-compliant properties are listed in Attachment 1 (hereinafter "the properties").

3. The properties consist of three single-family homes and 115 additional rental units.
4. The Attorney General has the right to appear in any civil action in which the State, in his judgment, has an interest. 3 V.S.A. § 157.
5. The Attorney General has an interest in ensuring that landlords comply with Vermont laws regarding habitability of housing.

***Statutory Scheme***

6. 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.
7. The Lead Law requires that essential maintenance practices ("EMPs") specified in 18 V.S.A. § 1759 be performed at all pre-1978 rental housing.
8. 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).
9. 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).

10. 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).

11. 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).

12. The Vermont Consumer Fraud Act, 9 V.S.A Chapter 63, prohibits unfair and deceptive acts and practices, which includes the offering for rent, or the renting of, target housing that is noncompliant with the Lead Law.

13. 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.

***Facts Relating to Defendant***

14. Defendant is the owner of the properties which it has in the past and continues presently to rent and offer for rent.

15. The Vermont Department of Health has been in contact with Defendant concerning its failure to perform EMP at some of the properties.

16. Until it submitted EMP compliance statements for the properties in August and September of 2008, no EMP affidavits of compliance statements for the properties had been

filed with the Department of Health or its insurance carrier as required by 18 V.S.A. § 1759(b) since 2005.

17. As a result of this action, Defendant submitted EMP compliance statements for the properties to the State of Vermont in August and September of 2008. Upon inspection, a number of those EMP compliance statements were determined to be false and inaccurate.

**FIRST CAUSE OF ACTION – Failure to perform essential maintenance practices**

18. The Lead Law requires that EMPs specified in 18 V.S.A. § 1759 be performed at all rental target housing and that affidavits attesting to EMP performance be filed with the Vermont Department of Health and the property owner's liability insurance carrier on an annual basis. 18 V.S.A. § 1759.

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

- a. Failing to perform EMPs at any of the properties for the last three years;
- b. Failing to file with the Department of Health affidavits attesting to EMP performance for any of the properties during the three years preceding its August and September 2008 filings; and
- c. Failing to file with its liability insurance carrier(s) affidavits attesting to EMP performance for any of the properties for the three years preceding its August and September 2008 filings.

**SECOND CAUSE OF ACTION – Consumer Fraud Act**

20. The Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices in commerce, which include the rental of, or offering for rent, housing that is noncompliant with the Lead Law.

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).

**THIRD CAUSE OF ACTION – Consumer Fraud Act**

22. The Vermont Consumer Fraud Act, 9 V.S.A., Chapter 63, prohibits unfair and deceptive acts and practices in commerce, which include the rental of, or offering for rent, housing that is noncompliant with the Lead Law.

23. By submitting false EMP compliance statements to the State of Vermont and inaccurately representing that the properties were in compliance with the lead law, Defendant engaged in unfair and deceptive acts and practices in commerce in violation of the Consumer Fraud Act, 9 V.S.A. § 2453(a).

**RELIEF SOUGHT**

WHEREFORE, based on the allegations set forth above, the State respectfully asks the Court to award the following relief:

1. An Order finding that Defendant violated 18 V.S.A. § 1759 and 9 V.S.A. § 2453(a) and that the violations are continuing.
2. An Order requiring Defendant to immediately comply with 18 V.S.A. § 1759 as to all units in which it has an ownership interest or responsibility for maintenance unless EMP obligations are specifically excepted in the maintenance contract.
3. Civil penalties of not more than \$10,000.00 for each violation of the Lead Law.
4. Civil penalties of not more than \$10,000.00 for each violation of the Consumer Fraud Act.

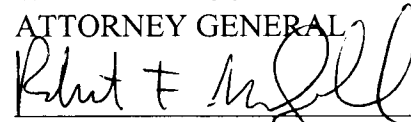
5. An Order requiring reimbursement to the State for the reasonable value of its services and its expenses in investigating and prosecuting this action.
6. Such other relief as the Court may deem just and appropriate.

DATED at Montpelier, Vermont this 16<sup>th</sup> day of January, 2009.

Respectfully submitted,

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:



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## ATTACHMENT 1

1. 184 Church Street, Burlington VT
2. 238 College Street, Burlington VT
3. 240 College Street, Burlington VT
4. 165 Main Street, Burlington VT
5. 44-46 North Winooski Ave., Burlington, VT
6. 415 Pearl Street, Burlington, VT
7. 567 St. Paul Street, Burlington, VT
8. Calm Cove Circle, Colchester, VT
9. 106 College Parkway, Colchester, VT
10. Sharrow Circle, Colchester, VT
11. 41 Suzie Wilson Road, Essex Junction, VT
12. 43 Suzie Wilson Road, Essex Junction, VT
13. 6 River Street, Milton, VT
14. 13 North Main Street, Waterbury, VT
15. 357-363 East Allen Street, Winooski, VT
16. 33 Follett Street, Winooski, VT
17. 36 Main Street, Winooski, VT
18. 246 ½ Main Street, Winooski, VT
19. 6 Stevens Street, Winooski, VT
20. 8 Stevens Street, Winooski, VT
21. 172 Weaver Street, Winooski, VT
22. 29 Follett/7 West Canal Street, Winooski, VT