

Section 8 Tenants Win Preliminary Approval of Class Action and False Claims Act Settlement

Berkeley, 10.29.24 – On Friday, in the Eastern District of California, United States District Judge Kimberly J. Mueller granted preliminary approval of the settlement in the class action *U.S. ex rel. Terry v. Wasatch Advantage Group*. Plaintiffs secured a settlement for over 2,000 Section 8 tenants that includes recovery of all the additional fees they alleged were illegally charged, as well as interest, plus critical protections for Wasatch’s Section 8 tenants in California ensuring that they would not be required to pay additional fees beyond their agreed-upon monthly rent.

Named plaintiff Terry, said:

“It took years of litigation and dedication to get to this incredible outcome. I am so proud of our work standing up for our families and the families of so many others.”

The plaintiffs are represented by Class Counsel Centro Legal de la Raza, Goldstein Borgen Dardarian & Ho, Impact Fund, and Law Offices of Andrew Wolff.

Anne Bellows of Goldstein Borgen Dardarian & Ho added:

“This excellent settlement, negotiated on the eve of trial, was only possible due to the over ten years of work and dedication by the plaintiffs and their attorneys.”

Plaintiffs argued that Wasatch’s policies requiring tenants to pay for additional services—such as parking, media packages, and washers and dryers—beyond the rent amount allowed under the Section 8 program violated federal and California laws. In November 2022, the Court ruled on summary judgment that these additional fees were unlawful rent. In July 2024, on the eve of trial, the parties reached a settlement with Wasatch agreeing to make all additional services optional, inform existing tenants of their right to cancel, apply all tenant payments first to rent, and not threaten to evict Section 8 tenants for unpaid additional service fees.

Jesse Newmark of Centro Legal de la Raza said:

“We filed this case over a decade ago to make sure Section 8 tenants have the choice to say ‘no’ to additional service fees they do not want and cannot afford, and never face the threat of losing their home if they are unable to pay those fees. This settlement accomplishes exactly that, providing these critical protections to our tenant class.”

The settlement also includes millions of dollars for the federal government to settle alleged “false claims” made by Wasatch to secure federal rent payments for Section 8 tenants. Class Counsel was joined by California Civil Rights Law Group for the False Claims Act claims. The settlement includes a \$5 million class fund, a separate payment for the class’ attorney fees and costs to be reviewed by the Court, and \$7 million to settle the False Claims Act claims.

Andrew Wolff said:

“The substantial settlement we achieved in this case provides our clients and class members some measure of justice with long-overdue compensation. Perhaps equally important, I believe that the impressive monetary settlement will be a signal to landlords in California and across the country that they can no longer unfairly tax tenants with oppressive and unauthorized fees outside the scope of their Section-8 contracts with impunity.”

Commenting on the case and the notice that will be sent to class members, Lindsay Nako, Executive Director of the Impact Fund said:

“We are grateful to stand with Plaintiffs Terry, Huskey, and Livingston in achieving this victory for California’s lowest-income tenants. We are also pleased that the court-approved notice of the settlement will be sent to class members using templates developed by Impact Fund’s Notice Project.”

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About Centro Legal de la Raza

Founded in 1969, Centro Legal de la Raza is a nonprofit legal services agency protecting and advancing the rights of low-income and immigrant communities through legal representation, education, and advocacy. By combining quality legal services with know-your-rights education and youth development, Centro Legal ensures access to justice for thousands of individuals throughout Northern and Central California. Click [here](#) for Centro Legal’s annual reports.

www.centrolegal.org

About Goldstein, Borgen, Dardarian, & Ho

Goldstein, Borgen, Dardarian & Ho (GBDH) is one of the oldest and most successful plaintiffs’ public interest class action law firms in the country. GBDAH represents individuals against large companies and other entities in complex class and collective action lawsuits. The firm brings public interest cases in the areas of employment discrimination, wage and hour violations, disability access, voting rights, tenants’

rights, environmental protection, and consumer protections. The firm has a national practice, litigating cases in federal and state courts throughout the country.

<https://gbdhlegal.com>

About The Impact Fund

The Impact Fund was founded in December 1992 to help advance economic, environmental, racial, and social justice through the courts. It does so principally via the application and protection of the class action tool.

Originally envisioned as a purely grantmaking organization, the Impact Fund has made 796 grants totaling \$9,910,129. Click here for [Grant Criteria](#) and information about [Grant Deadlines](#).

Since its inception, the Impact Fund has grown to include both advocacy and education in its range of services. Today, the Impact Fund litigates a small number of cases directly, authors amicus briefs, provides a substantial amount of pro-bono consulting, provides templates and software to draft class action notices, and presents an annual conference for plaintiff-side class action practitioners, a training institute for budding public interest class action practitioners, and numerous seminars and webinars. Click here for the [2023 Annual Report](#).

www.impactfund.org

What Is A Class Action?

A class action is a type of lawsuit in which one or more individuals sue on behalf of a larger group of people to obtain legal remedies like an injunction, a declaration that a law or practice is unconstitutional, or damages.