

CITY OF NEW YORK
COMMISSION ON HUMAN RIGHTS

In the Matter of

COMMISSION ON HUMAN RIGHTS
ex rel. ZANIQUE MORGAN,

Petitioner,

-against-

NY PYRAMID GROUP CORP.,
DAVID MICHAEL, JANE DOE,¹

Respondents.

Complaint Nos. M-H-G-20-86249, M-H-G-
21-96053
OATH Index No. 1588/24

DECISION AND ORDER

This case concerns Zanique Morgan, a woman who hoped to move her family out of their one-bedroom apartment in a public housing complex into a privately owned two-bedroom apartment. When Ms. Morgan disclosed that she intended to cover part of her rent with rental assistance she had obtained from the City of New York, she faced hostility and discrimination from Respondents NY Pyramid Group Corp. and David Michael, a real estate brokerage and a broker, respectively. The experience so scarred Ms. Morgan that she felt forced to abandon her efforts to move into private rental housing, instead housing her family in severely substandard conditions for several years. Because of her experience with Respondents, Ms. Morgan was too afraid to risk exposing herself to additional hostility and disdain from other brokerages or landlords who discriminate against people who receive public assistance.

On November 1, 2021, Ms. Morgan filed a verified amended complaint (“Complaint”)² with the Law Enforcement Bureau of the New York City Commission on Human Rights (“Bureau”), alleging housing discrimination against Respondents David Michael and NY

¹ Although the Bureau did not formally abandon its claims against Jane Doe as it did with other parties (*see infra* note 3), there is no evidence on the record about Jane Doe’s identity or her precise relationship with the company. Furthermore, Judge Fogel’s Report and Recommendation did not issue any discrimination findings against Jane Doe. As such, the Commission dismisses the charges against Respondent Jane Doe.

² Citations to “Compl.” refer to the Bureau’s Amended Verified Complaint, filed on November 1, 2021 and entered into the trial record as ALJ Exhibit 3 with its associated Affidavit of Service. This is the operative Complaint for the purposes of this Decision and Order. Citations to “Jan. Compl.” refer to the Verified Complaint that initiated this matter, filed by the Bureau on Ms. Morgan’s behalf on January 28, 2021 and entered into the trial record as ALJ Exhibit 1.

Pyramid Group Corp.³ Specifically, the Complaint alleges that Respondents refused to rent a housing accommodation to Ms. Morgan based on her lawful source of income and engaged in a pattern or practice of housing discrimination in violation of the New York City Human Rights Law, Title 8, Chapter 1 of the New York City Administrative Code (“NYCHRL” or “City Human Rights Law”). On April 26, 2024, trial was held before the Honorable Jonathan Fogel, Administrative Law Judge (“ALJ”) of the New York City Office of Administrative Trials and Hearings (“OATH”).

Presently before the Office of the Chair of the New York City Commission on Human Rights (“Commission”) is the Report and Recommendation of Judge Fogel in *Comm’n on Human Rights ex rel. Morgan v. NY Pyramid Group Corp.*, OATH Index No. 1588/24 (Nov. 7, 2024) (“R&R”). Judge Fogel found that Respondents violated the NYCHRL by refusing to rent to Ms. Morgan because she held rental assistance, but that the Bureau failed to demonstrate that Respondents engaged in a pattern or practice of housing discrimination based on lawful source of income. (*See* R&R at 2). Judge Fogel recommended that Respondents be ordered to pay \$10,000 in emotional distress damages to Ms. Morgan and a civil penalty of \$20,000 to the City, as well as participate in anti-discrimination training. (*Id.*)

For the reasons set forth herein, the Commission affirms in part and modifies in part the findings below, finding that Respondents discriminated against Ms. Morgan based on her lawful source of income and engaged in a pattern or practice of housing discrimination. As a result of the discrimination she experienced, Ms. Morgan is entitled to emotional distress damages. Respondents are also ordered to pay civil penalties and undertake affirmative efforts to remedy their discriminatory conduct, as specified herein.

I. STANDARD OF REVIEW

In reviewing a report and recommendation, the Commission may accept, reject, or modify, in whole or in part, the findings or recommendations made by an administrative law judge. Though the findings of an administrative law judge inform the Commission’s assessment of evidence, the Commission ultimately determines the credibility of witnesses, the weight of the evidence, and other findings of fact. *Comm’n on Human Rights ex rel. Marquez v. Fresh & Co.*, OATH Index No. 434/22, Comm’n Dec. & Order, 2025 WL 3085471, at *3 (Oct. 30, 2025) (collecting cases). The Commission also interprets the NYCHRL and ensures the NYCHRL is applied to the facts correctly. *Comm’n on Human Rights ex rel. Cazares v. INS Handbags, Inc.*, OATH Index No. 1075/20, Comm’n Dec. & Order, 2025 WL 897951, at *3 (Mar. 18, 2025) (collecting cases). The Commission reviews an administrative law judge’s report and recommendation and the parties’ comments and objections *de novo* as to findings of fact and conclusions of law. *Id.* (collecting cases).

³ The Complaint originally included other parties against whom the Bureau is no longer pursuing claims. (*See* R&R at 1).

II. FACTUAL BACKGROUND

Knowledge of the facts set forth in the R&R is assumed for the purposes of this Decision and Order. (*See* R&R at 3–6). The trial proceeded as an inquest because of Respondents’ failure to appear. The Bureau offered testimony from Ms. Morgan as well as Awais Ahmad, a civil rights tester employed by the Bureau. The most pertinent facts from the trial record are outlined herein.

A. Ms. Morgan’s June 2020 Housing Search

At the time of the alleged discrimination, Ms. Morgan, her spouse, and her young son had been living in a New York City Housing Authority (“NYCHA”) public housing development in Long Island City. (Tr.⁴ vol. 1, 35:2–10). Ms. Morgan testified that there was “a lot of violence during COVID” near her home, and that there was gambling at the neighborhood playground. (*See id.* at 35:11–16). As a result, Ms. Morgan did not allow her son to play outside because she “felt that it was unsafe There should not be grown adults sitting where kids should be sliding down or where they should be climbing up.” (*Id.* at 36:2–7).

In June 2020, someone threatened to rob Ms. Morgan right outside her apartment. (*Id.* at 35:17–20, 36:8–19, 37:9–15). Ms. Morgan testified that, “I did file a police report because I began to fear for my life.” (*Id.* at 35:21–24). In addition to filing a police report on the same day as the incident (*id.* at 37:9–11), Ms. Morgan determined that she wanted to move, so she applied for an emergency transfer through NYCHA (*id.* at 57:4–11).

Ms. Morgan hoped to leave public housing and find a two-bedroom apartment so that her young son could have his own room. (*See id.* at 36:20–37:8). She testified that she intended to pay for her new, private housing using both employment-related income⁵ and partial “rental assistance that I get from public assistance.” (*Id.* at 37:16–19). To prepare for her housing applications, Ms. Morgan requested and received a budget letter dated June 3, 2020 from the New York City Human Resources Administration (“HRA”)⁶ (*id.* at 39:8–16, 40:3–15; *see also* Pet. Ex. 13), which she would have “used as documentation . . . to apply to an apartment to show how much I get with my public assistance that goes towards my rent” (Tr. vol. 1, 39:22–40:2).

Ms. Morgan testified that she started “look[ing] at apartments for rent within Queens because I still wanted to stay in Queens and my son at the time was going to a school up the block.” (*Id.* at 40:20–25). On Craigslist, she came across Respondent Michael’s ad “because it

⁴ Citations to “Tr.” refer to the OATH trial transcript, which has been catalogued into one daily volume.

⁵ Ms. Morgan testified that she was employed by the New York City Department of Education in June 2020, but she was “receiving unemployment because due to COVID We were all home because there’s no kids physically in school.” (Tr. vol. 1, 37:20–24).

⁶ In New York City, HRA administers City-funded housing vouchers, including the City Fighting Homelessness and Eviction Prevention Supplement (“CityFHEPS”) and HIV/AIDS Services Administration (“HASA”) programs, as well as other forms of public assistance, including assistance distributed through the Supplemental Nutrition Assistance Program. *See generally* CITY OF NEW YORK, HUM. RES. ADMIN., HRA GUIDE TO SERVICES (2025), https://www.nyc.gov/assets/hra/downloads/pdf/about/HRA_Guide_to_Services_WEB.pdf.

was in the nearby Queens area, Sunnyside[,] Astoria, which wasn't far from where I was already at. And it's listed big and bold that he accepted HRA vouchers, CityFHEPS, everything."⁷ (*Id.* at 41:4–9). Ms. Morgan was drawn to Mr. Michael's ad because the featured apartment "looked more spacious than" her current apartment, the apartment building "reminded [her] of the brick building that [she] grew up in[,] it was located in a "better" neighborhood than where she currently lived, "there were good schools in the area[,] and "[t]he train was nearby so the travel commute would not be a problem." (*Id.* at 52:25–53:13).

Ms. Morgan then called the number listed in the ad (*id.* at 53:14–15), and she testified to having the following conversation with Respondent Michael:

When I called him, I said, "Hello, is this David Michael?" He said, "Yes, it is." I said, "I saw your listing on Craigslist." He then stated, "Which one?" because there were several. And I stated this—I specified which one it was. And he said, "Okay. What are your forms of payment?" I said, "Well, your listing says that you accept vouchers. I have a voucher. I have HRA." He stated, "Oh, I don't take that." And I said, "[W]ell, your listing states that you do and it is illegal to discriminate [against] someone based off of their voucher status.[]" And he said, "Well, what are you going to do about it? Do something about it then," and he hung up.

(Tr. vol. 1, 53:17–54:4). When asked about Mr. Michael's demeanor during the call, Ms. Morgan described him as pleasant until he learned about her voucher, then he "began to get arrogant" and "[h]is tone of voice changed. It was more harsh, like talking down." (*Id.* at 54:5–13).

Ms. Morgan testified that Mr. Michael's tone and attitude made her feel "slighted and defeated . . . that he felt like I was a child." (*Id.* at 54:14–18). She also testified that Mr. Michael's rejection of her public assistance made her feel

discouraged because in the times that we are in, during COVID where . . . people were dropping left and right every second. You would think that in times like that, people want to have more compassion, want to [help] people to move out of certain areas. You never know what someone is going through or where they're coming from and why they want to move, so to be shut down like that, it just set me back [to] step one, because I'm trying to get my kids out of this environment.

(Tr. vol. 1, 54:19–55:5).

⁷ At trial, there was extended discussion of a similar, but not identical, Craigslist ad posted by Respondents, offered as Petitioner Exhibit 14 because the original ad had been deleted or was otherwise unavailable. (*See* Tr. vol. 1, 41:10–52:23). Ms. Morgan testified that while the two ads were formatted differently (*id.* at 48:7–9), the text was virtually the same except that the ad presented at trial did not include the statement that Respondents accepted vouchers or the list of accepted vouchers (*id.* at 44:15–46:13). Given Ms. Morgan's generally credible testimony and her ability to specifically outline the differences between the two ads, the Commission accepts her testimony as to the contents of the ad she saw in June 2020.

After her upsetting interaction with Mr. Michael, Ms. Morgan only tried to use her rental assistance one more time, submitting an online application that same day to which she never received a response. (*Id.* at 55:14–23). Because of Mr. Michael’s conduct, she felt at the time that there was no point in continuing to try, because “maybe nobody’s going to accept this because of this one voucher.” (*Id.*) Only three years later, shortly before the case went to trial, did Ms. Morgan finally resume her search for an apartment in the private rental market, stating that it took her so long to try again “because I was afraid to start looking again. I didn’t want to experience what I had already experienced before,” as well as because her second child was born. (*Id.* at 81:14–21).

This interaction had severe and long-lasting effects on Ms. Morgan. She testified:

It was depressing. It gave me anxiety. I eventually decided to go to therapy because I’m sitting here and I don’t want to be in public housing, and I’m dealing with these inhumane conditions, but I’m allowing this one experience [to] deter me from . . . get[ting] out of public housing and provid[ing] a better life for my children.

(Tr. vol. 1, 55:24–56:6). As of the date of the trial, Ms. Morgan remained in therapy. (*Id.* at 55:17–18).

B. The State of Ms. Morgan’s Subsequent Housing

In August 2020, Ms. Morgan and her family moved to a two-bedroom apartment in another NYCHA public housing complex, located in Flushing, based on the emergency transfer she sought prior to her encounter with Respondents. (*See id.* at 57:4–20). At the time of trial, Ms. Morgan continued to live in this unit with her spouse and her two young sons (one year old and ten years old at the time of trial) (*id.* at 57:18–24), and they have experienced many substandard or blatantly hazardous conditions during their tenancy. Soon after they moved into the apartment, Ms. Morgan discovered a hole in the wall behind her son’s bedroom door, which was not repaired until 2023 despite being promptly reported. (*See id.* at 62:25–63:11; *see also* Morgan Photos⁸ at 1). The water coming out of the faucets is frequently brown, and Ms. Morgan’s shower drain was once clogged for weeks. (Tr. vol. 1, 64:13–65:17; *see* Morgan Photos at 3).

In December 2023, their apartment was severely flooded with sewer water right before Christmas, ruining many of the family’s possessions. (*Id.* at 65:23–67:10). At the time of trial, NYCHA still had not reimbursed Ms. Morgan for the cost of replacing those possessions. (*Id.*) Ms. Morgan also testified in detail about recurring mold issues in the apartment, specifically on and around her son’s bed, requiring her to replace mattresses and bedding at her own expense. (*Id.* at 68:21–24). Between heating and mold issues, Ms. Morgan testified that she and her

⁸ Citations to “Morgan Photos” refer to a PDF of several photographs and screenshots reflecting various housing conditions in Ms. Morgan’s current apartment, entered into the trial record as Petitioner Exhibit 15 after Ms. Morgan verified that she had captured and gathered the images. (*See* Tr. vol. 1, 57:25–62:23).

children have frequently become ill, requiring multiple trips to the emergency room, which has impacted her ability to maintain her employment due to multiple absences to care for herself and her children. (*Id.* at 69:19–70:3 (noting her children are “constantly in the hospital during the winter season” because they “develop respiratory problems”), 70:7–12, 71:1–7, 72:3–16, 74:11–22).

While Ms. Morgan testified that she had originally sought to rent an apartment through Respondents, in part, to move her family to a safer neighborhood, Ms. Morgan and her family were ultimately forced to move to another neighborhood that she considered unsafe. As with the building she was desperate to leave in June 2020, her children still “can’t play in the park [near their apartment] because [people are] throwing glass or people are barbecuing where the kids should be playing and leaving the garbage everywhere.” (*Id.* at 75:12–16). Their apartment faces a street and a trash compactor, exposing them to blasting music and other loud noises at times when Ms. Morgan and her young children attempt to sleep. (*Id.* at 74:23–75:10). Ms. Morgan also testified that there have been multiple car break-ins in the parking lot, fights, and shootings, all of which make her feel unsafe as a mother of two young children. (*See id.* at 76:23–78:13). Ms. Morgan testified that her older son “feels down” and “tends to act out . . . as a typical child would” because “he sees other kids or he hears other kids, but it’s just not safe, so I don’t allow him” to play outside. (*Id.* at 76:11–18). This makes Ms. Morgan “feel horrible because . . . he doesn’t get to experience the childhood that I got to experience.” (*Id.* at 76:19–22).

C. The Bureau’s Civil Rights Tester

The Bureau corroborated Ms. Morgan’s allegations that Respondents engage in source of income discrimination on April 5, 2021, when one of the Bureau’s civil rights testers, Mr. Ahmad, conducted a test call to Respondents. (*See* Tr. vol. 1, 29:8–30:2). Jane Doe answered Mr. Ahmad’s call and when he asked who he had reached, she confirmed that Mr. Ahmad had reached Respondent NY Pyramid Group Corp. (*Id.* at 29:13–15, 30:3–6). Mr. Ahmad then asked to speak with Respondent Michael about renting an apartment (*id.* at 29:15–17, 30:7–9), to which Jane Doe responded by asking whether he had income or a government voucher (*id.* at 29:18–19, 30:10–13). Mr. Ahmad testified that “soon after” he informed Jane Doe that he had a Section 8 voucher, “she pretty much told me that she—they do not accept Section 8. And she tried to get off the phone very quickly. Her tone ha[d] changed from friendliness to . . . trying to get rid of me.” (*Id.* at 29:18–24). Mr. Ahmad also testified that when he “asked her name one final time before she hung up the phone, she told me it doesn’t really matter, and hung up the phone.” (*Id.* at 29:25–30:2).⁹

⁹ Mr. Ahmad’s testimony is consistent with his contemporaneous Test Report Form (Pet. Ex. 12), which he completed on April 5, 2021 and later submitted to his testing coordinator (Tr. vol. 1, 30:19–32:8).

III. PROCEDURAL HISTORY

Since the outset of this case, the Bureau has made every effort to engage Respondents in its investigation and the proceedings at OATH. On January 28, 2021, the Bureau initiated this case by filing a verified complaint on behalf of Ms. Morgan. (*See generally* Jan. Compl.) Respondents subsequently filed an Answer to Ms. Morgan’s complaint, denying her allegations as “false and fabricated” and stating that Mr. Michael had “never been discriminatory towards any client.” (Answer¹⁰ at 1). On November 1, 2021, the Bureau amended Ms. Morgan’s complaint by adding (1) the Bureau as a party, (2) allegations of discriminatory conduct related to the April 2021 tester call, and (3) a pattern or practice theory of discrimination. (*See generally* Compl.) Despite proper service of the Complaint on November 10, 2021 (*see* ALJ Ex. 3), Respondents never Answered the Complaint once amended.¹¹

On November 23, 2022, the Bureau issued a Notice of Probable Cause (Pet. Ex. 1 at 2), which was served on November 28, 2022 (*id.* at 1). The Notice of Probable Cause informed Respondents of the Bureau’s intent to “notice this case for a public default hearing and adjudication of this matter, based on [Respondents’] continued failure to file a verified answer or otherwise participate in this investigation.” (*Id.*) On November 29, 2023, the Bureau referred the case to OATH, again indicating that Respondents had not complied with their obligation to Answer the Complaint. (Pet. Ex. 2 ¶ 8 (citing 47 RCNY¹² § 1-14; 48 RCNY § 2-27)). The OATH Notice was properly served on November 30, 2023. (*Id.* at 1–2). The record shows that Respondents never responded to either notice.

Once the case reached OATH, the Bureau reinforced its efforts to ensure Respondents had notice and opportunity to participate, to no avail. On November 30, 2023, the Bureau served Respondents with a Notice of Conference for a settlement conference on January 10, 2024 (Pet. Ex. 3), which Respondents did not attend. Respondents also declined to appear for trial on March 28, 2024 or April 26, 2024, despite multiple service attempts by the Bureau. (*See* Pet. Exs. 4, 6, 7, 8, 9 (two notices were sent for March 28, 2024, and three notices were sent for April 26, 2024)).

On April 26, 2024, the Bureau catalogued its various unsuccessful attempts to engage Respondents in its investigation or the proceedings at OATH. (Tr. vol. 1, 6:2–8:23; R&R at 2). Satisfied that the Bureau had properly served Respondents with multiple notices, all of which informed Respondents of the consequences for failure to Answer the Complaint and attend trial,

¹⁰ Citations to “Answer” refer to Respondents’ Verified Answer filed in response to the initial complaint. The Commission notes that Respondent Michael swore that “the above statements [in his Answer] are true on this day, March 15th[,] 2021[,]” but the Notary Public indicated that the statement was subscribed to and sworn on May 15, 2021. (Answer at 1).

¹¹ In the Amended Affirmation of Law Enforcement Bureau Attorney Stephanie Rivera (“Rivera Aff.”), entered into the trial record as Petitioner Exhibit 10, the Bureau attested to mailing two warning letters to Respondents on December 28, 2021 and August 26, 2022, both of which warned Respondents that failure to Answer the Complaint “could result in the allegations of the Complaint being deemed true.” (Rivera Aff. ¶¶ 5, 6 (citing Exs. D, E)).

¹² Citations to “RCNY” refer to the Rules of the City of New York.

Judge Fogel entered a default against Respondents and allowed trial to proceed as an inquest.¹³ (See Tr. vol. 1, 8:24–11:1, 11:2–12:19; R&R at 2).

IV. DISCUSSION

The NYCHRL “shall be construed liberally for the accomplishment of the uniquely broad and remedial purposes thereof, regardless of whether federal or New York state civil and human rights laws, including those laws with provisions worded comparably to provisions of [the NYCHRL], have been so construed.” N.Y.C. Admin. Code § 8-130(a). Pursuant to the Local Civil Rights Restoration Act of 2005, “[i]nterpretations of New York state or federal statutes with similar wording may be used to aid in interpretation of the [NYCHRL], viewing similarly worded provisions of federal and state civil rights laws as a floor below which the [NYCHRL] cannot fall, rather than a ceiling above which the local law cannot rise.” Local Law No. 85 § 1 (2005). *See also* Local Law No. 35 § 1 (2016). Moreover, “case law interpreting analogous anti-discrimination statutes under state and federal law, though perhaps persuasive, is not precedential in the interpretation of the NYCHRL.” *Comm’n on Human Rights ex rel. Ondaan v. Lysius*, OATH Index No. 2801/18, Comm’n Dec. & Order, 2020 WL 7212457, at *6 (Nov. 24, 2020) (citing *Albunio v. City of New York*, 23 N.Y.3d 65, 73 n.5 (2014) (“The New York City Council’s 2005 amendment to the NYCHRL was, in part, an effort to emphasize the broader remedial scope of the NYCHRL in comparison with its state and federal counterparts and, therefore, to curtail courts’ reliance on case law interpreting textually analogous state and federal statutes.”)).

A. Default

The Commission upholds the entry of default against Respondents. As noted above, the Bureau provided ample evidence that Respondents had been properly served and notified of each deadline and conference scheduled for this matter. The Bureau’s evidence also revealed that Respondents completely failed to participate after filing a perfunctory Answer to the initial complaint, despite repeated warnings about the consequences of failing to Answer the operative Complaint or appear at trial.

Any complaint allegation that has not been “specifically denied or explained will be deemed admitted unless good cause to the contrary is shown.” 47 RCNY § 1-14(c). Given

¹³ Specifically, Judge Fogel stated: “So conditioned on that additional document, I’m satisfied that the notice requirements have met here and I’m prepared to find Respondent in default and move forward with an inquest.” (Tr. vol. 1, 12:16–19). The ALJ “held the record open for [the Bureau’s attorney] to provide a supplemental affidavit . . . dated May 1, 2024, which stated that she performed a search of the New York State Department of State’s website on April 29, 2024[,]” and revealed that Respondents’ “last known address [had] not changed since January 9, 2024.” (R&R at 2 (citing Pet. Ex. 19)).

Respondents' failure to Answer the operative Complaint, the Commission finds that all allegations therein are deemed admitted.¹⁴

B. Liability

Discrimination claims under the NYCHRL must be proven by a preponderance of the evidence, using either direct or indirect evidence of discrimination. *See, e.g., Comm'n on Human Rights ex rel. Howe v. Best Apartments, Inc.*, OATH Index No. 2601/14, Comm'n Dec. & Order, 2016 WL 1050864, at *5 (Mar. 14, 2016) (citing cases). To establish a *prima facie* case of housing discrimination, the Bureau must establish that: (1) complainant is a member of a protected class as defined by the NYCHRL; (2) respondents are covered entities under the NYCHRL; and (3) respondents acted or failed to act in a manner prohibited by Section 8-107(5). *See id.*

In 2008, the New York City Council amended the City Human Rights Law to expressly prohibit discrimination against voucher holders throughout the housing process by adding lawful source of income discrimination as a protected category. *See* Local Law 10 § 1 (N.Y.C. 2008) (finding that “some landlords refuse to offer available units because of the sources of income tenants, including current tenants, plan to use to pay for rent”); *see also* N.Y.C. Comm. on Gen. Welfare, Council Rep. of Governmental Affairs Div., Int. No. 61-A, at 6–7 (Mar. 26, 2008) (stating that local and national research reveals that voucher holders “encounter significant amounts of discrimination from landlords”). Real estate brokers cannot “refuse to sell, rent or lease any housing accommodation,” “refuse to negotiate” for the same, “or otherwise . . . deny or withhold any housing accommodation . . . because of any lawful source of income” of any person. N.Y.C. Admin. Code § 8-107(5)(c)(1). Real estate brokers have “the right to sell, rent or lease or approve the sale, rental or lease of a housing accommodation,” and are thus prohibited from discriminating against any person “in the terms, conditions or privileges of the sale, rental or lease of any such housing accommodation” based on that person’s lawful source of income. *Id.* § 8-107(5)(a)(1)(b). Lawful source of income includes “any form of federal, state, or local public assistance or housing assistance.” *Id.* § 8-102.

It is undisputed that Ms. Morgan “received public assistance administered by [HRA]” at the time of the alleged discrimination. (*See* Compl. ¶ 1; Tr. vol. 1, 39:2–40:15). Under the City Human Rights Law, Ms. Morgan’s status as a recipient of HRA rental assistance and her attempt to use that rental assistance to secure housing entitled her to protection against discrimination based on her lawful source of income. *See* N.Y.C. Admin. Code § 8-102; *see also* *Howe*, 2016

¹⁴ The Commission notes that since an “amended complaint supersedes all prior complaints[,]” 47 RCNY § 1-13(a), Respondents were required to file a new Answer in response to the Bureau’s amendments in November 2021, pursuant to the instructions outlined in 47 RCNY § 1-14. However, even if Respondents’ Answer had been in effect at the time of trial, the Commission’s ruling would be the same because “Ms. Morgan’s clear, credible, and consistent testimony at trial was more persuasive than [R]espondent Michael’s hearsay denials in his verified answer.” (R&R at 6 (citing *Taxi & Limousine Comm’n v. Oyebamiji*, OATH Index No. 352/24, Rep. & Rec., at 7 (Aug. 18, 2023) (finding that sworn testimony was more credible than hearsay document), *adopted*, Comm’r Dec. (Aug. 24, 2023))).

WL 1050864, at *5 (finding that petitioner established complainant as “a member of a protected class under the NYCHRL based on his attempt to use a Section 8 voucher to obtain housing”).¹⁵

Given Respondents’ default, they have admitted that they are real estate brokers or salespersons “as defined by § 8-102” of the NYCHRL. (Compl. ¶¶ 2–4; *see also* Jan. Compl. ¶¶ 2–4; Answer at 1). This is sufficient to establish that Respondents are covered entities whose conduct falls within the jurisdiction of the City Human Rights Law.

On two separate occasions, two different representatives of Respondents refused to work with individuals who disclosed that they sought to rent an apartment using a housing voucher. Once Respondents learned that Ms. Morgan and Mr. Ahmad intended to use a housing voucher, they immediately stated that Respondents did not accept vouchers and attempted to end each phone call as quickly as possible. (Tr. vol. 1, 53:17–54:4 (Ms. Morgan’s testimony), 29:8–30:2 (Mr. Ahmad’s testimony)). In Ms. Morgan’s case, when she notified Respondent Michael that it was illegal to refuse applicants with vouchers, he aggressively challenged her to “do something about it.” (*Id.* at 53:25–54:3). These statements and actions constitute direct evidence of discrimination that violates the City Human Rights Law’s prohibition on refusing to rent to someone based on their lawful source of income. *See* N.Y.C. Admin. Code § 8-107(5).

For these reasons, the Commission finds that Respondents have violated the City Human Rights Law by discriminating against Ms. Morgan and Mr. Ahmad on the basis of lawful source of income.

The Commission also finds that Respondents engaged in a pattern or practice of discriminatory conduct. To establish a pattern or practice theory, a party is typically required to prove that the alleged discrimination is “the company’s standard operating procedure[,] the regular rather than the unusual practice,” and that the discrimination is “directed at a class of victims.” *United States v. City of New York*, 717 F.3d 72, 83 (2d Cir. 2013) (citing, *inter alia*, *Int’l Brotherhood of Teamsters v. United States*, 431 U.S. 324, 336 (1977)). Although “the definition of a pattern or practice is not capable of a precise mathematical formulation,” *Ste. Marie v. Eastern R. Ass’n*, 650 F.2d 395, 406 (2d Cir. 1981), “[i]f there were evidence that a policy of discrimination had been adopted, perhaps two or even one confirmatory act would be enough.” *Id.* Moreover, to the extent that federal courts may sometimes require a relatively high number of instances of discrimination to prove a pattern or practice of discrimination, the City Human Rights Law provides far greater latitude than federal or state law. The NYCHRL must be “construed liberally for the accomplishment of the uniquely broad and remedial purposes thereof, regardless of whether federal or New York state civil and human rights laws, including

¹⁵ While the Commission notes that the Third Judicial Department recently held that a similar provision of the New York State Human Rights Law could not be used to compel landlords to accept Section 8 vouchers over those landlords’ Fourth Amendment challenges, *see People v. Commons West, LLC*, 254 N.Y.S.3d 276, 282-83 (3d Dep’t 2026), that decision is inapposite for a variety of reasons, including that brokers do not possess the Fourth Amendment rights at issue in *Commons West*.

those laws with provisions worded comparably to provisions of [the NYCHRL], have been so construed.” N.Y.C. Admin. Code § 8-130(a). *See also* Local Law No. 85 § 1 (2005) (stating that “similarly worded provisions of federal and state civil rights laws [are] a floor below which the [NYCHRL] cannot fall, rather than a ceiling above which the local law cannot rise”).

Two instances with identical results, separated significantly by time and involving two separate employees of Respondent NY Pyramid Group Corp., are sufficient to establish that turning away recipients of rental assistance was the standard operating procedure at the brokerage. Indeed, the fact that one of the first questions that either Respondent employee asked when speaking to prospective renters was how that renter intended to pay for the apartment indicates a policy of screening out people based on their source of income. As such, Respondents have engaged in a pattern or practice of discriminatory conduct in violation of the City Human Rights Law.

Although the Commission disagrees with the R&R’s legal finding, the existence of a pattern or practice of discrimination has no material impact on liability or available remedies in this case.

V. DAMAGES, CIVIL PENALTIES, AND AFFIRMATIVE RELIEF

Where the Commission finds that respondents have engaged in an unlawful discriminatory practice, the City Human Rights Law authorizes the Commission to order respondents to cease and desist from such practices and take actions that effectuate the purposes of the NYCHRL. N.Y.C. Admin. Code § 8-120(a). The Commission may also award damages to complainants, *id.* § 8-120(a)(8), and impose civil penalties of up to \$125,000 per discriminatory act, or up to \$250,000 per discriminatory act where the Commission determines that the unlawful conduct is willful, wanton, or malicious, *id.* § 8-126(a).

A. Compensatory Damages

“Compensatory damages, including emotional distress damages, are intended to redress a specific loss that the complainant suffered by reason of the respondent’s wrongful conduct.” *Howe*, 2016 WL 1050864, at *6–7. To support an award of emotional distress damages, the record “must be sufficient to satisfy the Commissioner that the mental anguish does in fact exist, and that it was caused by the act of discrimination.” *Comm’n on Human Rights ex rel. Joo v. UBM Bldg. Maint. Inc.*, OATH Index No. 384/16, Comm’n Dec. & Order, 2018 WL 6978286, at *9 (Dec. 20, 2018). An award for compensatory damages may be premised on the complainant’s credible testimony alone, or other evidence including testimony from other witnesses, circumstantial evidence, and objective indicators of harm, such as medical evidence. *See Comm’n on Human Rights ex rel. Agosto v. American Constr. Assocs.*, OATH Index No. 1964/15, Amended Comm’n Dec. & Order, 2017 WL 1335244, at *7 (Apr. 5, 2017) (collecting cases). The NYCHRL places no limitation on the size of compensatory damages awards, *see* N.Y.C. Admin. Code § 8-120(a)(8), and courts have consistently recognized the Commission’s

“special experience in weighing the merit and value of mental anguish claims.” *Automatic Meter Reading Corp. v. New York City*, 114 N.Y.S.3d 575 (Table), 2019 WL 1475080, at *10 (Sup. Ct. 2019) (quoting *Matter of Cutri v. Comm’n on Human Rights*, 113 A.D.3d 608, 608 (2d Dep’t 2014)). In assessing compensatory damages in a particular case, the Commission evaluates the nature of the violation, the amount of harm indicated by the evidentiary record, and awards that have been issued for similar harms. *Comm’n on Human Rights ex rel. Nieves v. Rojas*, OATH Index No. 2153/17, Comm’n Dec. & Order, 2019 WL 2252369, at *6 (May 16, 2019); *see also Ondaan*, 2020 WL 7212457, at *13 (“The relevant comparison, however, is not the context in which the discrimination occurred—be it housing, employment, or public accommodation—but, rather, the nature of the complainant’s emotional harm, as evidenced in the record.”).

Ms. Morgan’s compelling and credible testimony established that Respondents’ discriminatory conduct wounded her so profoundly that she and her family were still suffering the effects at trial four years later. *See, e.g., Stampf v. Long Island R.R. Co.*, 761 F.3d 192, 207 n.5 (2d Cir. 2014) (“[A] defendant must take a plaintiff as [he] finds [her] and, therefore, is responsible for the harm [he] inflicts on a person even if that harm is exacerbated by the person’s unknown infirmities.” (internal citations omitted)). Beyond her initial reaction of feeling “slighted and defeated . . . that [Mr. Michael] felt like I was a child” (Tr. vol. 1, 54:14–18), Ms. Morgan was deeply “discouraged” by Mr. Michael’s lack of “compassion” during the early days of the COVID-19 pandemic when “people were dropping left and right every second.” (*See id.* at 54:19–55:5). These circumstances must be considered when determining appropriate emotional distress damages. *See Agosto*, 2017 WL 1335244, at *9 (finding that the “objective circumstances” of the case were relevant to assessing complainant’s emotional distress damages).

Although Ms. Morgan desperately wanted to move her family out of public housing, Respondents’ actions left her believing that “maybe nobody’s going to accept this because of this one voucher.” (Tr. vol. 1, 55:14–23). Ms. Morgan testified that “it was depressing” and “gave me anxiety[,]” and that Respondents’ conduct had such a huge impact on her because “I’m allowing this one experience [to] deter me from . . . get[ting] out of public housing and provid[ing] a better life from my children.” (*Id.* at 55:24–56:6). This motivated Ms. Morgan to start weekly therapy in October 2023 because she “realized that maybe I do need to talk to someone . . . to kind of guide me and help me—bring me back to the initial reasoning on why I was looking to move out of public housing in the first place.” (*Id.* at 56:7–20). Ms. Morgan continued to attend weekly therapy at least through the time of trial. (*Id.*)

Respondents’ discriminatory conduct so unnerved and discouraged Ms. Morgan that she suffered terrible housing conditions for at least three and a half more years to the detriment of her family’s health and safety. *See Howe*, 2016 WL 1050864, at *7 (discussing that complainant was “forced to accept a substandard apartment” in evaluation of emotional distress damages). As detailed above, Ms. Morgan’s family has endured a variety of issues in their current apartment, ranging from nuisances (e.g., excessive street noise and litter in the park) to blatantly hazardous

conditions (e.g., mold on the bottom of her son’s mattress, recurring brown tap water, a flood of sewer water that destroyed many personal items right before Christmas, and more). (See discussion *supra* Part II). These conditions have caused Ms. Morgan mental distress directly, as well as because she must also witness her children living through this experience. (See Tr. vol. 1, 76:19–22). See also *Nieves*, 2019 WL 2252369, at *7 (collecting cases) (“It is well-established that a parent’s emotional distress may be compounded due to concern for the welfare of their family.”). Ms. Morgan and her children have also made several trips to the emergency room because of illnesses related to mold and other housing conditions. The children have missed school because they are repeatedly ill, and having to care for them, as well as suffering her own illnesses, has made it difficult for Ms. Morgan to maintain employment. (See discussion *supra* Part II).

The Commission finds that the evidence supports an emotional distress damages award of \$75,000. See, e.g., *Presumey v. Town of Greenwich Bd. of Educ.*, No. 3:15cv278 (DFM), 2018 WL 2694442, at *6 (D. Conn. 2018) (awarding \$75,000 in emotional distress damages where plaintiff “suffered great anguish about providing for her child[,]” “spoke credibly about her desperation, anxiety[,] and humiliation[,]” and was “prescribed medication to treat her symptoms”); *Banai v. Sec’y, U.S. Dep’t of Hous. & Urb. Dev.*, 102 F.3d 1203, 1208 (11th Cir. 1997) (affirming award of \$70,000 in compensatory damages to couple who experienced “humiliation, embarrassment, anger, inconvenience, and lost housing opportunity” because of race-based housing discrimination (internal quotation marks omitted)).

B. Civil Penalties

In assessing whether the imposition of civil penalties will vindicate the public interest, the Commission may consider several factors, including, but not limited to: (1) respondents’ financial resources; (2) the sophistication of respondents’ enterprise; (3) respondents’ size; (4) the willfulness of the violation; and (5) the impact on the public of issuing civil penalties. *Joo*, 2018 WL 6978286, at *10 (collecting cases). The Commission also considers the extent to which respondents cooperated with the Bureau’s investigation and with OATH, as well as the amount of remedial action that respondents may have already undertaken. *Agosto*, 2017 WL 1335244, at *11 (collecting cases).

Based on its review of the evidentiary record, prior precedent, and the potential impact of further discrimination on the public, the Commission finds that Respondents should pay a civil penalty of \$50,000.

The record shows that after filing a perfunctory Answer to the Bureau’s initial complaint (see generally Answer), Respondents never again participated in the investigation or litigation of the case. (See discussion *supra* Part III). There is also evidence that Respondents deliberately evaded the Bureau’s efforts to engage them in the investigation and litigation of this matter. After failing to receive an Answer to the amended Complaint, the Bureau contacted Respondent NY Pyramid Group Corp. at its publicly listed number on October 31, 2022. (Rivera Aff. ¶ 8).

The call was answered by Respondent Michael’s brother, who stated that the Bureau had reached NY Pyramid Group Corp. but that Mr. Michael was not available. (*Id.*) The Bureau then requested a call back from Mr. Michael because “any further delays [would] result in a default finding against him and NY Pyramid Group Corp.” (*Id.*) However, Mr. Michael never returned the Bureau’s call. (*Id.*) Ahead of trial, the Bureau made several more attempts to reach Mr. Michael via mail, email, phone call, and text message. (*See id.* ¶¶ 12–17). When the Bureau finally received a call from Mr. Michael on February 1, 2024, the Bureau diligently “summarized the case history for Respondent Michael[,] informed him that a probable cause determination was issued[,] and that the matter was proceeding to a trial at OATH on March 28, 2024.” (*Id.* ¶ 18). When the Bureau then attempted to confirm Mr. Michael’s service address to provide him with the trial information, he “refused to provide an address for service purposes, told [the Bureau attorney] ‘good luck’ and proceeded to disconnect the call.” (*Id.*) Each stage of this case was significantly undercut by Respondents’ refusal to engage, weighing in favor of a civil penalty. *See, e.g., Agosto*, 2017 WL 1335244, at *12–13 (issuing a \$20,000 civil penalty against housing providers who “completely failed to cooperate in the litigation process” and posed a real threat to New York City residents).

The Commission also finds that there is no evidence that Respondents attempted to mitigate or remedy their discriminatory conduct. *Contra Comm’n on Human Rights v. Rent The Bronx*, OATH Index No. 1619/11, Rep. & Rec., 2011 WL 13606431, at *15 (July 27, 2011) (recommending a reduced civil penalty where respondent removed the discriminatory ad and took responsibility for his actions), *with Comm’n on Human Rights v. Britati Realty, Inc.*, OATH Index No. 778/13, Rep. & Rec., at *9 (May 21, 2013) (no reduction for mitigation where respondents failed to appear and offer a defense), *adopted*, Comm’n Dec. & Order (Oct. 31, 2013). On the contrary, Respondents were unapologetic and bold in their discrimination against Ms. Morgan and employed identical discriminatory tactics when the Bureau tester contacted the brokerage ten months later. *Cf. Agosto*, 2017 WL 1335244, at *12 (finding that respondents had willfully violated the NYCHRL by “expressly and unapologetically” choosing not to accept vouchers). The Bureau argues that Respondents have willfully and consciously disregarded the Bureau’s investigation and their responsibilities under the NYCHRL. (Pet. Comments¹⁶ at 11, 12). The Commission agrees.

Given Respondents’ default, the record does not include any information as to the size, scope, or sophistication of Respondent NY Pyramid Group Corp. While the Commission will consider a respondent’s size and resources when determining appropriate civil penalties, the

¹⁶ Citations to “Pet. Comments” refer to the Bureau’s Comments on the November 7, 2024 Report and Recommendation issued by Judge Fogel, submitted to the Commission via email on July 11, 2025. In their comments, the Bureau also points to “publicly accessible information showcasing that Respondents . . . are not actively and properly licensed to practice real estate in New York, in violation of Real Property Law (‘RPL’) § 440-a[,]” arguing that “Respondents’ conduct is not merely a failure to cooperate, but a conscious disregard of both the NYCHRL and RPL.” (*Id.*)

Commission will not allow Respondents to benefit from their own refusal to engage with the Bureau's investigation or the litigation of this case.

There is a strong public interest in discouraging source of income discrimination, especially in the context of New York City's ongoing affordable housing crisis. Individuals who are eligible for housing subsidies make up some of the City's "most vulnerable residents," which makes the discrimination that they face "particularly harmful." *Nieves*, 2019 WL 2252369, at *9 (quoting *Howe*, 2016 WL 1050864, at *9). Since source of income discrimination continues to frustrate the goals of the City's housing subsidy programs, serious enforcement of source of income protections is important to bolster "the City's efforts to combat homelessness and to keep pace with the high demand for affordable housing." *Id.* (quoting *Agosto*, 2017 WL 1335244, at *12). As real estate brokers, Respondents encounter a high volume of applicants, many of whom may be voucher holders.¹⁷ If Respondents continue to discriminate against vulnerable housing seekers, they could severely limit access to large sectors of the private housing market for countless New Yorkers, which is an unacceptable result under the City Human Rights Law.

Based on a review of prior precedent, the circumstances of this case, and the critical importance of addressing housing discrimination based on lawful source of income, the Commission finds that a civil penalty of \$50,000 is warranted. *Cf. Comm'n on Human Rights ex rel. Colon v. Lewis*, OATH Index No. 330/19, 2026 WL 451716, at *17 (Jan. 27, 2026) (issuing a \$100,000 civil penalty where respondents "engaged in egregious discrimination against [c]omplainant, refused to cooperate with the Bureau's investigation, failed to participate in the OATH proceedings, did not prove any mitigating factors, and were previously held liable for a similar form of discrimination").

C. Affirmative Relief

The NYCHRL authorizes the Commission to require affirmative measures, including trainings, to prevent further discrimination. N.Y.C. Admin. Code § 8-120(a)(4). *See, e.g., Colon*, 2026 WL 451716, at *17 (collecting cases). Respondents have demonstrated willful disregard of their obligations under the City Human Rights Law, and Respondents and their agents may continue to operate in the City's housing market. As such, the Commission orders Respondents to undergo anti-discrimination training on housing offered by the Commission and to require their real estate agents, employees, independent contractors, and subcontractors to undergo the same. Respondents must also create a written anti-discrimination policy that outlines the rights of New York City housing seekers and Respondents' obligations under the City Human Rights Law, submit that policy to the Commission for review, then distribute the Commission-approved policy to all real estate agents, employees, independent contractors, and subcontractors.

¹⁷ According to NYCHA, "NYCHA public housing residents and Section 8 voucher holders occupy 10.9% of the city's rental apartments and comprise 6.2% of New York City's population." 2025 FACT SHEET, N.Y.C. HOUS. AUTH., 1 (Jan. 2025) https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA_Fact_Sheet.pdf.

Respondents are also ordered to prominently display the Commission's Notice of Rights Poster in English and Spanish for no less than three years in all their New York City offices.

VI. CONCLUSION

FOR THE REASONS DISCUSSED HEREIN, IT IS HEREBY ORDERED that no later than thirty (30) calendar days after service of this Order, Respondents pay Complainant Morgan a total of \$75,000 by sending to the New York City Commission on Human Rights, 22 Reade Street, 2nd Floor, New York, New York 10007, Attn: Monitoring Clerk, a bank certified or business check made payable to Zanique Morgan, including a written reference to OATH Index No. 1588/24.

IT IS FURTHER ORDERED that no later than sixty (60) calendar days after service of this Order, Respondents pay a civil penalty of \$50,000 to the New York City Department of Finance, by sending to the New York City Commission on Human Rights, 22 Reade Street, 2nd Floor, New York, New York 10007, Attn: Monitoring Clerk, a bank certified or business check made payable to the New York City Department of Finance, including a written reference to OATH Index No. 1588/24.

IT IS FURTHER ORDERED that no later than sixty (60) calendar days after service of this Order, Respondents create a written anti-discrimination policy to inform all of Respondents' employees, agents, independent contractors, and subcontractors about their obligations under the NYCHRL and the rights of New York City housing seekers. No later than sixty (60) calendar days after service of this Order, Respondents must provide this policy as an electronic copy to the Commission's Monitoring Clerk at monitoring@cchr.nyc.gov, including written reference to OATH Index No. 1588/24, whereupon the Commission will review the policy to ensure compliance with the City Human Rights Law. No later than thirty (30) calendar days after approval by the Commission, Respondents are ordered to distribute the written anti-discrimination policy to all employees, agents, independent contractors, and subcontractors.

IT IS FURTHER ORDERED that no later than thirty (30) calendar days after service of this Order, Respondents must arrange for themselves and all real estate agents, employees, independent contractors, and subcontractors to attend the Commission's "Human Rights Law and Discrimination in Housing Overview" training. A schedule of available trainings is available at <https://www.nyc.gov/site/cchr/community/events-workshops.page>, and other trainings can be scheduled by emailing trainings@cchr.nyc.gov. Respondents shall provide proof of attendance to the Monitoring Clerk no later than seven (7) calendar days after completion of each training by emailing monitoring@cchr.nyc.gov.

IT IS FURTHER ORDERED that no later than thirty (30) calendar days after service of this Order, Respondents post the Commission's Notice of Rights Poster, available at <https://www.nyc.gov/site/cchr/law/legal-resources.page#legalnotices> and enclosed, in all office

locations, on Legal Size (8.5 x 14 inch) paper in a conspicuous location where it will be visible to patrons seeking housing for a period of three (3) years after the date of this Order.

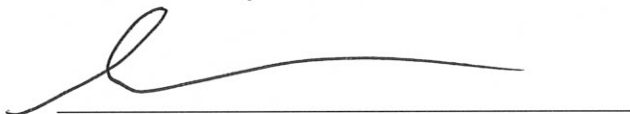
Failure to comply with any of the foregoing provisions in a timely manner shall constitute non-compliance with a Commission order. In addition to any civil penalties assessed against them pursuant to this Order, Respondents shall pay a civil penalty of \$100 per day for every day the violation continues. N.Y.C. Admin. Code § 8-124. Furthermore, failure to abide by this Order may result in criminal penalties. *Id.* § 8-129.

Civil penalties are paid to the general fund of the City of New York.

Dated: New York, New York
August 3, 2026

SO ORDERED:

New York City Commission on Human Rights

A handwritten signature in black ink, appearing to read 'Christine Clarke', is written over a horizontal line.

Christine Clarke
Commissioner/Chair