

CIRCUIT COURT FOR BALTIMORE CITY

2016 AUG 11 AM 10:40

CIVIL DIVISION

Circuit Court for Baltimore City

City or County

CIVIL - NON-DOMESTIC CASE INFORMATION REPORT

DIRECTIONS:

Plaintiff: This Information Report must be completed and attached to the complaint filed with the Clerk of Court unless your case is exempted from the requirement by the Chief Judge of the Court of Appeals pursuant to Rule 2-111(a). A copy must be included for each defendant to be served.

Defendant: You must file an Information Report as required by Rule 2-323(h).

THIS INFORMATION REPORT CANNOT BE ACCEPTED AS AN ANSWER OR RESPONSE.

FORM FILED BY: ☒ PLAINTIFF ☐ DEFENDANT CASE NUMBER 24-C-16-004505 AG
(Clerk to insert)

CASE NAME: Timothy P. Claiborne, et al vs. The Maryland Management Company
Plaintiff Defendant

JURY DEMAND: ☒ Yes ☐ No Anticipated length of trial: _____ hours or _____ days
RELATED CASE PENDING? ☐ Yes ☒ No If yes, Case #(s), if known: _____

Special Requirements? ☐ Interpreter (Please attach Form CC-DC-041)
☐ ADA accommodation (Please attach Form CC-DC-049)

**NATURE OF ACTION
(CHECK ONE BOX)**

DAMAGES/RELIEF

TORTS		LABOR		A. TORTS	
<input type="checkbox"/> Motor Tort	<input type="checkbox"/> Workers' Comp.	Actual Damages		<input type="checkbox"/> Medical Bills	
<input type="checkbox"/> Premises Liability	<input type="checkbox"/> Wrongful Discharge	<input type="checkbox"/> Under \$7,500		\$ _____	
<input type="checkbox"/> Assault & Battery	<input type="checkbox"/> FEO	<input type="checkbox"/> \$7,500 - \$50,000		\$ _____	
<input type="checkbox"/> Product Liability	<input type="checkbox"/> Other _____	<input type="checkbox"/> \$50,000 - \$100,000		\$ _____	
<input type="checkbox"/> Professional Malpractice	CONTRACTS		<input checked="" type="checkbox"/> Over \$100,000	\$ _____	
<input type="checkbox"/> Wrongful Death	<input type="checkbox"/> Insurance			\$ _____	
<input type="checkbox"/> Business & Commercial	<input type="checkbox"/> Confessed Judgment			\$ _____	
<input type="checkbox"/> Libel & Slander	<input type="checkbox"/> Other _____				
<input type="checkbox"/> False Arrest Imprisonment	REAL PROPERTY		B. CONTRACTS	C. NONMONETARY	
<input type="checkbox"/> Nuisance	<input type="checkbox"/> Judicial Sale	<input type="checkbox"/> Under \$10,000		<input type="checkbox"/> Declaratory Judgment	
<input type="checkbox"/> Toxic Torts	<input type="checkbox"/> Condemnation	<input type="checkbox"/> \$10,000 - \$20,000		<input type="checkbox"/> Injunction	
<input type="checkbox"/> Fraud	<input type="checkbox"/> Landlord Tenant	<input type="checkbox"/> Over \$20,000		<input type="checkbox"/> Other _____	
<input type="checkbox"/> Malicious Prosecution	<input type="checkbox"/> Other _____				
<input type="checkbox"/> Lead Paint	OTHER		D. EQUITY		
<input type="checkbox"/> Asbestos	<input type="checkbox"/> Civil Rights	<input type="checkbox"/> See Addendum			
<input type="checkbox"/> Other _____	<input type="checkbox"/> Environmental				
	<input type="checkbox"/> ADA				
	<input checked="" type="checkbox"/> Other Consume Protection				

ALTERNATIVE DISPUTE RESOLUTION INFORMATION

Is this case appropriate for referral to an ADR process under Md. Rule 17-101? (Check all that apply)

A. Mediation ☐ Yes ☒ No C. Settlement Conference ☒ Yes ☐ No
B. Arbitration ☐ Yes ☒ No D. Neutral Evaluation ☐ Yes ☒ No

TRACK REQUEST

With the exception of Baltimore County and Baltimore City, please fill in the estimated LENGTH OF TRIAL. THIS CASE WILL THEN BE TRACKED ACCORDINGLY.

☐ 1/2 day of trial or less ☒ 3 days of trial time
☐ 1 day of trial time ☐ More than 3 days of trial time
☐ 2 days of trial time

PLEASE SEE PAGE TWO AND THREE OF THIS FORM FOR INSTRUCTIONS PERTAINING TO THE BUSINESS AND TECHNOLOGY CASE MANAGEMENT PROGRAM AND COMPLEX SCIENCE AND/OR MEDICAL CASE MANAGEMENT PROGRAM (ASTAR). AS WELL AS ADDITIONAL INSTRUCTIONS IF YOU ARE FILING YOUR COMPLAINT IN BALTIMORE CITY, BALTIMORE COUNTY, OR PRINCE GEORGE'S COUNTY.

Date 8/8/2016

Signature [Signature]

BUSINESS AND TECHNOLOGY CASE MANAGEMENT PROGRAM

For all jurisdictions, if Business and Technology track designation under Md. Rule 16-205 is requested, attach a duplicate copy of complaint and check one of the tracks below.

☐ Expedited
Trial within 7 months
of Filing

☐ Standard
Trial within 18 months
of Filing

☐ EMERGENCY RELIEF REQUESTED _____

Signature

Date

COMPLEX SCIENCE AND/OR MEDICAL CASE MANAGEMENT PROGRAM (ASTAR)

FOR PURPOSES OF POSSIBLE SPECIAL ASSIGNMENT TO AN ASTAR RESOURCE JUDGE under Md. Rule 16-202.
Please check the applicable box below and attach a duplicate copy of your complaint.

☐ Expedited - Trial within 7 months of Filing

☐ Standard - Trial within 18 months of Filing

IF YOU ARE FILING YOUR COMPLAINT IN BALTIMORE CITY, BALTIMORE COUNTY, OR PRINCE GEORGE'S COUNTY PLEASE FILL OUT THE APPROPRIATE BOX BELOW.

CIRCUIT COURT FOR BALTIMORE CITY (CHECK ONLY ONE)

- ☐ Expedited Trial 60 to 120 days from notice. Non-jury matters.
- ☐ Standard-Short Trial 210 days.
- ☒ Standard Trial 360 days.
- ☐ Lead Paint Fill in: Birth Date of youngest plaintiff _____.
- ☐ Asbestos Events and deadlines set by individual judge.
- ☐ Protracted Cases Complex cases designated by the Administrative Judge.

CIRCUIT COURT FOR BALTIMORE COUNTY

- ☐ Expedited (Trial Date-90 days) Attachment Before Judgment, Declaratory Judgment (Simple), Administrative Appeals, District Court Appeals and Jury Trial Prayers, Guardianship, Injunction, Mandamus.
- ☐ Standard (Trial Date-240 days) Condemnation, Confessed Judgments (Vacated), Contract, Employment Related Cases, Fraud and Misrepresentation, International Tort, Motor Tort, Other Personal Injury, Workers' Compensation Cases.
- ☐ Extended Standard (Trial Date-345 days) Asbestos, Lender Liability, Professional Malpractice, Serious Motor Tort or Personal Injury Cases (medical expenses and wage loss of \$100,000, expert and out-of-state witnesses (parties), and trial of five or more days), State Insolvency.
- ☐ Complex (Trial Date-450 days) Class Actions, Designated Toxic Tort, Major Construction Contracts, Major Product Liabilities, Other Complex Cases.

IN THE CIRCUIT COURT FOR BALTIMORE CITY, MARYLAND

Timothy P. Claiborne
11400 Stonecroft Ct, Apt 209
Hagerstown, MD 21742

Mieisha J. Alston
1516 Mountmor Court
Baltimore, MD 21217

*On their own Behalf and on Behalf of
All Persons Similarly Situated*

Plaintiffs,

v.

**The Maryland Management
Company.**
2613 Cabover Drive,
Hanover, MD 21076
SERVE ON: Resident Agent
James A. Clauson
2613 Cabover Drive
Hanover, MD 21076

Defendant.

Case No. 24-C-16-004505 OG

JURY TRIAL DEMANDED

FILED

2016 AUG 11 AM 10:40

CLERK OF COURT

CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

In this class action, Plaintiffs, Timothy P. Claiborne ("Claiborne"), and Mieisha Alston ("Alston") ("Plaintiffs") on their own behalf and on behalf of all others similarly situated, sue Defendant, Maryland Management Company ("MMC") for its uniform and systemic violation of the Maryland Consumer Debt Collection Act (MCDCA). The violation stems from the fact that, while knowingly lacking a Maryland mandated consumer collection agency license, MMC has illegally sued

more than 2,000 former consumer tenants, and obtained more than 1,800 judgments, all of which are void as a matter of law pursuant to *Finch v. LVNV Funding, LLC*, and all of which may be attacked now and in this court, pursuant to the specific *Finch* holding that: “a void judgment...is open to attack [] in any proceeding, direct or collateral, and at any time or place....” 212 Md. App. 748, 768 (2013) 2013), (*Cert. den.* 435 Md. 266, October 7, 2013).

1. A substantial part of MMC’s business is suing, obtaining judgments against and collecting from former consumer residential tenants in Maryland. Despite its status as a debt collection agency, MMC chooses not to obtain a Consumer Collection Agency license as is required by the Maryland Collection Agency Licensing Act (MCALA) Md. Code Ann., Bus. Reg. § 7-101 *et seq.* As an unlicensed debt collector, all of the judgments obtained in court by MMC are void, pursuant to the well-known decision of *Finch v. LVNV Funding, LLC*, 212 Md. App. 748, 769, 71 A.3d 193, 205 (2013), (*Cert. den.* 435 Md. 266, October 7, 2013).
2. Aside from obtaining court judgments which are void as a matter of law due to its unlicensed status, MMC also violates the MCDCA by assessing, obtaining judgments for and collect monies in amounts that would not legally owed even in MMC did have a debt collection license. Further, MMC also routinely files lawsuits which would still be barred by the governing 3-year statute of limitations, even if MMC were a licensed debt collector. The Plaintiffs seek declaratory relief and monetary damages due to MMC’s numerous violations of the MCDCA and MMC’s unjust and inequitable conduct which has resulted in void judgments and the collection of

money from the class which is not owed. The Plaintiffs seek to represent a class of all consumers against whom judgments have been unlawfully entered.

3. MMC engages directly or indirectly in the business of collecting consumer debts on behalf of landlords in Maryland.
4. One who collects debts in the manner that MMC does is functioning as a debt collection agency, and as such is required by law to have a Maryland debt collection license.
5. MMC knows that it is required to have a Maryland Collection Agency license.
6. MMC does not have a license to act as collection agency in the State of Maryland.
7. Despite the fact that MMC does not have the required license, MMC engages in collection activity by filing collection lawsuits against individual consumers in the State of Maryland.
8. MMC lacks the right to file collection actions in Maryland courts.
9. MMC makes use of various official court forms in connection with the lawsuits it files.
10. MMC's lawsuits also include a pattern of demanding, obtaining judgments for and collecting interest and fees that are not legally owed.
11. MMC'S practice begins with using lease forms (i) that purport to extend the statute of limitations for residential leases from a period of 3 years to 12 years; and (ii) that permit the recovery of attorney fees allegedly incurred by MMC.
12. As the result of MMC's purported extension of the statute of limitations to twelve years, MMC's often years-long delay in filing suit causes interest to accrue at a rate greater than 6%.

13. As a result of an attorney's fee provision in the lease, MMC claims, obtains judgment for and collects attorney's fees pursuant to a contingency arrangement wherein such fees are not actually incurred by MMC, at any time before judgments are entered.
14. MMC calculates and collects post judgment interest in amounts that are not legally owed. Once MMC has obtained judgments that include amounts not legally owed to it, MMC proceeds to use court forms and procedures such as garnishment, interrogatories and oral examinations to collect the amounts in excess of what it is legally owed. In some cases, MMC seeks and obtains body attachments in furtherance of executing on its void judgments which – even if they were not void – seek illegal interest and fees.

Parties

15. Defendant MMC is a Maryland corporation.
16. MMC carries on business as a property management company that includes collection of consumer debts owed by consumers.
17. MMC acts as agent for various property owners and managers in Maryland.
18. A substantial part of MMC's business is to collect the alleged consumer debts of former consumer tenants of residential properties, including rent, fees and interest.
19. MMC does so without the Consumer Collection Agency license required by the Maryland Collection Agency Licensing Act (MCALA) Md. Code Ann., Bus. Reg. § 7-101 *et seq.*
20. MMC violates Maryland law in sophisticated ways.

21. MMC inserts clauses into its standard form leases, purporting to extend the statute of limitations from 3 years to 12 years under *Tipton v. Partners Management Co.* 364 Md. 419 (2001).
22. MMC's standard form contracts call for prejudgment interest at 10% per annum, which is substantially greater than the maximum of 6% allowed by the Maryland Constitution in Article III, Section 57.
23. MMC waits for years before suing former tenants. While MMC waits, substantial interest accrues, which MMC assesses at a rate greater than that permitted by law.
24. According to data contained on the Maryland Judiciary Case Search website, in the past 6 years, MMC has obtained judgments for over \$5,200,000 against more than 1800 Maryland consumers, of which \$1,800,000 was due to prejudgment interest and more than \$700,000 was due to attorney's fees. In some cases, MMC has obtained more in prejudgment interest than the principal amount of the alleged debt.
25. After unlawfully obtaining judgments against former tenants, MMC aggressively seeks to collect those judgments by garnishing wages and bank accounts, requiring former tenants to attend hearings and answer interrogatories, and even by obtaining body attachments for the arrest for former tenants. For example, according to Maryland Judiciary Case Search, during the years 2012 to 2016, MMC sought and obtained 42 body attachments. That is, they used the power of deprivation of personal liberty to collect money which they knew was not owed due to the fact that the underlying judgments were void as a matter of law and for amounts not legally owed.

26. The Named Plaintiffs Claiborne and Alston are natural persons and residents of Maryland. MMC obtained judgments against each of them for claims arising out of their consumer rental of properties managed by MMC.
27. Named Plaintiff Mr. Claiborne is elderly, retired, disabled, and relies on social security as his exclusive source of income. Claiborne rented Apartment E, 800 Wilson Point Road, Baltimore MD, 21220 from Stansbury Associates LPP, for personal and household purposes, in 2007-2008.
28. In 2015, the unlicensed MMC sued Claiborne in Towson District Court, even though it knew of, listed his address as, and served him in Hagerstown, Washington County, Maryland more than 70 miles from Towson. After obtaining judgment, it continued to harass and abuse Mr. Claiborne by demanding that he appear in person for an oral examination in Towson District Court. In fact, even after all of these facts were brought to MMC's attention, MMC refused voluntarily to vacate the void and illegally obtained judgment.
29. Named Plaintiff Ms. Alston is a young mother who is putting herself through college, whose wages were garnished by MMC. Ms. Alston rented 5609-A Haddon Ave, Baltimore, MD 21207 from Seton Apartments LLLP, for personal and household purposes, in February 2013.
30. In 2015 an unlicensed MMC sued her, obtained a judgment against her for inflated amounts, and garnished her wages.

Jurisdiction and Venue

31. This Court has jurisdiction over all legal and the equitable claims asserted herein.

32. This Court has jurisdiction of this matter pursuant to Maryland's class action rule, (Rule 2-231) in order to facilitate the efficient management of class actions.
33. This court has jurisdiction to declare judgments void and enter monetary damages as stated in *Finch v. LNVV Funding, LLC* (holding that judgments obtained by unlicensed debt collectors are void as a matter of law, and may be attacked in any forum and at any time).
34. Declaratory and injunctive relief sought is available pursuant to Md. Code Ann., §§ 3-401 – 3-415, and Rule 2-231 (b)(2).
35. Venue is proper in that the Defendant files many lawsuits in and transacts business in Baltimore City.
36. Pursuant to the holding in *Finch* that void judgments may be attacked at any time and in any forum, none of the claims of the Named Plaintiffs or the class members are barred by the statute of limitations.

Facts

MMC Unlawfully Collects Consumer Debts – The Class

37. This case arises from MMC's systematic and sophisticated debt collection operation, carried on without a license and in violation of Maryland law.
38. Md. Code Ann. Bus., Reg. § 7-401(a) prohibits any person from knowingly doing business as a collection agency without a license.
39. A "collection agency" is "a person who engages . . . in the business of: (1) collecting for . . . another, a consumer claim." Md. Code Ann., Bus. Reg. § 7-101(c).
40. A consumer claim is "a claim that: (1) is for money owed or said to be owed by a resident of the State; and (2) arises from a transaction in which for a family,

household, or personal purpose, the resident sought or got credit, money, personal property, real property, or services.” Md. Code Ann., Bus. Reg. § 7-101(e).

41. MMC’s claims against former tenants are consumer claims.

42. In suing, obtaining judgments against and collecting from former tenants, MMC does business as a collection agency.

43. Acting as a collection agency, MMC improperly files actions in Maryland courts to obtain judgments against the Named Plaintiffs and the Class Members as defined below. The actions are improper when filed because MMC does not have a debt collection license. For the same reason, and for the reasons stated in *Finch v. LVNV*, the judgments obtained by MMC against its former consumer tenants are void. Any money collected on void judgments is illegal and inequitable, and both the money collected and the profits obtained from the use of that money must be disgorged to the Named Plaintiffs and the class.

44. Since 2010, MMC has filed over 2,000 lawsuits in the District Court of Maryland.

45. MMC improperly obtained judgments worth more than \$5,200,000 against over 1,800 consumers.

46. MMC sought over 2,000 writs of garnishment to enforce those improperly obtained judgments.

47. MMC had many consumers ordered to answer post-judgment interrogatories about their assets.

48. MMC obtained writs of body attachment against consumers who failed to answer. As a result, at least 3 consumers were taken into custody by police.

49. MMC routinely includes in its written leases a contract term to purportedly extend the statute of limitations from 3 to 12 years.

50. MMC takes advantage of the purported extended statute of limitations by waiting longer than the usual 3-year statute of limitations before filing suit, so that significant amounts of pre-judgment interest accrue at an illegal rate, inflating the amounts it collects.
51. Despite the size and sophistication of MMC's collection operation, MMC has a pattern and practice of violating Maryland law.
52. MMC has never obtained a license to collect debts, but has collected debts in Maryland for many years.
53. Maryland law states that "(a) Except as otherwise provided in this title, a person may not knowingly and willfully do business as a collection agency in the State unless the person has a license. Md. Code Ann., Bus. Reg. § 7-401.
54. MMC is knowingly and willfully doing business as a collection agency without a collection license.
55. Other large property managers in Maryland have obtained collection agency licenses. In particular, Hendersen-Webb, Regional Management and Apartment Services, Inc. are all properly licensed to collect debts.
56. MMC has unjustly enriched itself by using Maryland courts to engage in the business of debt collection without a license. The judgments obtained by MMC in Maryland are void (and can be attached in this court) because MMC lacked standing in Maryland to collect those debts without the Collection Agency License required by Maryland law. As stated by the Court of Special Appeals:

[The debt collector] was not licensed when it obtained judgments against appellants in the district court; accordingly, the underlying district court judgments are

void. We further hold that parties may collaterally attack a void judgment in another court.

Finch v. LVNV Funding, LLC, 212 Md. App. 748, 769, 71 A.3d 193, 205 (2013), (Cert. den. 435 Md. 266, October 7, 2013).

57. The fact that some of Plaintiff Class Members defaulted or consented to judgment does not impact MMC's lack of standing nor Maryland courts' history and policy to refuse to aid parties who act illegally.

58. The *Finch* case also held consistent with Maryland case law that "[m]uch like a complaint filed by a non-lawyer, 'a complaint by an unregistered collection agency is [] a nullity, and any judgment entered on such a complaint is void.'" *Finch v. LVNV Funding, LLC*, 212 Md. App. 748, 756-57, 764 (2013)(Cert. den. 435 Md. 266, October 7, 2013).

59. Plaintiffs and the Class were harmed when MMC, while operating as a debt collection agency without the required license, obtained judgments against them for purported debts, interest, and costs (including attorney fees). The damage arose from the obtaining and enforcement of the improperly obtained, void judgments in several ways: by garnishment, by payments collected through threats based on the judgments, by orders to appear at oral examinations or answer interrogatories, by writs of body attachment for failure to appear at such examinations and by actual arrests on such writs, which caused, actually and proximately, the injury for which the Plaintiff Class Members seek redress.

MMC Uses Writs of Garnishment to Collect Void Judgments

60. When it obtains a judgment, MMC often files requests for writs of garnishment to execute the judgment against the consumer.

61. Because MMC is not licensed to collect debts in Maryland, and garnishment on a judgment is a form of debt collection, the use of writs of garnishment is a violation of Maryland law. By using garnishments MMC attempts to enforce a right it does not have in violation of Md. Code Ann., Com. L. § 14-202(8).
62. Further, the garnishment actions make use of court forms that MMC does not have the legal right to use, in violation of Md. Code Ann., Com. L. § 14-202(6).
63. Further, because MMC's judgments are void due to its unlicensed status, MMC is unjustly enriched whenever it receives money through a writ of garnishment issued to enforce a void judgment.
64. MMC is also unjustly enriched by any profits or other advantages it may obtain by using money it obtains by garnishment.

MMC Collects Pre-Judgment Interest Not Owed

65. MMC routinely demands and obtains judgment for pre-judgment interest.
66. MMC routinely demands and obtains pre-judgment interest in excess of the 6% rate set by the Maryland Constitution, Article III, Section 57.
67. No statute authorizes MMC to charge a rate of interest in excess of the constitutional rate.
68. By demanding, obtaining judgment for and collecting pre-judgment interest in excess of the constitutional rate, MMC enforces or attempts to enforce a right with knowledge that the right does not exist, in violation of Md. Code Ann., Com. L. § 14-202(8).

69. Further, because MMC has no legal right to the pre-judgment interest it claims and collects, MMC is unjustly enriched whenever it receives money for illegal pre-judgment interest.
70. MMC is also unjustly enriched by any profits or other advantages it may obtain by using money it obtains by illegally collecting pre-judgment interest.
71. It is necessary and appropriate that MMC disgorge any profits or other advantages it obtained from using the money it obtained by illegally collecting pre-judgment interest.

MMC Collects Post-Judgment Interest Not Owed

72. Judgments for unpaid residential rent bear post-judgment interest at a rate of 6% per annum. Md. Code Ann., Cts. & Jud. Proc. § 11-107(b).
73. MMC obtains judgments including unpaid residential rent.
74. When MMC obtains a judgment, it continues to add post-judgment interest to the judgment amount.
75. MMC calculates post judgment interest and states the amount of the interest on requests for writs of garnishment.
76. MMC calculates post judgment interest at the 10% rate for all judgment amounts, irrespective of whether they relate to unpaid residential rent.
77. MMC collects post judgment interest on unpaid residential rent in excess of the 6% rate allowed by law.
78. Further, because MMC has no legal right to the post-judgment interest it claims and collects, MMC is unjustly enriched whenever it receives money for illegal post-judgment interest.

79. MMC is also unjustly enriched by any profits or other advantages it may obtain by using money it obtains by illegally collecting post-judgment interest.

80. It is necessary and appropriate that MMC disgorge any profits or other advantages it obtained from using the money it obtained by illegally collecting post-judgment interest.

MMC Collects Attorney's Fees Not Owed

81. MMC routinely demands attorney's fees and often obtains judgments for attorney's fees.

82. MMC relies on clauses in its standard form leases to allow it to recover attorney's fees "incurred by" the landlord.

83. MMC is not entitled to recovery attorney's fees that it did not incur.

84. MMC's does not incur attorney's fees at any time before judgment because it has a contingency fee agreement with its attorneys.

85. The attorney's fees affidavit filed by MMC in its suit against Claiborne states that "[t]he written agreement between Plaintiff and counsel stipulates a 33.3% contingency fee."

86. The attorney's fees affidavit filed by MMC in its suit against Alston states that "[t]he amount charged by me and agreed to be paid by the Plaintiff is 34% of the gross amount collected from the Defendant(s)."

87. Further, because MMC has no legal right to the attorney's fees it has not incurred, MMC is unjustly enriched whenever it receives money for attorney fees not incurred.

88. MMC is also unjustly enriched by any profits or other advantages it may obtain by using money it obtains by illegally collecting attorney fees.

89. It is necessary and appropriate that MMC disgorge any profits or other advantages it obtained from using the money it obtained by illegally collecting post-judgment interest.

Facts Related to Claiborne

90. Claiborne rented 800E, West Point Road, Baltimore, MD 21220 from Stansbury Associates LLP, from March 2007 to May 2008.
91. MMC acted as Stansbury Associates LLP's agent and did business as "Stansbury Manor Apartments."
92. Claiborne signed a standard form lease provided by MMC and made his rent payments to MMC.
93. Claiborne suffered a stroke on February 15, 2008. As a result, he became disabled and was unable to work. Since suffering the stroke, Claiborne's only source of income has been Social Security.
94. Without the income from his employment, Claiborne was unable to afford the apartment and moved out on 4/30/2008.
95. On 4/22/2015, almost 7 years later, MMC filed a consumer debt collection action in the District Court of Maryland for Baltimore County against Claiborne styled as *Maryland Management Co. v. Tim Claiborne*, Case No. 0804-0011612-2015 ("Collection Action").
96. When it sued Claiborne, MMC did not have a license as a Collection Agency as required under Maryland law.
97. Despite the fact that MMC had actual knowledge that Claiborne lived in Washington County, it sued him in Baltimore County, more than 75 miles away. In fact, they

listed Claiborne's Washington County address on the complaint and summons, and served him in Washington County.

98. In the Collection Action, the District Court of Maryland for Baltimore County did not determine if it in fact had jurisdiction over the parties or whether MMC had any right to file the debt collection action.

99. Based on the complaint and affidavit filed by MMC in the Collection Action, the District Court entered a judgment against Claiborne for \$3,500.75, including a principal amount of \$1,881.67, prejudgment interest of \$1,269.08, attorney's fees of \$282.25 and court costs of \$68, on 7/7/2015.

100. After obtaining a judgment, MMC sent Claiborne post-judgment interrogatories.

101. MMC's post-judgment interrogatories comprised one set of at least 51 interrogatories, several times the limit of 15 interrogatories set by Rule 3-421.

102. Despite exceeding the 15 interrogatory limit, MMC did not seek the leave of the court before sending the interrogatories, in violation of Rule 3-421(b).

103. MMC moved to compel Claiborne to answer its interrogatories and its motion was granted.

104. MMC moved for a show cause hearing against Mr. Claiborne. The hearing was set for 4/27/2016 in the Baltimore County District Court in Towson, Maryland.

105. At the time of filing the Collection Action, and ever since, Claiborne lived at 11400 Stonecroft Court, Apartment 209, Hagerstown, MD 21742.

106. Venue for the Collection Action was therefore proper in Washington County, where Mr. Claiborne lived, not in Baltimore County, where MMC filed the Collection Action.

107. The court in which MMC chose to file the Collection Action is 77 miles and over one and a half hours by car from Claiborne's home address.
108. Claiborne does not have a car and instead relies on taxis and public transportation.
109. Despite this, MMC sought and obtained an order to have Claiborne appear at a hearing in Towson, under the threat of arrest if he failed to attend.
110. Claiborne retained counsel to assist him in answering the interrogatories and to attend the hearing if necessary.
111. As a proximate result of MMC's illegal collection activities, Claiborne suffered actual damages including but not limited to:
- a. An illegal judgment was entered against him by the Baltimore County District Court;
 - b. He was required to expend time and effort retaining and assisting counsel;
 - c. He suffered emotional distress proximately caused by MMC's illegal collection actions;
 - d. He paid an attorney to defend him in the collection action.

Facts Related to Alston

112. Alston rented 8609-A Haddon Ave, Baltimore, MD, from Seton Park Apartments LLLP.
113. MMC acted as Seton Park Apartment's agent. Alston signed a standard form lease provided by MMC and made her rent payments to MMC.

114. In mid-2013, a friend of Alston was shot and killed near Alston's apartment. Alston, fearing for her safety and that of her daughter, who lived with her in the apartment, asked MMC to move her to a different apartment.
115. MMC refused to move Alston. Over continuing concerns for her safety, Alston left the apartment on 10/31/2013.
116. On 2/25/2015, MMC sued Alston in Baltimore City District Court in case number 0101-0004380-2015, *Maryland Management Company v. Miesha J. Alston*.
117. Alston filed a Notice of Intention to Defend explaining why she left the apartment but did not appear at the trial date on 6/10/2015.
118. The District Court entered a judgment against Alston on 6/10/2015. The judgment included a principal of \$2102.02, pre-judgment interest of \$310.41, Costs of \$38 and attorney's fees of \$315.30.
119. MMC asked for, and was awarded prejudgment interest at a rate of 10%.
120. On 9/21/2015, MMC requested a Writ of Garnishment of Wages directed to Alston's employer.
121. Alston's employer garnished her wages and, on information and belief, gave the garnished money to MMC.
122. The Writ of Garnishment sought to recover interest on the whole judgment at 10% per annum, although \$225 of the judgment principal was for rent.
123. MMC was unjustly enriched by its collection of amounts it was to not legally entitled to collect. Further, it was unjustly enriched by using those funds to generate profits or other benefits.
124. As a proximate result of MMC's illegal collection activities, Alston suffered actual damages including but not limited to:

- a. An illegal judgment was entered against her by the Baltimore City District Court;
- b. The illegal judgment included illegal fees and interest;
- c. MMC garnished and collected money from Alston's paycheck in satisfaction of the illegal and void judgment;
- d. Alston suffered emotional distress which was proximately caused by MMC's illegal collection actions;
- e. Alston lost the use of her money which MMC took from her illegally.

Class Allegations

125. The Class is defined as:

All individuals sued by MMC in Maryland state courts at any time from October 1, 2007 to the present, against whom MMC obtained a judgment for an alleged consumer debt.

126. The following people are excluded from the class:

- a. employees or independent contractors of the Defendant;
- b. relatives of employees and independent contractors of the Defendant;
- c. employees of the Court where this action is pending.

127. The Members of the Class are ascertainable. The Class Members are readily identifiable from the information and records in the possession or control MMC or its affiliated entities and agents.

128. The Members of the Class are sufficiently numerous that individual joinder of all members is impractical: MMC improperly obtained over 1,800 judgments against Class Members.

129. There are questions of law and fact common to the Class Members which predominate over any questions affecting only individual members and, in fact, the wrongs alleged against MMC by the Class Members and the remedies sought by Plaintiffs and the Class Members against MMC are identical, the only difference being the exact monetary sum which each Class Member is entitled to receive from MMC. The common issues of Fact and Law include but are not limited to:

- a) Whether MMC acted as a collection agency in the State of Maryland;
- b) Whether MMC was licensed to act as a collection agency in Maryland;
- c) Whether this Court may declare the judgments against the Class Members void in accordance with the decision in *Finch v. LVNV Funding, LLC*, 212 Md. App. 748, 756-57, 764 (2013)(Cert. den. October 7, 2013);
- d) Whether MMC threatened or took actions that it had no right to take under state law.
- e) Whether MMC used forms that simulated legal or judicial process.

130. Plaintiffs' legal and equitable claims are typical and the same or identical for each Class Member they represent and will be based on the same legal and factual theories.

131. MMC's defenses would be typical and the same or identical for each Class Member and will be based on the same legal and factual theories.

132. Named Plaintiffs' claims are typical of the claims of the Class Members they represent.

133. Named Plaintiffs will fairly and adequately protect the interests of all Class Members who they represent in the prosecution of this action. Named Plaintiffs are similarly situated with, and have suffered similar injuries as, the Class Members Named Plaintiffs seek to represent. Named Plaintiffs feel that they have been

wronged, wish to obtain redress of the wrong, and want Defendant to be stopped from enriching itself from illegal activities or otherwise perpetrating similar wrongs on others.

134. To that end, the Named Plaintiffs have retained counsel experienced in handling class action suits involving unfair or deceptive business practices that harm consumers. Further, Plaintiffs' counsel was counsel of record in *Finch v. LVNV* and other related consumer class actions against unlicensed debt collectors.

135. Certification of a Class under Rule 2-231 (b)(2) is appropriate because Defendant, by acting as a collection agency without a license, has acted on grounds generally applicable to the class, making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole.

136. Certification of a Class under (b)(3) is appropriate as to the Class Members in that common questions predominate over any individual questions and a class action is superior for the fair and efficient adjudication of this controversy. A class action will cause an orderly and expeditious administration of the Class Members' claims, and economies of time, effort and expenses will be fostered and uniformity of decisions will be insured.

137. The only individual questions concern the identification of Class Members and who are entitled to any funds that MMC is ordered to disgorge as the fruit of its unlawful activities or share in any legal or restitution damages permitted by law. This information can be determined by a ministerial examination of public records in various court houses or from the Defendant's business records or other sources, which are admissible as an exception to the hearsay rule and as a statement by a party.

138. The Plaintiff Class Members have suffered damages, losses, and harm similar those sustained by the Plaintiffs and described above.
139. The amount in controversy for each of the counts listed below is in excess of \$75,000, and is subject to further discovery as to the size of the class.

COUNT I

Declaratory Judgment, Injunctive and Ancillary Relief Regarding Void and Unenforceable Judgments Obtained by an Unlicensed Collection Agency

140. Plaintiffs incorporate the foregoing allegations.
141. Plaintiffs seek a declaration, individually and on behalf of the Plaintiff Class Members that the judgments obtained by MMC are void since MMC had no legal right to file the actions or obtain the judgments. MMC has no right to any amounts obtained in connection with the filing of lawsuits.
142. As ancillary relief, MMC should be ordered to disgorge all amounts it has collected from the Plaintiff Class Members as a result of filing the lawsuits and any judgments entered on the complaints improperly filed against the Plaintiff Class Members. The disgorged amounts are liquidated amounts.
143. As further ancillary relief, MMC should be ordered to disgorge all income, profits or other advantages it obtained through the use of the funds collected from Named Plaintiffs and the class.
144. MMC should be enjoined from attempting to collect on any judgments obtained by MMC against Plaintiff Class Members initiated by complaints it filed when it did not have a license.
145. Alternatively, Plaintiffs seeks a declaration that MMC is not entitled to the

assistance of any Maryland court to enforce any claim MMC obtained improperly.

WHEREFORE, Plaintiffs and Class Members ask the Court to:

- a. Certify this case as a class action with the Plaintiffs as class representatives and Plaintiffs' attorneys as counsel on behalf of the Plaintiff Class Members described herein;
- b. Order appropriate declaratory and injunctive relief against MMC to prevent further violations of law or providing benefits to MMC from its illegal activities, including a preliminary and permanent injunction;
- c. Order the Defendant to disgorge all amounts collected from Plaintiff Class Members based upon the lawsuits filed as well as any judgments entered improperly against Plaintiff Class Members when MMC acted as a collection agency without a license along with prejudgment interest on any amounts awarded to Plaintiff Class Members;
- d. Order the Defendant to disgorge all income, profits or other advantages it obtained through the use of the funds collected from Named Plaintiffs and the class.
- e. Alternatively, for a declaratory judgment that MMC is not entitled to the assistance of any Maryland Court to collect any judgment obtained illegally;
- f. Award reasonable attorney's fees, litigation expenses and costs;

- g. Order appropriate declaratory relief; and
- h. Provide such other or further relief as the Court deems appropriate.

COUNT II

Unjust Enrichment

146. Plaintiffs incorporate the foregoing allegations.
147. Defendant MMC was not entitled to receive any benefit or payments from Class Members pre judgment or post judgment because it did not have the legal right to have initiated the collection lawsuits in the first instance.
148. MMC knew or acted with reckless disregard that it was required to have a license to act as a collection agency in the State of Maryland and it failed to obtain a license to act as collection agency before seeking monies from Class Members.
149. Due to its knowledge, MMC had an appreciation that it was not entitled to receive the benefits it was collecting from Class Members related to collections, actions filed and the void judgments it improperly obtained.
150. The acceptance and retention by MMC of any sums obtained by it against Alston and the Class Members under such circumstances is inequitable since MMC did not have the legal right to collect such payments. The amounts accepted and retained by MMC are liquidated amounts, and any profits or advantage obtained from the use of those amounts should be disgorged.

WHEREFORE, Named Plaintiffs and Class Members ask the Court to:

- a. Certify this case as a class action with Named Plaintiffs as Class representatives and Plaintiffs' attorneys as counsel on behalf of

the Plaintiff Class members described herein;

- b. Grant a money judgment and order the Defendant to disgorge and pay to the Plaintiff Class Members all amounts collected by MMC including pre- and post-judgment interest and attorney fees a sum in excess of \$75,000 and any amounts that MMC profited or benefitted from by using the Class' money.
- c. Order the Defendant to disgorge all income, profits or other advantages it obtained through the use of the funds collected from Named Plaintiffs and the class.
- d. Award pre-judgment interest on the sums described above.
- e. Award reasonable attorney's fees, litigation expenses and costs; and
- f. Provide such other or further relief as the Court deems appropriate.

COUNT III

Maryland Consumer Debt Collection Practices Act and the Maryland Consumer Protection Act

- 151. Plaintiffs incorporate the foregoing allegations.
- 152. MMC has engaged in the business of collecting consumer debts and in the course of that business filed lawsuits against the Plaintiffs and Class Members when it was not licensed to act as a collection agency.
- 153. MMC violated the MCDCA and MCPA in numerous ways when it:
 - (i) directly or indirectly participated in collecting from Class members including filing lawsuits and obtaining judgments;

- (iii) directly or indirectly participated in related garnishment proceedings;
 - (iv) directly or indirectly participated in related examinations in aid of enforcement hearings and post-judgment interrogatories;
 - (v) directly or indirectly participated in related contempt proceedings;
 - (vi) sought and obtained writs of body attachment for the arrest of Class Members;
 - (vii) engaged in any collection activities against the Plaintiffs and Class Members seeking to recover debts without a license to do so.
154. MMC violated the Maryland Consumer Debt Collection Act, Md. Code Ann., Com. Law § 14-201 *et seq.* (MCDCA) by acting as a debt collector without a license. In particular, Defendant violated Md. Code Ann., Com. Law § 14-202(8) which prohibits a debt collector from making any “[c]laim, attempt, or threaten to enforce a right with knowledge that the right does not exist.”
155. Defendant’s knowing initiation and participation in lawsuits on debts that are not legally enforceable violates § 14-202(8).
156. MMC violated the MCDCA when it made use of court forms when it did not have a legal right to file any court actions. In particular, Defendant violated Md. Code Ann., Com. Law § 14-202(6) which prohibits the use of documents that simulate legal or judicial process.
157. MMC violated the MCDCA in obtaining judgments and collecting on them including through garnishments or wages and bank accounts, the Defendant also violated in Md. Code Ann., Com. Law § 14-202(3) and (4).
158. Defendant’s collection of interest and collection costs on debts which it did not have a legally enforceable right to collect violates § 14-202(8).

159. The lawsuits initiated and participated in by Defendant against the Named Plaintiffs' and Class Members concerned "real or personal property, services, money, or credit for personal, family, or household purposes." Md. Code Ann., Com. Law § 14-201(b).
160. The Defendant's actions in violation of the MCDCA also constitute a per se violation of the Maryland Consumer Protection Act Md. Code Ann., Comm. Law § 13-101, *et seq.* (MCPA) under Md. Code Ann., Com. Law § 13-301(14)(iii).
161. Named Plaintiffs and the class were damaged as described above, and suffered cognizable and legally compensable injury or loss, including but not limited to out of pocket losses in the form of moneys collected and attorney's fees paid or incurred.
162. This action is timely for all claims against the Defendant because the statute of limitations was tolled by the Defendant's failure to disclose material facts which deceived or tended to deceive the Named Plaintiff and Class Members as to the Defendant's right to act as debt collector in the State of Maryland before it obtained a required license. Defendant had an affirmative duty to disclose these material facts under the MPCA, Md. Code. Ann. § 13-301 (3).

WHEREFORE Plaintiffs and the Class therefore ask the court to:

- a. Certify this case as a class action with the Plaintiffs as class representatives and Plaintiffs' attorneys as counsel on behalf of the Class Members described herein;
- b. Grant a money judgment in favor of the Plaintiffs and the Class Members in an amount in excess of \$75,000 as determined by a jury, for violations of the MCDCA in such amount in excess of \$75,000 as to be determined by a jury at trial for all amounts collected by the Defendant

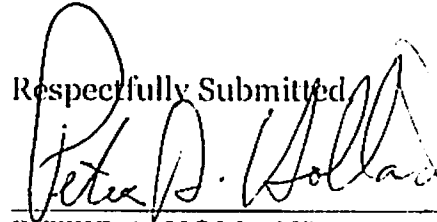
from the Plaintiffs and Class.

c. Award reasonable attorney's fees, litigation expenses and costs

pursuant to Md. Code Ann., Com. Law § 13-408; and

d. Provide such other or further relief as the Court deems appropriate.

Respectfully Submitted,



PETER A. HOLLAND
The Holland Law Firm, P.C.
914 Bay Ridge Road, Ste 230
P.O. Box 6268
Annapolis, MD 21403
(410) 280-6133
(410) 280 8650 fax
peter@hollandlawfirm.com

EMANWEL J. TURNBULL
The Holland Law Firm, P.C.
914 Bay Ridge Road, Ste 230
P.O. Box 6268
Annapolis, MD 21403
(410) 280-6133
(410) 280 8650 fax
eturnbull@hollandlawfirm.com

and

SCOTT C. BORISON
Legg Law Firm, LLC.
1900 S. Norfolk St.
Suite 350
San Mateo CA 94403
(301) 620-1016
301 620-1018 fax
borison@legglaw.com

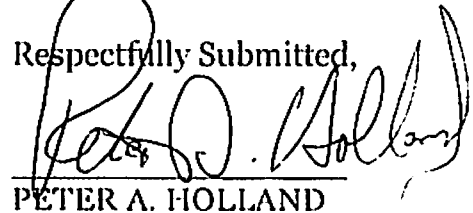
Maryland Office:
Legg Law Firm, LLC
5235 Westview Dr.
Suite 100
Frederick, MD 21703

ATTORNEYS FOR THE NAMED
PLAINTIFFS AND THE CLASS

DEMAND FOR TRIAL BY JURY

Plaintiffs demand a trial by jury on all issues triable of right by a jury.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Peter A. Holland", is written over a horizontal line.

PETER A. HOLLAND