

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

CRYSTAL JACKSON, individually and on  
behalf of all others similarly situated  
3817 Fernside Road  
Randallstown, MD 21244

Plaintiff,

v.

STUART L. SAGAL  
600 Washington Avenue, Ste. 300  
Towson, MD 21204

AND

SAGAL, FILBERT, QUASNEY & BETTEN,  
P.A.  
600 Washington Avenue, Ste. 300  
Towson, MD 21204

Serve on:  
Daniel W. Quasney  
600 Washington Avenue, Ste. 300  
Towson, MD 21204

Defendants.

Case No.: 1:18-cv-495-GLR

**JURY TRIAL DEMANDED**

**AMENDED CLASS ACTION COMPLAINT FOR VIOLATIONS OF  
THE FAIR DEBT COLLECTION PRACTICES ACT**

Crystal Jackson, through her undersigned attorneys, files this lawsuit on behalf of a class of similarly situated consumers and for cause states:

1. From 2009 to 2010, Crystal and Tavon Jackson (husband and wife) lived at 2122-B8 Tucker Lane, in a complex known as “Windsor Forest” which was managed by The Maryland Management Company (“MMC”).

2. During the time that Ms. Jackson lived at Windsor Forest, the whole apartment block was infested with mice and cockroaches. She called Maryland Management Company (“MMC”) about the infestations but didn’t get any response. Her neighbors told her the MMC never did anything and that she should get a cat. It appeared that almost all of the tenants in the block owned a cat to keep down the mice.

3. Ms. Jackson took their advice and got a cat, which lessened but did not eliminate the mouse problem. MMC also did not do basic maintenance, and the area was dangerous, with a lot of drug dealing. People dealt drugs from behind a nearby dumpster and in the “park” (really just an open field nearby). The police were always around at night and the police helicopter was often flying over. Ultimately, Ms. Jackson didn’t feel safe, especially with small children, so she gave 60 days advance notice, and then moved out.

4. In 2014 – well past the 3 year statute of limitations - Stuart L. Sagal sued Crystal Jackson in the District Court of Maryland for Baltimore City, Case no. 0101-0003565-2014, on behalf of his client, The Maryland Management Company. In the lawsuit, Mr. Sagal alleged that Ms. Jackson had rented an apartment in a complex known as “Windsor Forest” that she had abandoned the premises in 2010, and that she owed rent, late fees, court costs, and BG&E utilities totaling \$3,392.08 plus attorney’s fees of \$508.81 “which the Defendants in said Lease agreed to pay.”<sup>1</sup>

5. Ultimately, the court awarded judgment in the principal amount of

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<sup>1</sup> In fact, the lease says something quite different. It states that attorney’s fees must be either actually incurred by the Landlord, or awarded as part of a judgment. Specifically, Paragraph 6 of the lease states in pertinent part as follows:

remedy such Lease violation. Should Landlord employ an attorney because of any such violation, the Tenant shall pay in addition to the aforesaid Administrative Fee, and not in lieu thereof, such reasonable attorney fees as are incurred by the Landlord. Tenant shall be liable for such attorney fees whether or not Landlord institutes legal proceedings. However, where legal proceedings are instituted by Landlord against Tenant, and said proceedings result in a monetary judgment in favor of Landlord, those reasonable attorney fees for which Tenant shall be liable to Landlord shall not be less than fifteen percent (15%) of said judgment.

\$3,392.08, plus pre-judgment interest of \$1,136.58 plus costs of \$134.00. The court refused to award attorney's fees contrary to the statement sent to her that she owed attorney fees of \$508.81.

6. On August 15, 2017, the judgment was vacated and the lawsuit was dismissed pursuant to an Order entered by Chief Judge Morrissey, which was entered in response to the class action settlement of *Claiborne v. Maryland Management*, Case No. 24-C-16-4505 in the Circuit Court for Baltimore City.

7. On October 26, 2017, Mr. Sagal sent a letter on his law firm's letterhead in which he demanded payment "of your liability under your Lease Agreement in the amount of \$1253.58 plus attorney's fees of \$188.03 and interest (total - \$1507.76." The letter went on to state that "[s]uch action [the filing of lawsuit against Ms. Jackson] will require additional cost and expense to you as well as the inconvenience of appearing at the trial of this case." The letter concludes: "As we are attempting to collect a debt, any information obtained will be used for that purpose."

8. The October 26, 2017 letter is a standard form letter that falsely, misleadingly and confusingly claimed that Ms. Jackson (i) owed attorney's fees before any court had found them to be due and that (upon information and belief) had not been incurred; (ii) that threatened suit if she did not pay all amounts demanded; (iii) that threatened the debt would be automatically increased if suit was filed; and (iv) that threatened she would be forced to attend trial if suit were filed.

9. The false, misleading and confusing statements in the letter violate the Fair Debt Collection Practices Act, a remedial consumer protection act that prohibits a collector from making any false or misleading statements to collect a debt.

10. Because the false and misleading statements were sent to her in what

appears to be a standard form letter used by the defendants, Ms. Jackson files this lawsuit both on her own behalf and on behalf of other consumers similarly situated. The letter is judged by the same standard under the FDCPA for all who received it and if it is found to violate that standard then each person who received that letter is entitled to same protection as Jackson.

### **PARTIES**

11. Jackson is an adult resident of Cecil County, Maryland

12. Stuart Sagal is a debt collector and licensed attorney, with a principal place of business in Towson, Maryland.

13. Mr. Sagal's law firm is a Maryland Professional Association and licensed Maryland debt collector, with its principal office at 600 Washington Ave., Ste. 300, Towson, Maryland 21204.

14. Stuart Sagal and the law firm of Sagal, Filbert, Quasney and Betten are referred to in this complaint jointly as "Sagal." Wherever the term "Sagal" is used, it includes both Stuart Sagal individually and the law firm.

15. Sagal collects consumer debts for third-party creditors, including but not limited to property management companies and landlords.

16. Sagal has filed over 600 contract lawsuits in Maryland District Court since October 2016.

17. Sagal is a debt collector within the meaning of 15 U.S.C. § 1692a because it regularly collects debts alleged to be owed to another.

### **JURISDICTION**

18. This court has jurisdiction under 28 U.S.C. § 1331 because this case raises federal questions, specifically whether Defendants violated 15 U.S.C. §1692 *et seq.*

19. This Court has personal jurisdiction and venue is proper because Defendants regularly conducts business in this District and a substantial portion of the events complained of occurred here.

## **FACTS**

### **The Apartment**

20. Jackson and her husband, Tavon Jackson, rented 2122-B8 Tucker Lane from Wakefield, LLP, through a property manager, Maryland Management Company (MMC).

21. They moved in in February 2009 and moved out in May 2010.

22. Jackson and her husband lived in the apartment with their three children, born in 2006, 2008 and March 2009.

23. The apartment was terrible. The whole block was infested with mice and cockroaches. Jackson called MMC about the infestations, but nothing was done. Her neighbors told her that MMC never did anything and that she should get a cat. The tenants in the block all appeared to own a cat to keep down the mice.

24. The area around the apartment was dangerous. People dealt drugs from behind a nearby dumpster and the police helicopter often flew overhead at night.

25. Jackson did not feel safe and was worried for the safety of her children, so she decided to move out.

26. Jackson gave MMC 60 days' notice and moved out owing no money.

### **The First Collection Action**

27. Jackson did not hear from anyone about the apartment until 2014.

28. In September 2014 she discovered that MMC had obtained a judgment

against her.

29. MMC had sued Jackson in the District Court of Maryland for Baltimore City in Case No. 0101-0003565-2014, for \$3,392.08. Jackson was allegedly served in August 2014, but was not in fact served.

30. MMC was represented by Sagal in that case.

31. MMC's requested attorney fees, but the request was denied.

32. The judgment was vacated and the case dismissed without prejudice by order of Chief Judge Morrissey on August 15, 2017, as a result of the settlement of a class action, *Claiborne et. al. v. Maryland Management Company*, Case Number 24-C-16-004505.

### **The New Collection Attempts**

33. Sagal sent a letter dated October 26, 2017, to Jackson.

34. The letter concerned an alleged debt arising from Jackson's lease of the apartment.

35. The alleged debt was a debt within the meaning of 15 U.S.C. § 1692a

36. The letter was an attempt to collect a debt.

37. The letter stated that Sagal was counsel for Wakefield, LLP and that Jackson owed "\$1253.58 plus attorney fees of \$188.03 and interest"

38. The standard-form lease which Jackson signed contained an attorney's fees provision stating that "Tenant shall pay . . . such reasonable attorney fees as are *incurred by the Landlord.*" (*Emphasis added*).

39. On information and belief Sagal operates on a contingent fee basis and the landlord therefore incurred no attorney's fees, reasonable or otherwise, before the letter was sent.

40. Because no attorney's fees had been incurred, Jackson owed no attorney's fees.

41. Even if attorney's fees had been incurred, the fee of \$188.03 for no more than sending a form collection letter to Jackson was not reasonable, therefore Jackson did not owe the attorney's fees demanded.

42. The letter also stated that:

We are writing to advise you that unless suitable arrangements are made to liquidate this indebtedness, we shall have no alternative but to institute legal proceedings. Such action will require additional cost and expense to you as well as the inconvenience of appearing at the trial of the case.

43. Sagal threatened to "institute legal proceedings" and stated that "[s]uch action *will require* additional cost and expense to you." (emphasis added).

44. In truth, Jackson would not have become liable for any additional costs or expense upon the filing of a lawsuit. Sagal already claimed that Jackson was liable for attorney's fees. Sagal already claimed that Jackson was liable for pre-judgment interest. The only other "cost[s] and expense[s]" in a lawsuit would be filing and service fees, for which Jackson would only have become liable if a judgment was obtained in favor of Sagal's client.

45. Sagal claimed that if a lawsuit was filed, Jackson would suffer "the inconvenience of appearing at the trial of the case." This falsely or misleadingly implied that the filing of a civil suit required Jackson to attend the trial.

46. In truth, the filing of a civil suit does not mandate the appearance of a defendant at trial. Jackson would not be required to attend unless subpoenaed to do so. And as a practical matter, she could avoid appearing by (a) retaining an attorney to represent her, (b) agreeing to settle with Sagal prior to trial or (c) not defending the case.

47. In cases filed in the past year, Sagal obtained judgments against more than 70 individuals without a trial. In the same period, only two cases resulted in a trial.

48. Sagal thus does not normally, if ever, require defendants to appear in court and did not intend to require Jackson to attend the trial.

### **PROPOSED CLASS DEFINITION**

49. Plaintiffs proposed the following class definition:

Any person to whom Sagal sent a letter that stated directly or indirectly that (a) the recipient owed attorney's fees; (b) that if a lawsuit was filed, the recipient would owe additional sums or (c) that if a lawsuit was filed, the recipient would be required to appear at trial, within the 1 year immediately preceding the filing of this complaint. The class excludes any person who falls within the definition if the person is (i) an employee or independent contractor of the Defendants; (ii) a relative of an employee or independent contractor of the Defendants; (iii) an employee of the Court where this action is pending, or the person (iv) filed for bankruptcy and received a discharge after the date of the letter. This definition may be amended or modified.

### **CLASS ALLEGATIONS**

50. This action is brought as a Class Action under Fed. R. Civ. P. 23(a) and (b)(3).

51. Plaintiff proposes to act as the representative of the proposed class defined above.

52. *Ascertainability.* The particular members of the Class are capable of being described without difficult managerial or administrative problems. The members of the Class are readily identifiable from the information and records in the possession, custody or control of the Defendants. Defendants' own records will show to whom the standard form letter was sent.

53. *Numerosity.* Upon information and belief, the Class is sufficiently

numerous that individual joinder of all members is impractical. This is based upon that fact that Sagal is a substantial consumer debt collector in Maryland having filed over 2,000 cases since 2015, and over 600 contract lawsuits in Maryland District Court since October 2016.

54. *Commonality.* There are questions of law and fact common to the Class which predominate over any questions affecting only the individual members of the Class and, in fact, the wrongs alleged against the Defendants are identical for each member since the statements made by are judged by the same objective standard of the least sophisticated consumer. The common issues include, by are certainly not limited to whether the following statements by the Defendants are untrue, misleading or confusing to the least sophisticated consumer:

- a. The assertions as to the consumer's liability for or amount of attorney's fees?
- b. The class members would become immediately liable for additional sums if sued?
- c. The class members would be required to attend a trial if suit was filed against them?

And if any of the above are untrue, misleading or confusing, then the amount of statutory damages to be assessed against Defendants.

55. The Plaintiff's claims are the same as each member of the Class and are based on the same legal and factual theories. Her claims are typical. There is nothing unusual about the Plaintiff to warrant a material difference between her claims and the claims of the members of the class.

56. Defendants' likely defenses (though unavailing) are and will be typical of

and the same or identical for each of the Class Members and will be based on the same legal and factual theories. There are no valid unique defenses.

57. *Adequacy.* The named Plaintiff will fairly and adequately represent and protect the interests of the Class. The named Plaintiff has retained counsel who are experienced in consumer litigation and who have been appointed as class counsel in a number of class actions asserting claims under consumer protection laws.

58. The named Plaintiff does not have any interests antagonistic to that of the Class.

59. *Superiority.* A Class Action is superior to other methods for adjudication of the class members' claims. If each case were litigated separately, each class members' individual claims would likely be limited to statutory damages which may be difficult to efficiently pursue on an individual basis. The class members are likely to be in financial difficulty – since they are the targets of debt collection activity. Their lack of financial resources will also make individual cases disadvantageous. It will also further the enforcement of remedial consumer protection laws.

60. Concentration of the Class claims in this forum is advantageous since the Defendants' home state is Maryland, and most class members are likely to live in Maryland. Finally, difficulties in managing the class are unlikely: the core factual and legal issues are identical across the class; class members subjective understanding of Defendants' letter is irrelevant on their FDCPA claims; and the FDCPA provides for statutory damages.

**COUNT I – 15 U.S.C § 1692 et seq – Attorney's Fees**

61. Plaintiff incorporates the preceding factual allegations.

62. Sagal is a debt collector within the meaning of 15 U.S.C. § 1692a.

63. By communicating with the Plaintiff and the Class, directly and indirectly and threatening, attempting and/or actually collecting attorney's fees not yet due or awarded by any court, Sagal used a false, deceptive or misleading representation or means in connection with the collection of the consumer debts of the Plaintiff and the Class, in violation of 15 U.S.C. § 1692e.

64. By claiming that attorney's fees were due at the time of the letter, when no reasonable attorney's fees had yet been assessed or incurred, Sagal:

- a. made a false representation of:
  - i. the character, amount or legal status of a debt, in violation of 15 U.S.C. § 1692e(2)(a); and
  - ii. Services rendered or compensation which may be lawfully received by a debt collector for the collection of a debt, in violation of 15 U.S.C. § 1692e(2)(b).
  - iii. Used a false representation or deceptive means to collect or attempt to collect a debt or to obtain information concerning a consumer, in violation of in violation of 15 U.S.C. § 1692e(10);
  - iv. Used an unfair or unconscionable means to collect or attempt to collect from the Plaintiff and Class in violation of 15 U.S.C. § 1692f;
  - v. Collected and attempted to collect any amount (including any interest, fee, charge, or expense incidental to the principal obligation) that is not expressly authorized by the agreement creating the debt or permitted by law, in violation of 15 U.S.C. § 1692f(1);

- vi. Used an unfair or unconscionable means to collect or attempt to collect from the Plaintiff and Class in violation of 15 U.S.C. § 1692f.

65. The false and misleading representation was material because it is of a kind that would be important to a debtor in determining how to respond to the letter. The claim that attorneys fees were due when they were not, or in an amount they were not, could easily induce the least sophisticated consumer to (i) pay the attorneys fees, (ii) to pay a greater amount that they would otherwise agree to pay or (iii) pay other amounts in excess of amounts legally due to avoid alleged attorney fees.

66. The Plaintiff and the Class have suffered actual damages and concrete injuries to the extent that payments were made, and also in that Sagal violated their statutory rights and protections under the FDCPA entitling them to truthful information regarding alleged debts.

67. The FDCPA provides for statutory damages in addition to actual damages.

**COUNT II – 15 U.S.C. § 1692 *et seq* – Additional Costs And Expenses**

68. The foregoing factual allegations are repeated.

69. By communicating with the Plaintiff and the Class, representing that the Plaintiff and Class would inevitably become liable for additional costs and expenses if they were sued, Sagal used false, deceptive or misleading representation or means in connection with the collection of the consumer debts of the Plaintiff and the Class in violation of 15 U.S.C. § 1692e.

70. Sagal's actions described above constitute unfair or unconscionable means to collect or attempt to collect from the Plaintiff and Class in violation of 15 U.S.C. § 1692f.

71. The false and misleading representation was material because it is of a

kind that would be important to a debtor in determining what course of action to take. The threat of increased financial consequences if suit were filed tends to encourage a settlement before suit is filed by false or deceptive means – which is presumably why the statement was included in the letter.

72. Plaintiff and the Class have suffered concrete injuries in that Sagal violated their statutory rights and protections under the FDCPA entitling them to truthful information regarding alleged debts.

73. The FDCPA provides for statutory damages in addition to actual damages.

**COUNT III – 15 U.S.C. § 1692 *et seq.* –  
Threat That Attendance Would Be Required**

74. The foregoing allegations are repeated.

75. By communicating with the Plaintiff and the Class, representing that the Plaintiff and Class be forced to attend court in person if they were sued, when in fact there is no requirement to attend court because a civil suit is filed, Sagal used false, deceptive or misleading representation or means in connection with the collection of the consumer debts of the Plaintiff and the Class in violation of 15 U.S.C. § 1692e.

76. Sagal's actions described above constitute unfair or unconscionable means to collect or attempt to collect from the Plaintiff and Class in violation of 15 U.S.C. § 1692f.

77. The misrepresentation was material because it is of a kind that would be important to a debtor in determining what course of action to take. The threat of having to attend court – and take time away from work to do so – would tend to encourage settlement prior to suit being filed, which is presumably why the statement was included in the letter.

78. Plaintiff and the Class have suffered concrete injuries in that Sagal violated their statutory rights and protections under the FDCPA entitling them to truthful information regarding alleged debts.

79. The FDCPA provides for statutory damages in addition to actual damages.

**WHEREFORE**, the Plaintiff seeks the following relief on each and every count:

- A. That the court certify a Class, with the class definition given above or as amended, appoint the Plaintiff[s] as Class representative and appoint her counsel as Class counsel;
- B. That the court award statutory damages pursuant to 15 U.S.C. § 1692k(2);
- C. That the court award of costs, including reasonable attorney's fees, pursuant to 15 U.S.C. § 1692k(3);
- D. Such other and further relief the nature of the Plaintiff's cause may require.

**JURY DEMAND**

Plaintiff requests a trial by jury of all claims that can be so tried.

Dated: April 3, 2019

Respectfully submitted,

CRYSTAL JACKSON

By: /s/ Peter A. Holland

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