

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

BRADLEY BEAL

Plaintiff,

v.

Case No.: _____

CHOPRA FAMILY REAL ESTATE, LLC

Serve: Rakesh Chopra
Resident Agent
6000 Executive Boulevard
#205
Rockville, Maryland 20852

and

RAKESH CHOPRA

Defendants.

Case# 422009	
NEW CASE	
CV CLERK FEE-	50.00
MD LEGAL SERV	50.00
RIF-NEW CASE	50.00
TOTAL	150.00
Rest Mtdt	Receipt # 37517
ENR HR	bill # 206
Feb 03, 2017	11:14 am

COMPLAINT

COMES NOW, Plaintiff BRADLEY BEAL, by and through undersigned counsel, brings this action for damages against Defendants, CHOPRA FAMILY REAL ESTATE, LLC and RAKESH CHOPRA, and states in support thereof as follows:

Parties

1. Bradley Beal ("**Plaintiff**" or "**Beal**") is a resident of McLean, Virginia.
2. Chopra Family Real Estate, LLC ("**Landlord**") is a Maryland limited liability company with its primary office located in Rockville, Maryland.
3. Upon information and belief, Rakesh Chopra ("**Chopra**" and, collectively with Landlord, "**Defendants**") is a resident of Montgomery County, Maryland. Upon information and belief, Chopra is the sole owner and managing member of Landlord. As the sole owner and as

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MARYLAND
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an individual agent of Landlord, he is responsible for his own personal tortious actions and statutory violations.

4. Further, upon information and belief, Chopra may have failed to observe the proper corporate formalities and requirements for Landlord to operate as a separate, duly licensed entity to lease residential property in Montgomery County, Maryland; and instead, Chopra may be using Landlord as his alter ego for his own personal advantage and enjoyment.

Jurisdiction

5. Plaintiff repeats the allegations set forth in Paragraphs 1 through 4 as if set forth herein.

6. This Court has jurisdiction over Defendants pursuant to Md. Code, Cts. & Jud. Proc., §§ 6-102(a) and 6-103(b).

7. Venue is proper pursuant to Md. Code, Cts. & Jud. Proc., § 6-201(a).

Facts

8. Plaintiff repeats the allegations set forth in Paragraphs 1 through 7 as if set forth herein.

9. Plaintiff, as Tenant, and Defendants entered into a one-year lease ("**Lease**") for a residence located at 6120 Rosemont Circle, Rockville, Maryland 20852-3554 ("**Property**") in September of 2015. The Lease is attached hereto as **Exhibit A.**¹

10. Pursuant to the Lease, Plaintiff agreed to pay rent in the amount of \$9,000.00 per month.

11. Plaintiff paid rent for the entire year of the lease (\$108,000.00) in one payment at

¹ Landlord is operating the Property as rental housing without a rental housing license in violation of Montgomery County Code § 29-16. Plaintiff concurrently has filed a complaint with the Montgomery County Department of Housing and Community Affairs. A copy of the statement from the Department is attached as **Exhibit B.**

the beginning of his tenancy at the request of Defendants.

12. The initial figure cited by Defendants to Plaintiff for rent was \$8,225.00 per month.

13. Upon meeting Plaintiff in person for the first time, however, Chopra abruptly insisted upon \$9,000.00 per month.

14. Also upon meeting Plaintiff in person, Chopra increased Plaintiff's security deposit from \$12,000.00 to \$50,000.00, despite the language of the Lease and the fact that Maryland law forbids security deposits in excess of two months' rent.

15. Defendants collected the \$50,000.00 security deposit, claiming falsely in Section 5 of the Lease that the security deposit did "not exceed two (2) months' rent."

16. Upon information and belief, Defendants, who are not licensed to lease residential premises in accordance with Montgomery County Code, failed to maintain the security deposit in a federally insured financial institution which does business in the state, in insured certificates of deposit at branches of federally insured financial institutions located in the state, or in securities issued by the federal government or the State of Maryland, as required by Maryland law.

17. Plaintiff remained in the house as a month-to-month tenant after the end of his year-long tenancy, as provided for in the Lease.

18. Prior to the termination of Plaintiff's tenancy, Beal requested the opportunity to participate in a walk-through of the Property with Landlord, as is his right under the Lease and Maryland law.

19. Defendants denied Beal such an opportunity.

20. On October 19, 2016, Chopra sent Plaintiff a letter with an invoice for \$114,225.00, purportedly for unpaid rent and \$87,225.00 in damages to the Property. A copy of

this letter is attached and incorporated to this Complaint as Exhibit C.

21. The letter and invoice demanded payment for two months' rent (rather than one) at a purported increased rate (\$13,500.00 per month).

22. The purported increase violated Montgomery County Code § 29-54(a) because Defendants provided less than two months' notice, and Defendants' notice did not include the applicable rent increase guideline issued by the County Executive.²

23. Defendants' demand for \$87,225.00 for damages also violated Maryland law because a landlord can recover only for damages *actually incurred* that are in excess of ordinary wear and tear.

24. The purported damages for which Defendants demanded payment were based upon "estimates," according to the invoice, rather than costs actually incurred.

25. Furthermore, Defendants intentionally fabricated the purported damages to the Property.

26. The Lease provided that if Plaintiff failed to perform maintenance required of him by the Lease, Landlord could complete necessary maintenance (after giving 10 days' written notice) and charge Plaintiff for the expenses.

27. During Plaintiff's tenancy, Landlord never provided notice that Plaintiff had failed to perform maintenance required of Plaintiff by the Lease (and Landlord could not have, as there was no cause).

28. Based upon an inspection of the Property upon Beal's departure, there were no damages to the Property that exceeded normal wear and tear.

29. In addition, Plaintiff paid a professional cleaning service to clean the Property

² As published in the Montgomery County Register, the County Executive's recommended rent increase for 2016 was 2.1 percent. Defendant's purported increase was fifty percent (50%) – nearly 24 times the recommended increase.

prior to vacating.

30. To date, and despite demand, Defendants still have not returned Plaintiff's security deposit and have refused to account for the security deposit as required by Maryland law.

COUNT I

Violation of Maryland Code, Real Property § 8-203 – Security Deposit Amount

31. Plaintiff repeats the allegations set forth in Paragraphs 1 through 30 as if set forth herein.

32. Pursuant to Md. Code, Real Prop. § 8-203(b)(1), “[a] landlord may not impose a security deposit in excess of the equivalent of two months’ rent per dwelling unit, regardless of the number of tenants.”

33. The equivalent of two months’ rent for Plaintiff would have been \$18,000.00, but Defendants demanded and collected a security deposit of \$50,000.00, which is \$32,000.00 more than permitted under Maryland law.

34. Defendants required the excessive security deposit in bad faith and only after meeting Plaintiff in person.

35. Md. Code, Real Prop. § 8-203(b)(2) permits a tenant to “recover up to threefold” the amount above the equivalent of two months’ rent plus payment of his reasonable attorney’s fees.

WHEREFORE, Plaintiff Bradley Beal respectfully requests that this Court enter judgment in favor of Plaintiff Bradley Beal and against Defendants Chopra Family Real Estate, LLC and Rakesh Chopra, jointly and severally, in the amount of Ninety-Six Thousand and 00/100 Dollars (\$96,000.00), applicable interest, reasonable attorney’s fees, and court costs.

COUNT II

Violation of Maryland Code Real Property § 8-203 – Security Deposit Return

36. Plaintiff repeats the allegations set forth in Paragraphs 1 through 35 as if set forth herein.

37. Plaintiff's tenancy ended on October 18, 2016.

38. Pursuant to Md. Code, Real Prop. § 8-203(e)(1), Landlord was obligated to return Plaintiff's security deposit, with interest, less any damages rightfully withheld, within 45 days after Mr. Beal vacated the Property.

39. Landlord failed to return timely (and still has not returned) Mr. Beal's \$50,000.00 security deposit along with the interest that should have accumulated.

40. Based upon Md. Code, Real Prop. § 8-203(e) (4), Plaintiff has an action of up to threefold of the wrongfully withheld amount plus payment of his reasonable attorney's fees.

WHEREFORE, Plaintiff Bradley Beal respectfully requests that this Court enter judgment in favor of Plaintiff Bradley Beal and against Defendants Chopra Family Real Estate, LLC and Rakesh Chopra, jointly and severally, in the amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), applicable interest, and reasonable attorney's fees and court costs.

COUNT III

Violation of Maryland Code Real Property § 8-203 – Security Deposit Maintenance

41. Plaintiff repeats the allegations set forth in Paragraphs 1 through 40 as if set forth herein.

42. Pursuant to Md. Code, Real Prop. § 8-203(d), Landlord was required to keep Plaintiff's security deposit in a federally insured financial institution which does business in

Maryland, in insured certificates of deposit at branches of federally insured financial institutions located in the state, or in securities issued by the federal government or the State of Maryland.

43. Md. Code, Real Prop. § 8-203(e)(1) requires a landlord to return a security deposit “with simple interest which has accrued at the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5% a year, whichever is greater, less any damages rightfully withheld.”

44. Upon information and belief, Defendants never deposited Plaintiff’s security deposit as required and, instead, treated the security deposit as their own funds to use as they pleased.

WHEREFORE, Plaintiff Bradley Beal respectfully requests that this Court enter judgment in favor of Plaintiff Bradley Beal and against Defendants Chopra Family Real Estate, LLC and Rakesh Chopra, jointly and severally, in the amount of not less than \$812.50, along with punitive damages in the amount of \$10,000.00 and payment of Plaintiff’s reasonable attorney’s fees and costs incurred.

COUNT IV
Intentional Misrepresentation

45. Plaintiff repeats the allegations set forth in Paragraphs 1 through 44 as if set forth herein.

46. Defendants asserted false representations of material facts to Plaintiff in the invoice for damages to the Property that was attached to Chopra’s October 19, 2016 letter to Plaintiff.

47. The letter and invoice wrongfully claimed \$87,225.00 in damages and demanded payment by Plaintiff.

48. Defendants' invoice, however, was based upon estimates, not costs that actually were incurred, and the purported damages, in fact, did not exist. Rather, Defendants concocted the charges in an effort to withhold Plaintiff's security deposit and demand additional payments from Plaintiff.

49. Specifically, Defendants demanded:

- a. \$9,300.00 for "Painting/Deodorizing." Painting was not necessary, outside of minor touch-ups to remedy normal wear and tear, and there was no excess smell that required deodorizing.
- b. \$3,500.00 for "Duck [sic] Cleaning." Assuming Defendants meant "Duct" cleaning, this is a complete fabrication. No cleaning of ducts was necessary at the time Beal's tenancy ended and, moreover, would not have been the responsibility of Plaintiff.
- c. \$2,000.00 for "Living room area scones [sic]." Assuming Defendants meant "sconces," this also is a fabrication by Defendants. There was no damage to sconces at the Property at the time Beal's tenancy ended.
- d. \$2,000.00 for "Indoor cleaning." This alleged charge was neither incurred nor necessary, as Beal paid for the Property to be cleaned professionally prior to vacating.
- e. \$3,000.00 for "Outdoor cleaning." This alleged charge also was neither incurred nor necessary.
- f. \$3,000.00 for "Outside cameras install [sic] by renter." Section 43 of the Lease entered into by Plaintiff and Landlord indicated "Camera and Security

Monitoring is available." Defendants provided no information as to exactly what damages they claim were sustained. This claim is a fabrication.

- g. \$3,000.00 for "Outside hot tub cover replacement." Defendants provided no information as to whether the cover could be repaired and did not provide a basis for the \$3,000.00 charge.
- h. \$2,500.00 for "Outside hot tub cleaning/repair." The hot tub was not at all damaged, and any cleaning would be necessitated by normal wear and tear.
- i. \$1,500.00 for "Outside waterfall cleanup." Landlord provided no information about why the waterfall needed to be cleaned (it did not). Regardless, this would not be the responsibility of the tenant.
- j. \$1,500.00 for "Outside kitchen repair." The outdoor kitchen was not in need of repair.
- k. \$48,000.00 for "Flooring refinish." The floors in the Property were not damaged save for minor scratches that were the result of normal wear and tear and did not necessitate refinishing the entirety of the floors.
- l. \$6,425.00 for "Basement carpet replacement." The basement carpet did not have to be replaced and was not damaged beyond normal wear and tear.
- m. \$1,500 for "Drywall repair." The drywall was not damaged.

50. According to the Lease, Defendant was required to provide "a written list of damages to the premises together with a statement of costs **actually incurred**" upon termination of the Lease. *See* Lease, § 5, Security Deposit, p. 2 (Emphasis added).

51. Md. Code, Real Prop. § 8-203(f)(1)(i) states that a security deposit, or part of it, "may be withheld for unpaid rent, damage due to breach of lease or for damage by the tenant or

the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, and furnishings owned by the landlord." (Emphasis added.)

52. By demanding payment of \$87,225.00 based upon conjured estimates for damages that were not actually sustained, Defendants falsely and improperly asserted that they had incurred costs in that amount.³

53. Defendants, however, knew that such representations were false as they had not actually incurred the costs, and the Property had not been damaged as they alleged.

54. Plaintiff reasonably relied with justification upon the misrepresentations.

55. As a direct result of his reliance upon the misrepresentations, Plaintiff has suffered damages because he has not been given back the security deposit, and he has not had use of the security deposit and accumulated interest.

56. Defendants' made their representations intentionally for the purpose of defrauding Plaintiff.

57. Defendants' actions were willful, reckless and intended to harm Plaintiff or benefit themselves at Plaintiff's expense, demonstrating actual and sufficient malice to warrant the imposition of punitive damages.

WHEREFORE, Plaintiff Bradley Beal respectfully requests that this Court enter judgment in favor of Plaintiff Bradley Beal and against Defendants, Rakesh Chopra and Chopra Family Real Estate, LLC, jointly and severally, in the amount of \$50,000.00 in compensatory damages and \$150,000.00 in punitive damages.

³ Defendants also denied Plaintiff an opportunity to walk through the property, as is Plaintiff's right under Maryland law. Upon information and believe, Defendants denied Plaintiff the walk-through because they knew the damages they claimed did not exist.

COUNT V
Breach of Lease

58. Plaintiff repeats the allegations set forth in Paragraphs 1 through 57 as if set forth herein.

59. Defendants promised and agreed to the terms set forth in the Lease, as reflected in Exhibit A hereto.

60. The Lease is binding and enforceable against the Defendants.

61. Defendants failed to abide by the terms of the Lease, materially breaching and otherwise defaulting upon their obligations.

62. Specifically, Defendants failed and refused to account for or return the Security Deposit in further violation of the Lease. *Id.*

63. Defendants demanded more than two (2) months' rent in further violation of the Lease. *Id.*

64. Defendants failed to deposit the Security Deposit "in an escrow account in a federally insured financial institution which does business in the State of Maryland, devoted exclusively to security deposits, within thirty (30) days after" it was received. *See* Lease, § 5, Security Deposit, p. 2.

65. According to the Lease, Defendants were required to provide "a written list of damages to the premises together with a statement of costs **actually incurred**" upon termination of the Lease. *See* Lease, § 5, Security Deposit, p. 2 (Emphasis added).

66. Defendants' actions were willful, reckless and intended to harm Plaintiff or benefit themselves at Plaintiff's expense, demonstrating actual and sufficient malice to warrant the imposition of punitive damages in accordance with the terms of the Lease.

67. Specifically, the parties agreed and stated in writing that, “the failure of the Landlord to comply with the Security Deposit Law may result in the Landlord being liable to the Tenant for a penalty of up to three (3) times the Security Deposit withheld, plus reasonable attorney’s fees.” *See Lease, § 5, Security Deposit, p. 2.*

68. Further, despite request, Defendants failed and refused to allow Plaintiff to participate in the move-out inspection or any inspection of the property by Defendants in material breach of Section 26 of the Lease. *See Lease, § 26, Move-Out Inspection/Surrender of Premises, p. 8.*

69. Further, Defendants violated Section 36(B) & (C) of the Lease by failing to provide proper and timely notice of the purported rent increase.

70. As a direct and proximate consequence of the Defendants’ multifarious breaches of the Lease, Plaintiff has sustained damages, including but not limited to the deprivation of his \$50,000 Security Deposit, which is illegal and exceeds the terms of the Lease and the requirements of Maryland law.

WHEREFORE, Plaintiff Bradley Beal respectfully requests that this Court enter judgment in favor of Plaintiff Bradley Beal and against Defendants, Rakesh Chopra and Chopra Family Real Estate, LLC, jointly and severally, in the amount of \$50,000.00 in compensatory damages and \$150,000.00 in punitive damages pursuant to the terms of the Lease.

COUNT VI
Declaratory Judgment

71. Plaintiff repeats the allegations set forth in Paragraphs 1 through 70 as if set forth herein.

72. Plaintiff bring this declaratory judgment action for the purpose of determining questions of actual controversy between the parties and terminating the uncertainty and

controversy under the Lease between the parties that gives rise to this proceeding.

73. Plaintiff and Defendants each contend that under the Lease they are entitled to the \$50,000 Security Deposit that Plaintiff provided to Defendants at the outset of the tenancy.

74. Defendants contend that there was a valid *post hoc* rent increase in October 2016, while Plaintiff contends that Defendants breached and failed to provide the required notice of the rent increase as required by the Montgomery County Code and the Lease itself.

75. Thus, Plaintiff contends that the attempted rent increase by Defendants was ineffective and unenforceable.

76. Plaintiff contends the Defendants' actions with respect to the Security Deposit were illegal, contrary to public policy, and violative of the parties' own agreement, precluding any attempt by Defendants to withhold or retain the Plaintiff's Security Deposit.

77. Thus, an actual and present controversy exists between the parties and is properly within the jurisdiction of this Court. Such controversy involves the interpretation of the terms of Lease and determining the rights of the parties with respect to the Lease.

78. The claims between the parties are antagonistic and justiciable claims capable of being conclusively resolved by a declaration from the Court.

79. All attempts to resolve the claims have failed; thus, litigation between the parties is imminent and unavoidable.

WHEREFORE, Plaintiff respectfully requests that the Court enter an award and declaratory judgment in his favor and against Defendants that:

A. Declares Defendants' interpretation of the Lease, attempted rent increase, and withholding of the Security Deposit is incorrect, illegal, contrary to public policy and unenforceable;

B. Declares Plaintiff is entitled to the return of the full \$50,000 Security Deposit;

C. Declares Defendants improperly and untimely attempted to increase the rent in October 2016 and that the rent remained \$9,000.00 under the Lease, rather than \$13,500 as claimed by Defendants; and

D. Grants Plaintiffs such other and further relief as the Court deems just and proper, including pre-judgment and post-judgment interest, costs, and reasonable attorneys' fees as may be permitted under the Uniform Declaratory Judgment Act and Maryland law regarding rent and security deposits.

Dated: February 3, 2017

Respectfully submitted,

SHULMAN, ROGERS, GANDAL,
PORDY & ECKER, P.A.

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