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Attorney General Brown Announces Charges Against Property Owner and Property Managers of Multi-Family Rental Housing Community in Prince George's County

Charged with Unfair, Deceptive, and Abusive Trade Practices and Not Being Licensed as a Third-Party Debt Collector

BALTIMORE, MD (November 13, 2024) – Attorney General Anthony G. Brown announced today that the Consumer Protection Division has filed <u>charges</u> against Heather Hill Property Company LLC; Heather Hill Operating Company LLC; OneWall Communities LLC; Andy Wallace (CEO); and Ron Kutas (COO), for violations of the Consumer Protection Act and the Consumer Debt Collection Act, in their operation of a multi-family rental housing community known as Heather Hill by OneWall, a 459-unit multi-family rental housing community in Temple Hills in Prince George's County.

Prince George's County ordinance requires owners of multi-family unit communities to obtain a rental housing license from the Director of the Prince George's County Department of Permitting, Inspections, and Enforcement ("DPIE"). The charges allege that Heather Hill Property Company ("Owner"), through its property management companies, OneWall Communities and Heather Hill Operating Company (collectively "Property Managers") operated Heather Hill by OneWall without a required rental housing license, since the purchase of the community in April 2022. Between April 2022 and May 2024, the Owner and Property Manages are alleged to have received notices of numerous violations from DPIE, such as mold in floors, walls, and underneath sinks; walls and ceilings having water leaks/stains; heat and/or air conditioning not working; inoperable stoves and dishwashers; fire code violations; rodent entry holes in baseboards/walls; infestation of bats/roaches/insects/rodents; roof leaks; water infiltration; chipping and peeling paint; and, mushrooms growing through the floor. The charges further allege that the Owner and Property Managers first applied for a rental housing license in May 2024, at which time a temporary license was issued.

"Every Marylander has the right to live in a safe home. Tenants should never be forced to live in unsanitary or unsafe conditions," **said Attorney General Brown**. "This lawsuit sends a clear message to landlords: if you violate licensing laws, expose tenants to deplorable conditions, or prioritize profit over people, the Attorney General's Office will hold you accountable."

"We are deeply committed to protecting the rights of our residents and ensuring that property owners uphold the highest standards of accountability and care," said Tara Jackson, Chief Administrative Officer, Prince George's County. "The decision to charge the owners of this apartment complex in Temple Hills with violations of the Consumer Protection Act (CPA) and the County's Community Development Code of Conduct Act (CDCA) sends a clear message: neglecting the safety and well-being of tenants will not be tolerated in Prince George's County. This action reflects our unwavering dedication to holding property owners accountable and ensuring that every resident has access to safe, clean, and dignified housing. We will continue to use every tool available to uphold their rights and improve our residents' quality of life."

According to the charges, on June 13, 2024, Heather Hill by OneWall was issued a notice of violation after an inspection revealed housing and fire code violations throughout every building on the complex, such as exits with broken/missing glass panes, fire extinguishers that were discharged, missing and/or had expired service tags, interior dwelling ceilings that were unsanitary, interior dwelling walls that had evidence of water leaks/stains, and numerous hallway/stairway emergency lighting fixtures that were inoperable and/or missing, among other things. On August 4, 2024, Heather Hill by OneWall is alleged to have failed a Fire Safety Inspection, and on the next day, DPIE issued a notice of suspension of the temporary multifamily dwelling license. Despite the suspension, the charges allege that the Owner and Property Managers continued to seek rent from the residents and the Owner and Property Managers informed residents that they would have to pay late fees if they did not pay their rent.

The charges also allege that the Property Managers did not have a license to collect debt in the State of Maryland, as required under the Maryland Collection Agency Licensing Act. In addition, the Consumer Debt Collection Act prohibits persons from collecting or attempting to collect consumer debts that they know are not owed and/or do not exist. The Property Managers are alleged to have violated these Maryland statutes, and the Owner and Property Managers are alleged to have violated the Consumer Protection Act.

The Owner and Property Managers continue to advertise, market, and lease apartment units to Maryland residents although they are alleged to be in violation of the local ordinances, state statutes, and state laws. The Attorney General's action seeks to recover monies the Owner and Property Managers received in connection with their unfair, deceptive or abusive trade practices, as well as civil penalties, costs, and an injunction against the owner, property managers, and CEO and COO. The case is scheduled for a hearing at the Office of Administrative Hearings beginning on February 10, 2025.

Consumers with complaints against Heather Hill Property Company LLC; Heather Hill Operating Company, LLC; OneWall Communities LLC; Andy Wallace (CEO); and Ron Kutas (COO), may call the Consumer Protection Division at 410-528-6569, file a complaint online at www.marylandattorneygeneral.gov, or write to the Consumer Protection Division at 200 St. Paul Place, 16th Floor, Baltimore, MD 21202.

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https://www.marylandattorneygeneral.gov/press/2024/111324.pdf