

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES,

Plaintiff,

v.

RENTGROW, INC., and
YARDI SYSTEMS, INC.,

Defendants.

Civil Action No. 2024-CAB-006253

Judge Leslie A. Meek

Next Court Date: Feb. 26, 2026, at 9:00 A.M.

Event: Mediation Session

**DEFENDANT RENTGROW, INC.'S REPLY
IN SUPPORT OF ITS MOTION TO DISMISS**

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INTRODUCTION

This Court should not be the first to stretch the CPPA into uncharted and legislatively unintended waters as NACA proposes. NACA is dead wrong that the CPPA allows it to challenge any practice—here, tenant screening services that RentGrow provides to other businesses—simply because NACA purports to act on behalf of the “general public” and claims it has a history of acting in consumers’ interests. NACA’s approach has no limiting principle, and NACA cites no case that has extended the CPPA as it proposes—especially in a case where NACA cannot identify a single consumer affected by the alleged practice. This Court should dismiss NACA’s Complaint because, among other reasons, (1) the practices at issue here involve purely business-to-business services, not “consumer transactions,” and RentGrow is not a merchant, (2) NACA lacks statutory standing to sue under the CPPA, and (3) NACA fails to allege a CPPA violation.

ARGUMENT

I. The CPPA Does Not Apply To RentGrow Or The Services It Provides Clients.

NACA does not dispute that RentGrow provides tenant screening services “to *landlords, property managers, and other housing providers*,” not consumers. Compl. ¶ 1 (emphases added). NACA’s attempt to apply the CPPA to RentGrow is unsupported by any authority.

First, NACA wrongly asserts that business-to-business services qualify as “consumer transactions” because the CPPA applies to “any and all parts of the economic output of society.” Opp. to RentGrow’s Mot. to Dismiss (“Opp.”) at 3–4. Neither of the cases it cites supports this broad proposition. Both *Ford v. ChartOne, Inc.* and *District of Columbia v. Meta Platforms, Inc.* involved transactions to consumers or those acting as a consumer’s agent. *See Ford*, 908 A.2d 72, 82 (D.C. 2006) (attorney seeking medical records on behalf of consumer client engaged in consumer transaction); *Meta Platforms*, 2024 D.C. Super. LEXIS 27, at *47–48, *50 (D.C. Super. Ct. Sept. 9, 2024) (social media platforms provided to consumers). By contrast, there is no dispute

that the services at issue here are business-to-business services.

Second, NACA’s assertion that the CPPA applies to “services” provided by one business to another business, *see* Opp. at 4, ignores language defining “merchant” and elsewhere in the statute making clear the CPPA applies only to “*consumer* goods and services.” D.C. Code §§ 28-3901(a)(3)(A), (a)(6) (emphasis added). The cases NACA cites, *see* Opp. at 4, confirm as much: each involved goods or services provided *to a consumer*.¹ NACA’s argument that *landlords* use RentGrow’s services to evaluate “consumers’ eligibility for . . . housing,” Opp. at 5, and that *landlords* will enter into a relationship with a consumer, reinforces that RentGrow’s services are for “business purposes” and are thus beyond the CPPA’s reach, *Shaw v. Marriott Int’l, Inc.*, 605 F.3d 1039, 1044 (D.C. Cir. 2010).

NACA does not—and cannot—dispute that RentGrow is not involved in “the ultimate retail transaction between the final distributor and the individual member of the consuming public[.]” *Adam A. Weschler & Son, Inc. v. Klank*, 561 A.2d 1003, 1005 (D.C. 1989). Applying the CPPA to RentGrow would expand CPPA liability to *any* business whose services incidentally or ultimately impact consumers, no matter how attenuated, an outcome unsupported by authority.

Finally, NACA does not dispute that RentGrow is not a “consumer credit service organization” under Chapter 46 of the D.C. Code. *See* Opp. at 6. Any claim based on alleged violations of Chapter 46, *see* Compl. ¶ 95, should therefore be dismissed, *see* Mot. at 8.

¹ *See McMullen v. Synchrony Bank*, 164 F. Supp. 3d 77, 82–83, 91–92 (D.D.C. 2016) (bank was “merchant” because it issued line of credit to consumer through allegedly fraudulent joint venture with gym); *May v. River E. at Grandview*, 322 A.3d 557, 564, 569 (D.C. 2024) (District was “merchant” where loan agreement “label[ed] the District as the ‘Lender’” and provided that Lender “approved individuals and households,” thereby connecting District directly to consumer); *Harrington v. New Residential Inv. Corp.*, 2023 WL 10647043, at *4 (D.C. Super. Ct. July 25, 2023) (mortgage servicer was “merchant” because it worked directly with consumer); *Meta Platforms*, 2024 D.C. Super. LEXIS 27, *50 (Meta was “merchant” because platform is provided to consumers).

II. NACA Lacks Statutory Standing To Challenge RentGrow’s Screening Services.

NACA’s opposition did not “identify ‘a consumer or a class of consumers’ that could bring suit in their own right” or establish it “ha[s] a ‘sufficient nexus’ to those consumers’ interests ‘to adequately’ represent them,” as required for standing under § 28–3905(k)(1)(D). *Ctr. for Inquiry Inc. v. Walmart, Inc.*, 283 A.3d 109, 115 (D.C. 2022).

None of the cases NACA cites supports that simply declaring to act on behalf of the general public is enough to satisfy (k)(1)(D). In each case, the (k)(1)(D) claim was asserted on behalf of specific D.C. consumers who were targeted by allegedly deceptive advertising. *See Animal Legal Def. Fund v. Hormel Foods Corp. (“ALDF”)*, 258 A.3d 174, 186 (D.C. 2021) (identifying class of “D.C. consumers who are targeted, and have been or will be misled, by Hormel’s Natural Choice ads”); *Ctr. for Inquiry*, 283 A.3d at 116 (identifying class of D.C. “customers to whom Walmart or CVS markets homeopathic products”). NACA ignores that the claims in those cases “on behalf of the general public” were brought under (k)(1)(C), which NACA has not done here. *See Ctr. for Inquiry*, 283 A.3d at 116; *ALDF*, 258 A.3d at 186–87.²

Nor does the opposition identify any track record of advocacy concerning tenant screening services sufficient to demonstrate nexus, in contrast to the cases on which NACA relies. *See ALDF*, 258 A.3d at 187 (plaintiff’s “immediate objectives” to combat false claims about meat production supplied nexus in case challenging marketing of meat products as “natural”); *Ctr. for Inquiry*, 283 A.3d at 116 (plaintiff’s mission of “inform[ing] customers of the nature of homeopathic products” supplied nexus in case challenging marketing of same products). The

² NACA’s attempt to distinguish *Earth Island* is unpersuasive. *Earth Island* involved empirical allegations of Coca-Cola’s national reach, and *ALDF* involved a national advertising campaign. Here, however, NACA relies on a single D.C. contract involving only a subset of prospective D.C. renters (Section 8 housing applicants) to argue it is acting on behalf of the “general public.”

district court’s remand order likewise was clear that as a *factual* matter, the Complaint does not provide *any* information about NACA’s relationship to D.C. consumers that is required to demonstrate a sufficient nexus. *Cf. NACA v. RentGrow, Inc.*, 2025 WL 1429172, at *6 (D.D.C. May 16, 2025) (“[P]laintiff’s complaint does not provide any information about how plaintiff relates to the D.C. consumers on whose behalf it acts.”). That is no less true on remand.

III. NACA Fails To Allege A CPPA Violation.

A. No Deception Is Alleged.

The statements in a DCHA contract and a statement on RentGrow’s website that are the basis of NACA’s misrepresentation-based claims, *Opp.* at 11–12, do not support a CPPA claim. NACA claims the question whether a statement is deceptive is for the jury, *id.* at 12, but the case it cites confirms that “outright dismissal” is “appropriate,” *Earth Island Inst. v. Coca-Cola Co.*, 321 A.3d 654, 666–67 (D.C. 2024).³

NACA cites no authority that a commercial contract can sustain a claim that a statement has “a tendency to mislead reasonable *consumers*.” *Id.* at 664 (emphasis added). It is of no import that it is “publicly available,” *Opp.* at 11–12, and, in any event, the contract is only publicly available because *counsel for NACA* posted it on *its* website after obtaining it through a FOIA request, *Compl.* ¶ 48 n.37 (hosted on “epic.org”). Nor does NACA cite any case allowing a deception claim based on a website statement that a company’s services can assist businesses with making “informed decisions.” *Id.* ¶ 45.

B. No Unfair Practices Are Alleged.

NACA’s contention that violations of law not expressly mentioned in the CPPA

³ NACA cannot maintain a claim based on any alleged omissions, *see Opp.* at 12–13, because the Complaint does not allege that RentGrow omitted any material fact to any consumer in violation of § 28–3904(f), and “a party may not amend his complaint through an opposition brief.” *Singh v. District of Columbia*, 55 F. Supp. 3d 55, 70 (D.D.C. 2014).

nonetheless can form the basis of a CPPA claim ignores that in 2018, the D.C. Council amended the CPPA to replace an “unlawful trade practice” with an “unfair or deceptive trade practice. Indeed, the cases on which NACA relies pre-date this amendment and this Court should accord little weight to those authorities. *See* Opp. at 17–18 (collecting pre-2018 cases).

NACA does not dispute that it has not identified a single D.C. consumer who was denied housing because of any allegedly inaccurate information RentGrow provided to a housing provider. NACA’s unsupported claim that “the law requires no such pleading,” Opp. at 15, misreads the statute and conflates a misrepresentation claim (which protects a “right to truthful information about consumer goods and services,” *see id.* (citing D.C. Code 28–3901(c))), with an unfairness claim (which targets trade practices “likely to cause substantial injury to consumers,” 15 U.S.C. § 45(n); D.C. Code § 28-3901(d)).

C. NACA’s CPPA Claim Is Preempted By The FCRA.

NACA’s argument that preemption under 15 U.S.C. § 1681h(e) is limited to “a negligence cause of action,” ignores the numerous decisions RentGrow cited holding that § 1681h(e) also preempts state and local statutory claims. *See* Mot. 18–19. Further, NACA’s conclusory allegations that RentGrow “knowingly” used “flawed third-party information,” Opp. at 19 (quoting Compl. ¶ 32), cannot clear the “high bar” to plead malice and otherwise bring this case within § 1681h(e)’s exception for “false information furnished with malice or willful intent.” *Zimmerman v. Al Jazeera Am., LLC*, 246 F. Supp. 3d 257, 280 (D.D.C. 2017).

NACA also does not meaningfully dispute that the FCRA specifies how long RentGrow may take to respond to a consumer dispute, 15 U.S.C. § 1681i(f)(2). Any attempt to use the CPPA to force RentGrow to process disputes more quickly is preempted. 15 U.S.C. § 1681t(b)(1)(B).

CONCLUSION

This Court should dismiss the Complaint with prejudice.

ORAL HEARING REQUESTED.

July 29, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on July 29, 2025, a copy of the foregoing document was served on all counsel of record via eFileDC.

By: /s/ Andrew Soukup
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