

**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 YARDI SYSTEMS, INC.'S REPLY
IN SUPPORT OF ITS MOTION TO DISMISS**

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INTRODUCTION

NACA's opposition confirms that its Complaint is based solely on practices allegedly employed by *RentGrow*, not Yardi. The opposition does not dispute that Yardi does not provide the tenant screening services at issue in the Complaint. *See* Bustany Decl. ¶ 2. Nor does it identify any specific facts in the Complaint for this Court to sustain personal jurisdiction over Yardi beyond that it "is incorporated and headquartered in California" and that RentGrow is its "wholly owned subsidiary." Compl. ¶¶ 14–15. Instead, it ignores these fatal deficiencies and advances arguments that are contrary to established precedent and unsupported by any well-pled allegations.

For example, NACA claims that Yardi is a proper defendant by asserting that its claims stem from a contract between RentGrow and the D.C. Housing Authority ("DCHA"). But as NACA concedes, Yardi is not a signatory to that contract, and the contract relates to *RentGrow's* provision of tenant screening services to the DCHA. That contract cannot be used either to support personal jurisdiction over Yardi or to maintain a claim against Yardi under the CPPA.

NACA also argues that it may lob allegations against defendants "collectively," and that this Court may disregard Yardi's and RentGrow's corporate separateness. But the Supreme Court has been clear that "[e]ach defendant's contacts with the forum State must be assessed individually." *Calder v. Jones*, 465 U.S. 783, 790 (1984). And the Complaint alleges no facts supporting the exceptional remedy of piercing the corporate veil. The mere fact that RentGrow is Yardi's wholly owned subsidiary is not enough to confer specific personal jurisdiction over Yardi or to hold Yardi liable for RentGrow's alleged actions. The Court should dismiss Yardi.

ARGUMENT

I. This Court Lacks Personal Jurisdiction Over Yardi.

NACA does not dispute that Yardi—a California corporation—is not subject to general personal jurisdiction in this Court. Instead, it argues that the Court can exercise specific personal

jurisdiction over Yardi based on its alleged “interest” in a contract between RentGrow and DCHA. Opp. to Yardi’s Mot. to Dismiss (“Opp.”) at 3. There are several problems with this argument.

As a threshold matter, contractual obligations that have nothing to do with NACA’s CPPA claim cannot confer specific personal jurisdiction. *See* D.C. Code § 13–423(b) (“When jurisdiction over a person is based solely upon [§ 13–423], only a claim for relief arising from acts enumerated in this section may be asserted against him.”). NACA makes much of a handful of references to Yardi in the DCHA contract, *see* Opp. at 7, but these references are found in provisions unrelated to its CPPA claim, including those concerning insurance, dispute resolution, indemnification, and notice provisions, none of which NACA alleges Yardi or RentGrow violated. *See* DCHA Contract at 5, 9, 10. NACA also relies on references to Yardi’s “Voyager” property management software product but fails to explain how that product—which is not cited anywhere in the Complaint—bears any relation to NACA’s CPPA claim concerning RentGrow’s tenant screening services.

NACA offers no support for the confusing assertion that the handful of references to Yardi in the contract between RentGrow and DCHA establishes that Yardi is a proper defendant as “a party to receive the contract.” Opp. at 4. What matters, as NACA acknowledges, is that the “contract [is] between RentGrow and the DCHA” and RentGrow is the “contract signatory.” *See* DCHA Contract at 6 (listing only RentGrow and the DCHA as signatories); Opp. at 7 (recognizing that Yardi did “not sign[] the contract independently of RentGrow”); Compl. ¶¶ 2 n.4, 42 (alleging that contract is between RentGrow and DCHA). NACA’s conclusory, unsupported arguments are not sufficient to establish personal jurisdiction over Yardi. *Ezeiruaku v. Ethiopian Airlines*, 2021 D.C. Super. Lexis 412, at *8 (D.C. Super. Ct. June 17, 2021) (“[T]he plaintiff must allege specific facts on which personal jurisdiction can be based [and] cannot rely on conclusory allegations.”)

NACA’s assertions that an individual allegedly “affiliated with Yardi” signed the contract

as RentGrow’s authorized representative does not change the analysis. Opp. at 6. The mere fact that a parent and subsidiary company share employees does not mean that the parent can be sued for obligations imposed on its subsidiary. *See Wenske v. Blue Bell Creameries, Inc.*, 2018 WL 5994971, at *5 (Del. Ch. Nov. 13, 2018) (“[T]here exists a presumption of corporate separateness, even when a parent wholly owns its subsidiary and the entities have identical officers and directors.”). And the Court should not credit NACA’s speculation that Yardi allegedly “had a hand in drafting” the contract—an allegation that appears nowhere in the Complaint. Opp. at 6.

NACA also cannot create personal jurisdiction by relying on collective allegations against “Defendants.” *Id.* at 6. It is well established that a plaintiff “cannot aggregate factual allegations concerning multiple defendants in order to demonstrate personal jurisdiction over any individual defendant.” *Duarte v. Nolan*, 190 F. Supp. 3d 8, 11 (D.D.C. 2016). The question is whether *Yardi* has “certain minimum contacts” with the District of Columbia “such that the maintenance of the suit does not offend ‘traditional notions of fair play and substantial justice.’” *Walden v. Fiore*, 571 U.S. 277, 283 (2014). That means Yardi’s relationship with the District “must arise out of contacts that the ‘defendant *himself*’ creates with the forum[.]” *Id.* at 284. A few irrelevant references to Yardi in a contract that Yardi did not sign cannot satisfy this standard, and NACA cites no case holding otherwise. The Court should dismiss Yardi on personal jurisdiction grounds.¹

II. The Complaint Does Not Identify Any Actionable Conduct By Yardi.

The Complaint concedes that “RentGrow is the exclusive provider of tenant screening” services to DCHA, Compl. ¶ 42, yet it seeks to hold Yardi liable for *RentGrow*’s actions as Yardi’s

¹ NACA’s last-ditch suggestion that “Yardi is free to [engage in] jurisdictional discovery” on whether it “has [any]thing to do with the Service provided to D.C. consumers,” Opp. at 4–5, ignores that “*plaintiffs* bear the burden of establishing personal jurisdiction over each defendant” *Daley v. Alpha Kappa Alpha Sorority, Inc.*, 26 A.3d 723, 727 (D.C. 2011) (emphasis added).

wholly owned subsidiary. But “[i]t is a general principle of corporate law deeply ingrained in our economic and legal systems that a parent corporation . . . is not liable for the acts of its subsidiaries.” *United States v. Bestfoods*, 524 U.S. 51, 61 (1998) (internal quotation omitted). The opposition’s belated attempts to identify conduct allegedly attributable to Yardi and to muddle the distinction between the two entities do not justify keeping Yardi as a defendant in this case.

A. The Complaint Does Not Allege Unfair Or Deceptive Conduct by Yardi.

NACA argues that it may bring its CPPA claim against Yardi because of a “contract between RentGrow and the DCHA that gives Yardi material obligations and mentions Yardi by name twelve times.” Opp. at 6. Even if Yardi is responsible for obligations under this contract (and it is not), none of those purported obligations forms the basis of NACA’s CPPA claim, and thus cannot support a CPPA claim against Yardi. *See supra* at 2.

NACA’s only other arguments rest on allegations that are absent from the Complaint or have nothing to do either with Yardi or with the alleged conduct underlying NACA’s CPPA claim. NACA claims that it “alleges that Yardi provides misleading and inaccurate information about the RentGrow service,” Opp. at 6, but all the representations alleged in the Complaint are attributed to RentGrow. *See* Compl. ¶¶ 42, 46, 49–50, 78 & nn.34, 36, 41–43, 47–48 (statements in DCHA contract attributed to RentGrow); *id.* ¶ 45 (statement on RentGrow’s website). NACA claims that a copy of Schedule C to the DCHA contract is “hosted on Yardi’s own website,” Opp. at 6, but the provisions in Schedule C relate exclusively to representations by and obligations belonging to *RentGrow*, not Yardi. *See* DCHA Contract at 9. NACA also claims that “RentGrow’s tenant screening algorithm is available through the platform of Voyager,” a property management software offered by Yardi. Opp. at 7. Beyond being wrong on the facts (RentGrow does not use a tenant screening “algorithm”), as discussed above, the Complaint does not assert any claim regarding the Voyager software, *see supra* at 2–3.

That leaves NACA's suggestion that it can lump allegations against "Defendants" together to establish a claim against Yardi. Opp. at 6. That position completely ignores the well-established precedent to the contrary, cited in Yardi's motion. See Mot. at 9.

B. The Complaint Does Not Allege A Basis For Veil Piercing.

Alternatively, NACA asks the Court to pierce RentGrow's corporate veil, but its Complaint alleges none of the facts that courts require before taking that extraordinary step. Under Delaware law, "disregard of the corporate entity is appropriate only in exceptional circumstances." *Marnavi S.p.A. v. Keehan*, 900 F. Supp. 2d 377, 392 (D. Del. 2012). To pierce the corporate veil, a plaintiff must plead (1) the parent's "complete domination and control" over the subsidiary "to the point that [the subsidiary] no longer has legal or independent significance of its own," and (2) "the corporate structure cause[d] fraud or similar injustice." *Wallace ex rel. Cencom Cable Income Partners II, Inc. v. Wood*, 752 A.2d 1175, 1184 (Del. Ch. 1999). NACA's opposition acknowledges a series of factors such as solvency that courts consider, Opp. at 8, but NACA's Complaint comes nowhere close to alleging facts supporting even a single factor. To the contrary, it recognizes that Yardi and RentGrow are separate companies that provide different services, defeating its attempt to pierce the corporate veil. Compl. ¶¶ 13–14.

III. NACA's Cursory Request For Leave To Amend Should Be Denied.

The Court should deny NACA's passing request "for jurisdictional discovery and/or for leave to file an amended complaint." Opp. at 10. NACA has not made any attempt to justify the need for jurisdictional discovery. See *Daley*, 26 A.3d at 728 ("[A] request for jurisdictional discovery cannot be based on mere conjecture or speculation."). Nor has NACA attempted to show how it could cure the multiple deficiencies in its Complaint consistent with Rule 11.

CONCLUSION

This Court should dismiss Yardi as a defendant.

ORAL HEARING REQUESTED.

July 29, 2025

Respectfully submitted,

/s/ Andrew Soukup

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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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