# UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

NATIONAL ASSOCIATION OF CONSUMER ADVOCATES,

Plaintiff,

Case No. 1:24-cv-03218 Hon. Paul L. Friedman

v.

RENTGROW, INC., et al,

Defendants.

#### **NOTICE OF MOTION TO REMAND**

Plaintiff National Association of Consumer Advocates ("NACA"), a nonprofit, public-interest organization, acting on behalf of itself and the general public, by and through its undersigned counsel, and pursuant to Fed. R. Civ. P. 7, LCvR 7, and 28 U.S.C. §1447(c), moves to remand the above-captioned case to the Superior Court of the District of Columbia because Plaintiff NACA has not claimed injury to its own interests to create Article III standing and the Court lacks federal question jurisdiction.

A Memorandum of Points and Authorities in Support of the Motion, a Declaration with an Exhibit, and a (Proposed) Order are attached. Pursuant to LCvR 7(m), Plaintiff informed Defendants on November 18, 2024, of its intention to file this Motion to Remand. Defendants did not consent to the requested relief.

DATED: December 13, 2024

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I, Kim E. Richman, hereby certify that on December 13, 2024, I caused a true and correct copy of the foregoing document and attached Memorandum of Points and Authorities in Support of the Motion, Declaration and Exhibit, and Proposed Order to be served on counsel of record for Defendants in the above- captioned Action via ECF.

/s/Kim E. Richman Kim E. Richman

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### **PLAINTIFF'S MOTION TO REMAND**

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#### **INTRODUCTION**

This case, brought by a public interest organization under the D.C. Consumer Protection Procedures Act ("CPPA"), D.C. Code §§ 28-3901 *et seq*, must be remanded for lack of federal jurisdiction. Plaintiff National Association of Consumer Advocates ("NACA") does not possess Article III standing to proceed in this Court. Nor does Defendants' Notice of Removal attempt to establish, or even mention, Article III standing, despite their burden to establish federal jurisdiction. This precise issue was addressed last month by Judge Bates in *National Association of Consumer Advocates v. Gemini Trading Co., LLC*, No. 24-2356 (JBD), 2024 U.S. Dist. LEXIS 208594, at \*1 (D.D.C. Nov. 18, 2024) ("*Gemini*"), which remanded another CPPA action brought by Plaintiff NACA for lack of Article III standing.

NACA brought the lack of Article III standing to Defendants' attention, sent them the *Gemini* opinion, cited additional federal precedent, provided the relevant D.C. Code provisions with judicial interpretations, and requested Defendants' consent to remand. Defendants refused to consent to remand. Plaintiff met and conferred with Defendants twice, each time explaining the difference between (k)(1)(D) statutory standing and (k)(1)(C) associational standing under the CPPA, the lack of Article III standing, and—should it even be necessary to reach this issue—the absence of any substantial federal question. Despite these voluntary and extraordinary efforts by Plaintiff to secure remand without troubling the Court, Defendants still refused to consent.<sup>1</sup>

Plaintiff NACA respectfully asks the Court to return this action to D.C. Superior Court, the forum set by statute, D.C. Code § 28-3905(k)(2), for this action.

\*\*\*\*

<sup>1</sup> Pursuant to 28 U.S.C. § 1447(c), "An order remanding the case may require payment of just costs and any actual expenses, including attorney fees, incurred as a result of the removal."

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#### **BACKGROUND**

NACA filed this suit on October 1, 2024 against RentGrow, Inc. and Yardi Systems, Inc. (collectively, "Defendants") on behalf of the general public in the Superior Court for the District of Columbia, alleging violations of the CPPA. Defendants provide tenant screening services within the District. NACA alleges that Defendants' marketing assures D.C. consumers that mechanisms are in place to ensure that tenant screening information sent to landlords is accurate—when in reality, many prospective housing tenants are denied housing based on the services' inaccurate reports. Among the Complaint's ("Compl.") allegations are (1) that Defendants tell consumers that their reports are most likely accurate because they follow "procedural requirements under the [Fair Credit Reporting Act, 15 U.S.C. §§ 1681 *et seq.* ("FCRA")]" (Compl. ¶ 30);<sup>2</sup> and (2) that Defendants' inaccurate reporting disproportionately harms racial minority communities, as their algorithm allegedly "perpetuate[s] racial biases" (*id.* ¶ 33). NACA alleges no injury to itself or its own interests and seeks no money damages, only declaratory and injunctive relief on behalf of the general public, *i.e.*, D.C. consumers generally. (*Id.* ¶ 82-85.)

The Complaint alleges a single claim, violation of the CPPA on the basis that Defendants unfairly cause harm to D.C. consumers by using flawed and racially biased algorithms. (*Id.* ¶¶ 86-102.) The Notice of Removal, filed on November 14, 2024, argues just one ground for federal jurisdiction: a theory that NACA has stated "state-law claims that implicate significant federal issues." (Notice of Removal ("Removal"), ECF No. 1 ¶ 9) (citing *Grable & Sons Metal Products, Inc. v. Darue Eng'g & Mfg.*, 545 U.S. 308, 312 (2005) ("*Grable*").) The Removal neither mentions the lack of Article III standing nor makes any attempt to establish the existence of Article III standing, even though NACA has alleged no injury to its own interests and brings suit on behalf

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 $<sup>^2</sup>$  A copy of Plaintiff NACA's Complaint, as filed in Superior Court, is attached to the Notice of Removal (ECF No. 1) as Exhibit A.

of the general public under the statutory standing of D.C. Code § 28-3905(k)(1)(D). Moreover, the Complaint alleges only violation of the CPPA. Although the Complaint references FCRA in terms of Defendants' misrepresentations, the CPPA claim is independent from whether Defendants are required to, or actually do, comply with FCRA. The Removal fails to demonstrate how scattered contextual FCRA references could raise "substantial" federal issues to support federal jurisdiction under *Grable*. Therefore, federal jurisdiction is not present.

#### **LEGAL STANDARD**

Pursuant to 28 U.S.C. § 1441(a), a civil action filed in state court may be removed to a United States District Court only if the case originally could have been brought in federal court. "If at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded." 28 U.S.C. § 1447(c). "[I]f federal jurisdiction is doubtful, a remand to state court is necessary," and "the court must resolve any ambiguities concerning the propriety of removal in favor of remand." Clean Label Project Found. v. Mead Johnson & Co., LLC, No. 20-cv-3231 (TSC), 2023 U.S. Dist. LEXIS 57439, at \*3-4 (D.D.C. Mar. 31, 2023) (Chutkan, J.) (citations omitted); see also, e.g., Busby v. Capital One, N.A., 841 F. Supp. 2d 49, 53 (D.D.C. 2012) (Urbina, J.) ("Courts must strictly construe removal statutes. The court must resolve any ambiguities concerning the propriety of removal in favor of remand." (citations omitted)); Ballard v. District of Columbia, 813 F. Supp. 2d 34, 38 (D.D.C. 2011) (Roberts, J.) ("Courts in this circuit have construed removal jurisdiction strictly, favoring remand where the propriety of removal is unclear."); Hood v. F. Hoffman-Laroche, Ltd., 639 F. Supp. 2d 25, 28 (D.D.C. 2009) (Hogan, J.) ("When considering whether removal was proper, courts must construe the removal statute narrowly to avoid federalism concerns.") (citing Shamrock Oil & Gas Corp. v. Sheets, 313 U.S. 100 (1941)).

"The party seeking removal of an action bears the burden of proving that jurisdiction exists in federal court." *Clean Label Project Found.*, 2023 U.S. Dist. LEXIS 57439, at \*3 (citations omitted). Defendants, as the removing parties, bear the burden of proving this Court's jurisdiction.

#### **ARGUMENT**

### I. Lack of Article III Standing.

This action cannot remain in federal court, because Plaintiff NACA lacks Article III standing to bring the action. If an action is first filed in federal court and the plaintiff lacks Article III standing, then the complaint must be dismissed. *See Warth v. Seldin*, 422 U.S. 490, 501-02 (1975). If an action is first filed in state court but removed to federal court and the plaintiff lacks Article III standing, then the action must be remanded to the forum in which it first was filed. *See* 28 U.S.C. § 1447(c). Such is the circumstance now before the Court. Plaintiff NACA possesses statutory standing to bring this CPPA claim in D.C. Superior Court but lacks Article III standing, and the action, therefore, must be remanded.

NACA's standing to bring this suit is as a qualified public interest organization acting pursuant to D.C. Code § 28-3905(k)(1)(D). (Compl. ¶ 89.) The D.C. Council, when it amended the CPPA to create this form of action, "intended public interest organizations bringing suit under (k)(1)(D) to be free from any requirement to demonstrate their own Article III standing." *Animal Legal Def. Fund v. Hormel Foods Corp.*, 258 A.3d 174, 184 (D.C. 2021) ("*ALDF v. Hormel*"). Under subsection 28-3905(k)(1)(D), a public interest organization (as defined by D.C. Code § 28-3901(15)) is empowered to bring any action that an individual consumer could bring, even absent any injury to the organization, provided that three requirements are met:

The limitations to bringing suit under this provision reveal the Council's intent to modify traditional Article III standing requirements with the above statutory test. Those statutory limitations are threefold: (1) rather than permitting any person or legal entity to bring suit, (k)(1)(D) applies only to those nonprofits organized and operating, at least in part, on behalf of consumers; (2) the consumer or class of

consumers must be capable of bringing suit in their own right; and (3) the public interest organization must have a "sufficient nexus to the interests involved of the consumer or class . . . to adequately represent those interests."

ALDF v. Hormel, 258 A.3d at 183. NACA's basis for standing is entirely statutory, divergent from the Article III requirements of showing (1) the existence of an "injury in fact" to the plaintiff that is both "concrete and particularized" and "actual or imminent, not conjectural or hypothetical;" (2) that the injury is "fairly traceable" to the defendant's challenged actions; and (3) that it is "likely, as opposed to merely speculative, that the injury will be redressed by a favorable decision." Lujan v. Defs. of Wildlife, 504 U.S. 555, 560-61 (1992) (citations omitted). "Article III standing requires a concrete injury even in the context of a statutory violation," Spokeo, Inc. v. Robins, 578 U.S. 330, 341 (2016)—meaning that a claim under the CPPA cannot proceed in federal court absent a showing of an Article III "concrete injury," not a statutory entitlement. See Woodford v. Yazam Inc., No. 22-3665 (BAH), 2023 U.S. Dist. LEXIS 208032, at \*18 (D.D.C. Nov. 21, 2023) (Howell, J.) (dismissing amended complaint because "plaintiff [could not] meet the irreducible constitutional minimum of standing by alleging merely that defendant violated the [CPPA] ... without also alleging a [resulting] concrete injury" (cleaned up)); see also, e.g., Wheeler v. Panini America, Inc., No. 22-00763 (BAH), 2022 U.S. Dist. LEXIS 208941, at \*15 (D.D.C. Nov. 17, 2022) (Howell, J.) ("Even assuming that defendant's [conduct] amounts to statutory violations of D.C. and federal law, that injury is too abstract to satisfy Article III standing's injury-in-fact requirement.").

Consistent with the CPPA's statutory schema, the Complaint does not plead any injury to NACA's interests such as would establish Article III standing to proceed in this Court. And although Defendants bear the burden of establishing that federal jurisdiction exists, the Notice of Removal neither mentions the lack of Article III standing nor makes any effort to demonstrate the existence of standing. Four days after Defendants removed this action, Judge Bates remanded

Gemini, another case in which NACA, who is Plaintiff here, brought a CPPA claim on behalf of the general public of the District of Columbia. Gemini was remanded for lack of NACA's Article III standing, exactly the reason this action must be remanded. When NACA brought Gemini to Defendants' attention, Defendants belatedly asserted that NACA should be deemed to possess associational standing to sue in federal court:

Unlike in [Gemini], we have reason to believe that several of NACA's D.C. members have been screened by RentGrow, and thus NACA accordingly has associational standing under Article III to sue on behalf of those members, who are among the "D.C. consumers" NACA purports to act on behalf of in its lawsuit. Compl. ¶ 82, 89.

(Declaration of P. Renée Wicklund ¶ 14.) Although Defendants bear the burden of establishing that the prerequisites of federal jurisdiction are present, this new theory of "associational standing" appears nowhere in the Notice of Removal. It is also for good reasons that the Notice of Removal does not assert the theory, namely—

First, the Notice of Removal actually concedes that NACA asserts standing "under the DC CPPA as a consumer advocacy organization to represent the interests of D.C. consumers" (Removal ¶ 5 (citing Compl. ¶¶ 10-11))—with no reference that NACA purportedly brings suit on behalf of its own members. See, e.g., Corp. Accountability Lab. v. The Hershey Co., No. 2021 CA 3981 B, 2023 D.C. Super. LEXIS 44, at \*11-15 (D.C. Super. Ct. June 20, 2023) (addressing unique (k)(1)(D) standing in Superior Court).

**Second**, in fact, NACA is **not** bringing suit on behalf of its members. The Complaint makes no reference whatsoever to NACA's members. The two paragraphs cited by Defendants in asserting their new theory actually refer to the "general public," not to NACA membership, and disclaim acting on behalf of specific consumers:

82. This is not a class action, or an action brought on behalf of any specific consumer, but an action brought by NACA on behalf of the general public,

- *i.e.*, D.C. consumers generally, to put an end to ongoing conduct in violation of the CPPA. No class certification will be requested.
- 89. Plaintiff is a nonprofit, public interest organization that brings these claims on behalf of the general public of D.C. consumers. *See* D.C. Code § 28-3905(k)(1)(D).

(Compl. ¶¶ 82, 89.) Associational standing for CPPA purposes falls under D.C. Code § 28-3905(k)(1)( $\mathbf{C}$ ), which is an entirely different standing provision that incorporates traditional Article III standing and is not claimed by NACA here. *See* Comm. on Public Servs. and Consumer Affairs Memorandum on Bill 19-0581 (Nov. 28, 2012), at 5 (describing standing under (k)(1)( $\mathbf{C}$ ): "Such injury may be based on injury to the organization's activities or injury to any of the organization's members").

Third, NACA is the master of its own pleading. See, e.g., US Airways Master Exec. v. American W. Master Exec. Council, 525 F. Supp. 2d 127, 135 (D.D.C. 2007) (Sullivan, J.); Byrd v. VOCA Corp., No. 2004 CA 004412 B, 2011 D.C. Super. LEXIS 8, at \*50 n.13 (D.C. Super. Ct. Sept. 13, 2011). A complaint that asserts statutory standing on behalf of the general public under one statutory provision does not become a different complaint asserting Article III associational standing under a different statutory provision simply because the defendants wish to categorize it that way.

In short, there is no support for the proposition that a public interest organization having members among the District of Columbia general public—the public on whose behalf this action proceeds—converts § 28-3905(k)(1)(D) standing to associational standing. Public interest CPPA actions are frequently remanded even when brought by D.C.-based organizations whose members

are necessarily affected along with the rest of the D.C. public by the challenged conduct.<sup>3</sup> So too must be the result here.

#### II. Lack of Federal Question.

In the *Gemini* public interest CPPA case just remanded, *see supra*, NACA's primary allegation is that "defendant Gemini, a large cryptocurrency platform, operates in violation of federal law." 2024 U.S. Dist. LEXIS 208594, at \*1. Judge Bates, however, did not even reach the issue of federal question jurisdiction because of the lack of Article III standing. *See id.* at \*2 n.1. In this case, unlike in *Gemini*, NACA's claim is not based upon an underlying violation of federal law—instead, one allegation (of the various allegations underlying the single CPPA claim) is that Defendants misrepresent whether they comply with FCRA. The purported federal question is both more attenuated than in *Gemini* and equally superfluous in light of the lack of Article III standing. Nevertheless, NACA addresses it here.

Under the well-pleaded complaint rule, "federal jurisdiction exists only when a federal question is presented on the face of the plaintiff's properly pleaded complaint." *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987). No such federal question appears on the face of NACA's Complaint, which states a single cause of action under the CPPA and does not raise any question of federal law, much less any "substantial" question giving rise to federal question jurisdiction. *See id.* at 392 ("The rule makes the plaintiff the master of the claim; he or she may avoid federal jurisdiction by exclusive reliance on state law."). The *Grable* exception to the well-pleaded complaint rule, *see* 545 U.S. at 314, upon which Defendants rely (*see* Removal ¶¶ 4, 9, 23), is rare

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<sup>&</sup>lt;sup>3</sup> The context is typically in remand when the defendant has asserted diversity jurisdiction. *See, e.g., Breathe DC v. Juul Labs, Inc.*, No. 20-619 (JEB), 2023 U.S. Dist. LEXIS 120176 (D.D.C. July 13, 2023) (Boasberg, J.); *Int'l Labor Rights Forum v. Bumble Bee Foods, LLC*, No. 22-cv-01220 (DLF), 2022 U.S. Dist. LEXIS 210998 (D.D.C. Nov. 15, 2022) (Friedrich, J.); *Beyond Pesticides v. Exxon Mobil Corp.*, No. 20-1815 (TJK), 2021 U.S. Dist. LEXIS 53032 (D.D.C. Mar. 22, 2021) (Kelly, J.); *Food & Water Watch, Inc. v. Tyson Foods, Inc.*, No. 19-cv-2811 (APM), 2020 U.S. Dist. LEXIS 38232 (D.D.C. Mar. 5, 2020) (Mehta, J.); *Nat'l Consumers League v. Bimbo Bakeries USA*, 46 F. Supp. 3d 64 (D.D.C. 2014) (Lamberth, J.).

and applies only to a "special and small category" of cases. Empire HealthChoice Assurance, Inc. v. McVeigh, 547 U.S. 677, 699 (2006). In that "slim category' of cases, 'federal jurisdiction over a state law claim will lie if a federal issue is: (1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress." D.C. Ass'n of Chartered Pub. Sch. v. District of Columbia, 930 F.3d 487, 491 (D.C. Cir. 2019) (citation omitted). Where a question raised by a state-law claim is federal in character, that question must constitute an "essential element" of the claim in order to support federal-question jurisdiction. Grable, 545 U.S. at 315; see also D.C. Ass'n of Chartered Pub. Sch., 930 F.3d at 491 ("[W]hether the District may amend or repeal' the School Reform Act pursuant to its authority under the Home Rule Act . . . even assuming it is federal in character, is not an 'essential element' of a School Reform Act claim, as would be necessary for the claim to support federal-question jurisdiction."). Courts have "confined Grable to those rare state-law claims posing 'a context-free inquiry into the meaning of federal law." Wash. Consulting Grp., Inc. v. Raytheon Tech. Servs. Co., LLC, 760 F. Supp. 2d 94, 101-02 (D.D.C. 2011) (Bates, J.) (quoting Bennett v. Southwest Airlines Co., 484 F.3d 907, 910 (7th Cir. 2007)).

The fact that a federal question may be "necessary" to resolve a state law claim does not create a substantial question of federal law under *Grable. See Gunn v. Minton*, 568 U.S. 251, 258-59 (2013) (finding no federal question jurisdiction despite acknowledging "that resolution of a federal patent question [was] 'necessary' to [plaintiff's] case"). NACA's Complaint points to FCRA to the extent that Defendants' tenant screening service produces inaccurate results—an outcome that FCRA compliance would avoid (Compl. ¶ 2)—and Defendants nevertheless explicitly promise D.C. consumers that they do adhere to FCRA requirements (*id.* ¶¶ 48-49). But "it is not enough that the federal issue be significant to the particular parties in the immediate suit;

that will always be true when the state claim 'necessarily raise[s]' a disputed federal issue, as *Grable* separately requires." *Gunn*, 568 U.S. at 260. Instead, the "substantiality" inquiry under *Grable* regards the "importance of the issue to the federal system as a whole." *Id.* The Notice of Removal endeavors to meet this standard by arguing that NACA's CPPA claim—which is limited to conduct affecting D.C. consumers—is of "substantial interest to the federal system" (Removal ¶ 17), on the basis that—

- 1. Congress created a private right of action under FCRA;
- 2. The "interpretation of the FCRA in this case would impact thousands of consumers . . . in D.C. . . . as well as potentially millions more individual consumers who are screened throughout the United States;" and
- 3. Defendants' "efforts to comply with the FCRA now and in the future are [] at stake in this litigation."

(*Id.* at ¶¶ 18-20.)

Whether a state law claim contains the presence of a "substantial" federal question depends on the direct interest of the federal government to address an issue in a federal forum and constitutional issues. See Empire HealthChoice Assurance, 547 U.S. at 700 (exemplifying this concept). None of the three asserted grounds demonstrates how the question of whether Defendants' practices run afoul of D.C. consumer protection law is important to the federal system as a whole, which is the key question. To the contrary, first, the resolution of NACA's CPPA claim cannot undermine the body of FCRA law. See Gunn, 568 U.S. at 261 (finding that plaintiff's claim would not "undermine the development of a uniform body of [patent] law") (citation omitted). The question in a CPPA action is whether there is "an alleged unfair practice 'in terms of how the practice would be viewed and understood by a reasonable consumer." Ctr. for Inquiry, Inc. v. Walmart, Inc., 283 A.3d 109, 120 (D.C. 2022) (citations omitted). A consumer's right to address a credit report issue under FCRA is irrelevant to ascertaining whether Defendants should be

allowed to deceptively market their service to D.C. consumers. Defendants' possible trial plan to offer evidence of FCRA compliance as a defense to NACA's allegations does not transform NACA's CPPA claim into a federal question; "a case may not be removed to federal court on the basis of a federal defense." *Caterpillar, Inc.*, 482 U.S. at 393.

Second, there is no federal jurisdiction unless a state court claim will "settle[] once and for all" a substantial federal question that governs numerous cases. Empire HealthChoice Assurance, 547 U.S. at 700. The Complaint alleges that Defendants have "not met [their] legal obligation under the FCRA to establish or 'follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates"—allegations that relate back to Defendants' services being "unfair to District consumers seeking housing" because "[f]alse or incomplete tenant screening reports can directly impact whether District residents receive housing and on what terms." (Compl. ¶¶ 31, 53.) A Superior Court conclusion that Defendants have engaged in this unfair trade practice in the District will have no effect on FCRA's wider application.

Third, this Court's undoubted familiarity with the District's consumer protection law does not create federal jurisdiction. See Gunn, 568 U.S. at 263 ("Nor can we accept the suggestion that the federal courts' greater familiarity with patent law means that legal malpractice cases like this one belong in federal court."). Nor is there any argument that D.C. Superior Court—the forum explicitly set by the D.C. Council to hear this action, see D.C. Code § 28-3905(k)(2)—is unfamiliar with the CPPA, and nor would such argument divest that forum of exclusive jurisdiction here.

*Fourth*, regardless of Defendants' attempt to paint this case as one of national implications, the claim asks whether, fundamentally, D.C. consumers' rights to certain practices and information under the CPPA are being violated by Defendants. By the very terms of the CPPA, the claim

addresses only "the use of a trade practice in violation of a law of the District." D.C. Code § 28-

3905(k)(1)(A), made applicable by id. § 28-3905(k)(1)(D) (giving standing to public interest

organization to bring "an action seeking relief from the use by any person of a trade practice in

violation of a law of the District if the consumer or class could bring an action under subparagraph

(A)"). District consumers are entitled to certain protections against misrepresentation of FCRA

effects or compliance; a consumer elsewhere will not be able to rely on any ruling here for effect

under another State's law. Indeed, the Complaint cites "procedural requirements under the FCRA

as incorporated within the CPPA." (Compl. ¶ 30 (citing 15 U.S.C. §§ 1681e(b), 1681i, 1681s;

D.C. Code § 28-3901(d)) (emphasis added).)

Absent a proper showing that NACA's District of Columbia CPPA claim is of particular

importance to the federal system as a whole, federal question jurisdiction is absent.

**CONCLUSION** 

The Court should not have been troubled with this action. The Complaint could not have

been filed in this Court because NACA neither pleads nor possesses Article III standing to bring

this particular CPPA claim. And even if NACA had asserted injury to its own interests such as

could create Article III standing, NACA's well-pleaded Complaint does not present a substantial

federal question. Defendants have not sustained their burden of establishing federal jurisdiction

because they cannot. Pursuant to 28 U.S.C. § 1447(c), the matter must be remanded to D.C.

Superior Court.

DATED: December 13, 2024

Respectfully submitted,

/s/ Kim E. Richman

Kim E. Richman (D.C. Bar No. 1022978)

RICHMAN LAW & POLICY

1 Bridge Street, Suite 83

Irvington, NY 10533

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Tel: (914) 693-2018 krichman@richmanlawpolicy.com

John Davisson (D.C. Bar No. 1531914)
ELECTRONIC PRIVACY
INFORMATION CENTER
1519 New Hampshire Avenue NW
Washington, DC 20036
Tel: (202) 483-1140
davisson@epic.org

Attorneys for Plaintiff

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was filed electronically on December 13, 2024. Notice of this filing will be sent to the following Parties by operation of the Court's electronic filing system to all counsel of record.

/s/ Kim E. Richman Kim E. Richman Attorney for Plaintiff

# UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

NATIONAL ASSOCIATION OF CONSUMER ADVOCATES,		
V.	Plaintiff,	Case No. 1:24-cv-03218 Hon. Paul L. Friedman
RENTGROW, INC., et al,		
	Defendants.	

## **DECLARATION OF P. RENÉE WICKLUND**

- I, P. Renée Wicklund, make this declaration pursuant to 28 U.S.C. § 1746:
- 1. I am over 18 years of age, and the matters stated herein are based on my personal knowledge, except as otherwise noted. If called upon, I would competently testify to them.
- 2. I am co-founder of Richman Law & Policy, a law firm that specializes in consumer litigation in federal and state courts throughout the United States.
- 3. I submit this declaration in support of Plaintiff's Motion to Remand in the above-captioned case.
- 4. Richman Law & Policy is counsel in this matter to Plaintiff National Association of Consumer Advocates ("NACA"). In our role as attorneys with Richman Law & Policy, I and my colleague, Siobhan Donahue, have assisted in the representation of NACA in this matter.
- 5. NACA filed its Complaint in this matter on October 1, 2024, in Superior Court for the District of Columbia.
- 6. On November 14, 2024, Defendants RentGrow, Inc. and Yardi Systems, Inc. (collectively, "Defendants") removed this action to the United States District Court for the District of Columbia. (*See* ECF No. 1.)

- 7. Also on November 14, 2024, Andrew Soukup of Covington & Burling LLP, counsel to Defendants in this matter, emailed Kim E. Richman of Richman Law & Policy and John Davisson of the Electronic Privacy Information Center (also counsel to NACA) requesting a 30-day extension of Defendants' deadline to respond to NACA's Complaint.
- 8. On November 18, 2024, my colleague Siobhan Donahue emailed Mr. Soukup granting the requested extension of time to respond to the Complaint and separately requesting Defendants' consent to remand of the case to D.C. Superior Court.
- 9. Ms. Donahue identified two grounds for the request for consent to remand: (1) that NACA brought suit under D.C. Code § 28-3905(k)(1)(D), which does not require Article III injury, and NACA has not claimed to suffer Article III injury on its own behalf; and (2) the Complaint states only a single cause of action, under the District of Columbia Consumer Protection Procedures Act, and does not raise "substantial" or "novel" questions of federal law.
- 10. Ms. Donahue included citations to decisions from federal courts and the District of Columbia Court of Appeals in support of her request for remand.
- 11. On Friday, November 22, 2024, having received no response to her previous email requesting consent to remand, Ms. Donahue emailed Mr. Soukup again. This time Ms. Donahue identified the decision in *National Association of Consumer Advocates v. Gemini Trading Co., LLC*, No. 24-2356 (JBD), 2024 U.S. Dist. LEXIS 208594, at \*1 (D.D.C. Nov. 18, 2024):

I wanted to follow-up on this request for your clients' consent to remand. In the interim four days, remand was ordered in *National Association of Consumer Advocates v. Gemini Trading Co., LLC*, No. 24-2356 (JBD), 2024 U.S. Dist. LEXIS 208594 (D.D.C. Nov. 18, 2024)—which is the same plaintiff as this case. Remand was necessary in *Gemini Trading* for lack of Article III jurisdiction, just as it is here.

12. Ms. Donahue offered to meet and confer on the issue of remand on November 25, 2024, which was the next business day.

- 13. On November 25, 2024, Mr. Soukup emailed to say Plaintiff NACA should expect a response after the Thanksgiving holiday: "We are conferring with our client, and we expect to be in touch with a response to your email after Thanksgiving, although we note that your client's case here is very different from the *Gemini Trading* case."
- 14. On December 3, 2024, Mr. Soukup emailed again and asserted that federal question jurisdiction exists and that Article III standing exists on an "associational basis":

Unlike in *NACA v. Gemini Trading Co.*, we have reason to believe that several of NACA's members have been screened by RentGrow, and thus NACA accordingly has associational standing under Article III to sue on behalf of those members, who are among the "D.C. consumers" NACA purports to act on behalf of in its lawsuit. Compl. ¶¶ 82, 89. If NACA seeks to remand this case, Defendants will seek a list of NACA's members and will seek either the permission of NACA's members or a court order to disclose to the Court that NACA members were screened by RentGrow to prove that NACA has associational standing.

15. Mr. Soukup's email went on to assert that Defendants would be willing to meet and confer about the possibility of remand only if NACA agreed to amend its Complaint and give up certain parts of its claims:

Notwithstanding the above, we would be willing to meet and confer about the possibility of remand, subject to agreement by NACA to stipulate to withdraw allegations and claims that confirm the absence of federal jurisdiction and correct inaccuracies in NACA's complaint. We would also insist that NACA agree to do the following:

- Remove Yardi as a defendant. NACA's complaint does not allege any basis
  for its claims against Yardi, and indeed, Yardi has nothing to do with the
  conduct alleged in NACA's complaint.
- Remove the problematic allegations in NACA's complaint, including those identified in RentGrow's notice of removal, such as that RentGrow uses AI/ADM systems and sources information from TransUnion Background Data Solutions. These allegations are demonstrably false, which NACA would readily know had it made its allegations in [good] faith as is required.
- Remove any request for attorneys' fees from NACA's complaint.

Mr. Soukup's email attached a draft stipulation in which Plaintiff NACA would agree to these conditions enumerated in the email.

- 16. Still on December 3, 2024, Ms. Donahue responded to Mr. Soukup by email. Ms. Donahue stated that, where federal jurisdiction is lacking, it is not proper to condition remand upon removal of allegations or foregoing available relief. Ms. Donahue also offered that Plaintiff was available to speak further on any of the issues raised by Defendants.
- 17. Ms. Donahue further stated that the newly asserted theory of associational standing did not comport with the pleading: "Regarding your new assertions of associational standing, NACA is not bringing this action on behalf of its members. The standing asserted in the Complaint is that provided by the CPPA to represent the general public. (Complaint ¶ 68-69, 82.)"
- 18. On December 5, 2024, Jehan Patterson of Covington & Burling LLC responded on behalf of Defendants. Ms. Patterson did not address the lack of standing but asserted that federal jurisdiction exists: "Federal jurisdiction exists over this case in its current form, and if your client wishes to litigate in the D.C. local courts, it needs to abandon claims that give the federal court jurisdiction, which is what our stipulation proposes to do."
- 19. Ms. Patterson also proposed a meeting to discuss NACA's evidentiary bases for naming Yardi Systems, Inc. as a defendant and for certain fact allegations.
- 20. On December 6, 2024, Ms. Donahue responded by email that Plaintiff NACA was willing to facilitate conversation but had hoped to discuss the issue of remand, in order to dispense with the necessity of briefing remand.
- 21. On December 9, 2024, Ms. Patterson informed Plaintiff NACA by email that Defendants were considering Rule 11 sanctions based on NACA's Complaint:

[W]e have concerns about NACA's good faith (or lack thereof) in pleading numerous allegations that RentGrow uses AI and/or ADM and sources information from TransUnion Background Data Solutions. Those concerns are serious enough for us to consider a Rule 11 motion, whether under the Federal Rules or the DC Superior Court's Rules.

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- 22. Ms. Patterson's email again stated that Defendants would not consent to remand unless Plaintiff NACA entered the stipulation drafted by Defendants and sent with Mr. Soukup's December 3 email.
- 23. On December 10, 2024, Ms. Donahue responded, pointing to the documents cited in the Complaint establishing a good-faith basis for the fact allegations pleaded.
- 24. Regarding remand, Ms. Donahue again expressed that, given the lack of federal jurisdiction, Plaintiff NACA should not be required to amend its pleading before Defendants would consent to remand:

We are at a loss as to why the public interest plaintiff must agree to 'abandon the allegations that give rise to federal court jurisdiction' before you will consent to remand—because as set forth in my previous emails, there are no allegations that give rise to federal court jurisdiction.

- 25. Ms. Donahue went on to point out reasons why, for example, the request for attorneys' fees is wholly unrelated to federal question jurisdiction and should not be surrendered as a condition to consent to remand.
- 26. Ms. Donahue offered times to meet and confer on the request for consent for remand and on Defendants' assertion of possible Rule 11 sanctions against the public interest plaintiff.
- 27. The parties met and conferred on December 11, 2024. I participated in that conference. Defendants refused to consent to remand unless Plaintiff NACA stipulated to various conditions.
- 28. The parties met and conferred again on December 12, 2024. I participated in that conference. Defendants again refused to consent to remand unless Plaintiff NACA stipulated to various conditions.

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29. A true and correct copy of the electronic mail correspondence referenced in this Declaration is attached hereto as **Exhibit A**.

Executed this 13th day of December 2024 in Park City, Utah.

Respectfully submitted,

P. Renée Wicklund

**RICHMAN LAW & POLICY** 

535 Mission St.

San Francisco, CA 94105

T: (415) 259-5688

rwicklund@richmanlawpolicy.com

# **EXHIBIT A**



#### Siobhan Donahue <sdonahue@richmanlawgroup.com>

#### Fwd: NACA v. RentGrow

Patterson, Jehan <JPatterson@cov.com>

Tue, Dec 10, 2024 at 9:49 PM

To: Siobhan Donahue <sdonahue@richmanlawpolicy.com>

Cc: "Soukup, Andrew" <asoukup@cov.com>, Kim Richman <krichman@richmanlawpolicy.com>, John Davisson <davisson@epic.org>, "Hletko, Valerie" <VHletko@cov.com>, "McGraw, Alyssa" <AMcGraw@cov.com>, "Grossman, Rachel" <RGrossman@cov.com>

Siobhan,

Thank you. We are available to speak at 4 pm ET tomorrow and I will circulate a Teams invite for that time.

Best,

Jehan

#### **Jehan Patterson**

Covington & Burling LLP
One CityCenter, 850 Tenth Street, NW
Washington, DC 20001-4956
T +1 202 662 5187 | jpatterson@cov.com
www.cov.com

#### COVINGTON

From: Siobhan Donahue <sdonahue@richmanlawpolicy.com>

**Sent:** Tuesday, December 10, 2024 12:38 PM **To:** Patterson, Jehan JPatterson@cov.com>

Cc: Soukup, Andrew <asoukup@cov.com>; Kim Richman <krichman@richmanlawpolicy.com>; John Davisson

<davisson@epic.org>; Hletko, Valerie <VHletko@cov.com>; McGraw, Alyssa <AMcGraw@cov.com>; Grossman, Rachel

<RGrossman@cov.com>

Subject: Re: NACA v. RentGrow

#### [EXTERNAL]

Jehan,

We are troubled by this unfounded threat of Rule 11 sanctions against a public interest plaintiff.

The purported basis of sanctionable conduct is "NACA's good faith (or lack thereof) in pleading numerous allegations that RentGrow uses AI and/or ADM and sources information from TransUnion Background Data Solutions." That contention arises from RentGrow's own documents and representations in federal court, which are properly cited in the Complaint.

The Complaint references RentGrow's contract with the District of Columbia Housing Authority. That contract provides that RentGrow receives data from Credit Bureaus, the definition of which is "Equifax, Experian, TransUnion and other consumer reporting agency vendor (such as LexisNexis)." (Compl. ¶ 24 n.13; see Contract §§ 1.c, 2.b.) The Complaint also references the decision upon summary judgment motion in *McIntyre v. RentGrow, Inc.*, No. 18-cv-12141, 2021 U.S. Dist. LEXIS 157939 (D. Mass. July 16, 2021), which states that RentGrow "obtains information from its third-party vendor, TransUnion Background Data Solutions." *Id.* at \*3. (Compl. ¶ 26 n.17.)

Our concern is that you wish to delve into discussion of merits issues that are appropriate for discovery—including the unspecified allegations you deem "problematic"—when our first order of business is a deadline to remand the action. We are at a loss as to why the public interest plaintiff must agree to "abandon the allegations that give rise to federal court jurisdiction" before you will consent to remand—because as set forth in my previous emails, *there are no allegations that give rise to federal court jurisdiction*. For example, you state that you will not consent to remand unless NACA gives up its request to recover attorney's fees. But—

- > The request for attorneys' fees is permitted by the local statue at issue, the CPPA, see D.C. Code § 28-3905(k)(2) (B), and your request is that we compromise our client's interests;
- > The basis of your clients' removal is federal-question jurisdiction, in which attorneys' fees play no part (and indeed, your Notice of Removal does not mention attorneys' fees);
- > The only possible relevance that attorneys' fees could have to federal jurisdiction would be if your clients had removed on the basis of diversity, which they did not; and
- > Even if your clients had removed on the basis of diversity, D.C. precedent holds that a request for attorneys' fees in a D.C. Code § 28-3905(k)(1)(D) action for injunctive relief may not be aggregated and instead must be apportioned among all beneficiaries of the action, *i.e.*, the general public of the District of Columbia, see, e.g., Animal Legal Defense Fund v. Hormel Foods Corp., 249 F. Supp. 3d 53, 62 (D.D.C. 2017); National Consumers League v. Bimbo Bakeries USA, 46 F. Supp. 3d 64, 73 (D.D.C. 2014); National Consumers League v. General Mills, Inc., 680 F. Supp. 2d 132, 141 (D.D.C. 2010).

We are busy preparing remand papers, with that deadline approaching. If you wish to speak, we can make time **today** at 4:30 pm ET or tomorrow at 4pm ET, and we request that the call begin with whether your clients will consent to remand, before moving to discussion of your suggestion that you are considering Rule 11 sanctions against a public interest plaintiff.

Best,

Siobhan

On Mon, Dec 9, 2024 at 12:00 PM Patterson, Jehan JPatterson@cov.com> wrote:

Siobhan,

We appreciate your desire to focus on your motion to remand, but as we've now stated twice, we have concerns about NACA's good faith (or lack thereof) in pleading numerous allegations that RentGrow uses AI and/or ADM and sources information from TransUnion Background Data Solutions. Those concerns are serious enough for us to consider a Rule 11 motion, whether under the Federal Rules or the DC Superior Court's Rules. We would appreciate a call to determine if motion practice can be avoided on these issues, but please let us know if you still prefer not to have one at this time.

With respect to remand, it is not accurate that RentGrow is "categorically unwilling to consent to remand." As stated in
our emails below, RentGrow is willing to discuss your request for remand, but only if your client is willing to abandon the
allegations that give rise to federal court jurisdiction, which we have laid out in our proposed stipulation. We suggest
discussing this on a call along with the issues noted above, but please let us know if your client is unwilling to do so.

Best,

Jehan

#### Jehan Patterson

Covington & Burling LLP One CityCenter, 850 Tenth Street, NW Washington, DC 20001-4956 T +1 202 662 5187 | jpatterson@cov.com www.cov.com

#### COVINGTON

From: Siobhan Donahue <sdonahue@richmanlawpolicy.com>

**Sent:** Friday, December 6, 2024 12:20 PM **To:** Patterson, Jehan JPatterson@cov.com>

**Cc:** Soukup, Andrew <asoukup@cov.com>; Kim Richman <krichman@richmanlawpolicy.com>; John Davisson <davisson@epic.org>; Hletko, Valerie <VHletko@cov.com>; McGraw, Alyssa <AMcGraw@cov.com>; Grossman,

Rachel < RGrossman@cov.com > Subject: Re: NACA v. RentGrow

#### [EXTERNAL]

Jehan,

Thank you for your response.

We are always happy to facilitate conversation, but your email seems to suggest you are not willing to discuss the need for remand and instead wish to probe evidentiary issues. Is this correct? Our intention in suggesting the call take place now was so we could dispense with the necessity of briefing remand. If in fact your clients are categorically unwilling to consent to remand, then we would prefer to defer the call and focus on briefing the lack of federal jurisdiction.

Best,

Siobhan

On Thu, Dec 5, 2024 at 4:24 PM Patterson, Jehan SPatterson@cov.com wrote:

Thanks, Siobhan. To be clear, our stipulation is not a "bargaining chip." Federal jurisdiction exists over this case in its current form, and if your client wishes to litigate in the D.C. local courts, it needs to abandon claims that give the federal court jurisdiction, which is what our stipulation proposes to do.

Are you free for a call tomorrow, either at 11 am or 2 pm? Among other things, we would like to discuss what basis you have for naming Yardi as a defendant, and the evidentiary basis for your allegations that RentGrow uses AI/ADM systems and sources information from TransUnion Background Data Solutions. We'd like to avoid further motion practice on these issues. Please let us know your availability and we'll circulate a call invite. If not, we can find time next week to discuss.

Best,

Jehan

#### **Jehan Patterson**

Covington & Burling LLP One CityCenter, 850 Tenth Street, NW Washington, DC 20001-4956 T +1 202 662 5187 | jpatterson@cov.com www.cov.com

#### COVINGTON

From: Siobhan Donahue <sdonahue@richmanlawpolicy.com>

Sent: Tuesday, December 3, 2024 5:23 PM To: Soukup, Andrew <asoukup@cov.com>

**Cc:** Kim Richman@richmanlawpolicy.com>; John Davisson <davisson@epic.org>; Hletko, Valerie <VHletko@cov.com>; Patterson, Jehan <JPatterson@cov.com>; McGraw, Alyssa <AMcGraw@cov.com>;

Grossman, Rachel < RGrossman@cov.com >

Subject: Re: NACA v. RentGrow

#### [EXTERNAL]

Andrew, thank you for your response.

We do not think it is proper to condition remand upon removal of allegations that RentGrow deems "problematic" or upon our client foregoing a statutorily provided right to recover attorneys' fees. The ground for remand is the lack of federal jurisdiction, which is not a bargaining chip to narrow the CPPA complaint.

Regarding your new assertions of associational standing, NACA is not bringing this action on behalf of its members. The standing asserted in the Complaint is that provided by the CPPA to represent the general public. (Complaint ¶¶ 68-69, 82.) Presumably, this is why the theory of associational standing does not appear anywhere in your clients' notice of removal. The notice of removal does not mention Article III standing, associational or otherwise, and in fact acknowledges that NACA is asserting only CPPA standing on behalf of DC consumers. A case does not become removable by a defendant's unilaterally changing the allegations.

We are available to speak further on any of these issues. For the time being, if your clients will not consent to remand, we must advise NACA to begin incurring the expense of drafting remand papers.

Best,

Siobhan

On Tue, Dec 3, 2024 at 9:12AM Soukup, Andrew <asoukup@cov.com> wrote:

Counsel,

We write in response to your demand that RentGrow "consent to remand of the action immediately." RentGrow disagrees that removal was improper. As set forth in the Notice of Removal, NACA's complaint invokes alleged violations of the Fair Credit Reporting Act (FCRA) no less than a dozen times, and as such, federal question jurisdiction exists on the face of NACA's complaint.

We also disagree that NACA lacks Article III standing to support federal jurisdiction. Your email points primarily to the recent decision in *NACA v. Gemini Trading Co.* Unlike in that case, we have reason to believe that several of NACA's D.C. members have been screened by RentGrow, and thus NACA accordingly has associational standing under Article III to sue on behalf of those members, who are among the "D.C. consumers" NACA purports to act on behalf of in its lawsuit. Compl. ¶¶ 82, 89. If NACA seeks to remand this case, Defendants will seek a list of NACA's members and will seek either the permission of NACA's members or a court order to disclose to the Court that NACA members were screened by RentGrow to prove that NACA has associational standing.

Notwithstanding the above, we would be willing to meet and confer about the possibility of remand, subject to agreement by NACA to stipulate to withdraw allegations and claims that confirm the absence of federal jurisdiction and correct inaccuracies in NACA's complaint. We would also insist that NACA agree to do the following:

- Remove Yardi as a defendant. NACA's complaint does not allege any basis for its claims against Yardi, and indeed, Yardi has nothing to do with the conduct alleged in NACA's complaint.
- Remove the problematic allegations in NACA's complaint, including those identified in RentGrow's notice of removal, such as that RentGrow uses AI/ADM systems and sources information from TransUnion Background Data Solutions. These allegations are demonstrably false, which NACA would readily know had it made its allegations in god faith as is required.
- Remove any request for attorneys' fees from NACA's complaint.

To facilitate discussion, we have prepared a draft stipulation addressing these issues. We look forward to your response, and are happy to arrange time this week to discuss.

Best,

#### **Andrew Soukup**

Covington & Burling LLP One CityCenter, 850 Tenth Street, NW Washington, DC 20001-4956 T +1 202 662 5066 | asoukup@cov.com www.cov.com

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#### Siobhan Donahue <sdonahue@richmanlawgroup.com>

#### Fwd: NACA v. RentGrow

#### Soukup, Andrew <asoukup@cov.com>

Mon, Nov 25, 2024 at 9:00 AM

To: Siobhan Donahue <sdonahue@richmanlawpolicy.com>, "Hletko, Valerie" <VHletko@cov.com>, "Patterson, Jehan" <JPatterson@cov.com>, "McGraw, Alyssa" <AMcGraw@cov.com>, "Grossman, Rachel" <RGrossman@cov.com> Cc: Kim Richman <krichman@richmanlawpolicy.com>, John Davisson <davisson@epic.org>

Siobhan -

Thank you for your note. We are conferring with our client, and we expect to be in touch with a response to your email after Thanksgiving, although we note that your client's case here is very different from the *Gemini Trading* case. As you know, the call that I have with you later today is on a separate case filed by a separate plaintiff against a separate defendant.

Best,

#### **Andrew Soukup**

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From: Siobhan Donahue <sdonahue@richmanlawpolicy.com>

Sent: Friday, November 22, 2024 4:37 PM

**To:** Hletko, Valerie <VHletko@cov.com>; Patterson, Jehan <JPatterson@cov.com>; McGraw, Alyssa <AMcGraw@cov.com>; Grossman, Rachel <RGrossman@cov.com>; Soukup, Andrew <asoukup@cov.com>

Cc: Kim Richman <a href="mailto:krichman@richmanlawpolicy.com">krichman@richmanlawpolicy.com</a>; John Davisson <a href="mailto:krichman@epic.org">davisson@epic.org</a>>

Subject: Re: NACA v. RentGrow

#### [EXTERNAL]

Counsel,

I wanted to follow-up on this request for your clients' consent to remand. In the interim four days, remand was ordered in *National Association of Consumer Advocates v. Gemini Trading Co., LLC*, No. 24-2356 (JBD), 2024 U.S. Dist. LEXIS 208594 (D.D.C. Nov. 18, 2024)—which is the same plaintiff as this case. Remand was necessary in *Gemini Trading* for lack of Article III jurisdiction, just as it is here. We contend that no reasonable basis for removal existed, especially given that your clients have not even attempted to demonstrate the existence of Article III jurisdiction.

Will your client be consenting to remand? I believe we are due to speak on Monday regarding a separate matter. It will be helpful if we could also discuss the remand question in this case then, so that we know whether we must advise NACA to incur the expense of briefing remand.

Thank you, Siobhan

On Mon, Nov 18, 2024 at 4:36 PM Siobhan Donahue <sdonahue@richmanlawpolicy.com> wrote:

Counsel,

We have no objection to an extension to answer the Complaint.

We do, however, request that you consent to remand of the action immediately, without further troubling the federal court.

We make this request upon the following grounds:

First, NACA's standing to bring this action is statutory, conveyed by D.C. Code § 28-3905(k)(1)(D). Standing under (k)(1)(D) does not require Article III injury. *See Animal Legal Defense Fund v. Hormel Foods Corp.*, 258 A.3d 174, 183 (D.C. 2021). NACA has not claimed to suffer Article III injury on its own behalf. (*E.g.*, Complaint ¶¶ 11, 68-69.) Nor does (k)(1)(D), on its own, confer standing to proceed in federal court. *See Beyond Pesticides v. Dr Pepper Snapple Grp., Inc.*, No. 17-1431, 2019 U.S. Dist. LEXIS 109812, at \*2 (D.D.C. July 1, 2019).

For removal to be proper and this case to proceed in federal court, Defendants must show that NACA has standing under Article III. *See Warth v. Seldin*, 422 U.S. 490, 502 (1975). Defendants have made no attempt to do so. Indeed, Defendants concede that NACA asserts standing "under the DC CPPA as a consumer advocacy organization to represent the interests of D.C. consumers." (Notice of Removal ¶ 5 (citing Complaint ¶¶ 10-11).) The federal court must remand pursuant to 28 U.S.C. § 1447(c).

Second, even if Article III jurisdiction were present, NACA's Complaint contains only a single cause of action under the CPPA and does not raise "substantial" or "novel" questions of federal law giving rise to federal question jurisdiction. Under the well-pleaded complaint rule, "federal jurisdiction exists only when a federal question is presented on the face of the plaintiff's properly pleaded complaint." *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987). No such federal question appears on the face of NACA's Complaint.

The *Grable* exception to this rule, upon which Defendants rely, is "extremely rare" and applies only to a "special and small category of cases." *Empire Healthchoice Assurance, Inc. v. McVeigh*, 547 U.S. 677, 699 (2006). Among other issues, Defendants have not demonstrated that whether their practices run afoul of D.C. consumer protection law is important to the federal system as a whole. *See Gunn v. Minton*, 568 U.S. 251, 260 (2013); *MobilizeGreen, Inc. v. Community Found. for Nat'l Cap. Region*, 101 F. Supp. 3d 36, 45 (D.D.C. 2015).

Federal jurisdiction, therefore, is wholly lacking. Plaintiff NACA, which is a public interest organization pursuant to D.C. Code § 3901(a)(15) and not seeking money damages in this action, should not be put to the cost and burden of drafting remand papers when Defendants have made no attempt to demonstrate the existence of Article III injury. We ask for your consent to remand.

Best,
-------

Siobhan

----- Forwarded message

From: Soukup, Andrew <asoukup@cov.com>

Date: Thu, Nov 14, 2024 at 5:00 PM

Subject: NACA v. RentGrow

To: krichman@richmanlawpolicy.com <krichman@richmanlawpolicy.com>, davisson@epic.org <davisson@epic.org>

CC: Hletko, Valerie <VHletko@cov.com>, Patterson, Jehan <JPatterson@cov.com>, McGraw, Alyssa

<a href="mailto:</a><a href="mailto:AMcGraw@cov.com">AMcGraw@cov.com</a>, Grossman, Rachel < RGrossman@cov.com>

#### Counsel:

We represent RentGrow and Yardi in *NACA v. RentGrow*, which RentGrow removed to the U.S. District Court for the District of Columbia today. Copies of today's filings are attached. We look forward to working with you on this case.

Given the fact that we were recently retained and the upcoming holidays, our clients intend to request a 30-day extension of next week's deadline to respond to the complaint, which would make our clients' responses due December 23. Can you please let us know your client's position on that request?

Best,

#### **Andrew Soukup**

Covington & Burling LLP One CityCenter, 850 Tenth Street, NW Washington, DC 20001-4956 T +1 202 662 5066 | asoukup@cov.com www.cov.com

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#### Siobhan Donahue | Associate

she/her

1 Bridge Street, Ste. 83

Irvington, NY 10533

T: (914) 693-2018

sdonahue@richmanlawpolicy.com

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#### Siobhan Donahue | Associate

she/her

1 Bridge Street, Ste. 83

Irvington, NY 10533

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