

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

**NATIONAL ASSOCIATION OF
CONSUMER ADVOCATES,**

Plaintiff,

v.

RENTGROW, INC., et al.,

Defendants.

Case No. 2024-CAB-006253

Judge Leslie A. Meek

ORDER DENYING DEFENDANT RENTGROW, INC.’S MOTION TO DISMISS

This matter comes before the Court upon, *Defendant Rentgrow, Inc.’s Motion to Dismiss* (“Motion”), filed by Rentgrow, Inc. (Defendant), through counsel, on June 27, 2025. On July 18, 2025, Plaintiff National Association of Consumer Advocates filed an Opposition. *See generally* Pl.’s Memo of Law in Opp’n. to Rentgrow, Inc.’s Mot. to Dismiss (“Opp’n.”). On July 29, 2025, the Defendant filed a Reply. *See generally* Def. Rentgrow, Inc.’s Reply in Support of its Mot. to Dismiss (“Reply”). In the instant Motion, the Defendant requests this Court dismiss the Plaintiff’s Complaint arguing the Plaintiff lacks statutory standing and failed to state a claim pursuant to an applicable District of Columbia (“D.C.”) law. *See generally* Mot.

Relevant Background

On October 1, 2024, the Plaintiff filed a *Complaint* against Defendant RentGrow, Inc. and Defendant Yardi Systems, Inc. alleging that the Defendants collectively violated the D.C. Consumer Protection Procedures Act (“CPPA”), codified as D.C. Code § 28-3901, *et seq.*, when providing tenant screening services in D.C. *See* Compl. ¶¶ 91-92. The Plaintiff states the Defendants had a contractual relationship with the D.C. Housing Authority (“DCHA”) to provide

tenant screening services to landlords in D.C. *See id.* ¶¶ 1, 42. The Plaintiff alleges Defendant RentGrow, Inc. provided inaccurate and biased information when it furnished tenant screening services to landlords, property managers, and housing providers in D.C. *See id.* ¶¶ 20-52.

In the Complaint, the Plaintiff identifies itself as a nonprofit public interest organization that advocates for consumers' interests, with a primary focus on preventing unfair or abusive business practices that harm consumers. *See* Compl. ¶¶ 10-12, 68. The Plaintiff asserts it is bringing the instant litigation on behalf of the general public of D.C. due to Defendant Rentgrow, Inc.'s unfair provision of tenant screening services that causes harm by impacting, "whether D.C. residents receive housing and on what terms." *Id.* ¶¶ 19, 53, 68-69.

In the instant Motion, the Defendant offers three arguments in support of its motion to dismiss. The Defendant argues the Plaintiff lacks statutory standing to bring the instant litigation pursuant to D.C. Code § 28-3905(k)(1)(D). *See* Mot. 8-12. The Defendant argues there is no valid CPPA claim as the CPPA does not apply to the Defendant or its tenant screening services and, as such the Plaintiff fails to allege a CPPA violation of deceptive or unfair trade practices. *See id.* 13-18. The Defendant argues that even if the Court finds the Plaintiff has stated a CPPA claim, that claim is preempted by the Fair Credit Reporting Act's ("FRCA") express preemption provisions codified as 15 U.S.C. §§ 1681h(e) and 1681t. *See id.* 18-20.

In Opposition, the Plaintiff argues it has statutory standing pursuant to D.C. Code § 28-3905(k)(1)(D) as a nonprofit public interest organization bringing suit on behalf of the general public of D.C. *See* Opp'n. 6-11. The Plaintiff argues the CPPA applies to the Defendant as a "merchant" pursuant to D.C. Code § 28-3901(a)(3)(A) as the Defendant's tenant screening services constitute a "consumer transaction" pursuant to the CPPA's definition of "goods and services." *See id.* 11-16. The Plaintiff asserts this Complaint plausibly alleges the Defendant

engaged in unfair or deceptive trade practices pursuant to the CPPA. *See id.* The Plaintiff also argues that the FCRA does not preempt the Plaintiff's CPPA claim, as the FCRA's preemption provisions do not apply to the Plaintiff's statutory consumer protection claims of unfair and deceptive trade practices. *See id.* 18-20.

Legal Standard

When ruling on a motion to dismiss pursuant to Super. Ct. Civ. R. 12(b)(6) that argues the Plaintiff fails to state a claim and that the Plaintiff lacks standing, courts must first address standing as a threshold jurisdictional issue. *See Nides v. DVC Indus.*, 334 A.3d 1134, 1137 (D.C. 2025) (citations omitted). To survive a motion to dismiss for lack of standing, "a complaint must contain sufficient factual matter, accepted as true, to make the elements of standing plausible on its face." *Id.* (citing *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)). "This is a low standard and does not require a likelihood that the plaintiff will ultimately prevail on the merits." *May v. River E. at Grandview*, 322 A.3d 557, 566 (D.C. 2024) (citations omitted).

If the court determines the Plaintiff has standing, the court must then determine whether the claim includes well-pled factual allegations and whether such allegations plausibly entitle the Plaintiff to relief. *See Potomac Dev. Corp. v. District of Columbia*, 28 A.3d 531, 544 (D.C. 2011) (citing *Iqbal*, 556 U.S. at 677-78). Claims have facial plausibility when the Plaintiff pleads facts that, "allows the court to draw the reasonable inference that the Defendant is liable for the misconduct alleged." *Id.* (quoting *Iqbal*, 556 U.S. at 678).

Analysis

In the instant Motion, the Defendant argues that (1) the Plaintiff lacks statutory standing to bring the instant litigation pursuant to D.C. Code § 28-3905(k)(1)(D), (2) there is no valid CPPA

claim, and (3) any CPPA claim is preempted by Sections 1681h(e) and 1681t of the FRCA. *See generally* Mot.

Lack of Standing

In the instant Motion, the Defendant argues the Plaintiff lacks standing pursuant to D.C. Code § 28-3905(k)(1)(D) as the Plaintiff failed to identify a consumer or class of consumers on whose behalf it is suing and as such the Plaintiff lacks a sufficient nexus to the interests of the Defendant's consumers. *See* Mot. 8-12.

When ruling on a motion to dismiss for lack of standing, the Plaintiff must plead a facially plausible claim that allows the court to draw a reasonable inference that the Plaintiff has standing based on the facts pled. *See Nides*, 334 A.3d at 1137. Pursuant to D.C. Code § 28-3905(k)(1)(D)(i), “[a] public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District[.]” Actions brought pursuant to sub-subparagraph (i) shall be dismissed if, “the court determines that the public interest organization does not have a sufficient nexus to the interests involved of the consumer or class to adequately represent those interests.” D.C. Code § 28-3905(k)(1)(D)(ii).

The Court of Appeals holds D.C. Code § 28-3905(k)(1)(D)'s inclusion of public interest organizations conveys, “a clear legislative intent to modify Article III's strictures with a statutory test governing public interest organizations' standing to bring a CPPA claim.” *Animal Legal Def. Fund v. Hormel Foods Corp*, 258 A.3d 174, 179 (D.C. 2021). To satisfy D.C. Code § 28-3905(k)(1)(D), the Plaintiff must, (1) be a public interest organization; (2) identify, “a consumer or class of consumers” that could bring suit in their own right; and (3) must have a, “‘sufficient nexus’ to those consumers’ interests ‘to adequately represent them.’” *Id.*

A public interest organization is defined as a, “nonprofit organization that is organized and operating, in whole or in part, for the purpose of promoting interests or rights of consumers.” D.C. Code § 28-3901(a)(15). To have a sufficient nexus, the organization must, “have a sufficient stake in the action to pursue it with the requisite zeal and concreteness.” *Animal Legal Def. Fund*, 258 A.3d at 187 (citation omitted).

The Plaintiff’s Complaint pleads that the Plaintiff is a nonprofit public interest organization that advocates for consumers harmed by unfair or abusive business practices. *See* Compl. ¶ 10. Thus, the Court finds that the Plaintiff is a public interest organization organized for the purpose of promoting consumers’ rights and interests pursuant to D.C. Code § 28-3901(a)(15).

The Plaintiff’s Complaint asserts the Plaintiff is a nonprofit, public interest organization bringing claims, “[o]n behalf of the general public of D.C. consumers, including consumers who are subject to the [tenant screening services].” *Id.* ¶ 19. The Plaintiff argues that D.C. landlords and housing providers relying on the Defendant’s allegedly false, inaccurate, and incomplete screening services and reports directly impacts whether and how D.C. residents receive housing. *See id.* ¶¶ 53-60. The Court finds that the general public of D.C. consumers, including those who are impacted by the Defendant’s tenant screening services, is an identifiable class of consumers who would be capable of bringing suit in their own right.

The Plaintiff’s Complaint states the Plaintiff has a long history of consumer advocacy efforts focused on protecting consumers from the, “improper use and dissemination of inaccurate consumer reports.” Compl. ¶ 11. The Plaintiff also states that its consumer advocacy efforts are federally focused and D.C.-focused, as D.C. is the Plaintiff’s principal place of business. *See id.* ¶¶ 9-10. Thus, Court finds the Plaintiff has demonstrated a sufficient nexus between its consumer advocacy efforts and the interests of the identified class of consumers.

As the Plaintiff has pled facially plausible claims that allow this Court to conclude the Plaintiff is a public interest organization, the Plaintiff identified a class of consumers capable of bringing suit in their own right, and as the Plaintiff has established a sufficient nexus to the identified class of consumers, the Court finds the Plaintiff has standing.

Failure to State a CPPA Claim

In the instant Motion, the Defendant argues the CPPA does not apply to the Defendant or its tenant screening services and that the Plaintiff failed to assert specific, non-generalized deceptive or unfair business practices committed by the Defendant. *See* Mot. 6-8, 13-18.

In the instant Motion, the Defendant argues that the CPPA does not apply to itself or its services as it is not a “merchant” pursuant to the CPPA, and its screening services are not a “consumer transaction” as it is not supplying its tenant screening services directly to consumers. *See id.* 6-8. In the Plaintiff’s Complaint and Opposition, the Plaintiff asserts the Defendant and its screening services are subject to the CPPA as the Defendant is a merchant that provides a good or service, the Defendant’s tenant screening services, to D.C. housing providers and landlords to inform housing and tenancy eligibility decisions. *See* Compl. ¶ 1, 23; Opp’n. 4-5.

The CPPA defines “merchant” as, “a person, whether organized or operating for profit or for a nonprofit purpose, who in the ordinary course of business does or would sell, lease, or transfer, either directly or indirectly, consumer goods or services[.] D.C. Code § 28-3901(a)(3)(A). A merchant must be connected with the “supply side of a consumer transaction.” *May*, 322 A.3d at 569 (citations omitted). Pursuant to D.C. Code § 28-3901(a)(7), goods and services means, “[a]ny and all parts of the economic output of society” including real estate transactions.

The Court finds that the Defendant misinterprets the CPPA’s definition of “merchant” and “goods and services” as it relates to consumer transactions, as the CPPA does not require the

Defendant to only sell or supply a good or service directly to consumers. Instead, the CPPA requires merchants to supply, “either directly or indirectly,” a good or service that is part of the “economic output of society,” including real estate transactions. D.C. Code § 28-3901(a)(3)(a); D.C. Code § 28-3901(3)(7); *May*, 322 A.3d at 569. The Plaintiff’s Complaint makes well-pled factual assertions demonstrating the Defendant is a merchant that supplies a good or service, the Defendant’s tenant screening services, to D.C. housing providers and landlords for real estate transaction purposes. Accordingly, the Court finds the Plaintiff asserts factual allegations supporting its claims that the Defendant and its services are subject to the CPPA.

In the instant Motion, the Defendant argues the Plaintiff’s allegations that the Defendant misrepresents the accuracy and quality of its services fail to allege specific, non-generalized deceptive or unfair business practices. *See* Mot. 13. In the Plaintiff’s Complaint, the Plaintiff alleged that the Defendant’s public and contractual statements violate various provisions of D.C. Code Section § 28-3904 by misrepresenting material facts with a tendency to mislead D.C. housing providers and landlords as to the quality and accuracy of the Defendant’s tenant screening services. *See* Compl. ¶¶ 45, 58, 95.

To determine whether a claim survives a motion to dismiss, the court must examine whether the claim includes well-pled factual allegations and whether such allegations plausibly entitle the Plaintiff to relief. *See Potomac Dev. Corp*, 28 A.3d at 544 (citing *Iqbal*, 556 U.S. at 677-78). To state a misrepresentation claim under the CPPA, “one need only plausibly allege that the ‘merchant ‘misrepresented’ or ‘failed to state’ a material fact related to its good or services’” that has a tendency to mislead consumers. *Frankeny v. District Hosp. Partners, LP*, 225 A.3d 999, 1005 (D.C. 2020) (citation omitted); D.C. § 28-3904(e)-(f). However, the question of whether a trade practice, including merchants’ statements, is misleading or deceptive is a,

“[q]uestion[] of proof that cannot be settled at the motion to dismiss stage” as it is generally a question of fact for the jury. *Earth Island Inst. v. Coca-Cola Co.*, 321 A.3d 654, 665-667 (citations omitted).

Here, the Plaintiff’s allegations that the Defendant’s statements are misleading is a question of fact for the jury as it concerns reasonable consumers’ interpretations of the Defendant’s statements regarding its services. As the Court finds the Plaintiff plausibly alleged that the Defendant misrepresented material facts relating to the quality and accuracy of its tenant screening services, the Court finds the Plaintiff has alleged claims for relief pursuant to the CPPA.

Federal Preemption

In the instant Motion, the Defendant argues the Plaintiff’s allegations of unfair and deceptive practices pursuant to the CPPA are negligence claims preempted by 15 U.S.C. § 1681h(e). *See* Mot. 18-19. Pursuant to 15 U.S.C. § 1681h(e), “[n]o consumer may bring any action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information . . . except as to false information furnished with malice or willful intent to injure such consumer[.]” To successfully plead a negligence claim, the Plaintiff must show, (1) the Defendant owed the Plaintiff a duty of care, (2) the Defendant breached that duty of care, and (3) the breach of duty proximately caused the Plaintiff’s damage. *See May*, 233 A.3d 575 (citations omitted).

The Plaintiff’s Complaint makes no reference to negligence or the required showings to successfully plead a negligence claim. *See generally* Compl. As the Court finds that the Plaintiff did not make allegations, “in the nature of defamation, invasion of privacy, or negligence,” the Court finds that the Plaintiff’s CPPA claims are not preempted pursuant to 15 U.S.C. § 1681h(e).

In the instant Motion, the Defendant also argues that the Plaintiff's allegations regarding the harm caused by the Defendant's inaccurate tenant screening services and reports are preempted by 15 U.S.C. § 1681t. *See id.* 20. Pursuant to 15 U.S.C. § 1681t(b)(1)(B), federal law preempts state laws that regulate the time by which action must be taken in, "any procedure related to the disputed accuracy of information in a consumer's file."

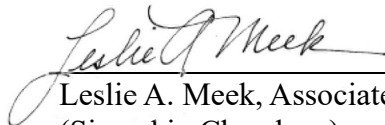
The Plaintiff's allegations are brought pursuant to the CPPA, which does not regulate the time by which merchant actions must be taken. Thus, the Court finds that the Plaintiff's allegations are not preempted by 15 U.S.C. § 1681t(b)(1)(B).

Ultimately, the Court finds that the Plaintiff has asserted well-pled factual allegations that plausibly demonstrate the Plaintiff has standing and that the Plaintiff is entitled to relief pursuant to the CPPA. Accordingly, the instant Motion is denied.

Wherefore, it is this 21st day of November 2025 hereby:

ORDERED that Defendant Rentgrow, Inc.'s Motion to Dismiss is **DENIED**.

SO ORDERED.



Leslie A. Meek, Associate Judge
(Signed in Chambers)

Copies served to all Counsel of Record via *Odyssey*.