

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

GERRELL MARTIN and CURTIS SAMPSON,

Plaintiffs,

vs.

LEVYLAWS, LLC and BART E. LEVY,

Defendants.

CIVIL ACTION

No.:

COMPLAINT

PRELIMINARY STATEMENT

1. This is an action brought under the federal Fair Debt Collection Practices Act against a collection lawyer who engaged in abusive debt collection practices perpetrated against low-income tenants. The lawyer used false, deceptive, and misleading statements for the purpose of collecting rent which he knew was not legally due and evicting tenants when he knew he was not legally entitled to do so.

2. More than 24,000 Philadelphians are sued each year in Philadelphia's Landlord-Tenant Court. They are often poor, unrepresented, and uninformed about their rights under state and local law. While 81 percent of landlords have lawyers, most tenants—over 90 percent—do not. That these tenants regularly proceed without counsel creates a dramatic power imbalance in Landlord-Tenant Court and in the Philadelphia rental market.

3. This action illustrates how collection lawyers exploit this power imbalance. In order to promote public safety and ensure that families have safe and healthy housing, Philadelphia City Council has enacted strict requirements governing the leasing of rental properties and the collection of rent. To collect rent under local law, a landlord must be licensed,

and must provide each tenant with a Certificate of Rental Suitability, an attestation as to the suitability of the unit, and a Partners for Good Housing Handbook. *See* Phila. Code §§ 9-3902(1)(a), 3903(1)(a). The failure to comply with these laws precludes an owner from “the right to recover possession of the premises or to collect rent during or for the period of noncompliance.” *Id.* at §3901(4)(e).

4. These requirements advance important public purposes by requiring landlords to affirmatively verify that a rental property is fit, habitable, and has no outstanding housing code violations, and by requiring that landlords provide a Partners for Good Housing Handbook, which is intended to alert tenants to their legal right to safe, healthy housing.

5. Despite these requirements, scores of landlords collect rent without complying with them, and aided by their collection lawyers, sue tenants for unpaid rent and possession of property when the law forbids them from doing so, all the while making knowing misstatements about the conditions of substandard properties in which tenants reside.

6. In this case, which is emblematic of widespread abusive collection practices, defendants LevyLaw, LLC and Bart E. Levy filed an eviction lawsuit against the plaintiffs—low-income parents of six children, including a two-year old born with cerebral palsy, who receives sixteen hours of in-home nursing care per day—when it was indisputably clear that no rent was legally due and the landlord was not legally entitled to possession of the rental premises.

7. That eviction complaint was replete with knowing misstatements, including assertions that the property was fit when in fact it was duly designated “unfit for human occupancy” by the Philadelphia Department of Licenses & Inspections, and that back rent was

owed when, as a matter of law, it was not. And, like scores of other eviction lawsuits filed by collection lawyers in Landlord-Tenant Court, those misstatements violated federal law.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this matter under 15 U.S.C. § 1692k and 28 U.S.C. §§ 1331 and 1337.

9. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b), in that a substantial part of the events giving rise to the claims occurred in this district.

PARTIES

10. Plaintiff Gerrell Martin is a Pennsylvania consumer, currently residing at 1916 Clarence Street, Philadelphia, PA 19134.

11. Plaintiff Curtis Sampson is a Pennsylvania consumer, currently residing at 1916 Clarence Street, Philadelphia, PA 19134.

12. Defendant LevyLaw, LLC is a Pennsylvania corporation, registered at 1515 Market Street, Suite 805, Philadelphia, PA 19102.

13. Defendant Bart E. Levy is, upon information and belief, a licensed Pennsylvania attorney, and the principal shareholder of Defendant LevyLaw, LLC. Upon information and belief, he conducts his practice at 1515 Market Street, Suite 805, Philadelphia, PA 19102.

FACTS

14. In October 2013, Ms. Martin signed a lease to rent a home at 1916 Clarence Street (“the Property”), Philadelphia, PA 19134.

15. Section § 9-3902 of the Philadelphia Code requires that all rental properties be licensed, and states that “[n]o person shall collect rent . . . unless a valid rental license has been issued for the property.” Phila. Code § 9-3902(1)(a).

16. The owner of the Property had no Philadelphia rental license in October 2013.

17. The Code further requires that a landlord “shall, at the inception of each tenancy, provide to the tenant a Certificate of Rental Suitability that was issued by the Department [of Licenses and Inspections] no more than sixty days prior to the inception of the tenancy. The owner shall at the same time provide the tenant a copy of the owner’s attestation to the suitability of the dwelling unit as received by the Department pursuant to § 9-3903(2)(b)(iii), and a copy of the ‘City of Philadelphia Partners for Good Housing Handbook.’” *Id.* at § 9-3903(1)(a).

18. The Code requires that the Philadelphia Department of Licenses and Inspections (“L&I”) issue a Certificate of Rental Suitability only after determining that, among other things, a property has no outstanding notices of code violations issued by L&I, and that the owner of the home “acknowledges the obligation to provide a fit and habitable property.” *Id.* at § 9-3903(2)(b)(ii)-(iii).

19. The owner did not provide Ms. Martin with a Certificate of Rental Suitability or Partners for Good Housing Handbook when she moved in to the Property, nor any time thereafter.

20. The failure to comply with either the License or Certificate provisions of the Code prohibits a landlord from “collecting rent during or for the period of noncompliance.” *Id.* at § 9-3901(4)(e).

21. On February 27, 2014, L&I issued a violation for a series of problems at the Property, including for two violations of the fire code, and for five violations of the property maintenance code, including issues with the roof, windows, electrical outlets and drainage in the bathroom.

22. L&I would issue five different sets of violations at the Property over the next three years, for problems including a leaking roof, faulty electrical outlets, and a heating system that failed to operate for months at a time.

23. That heating system failed around February 2016, and Ms. Martin and Mr. Sampson began heating the house with a series of space heaters.

24. On April 21, 2016, the Property was purchased by Argentina Perez Irineo (“the Landlord”).

25. During his first visit to the Property, the Landlord’s property manager promised that the Property’s various deficiencies, such as the inoperative heater, would be repaired.

26. Upon these promises, Ms. Martin and Mr. Sampson signed a new year-long lease for the Property, beginning on June 1, 2016.

27. The Property remained unlicensed, and without a Certificate of Rental Suitability.

28. Beginning in June 2016, and continuing regularly thereafter, Ms. Martin and Mr. Sampson complained to the property manager and the Landlord that the Property still needed significant repairs, including to the inoperable heater, leaking ceiling, faulty outlets, and faulty sink.

29. By September 2016, without working central heat and with cold weather approaching, Ms. Martin and Mr. Sampson feared that the nurses who came to care for their child would note the lack of heat and other property conditions, and as mandated reporters, would alert the Department of Human Services, sending her family into the Philadelphia child welfare system.

30. Ms. Martin informed the Landlord that she would be calling L&I, and would withhold rent until the problems were repaired.

31. As provided for by the law, Ms. Martin and Mr. Sampson withheld September's rent, and rent for the months thereafter.

32. On October 1, 2016, the Landlord registered a property license for the Property.

33. On October 14, 2016, Ms. Martin filed an administrative action against the Landlord with the Philadelphia Fair Housing Commission, alleging, among other things, the Landlord's failure to comply with the Philadelphia Code, and her fear that the Landlord would retaliate against her for her reporting violations to L&I and withholding rent.

34. On October 17, 2016, with multiple violations outstanding, including the lack of a working heater, L&I deemed the Property "unfit for human occupancy." *See* Ex. A at 2.

The Eviction Process Begins

35. Upon information and belief, in early November 2016, the Landlord engaged with LevyLaw, LLC and Bart E. Levy ("the Levy Defendants"), to file an eviction action against Ms. Martin and Mr. Sampson.

36. On November 7, 2016, the Levy Defendants sent Ms. Martin and Mr. Sampson a lease termination notice, stating:

Please be advised that I represent the owner of the premises in which you currently reside. Your right to possession under the lease is in jeopardy due breaches in your lease. Your Landlord has decided to file suit in Landlord/Tenant court in the amount of your arrearage totaling in:

\$2,900 amount includes unpaid rent, late fees, legal fees, and any other expenses you are responsible for per your lease. Pursuant to the above, you must vacate the premises and deliver possession to the owner twenty (20) days from the date of this letter.

Ex. B (emphasis in original).

37. In fact, there was no "arrearage." No rent, late fees, or legal fees were owed, because the Landlord continued to fail to comply with the Philadelphia Code.

38. Moreover, with no money owed, and with no Certificate, the Landlord was also prohibited from taking possession of the Property.

39. On November 8, 2016, the Levy Defendants, on behalf of the Landlord, filed an eviction lawsuit against Ms. Martin and Mr. Sampson. *See* Ex. C.

40. The eviction suit was filed two months after Ms. Martin and Mr. Sampson informed the Landlord that they would be withholding rent, and twenty-five days after Ms. Martin filed a complaint with the Fair Housing Commission.

41. The eviction complaint averred that the Landlord was “unaware of any open notice issued by the Department of Licenses and Inspections alleging that the property at issue is in violation of one or more provisions of the Philadelphia Code.” Ex. C at ¶ IV.

42. In fact, the Landlord was sent notice of various violations at the Property, including the lack of a working heater. *See, e.g.*, Ex. D.

43. The eviction complaint averred that “the subject premises [was] fit for its intended purpose.” Ex. C at ¶ IV.

44. In fact, L&I deemed the Property “unfit for human occupancy.” *See* Ex. A at 2.

45. The eviction complaint demanded \$750 in back rent, and \$50 in late fees, for rent for the month of September 2016. Ex. C at ¶ VII.

46. In fact, the rental license attached to the eviction complaint, *see* Ex. E, demonstrates that the Property was unlicensed during the month of September 2016, legally precluding rent from being owed for that month.

47. The eviction complaint demanded \$750 in back rent and \$50 in late fees, for each of September, October, and November 2016. Ex. C at ¶ VII.

48. In fact, the failure to provide a Certificate of Rental Suitability meant no rent was owed for any of those months.

49. The eviction complaint demanded possession of the Property. Ex. C at ¶ VII.

50. In fact, the failure to provide a Certificate of Rental Suitability prohibited the Landlord from being granted possession.

51. The Complaint demanded a judgment for attorney fees of \$500, and court costs of \$122.50. Ex. C at ¶ VII.

52. In fact, Ms. Martin and Mr. Sampson did not owe any rent as a matter of law, were not in any breach of the lease, and thus could owe no attorney fees or court costs.

53. Ms. Martin and Mr. Sampson, unlike the vast majority of low-income renters facing eviction, were able to secure legal representation for the Fair Housing Commission and eviction actions.

54. On January 25, 2017, the Philadelphia Fair Housing Commission issued a final order that no rent was owed to the Landlord as a matter of law, because the Landlord failed to comply with various provisions of the Philadelphia Code, including the failure to secure a Certificate of Rental Suitability.

55. The Landlord did not appeal that order within thirty days, making the Commission's determination final and unappealable.

56. The Landlord and the Levy Defendants did not withdraw the eviction complaint upon the issuance of the January 25, 2017 Order.

57. The Landlord and the Levy Defendants took no action until March 2, 2017. On that day, faced with a trial on the eviction, Levy withdrew the lawsuit.

58. As of the filing of this case, Ms. Martin and/or her counsel had to appear three times in Landlord Tenant Court, and twice before the Fair Housing Commission, in order to have the eviction suit dismissed.

COUNT I: FAIR DEBT COLLECTION PRACTICES ACT

59. Plaintiffs incorporate paragraphs one through fifty-eight as if written fully herein.

60. The Levy Defendants regularly attempt to collect consumer debts alleged to be due to another, and are debt collectors as that term is defined in the Fair Debt Collection Practices Act (“FDCPA”). *See* 15 U.S.C. § 1692a(6).

61. The money sought by the Levy Defendants is a debt under the FDCPA. *See* 15 U.S.C. § 1692a(5).

62. The statements related to the alleged debt, in both the notice to vacate and the eviction complaint, were communications under the FDCPA. *See id.* at § 1692a(2).

63. The acts described above by the Levy Defendants were false, deceptive, misleading representations, in connection with a debt. *See id.* at § 1692e, e(10).

64. The acts described above by the Levy Defendants were false representations of “the character, amount, or legal status” of an alleged debt. *Id.* at § 1692e(2)(A).

65. The acts described above by the Levy Defendants caused Ms. Martin and Mr. Sampson—faced with the potential loss of their home—to lose sleep, and to feel intense stress, worry, frustration, anguish, and fear.

66. Ms. Martin was forced to miss work to appear in Court and to engage a lawyer, incurring additional monetary damages.

67. The Levy Defendants are liable to Ms. Martin and Mr. Sampson for actual damages, statutory damages, and costs and attorney fees.

JURY DEMAND

68. Ms. Martin and Mr. Sampson demand a trial by jury on their claims.

RELIEF REQUESTED

WHEREFORE, Ms. Martin and Mr. Sampson respectfully request that judgment be entered against defendants LevyLaw, LLC and Bart E. Levy for the following:

- A. Actual damages;
- B. Statutory damages pursuant to 15 U.S.C. § 1692k;
- C. Costs and reasonable attorney fees pursuant to 15 U.S.C. §§ 1692k, 1692e, e(2), and e(10); and
- D. For other such relief as the Court may deem just and proper.

Respectfully submitted,

Dated: March 15, 2017

/s/ Daniel Urevick-Ackelsberg
Daniel Urevick-Ackelsberg, Esq.

Daniel Urevick-Ackelsberg, Esq.
(Bar No. 307758)
Mary M. McKenzie, Esq. (Bar No. 47434)
PUBLIC INTEREST LAW CENTER
1709 Benjamin Franklin Parkway
2nd Floor
Philadelphia, PA 19103
(215) 627-7100
dackelsberg@pubintl.org