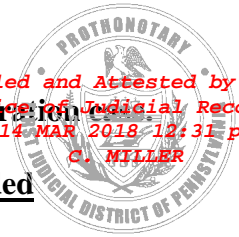




This is not an arbitration.

Jury Trial Demanded

Filed and Attested by the
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14 MAR 2018 12:31 pm
C. MILLER



KENISHA MATHIS
2219 W. Lehigh Avenue
Philadelphia, PA 19132

Plaintiff,

v.

ABC CAPITAL INVESTMENTS, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

and

JEFF AND JANICE LLC
1218 N. Marshall Street
Philadelphia, PA 19122

and

GUY EL GUY INVESTMENTS LLC
305 N. 3rd Street
Philadelphia, PA 19106
Defendants.

COURT OF COMMON PLEAS

PHILADELPHIA COUNTY

CIVIL DIVISION

MARCH TERM, 2018

NO.

NOTICE TO DEFEND

NOTICE TO DEFEND

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Philadelphia Bar Association
Lawyer Referral and Information Service
1101 Market Street, 11th Floor
Philadelphia, Pennsylvania 19107-2911
Telephone: (215) 238-6333

AVISO

Lo(a) han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las páginas siguientes, usted tiene veinte (20) días de plazo al partir de la fecha de la demanda y la notificación. Hace falta asentar una comparecencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomará medidas y puede continuar la demanda en contra suya sin previo aviso o notificación. Además, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATAMENTE. SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFICIENTE DE PAGAR TAL SERVICIO, VAYA EN PERSONA O LLAME POR TELÉFONO A LA OFICINA CUYA DIRECCIÓN SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

Asociación de Licenciados de Filadelfia
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Philadelphia, Pennsylvania 19107-2911
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COMPLAINT—CIVIL ACTION
INTRODUCTORY STATEMENT

1. Throughout Philadelphia, many landlords and their agents fail to make necessary repairs to properties located in low-income neighborhoods and instead force families to live in squalid, unsafe housing conditions.

2. Chief among these neglectful actors are large turnkey investment and property management companies. These companies entice investor-landlords into purchasing homes in low-income neighborhoods by guaranteeing high returns and passive income on investment through guaranteed rent and minimal maintenance costs. *See, e.g., Hands Off Rental Property, ABC Cap. Inv., <http://www.abccapitalinvestments.com/>* (last visited Feb. 23, 2018).

3. This “free lunch” of low-risk investments with high rewards is actually paid for by the low-income tenants residing in these properties, who pay rents for substandard properties, and face eviction when they demand that necessary repairs be made.

4. This deceptive and illegal behavior continues unchecked because of the gross power imbalance between tenants and landlords in Philadelphia, as landlords know that they are unlikely to be held accountable for their misdeeds by the poor families to whom they rent.

5. Kenisha Mathis, a medical assistant and single mother of three, lived this phenomenon.

6. Ms. Mathis rented a property that unbeknownst to her did not comply with Philadelphia law, and which had serious habitability issues. When Ms. Mathis implored her landlord to repair her home, she received an eviction notice in return.

7. Ms. Mathis now brings suit, under Pennsylvania and Philadelphia law, to recover damages exceeding \$50,000 for, among other things, past rent paid, out-of-pocket expenses,

consequential damages, restitution damages, punitive damages, interest, attorney's fees, and costs.

PARTIES

8. Plaintiff Kenisha Mathis is a low-income Philadelphia resident who currently lives at 2219 West Lehigh Avenue, Philadelphia, PA 19132.

9. Ms. Mathis is a single mother of three children and works as a medical assistant at a Drexel University outpatient clinic in Philadelphia.

10. Defendant Jeff and Janice LLC ("Jeff and Janice") is a limited liability company incorporated in the Commonwealth of Pennsylvania, whose registered address is 1218 North Marshall Street, Philadelphia, PA 19122.

11. Jeff and Janice is the current owner of record for the residential property located at 3825 North 7th Street, Philadelphia, PA 19140 ("the Property"), having purchased the Property on June 29, 2016.

12. Defendant Guy El Guy Investments LLC ("Guy El Guy") is a limited liability company incorporated in the Commonwealth of Pennsylvania, whose registered address is 305 North 3rd Street, Philadelphia, PA 19106.

13. Guy El Guy was the owner of record for the Property from August 8, 2013 until June 29, 2016.

14. Defendant ABC Capital Investments LLC ("ABC Capital") is a limited liability company incorporated in the Commonwealth of Pennsylvania, whose registered address is 1218 North Marshall Street, Philadelphia, PA 19122.

15. At all relevant times, ABC Capital worked on behalf of Guy El Guy or Jeff and Janice as the property manager for the Property.

FACTS

Ms. Mathis Moves into the Property

16. On October 10, 2015, Ms. Mathis, along with her then-boyfriend Bryan Coleman, entered into a lease with Guy El Guy to rent the Property. *See* Lease, Ex. A.

17. The lease was signed at ABC Capital's office at 1218 North Marshall Street, Philadelphia, PA 19122.

18. Peter Brooks, the office manager for ABC Capital, signed the lease on behalf of Guy El Guy.

19. In addition to Ms. Mathis and Mr. Coleman, the lease listed Ms. Mathis's daughter "N.J. Age 7" and yet-to-be born son "Z.C." as additional residents of the Property.

20. Ms. Mathis was visibly pregnant at the time of the lease signing.

21. Ms. Mathis told Mr. Brooks that Z.C. would live at the Property after his birth.

22. Because he was still in the womb, Z.C.'s name was written on the lease without an age next to his name.

23. At the time of the lease signing, therefore, ABC Capital and Guy El Guy were aware that a child aged six or under would soon live at the Property.

24. After his birth on December 2, 2015, Z.C. lived in the Property for all relevant times.

25. The Property was constructed before 1978.

26. ABC Capital and Guy El Guy never provided Ms. Mathis with a lead safe or lead free certificate at lease signing or at any subsequent time during the tenancy as required by the Philadelphia Lead Ordinance.

27. After purchasing the Property, Jeff and Janice never provided Ms. Mathis with the required lead safe or lead free certificate at any time during her tenancy.

28. ABC Capital, Guy El Guy, and Jeff and Janice never provided the Philadelphia Department of Public Health with a lead safe or lead free certificate for the Property at any time during Ms. Mathis's tenancy as required by the Philadelphia Lead Ordinance.

29. Z.C. later underwent a blood test which found that he had lead in his blood stream.

30. Lead poisoning can cause irreversible damage, including lifelong learning and behavioral problems, yet thousands of Philadelphia children are poisoned year after year. *See* Barbara Laker et al., *Philly's Shame: City Ignores Thousands of Poisoned Kids*, Phila. Inquirer, Oct. 30, 2016, http://www.philly.com/philly/news/Philadelphia_ignores_thousands_of_kids_poisoned_by_lead_paint.html.

31. The lease also contained a clause which stated that "[t]enant agrees that if rent payments are not current, no maintenance requests will be serviced unless otherwise stated by management." Ex. A. at 1.

32. The lease further stated that "[t]enant agrees that if any repairs to be made by Landlord are delayed by reasons beyond Landlords [sic] control, there shall be no effect on the obligations of Tenant under this Lease." *Id.* at 4.

33. Ms. Mathis and Mr. Coleman paid a total of \$2,550, representing first month's rent and two months' security deposit at the lease signing.

34. Ms. Mathis and Mr. Coleman moved into the Property in late October 2015.

ABC Capital Ignores Repeated Repair Requests

35. In early 2016, after the lights on the second floor began malfunctioning, Ms. Mathis first contacted ABC Capital about repairs.
36. An electrician who came out to check the problem stated that the rooms needed to be rewired, but that he could not do the work at that time.
37. No electrician ever came out during Ms. Mathis's tenancy to address the electrical wiring issues.
38. In November 2016, Ms. Mathis first made a maintenance request on ABC Capital's online system. She requested repairs for the aforementioned electrical problem, a cabinet falling off the wall in her kitchen, the front doorknob and locks, and water that was beginning to leak into the kitchen through the seam between the back wall and the ceiling.
39. ABC Capital did not immediately send anyone out to address these repairs.
40. Ms. Mathis tried calling ABC Capital about the necessary repairs numerous times over the next five months.
41. Meanwhile, the leak in the kitchen deteriorated to the point that the entire seam above the back doorframe had come apart and part of the kitchen ceiling had collapsed. *See* Photographs, Ex. B.
42. Ms. Mathis continued to call and make online repair requests for months, but ABC Capital failed to send anyone out to make the remaining repairs to the Property.
43. Mr. Coleman went to ABC Capital's office pleading for repairs.
44. Ms. Mathis followed up with a letter to ABC Capital on August 31, 2017, again detailing the maintenance issues with the Property. *See* Letter, Ex. C.

45. ABC Capital did not send maintenance people out to make repairs at the Property in response to the August 31, 2017 letter.

46. On September 12, 2017, the Philadelphia Department of Licenses and Inspections (“L&I”) cited Jeff and Janice for eight violations at the Property, including a water-damaged ceiling and back wall, front steps that were breaking and falling apart, a rear window frame in severe disrepair, a front door that “was not weather tight so you could see outside around frame and doorknob,” a rear door that would not lock, a bedroom door that was not attached to the frame, no working carbon monoxide and smoke detectors on each level, and electrical hazards in the bathroom. *See* L&I Violations, Ex. D.

ABC Capital and Jeff and Janice Begin Eviction Action

47. Instead of making repairs, ABC Capital, on behalf of Jeff and Janice LLC, brought an eviction suit against Ms. Mathis on September 27, 2017.

48. The eviction case against her was eventually withdrawn.

49. Ms. Mathis moved out of the Property in November 2017.

50. During her tenancy, Ms. Mathis paid a total of \$19,945.01 in rent, purported late fees, and water bills to ABC Capital, Guy El Guy, and Jeff and Janice.

51. Upon information and belief, ABC Capital collected property management fees from Guy El Guy and Jeff and Janice for the entire duration of Ms. Mathis’s tenancy.

52. After moving out, Ms. Mathis sent a letter to Jeff and Janice through certified mail, return receipt requested, asking for the return of her \$1,700 security deposit.

53. Peter Brooks of ABC Capital signed to confirm receipt of this letter on November 16, 2017.

54. Neither Jeff and Janice nor ABC Capital has returned Ms. Mathis's security deposit, nor have they provided an explanation as to why the security deposit was not returned.

**COUNT I: UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW
(Kenisha Mathis v. ABC Capital Investments LLC, Jeff and Janice LLC, and Guy El Guy
Investments LLC)**

55. Ms. Mathis incorporates paragraphs 1 through 54 by reference.

56. The Pennsylvania Unfair Trade Practices and Consumer Protection Law (“UTPCPL”) prohibits, among other things, “[p]assing off goods or services as those of another,” “[r]epresenting that goods or services have . . . characteristics, . . . uses, [and] benefits . . . that they do not have,” “[r]epresenting that . . . a person has a[n] . . . approval [or] status . . . that he does not have,” and “[e]ngaging in . . . fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.” 73 P.S. § 201-2(4).

57. The UTPCPL applies to residential leases and lease transactions.

58. ABC Capital, Jeff and Janice, and Guy El Guy violated the above provisions by, among other things:

- a. demanding rent that was not due under Philadelphia law;
- b. having Ms. Mathis sign a lease with illegal terms;
- c. promising Ms. Mathis that they would make repairs and then failing to make those repairs;
- d. continually and systematically breaching the implied warranty of habitability by failing to make repairs to the Property; and

59. Ms. Mathis reasonably relied on the implied and actual representations of ABC Capital, Guy El Guy, and Jeff and Janice.

60. As a result of the misrepresentations and deceptive conduct of ABC Capital, Guy El Guy, and Jeff and Janice, Ms. Mathis suffered ascertainable losses, including rent paid, lost wages, and out-of-pocket expenses.

61. The UTPCPL's private right of action provision provides for trebled damages and reasonable attorney's fees and costs. 73 P.S. § 201-9.2(a).

WHEREFORE, Ms. Mathis demands judgment in her favor against ABC Capital Investments LLC, Jeff and Janice LLC, and Guy El Guy Investments LLC, including an award of three times her damages, reasonable attorney's fees and costs, and other such relief as the Court deems appropriate.

**COUNT II: VIOLATION OF PHILADELPHIA CODE § 6-803
(Kenisha Mathis v. Jeff and Janice LLC and Guy El Guy Investments LLC)**

62. Ms. Mathis incorporates paragraphs 1 through 61 by reference.

63. Recognizing the profound public health impact of lead poisoning in children throughout Philadelphia, City Council enacted the Lead Paint Disclosure and Certification Law.

64. For all rental properties built before 1978, where a child six years of age or under resides or will reside, Philadelphia Code § 6-803(3)(a) requires landlords to provide tenants and the Philadelphia Department of Public Health with a valid certification prepared by a certified lead inspector that the rental unit is lead free or lead safe.

65. Failure to comply with § 6-803(3) prohibits a landlord from collecting rent "during or for the period of noncompliance," *id.* § 6-809(4), and entitles the tenant "to bring an action in a court of competent jurisdiction" to seek, among other things, a refund of rent paid "for any period in which the lessee occupies the property without a certification having been provided," exemplary damages up to \$2,000, and attorney's fees and costs, *id.* § 6-809(3).

66. From December 2, 2015, to the end of Ms. Mathis's tenancy, a child aged six or under resided in the Property.

67. Guy El Guy and Jeff and Janice failed to comply with § 6-803(3) from October 2015 through October 2017 by not providing Ms. Mathis or the Philadelphia Department of Public Health with a lead safe or lead free certification before or during the lease signing or at any point during the tenancy.

WHEREFORE, Ms. Mathis demands judgment in her favor and against Jeff and Janice LLC and Guy El Guy Investments LLC, including a refund of rent paid during the period of noncompliance, exemplary damages of \$2,000, reasonable attorney's fees and costs, and any other such relief as the Court deems appropriate.

COUNT III: BREACH OF CONTRACT
(Kenisha Mathis v. Jeff and Janice LLC and Guy El Guy Investments LLC)

68. Ms. Mathis incorporates paragraphs 1 through 67 by reference.

69. Ms. Mathis had a written lease for the Property.

70. Implied in each Pennsylvania lease is a warranty of habitability.

71. Jeff and Janice and Guy El Guy breached the implied warranty of habitability when they failed to make the necessary repairs to the Property despite knowledge of the defects.

72. Jeff and Janice and Guy El Guy's breaches caused damage to Ms. Mathis.

WHEREFORE, Ms. Mathis demands judgment in her favor and against Jeff and Janice LLC and Guy El Guy Investments LLC, reflecting the return of her security deposit, the difference between the rent paid during the tenancy and the diminution in the Property's rental value during the tenancy, moneys paid by Ms. Mathis to remedy the squalid housing conditions in the Property, foreseeable economic loss as a result of the breach, and other such relief as the Court deems appropriate.

COUNT IV: UNJUST ENRICHMENT
(Kenisha Mathis v. ABC Capital Investments LLC)

73. Ms. Mathis incorporates paragraphs 1 through 73 by reference.

74. ABC Capital received benefits from Ms. Mathis in the form of property management fees retained when Ms. Mathis paid her monthly rent.

75. ABC Capital appreciated these benefits.

76. However, ABC Capital breached its duty to manage the Property adequately when it failed to make repairs and allowed the Property's conditions to deteriorate.

WHEREFORE, Ms. Mathis demands judgment in her favor and against ABC Capital Investments LLC for restitution damages and any other such relief as the Court deems appropriate.

COUNT V: VIOLATION OF 68 P.S. § 250.512
(Kenisha Mathis v. Jeff and Janice LLC and ABC Capital Investments LLC)

77. Ms. Mathis incorporates paragraphs 1 through 76 by reference.

78. Ms. Mathis paid a security deposit of \$1,700 to move into the Property.

79. Jeff and Janice did not return the security deposit within thirty days of Ms. Mathis requesting its return, nor did it provide any reason for its refusal to return the security deposit.

WHEREFORE, Ms. Mathis demands judgment in her favor and against Jeff and Janice LLC and ABC Capital Investments LLC for double damages, interest, and any other such relief as the Court deems appropriate.

JURY DEMAND

80. Ms. Mathis demands a trial by jury on all appropriate issues.

Dated: March 14, 2018

