# BEFORE THE COMMISSION ON LANDLORD TENANT AFFAIRS FOR MONTGOMERY COUNTY, MARYLAND

In the matter of:

Carole Pratt \*

Complainant \*

V. \* Case No. 34671

Rajan and Savithiry Natarajan \*

Respondents \*

Rental Facility: 14620 McKnew Road, Burtonsville, Maryland (License # 61778)

## **DECISION AND ORDER**

The above captioned case having come before the Commission on Landlord-Tenant Affairs for Montgomery County, Maryland ("Commission"), pursuant to Sections 29-10, 29-14, 29-41, and 29-44 of the Montgomery County Code, 2001, as amended, and the Commission having considered the testimony and evidence of record, it is therefore, this 10<sup>th</sup> day of March 2015, found, determined, and ordered, as follows:

#### BACKGROUND

On August 22, 2014, Carole Pratt ("Complainant"), filed a complaint with the Office of Landlord-Tenant Affairs within the Department of Housing and Community Affairs ("Department"), against Rajan Natarajan and Savithiry Natarajan ("Respondents"), in which she alleged that the Respondents failed to honor a rental lease agreement signed by the parties on August 2, 2014, by not allowing her to move-into the rental unit ("Property").

The Complainant is seeking financial compensation for the hardship and all expenses she incurred due to the Respondents' breach of lease, in the amount of \$12,560.00.

The Respondents contend that: (1) they signed the lease subject to verification of the Complainant's pay slip and salary data, to have been provided by August 4, 2014; (2) the Complainant provided misleading information regarding her source of income; and, (3) they returned the Complainant's security deposit which was all the money she paid. The Respondents are also requesting an additional one month lost rental income they suffered due to this whole situation.

After determining that the complaint was not susceptible to conciliation, the Department referred this case to the Commission for its review, and on December 2, 2014, the Commission voted to hold a public hearing on February 24, 2015. The public hearing in the matter of Carole Pratt v. Rajan and Savithiry Natarajan, relative to Case No. 34671 was held on February 24, 2015.

The record reflects that the Complainant and the Respondents were given proper notice of the hearing date and time. Present and sworn at the hearing and presenting evidence were the Complainant Carole Pratt, Respondents Rajan and Savithiry Natarajan, and Respondent's witness Desarai Cabrera. Also present were Susana Capobianco, Investigator, Landlord-Tenant Affairs Office, Rosie McCray-Moody, Administrator, Landlord-Tenant Affairs Office, Walter Wilson, County Attorney, Office of the County Attorney, and Kevin McNeil, Attorney for the Respondents.

Without objection, the Commission entered into the record the case file compiled by the Department, identified as Commission's Exhibit No. 1. The Commission also entered into the record, without objection, the following exhibit offered by the Complainant: (1) Receipts for expenses the Complainant incurred (a packet of 32 pages), identified as Complainant's Exhibit No. 1. The Commission also entered into the record, without objection, the following exhibits offered by the Respondents: (1) SPS Consulting employee records and earnings relative to the Complainant, identified as Respondent's Exhibit No. 1; (2) Copy of text message communication between Complainant and Respondent Savirithy Natarajan, dated 7/29/14 and 8/2/14, identified as Respondent's Exhibit No. 2; and, (3) Complainant's pay stub for the period 6/30/14-7/13/14 and, 7/14/14-7/27/14, identified as Respondent's Exhibit No. 3.

## **FINDINGS OF FACT**

Based on the testimony and evidence of record, the Commission makes the following Findings of Fact:

- 1. The Commission finds that on August 2, 2014, the Complainant and the Respondents signed a one year lease agreement for the rental of the Property ("Lease"), which was due to commence on August 3, 2014, and was due to expire July 31, 2015, at a monthly rent of \$2,000.00 (Commission Exhibit No. 1 Pages 2 through 13).
- 2. The Commission finds that on or about August 2, 2014, the Complainant paid the Respondents a security deposit in the amount of \$2,000.00 which amount is receipted in the Lease (Commission Exhibit No. 1 Page 3).
- 3. The Commission finds that the actual money the Complainant paid for the security deposit was \$1,900.00 (Commission Exhibit No. 1 Page 59).
- 4. The Commission finds that on or about August 6, 2014, Respondent Rajan Natarajan advised the Complainant of the following (Commission Exhibit No. 1 Page 59):

"We reviewed all your documents. I want to bring to your attention that the salary data given in your rental application is highly inconsistent with the pay checks and the employer letter provided to us.

As such we were misled into signing the lease on August 2<sup>nd</sup> and now we found a significant salary difference and therefore we are summarily revoking the lease effective August 5, 2014.

Your deposit of \$1,900.00 is being returned back to you. Pls. let me know if you want me to mail the check or you would like to pick it up from our home. Thank you. Rajan" (emphasis added)

- 5. The Commission finds that on August 6, 2014, the Respondents returned the Complainant's security deposit money, via certified funds (Commission Exhibit No. 1 Page 24).
- 6. The Commission finds that by an e-mail dated August 8, 2014, Respondent Savithiry Natarajan advised the Complainant the following (Commission Exhibit No. 1 Page 20):

#### "...Hello Ms. Carole:

We have decided upon not renting our home to you...

Ms. Young Chang, from Montgomery County Landlord Tenant Affairs office called me today, August 8<sup>th</sup>, 2014 at 4:21PM, about you subletting our property, and also that you do not have the first month's rent, which you are trying to get from Montgomery County Rental Subsidy programs.

Secondly, based upon the inconsistent data given by you, on your rental application, we have decided upon not renting our home to you. We signed the lease in good faith. However, the utterances made by you on the rental application are grossly wrong, and misleading to say the least. You have not reciprocated our good faith.

Thirdly, you coerced me into signing off on the Montgomery County rental Subsidy Application. This fact about you relying upon rental subsidy was never brought to our attention earlier on, when you submitted your rental application to us.

Fourthly, you discussed with Ms. Young Chan that you are planning to sublet our home. We do not allow sublets.

Fifthly, we have already returned your monies, in full, day-before-yesterday, August 6<sup>th</sup> 2014, by certified funds, which funds you have accepted back from us on August 6<sup>th</sup>.

Based upon all the above facts, we have decided upon not renting to you. Please make other housing arrangements for you and your family..."

7. The Commission finds that even though there was a signed contract for the Lease of the Property, the Complainant was never provided with the keys for the Property and never took possession of the Property.

## **CONCLUSIONS OF LAW**

Accordingly, based upon a fair consideration of the testimony and evidence contained in the record, the Commission on Landlord-Tenant Affairs concludes:

1. Section 29-1, "Definitions," of the Montgomery County Code, 2001, as amended, ("County Code") states the following:

In this Chapter, the following words and phrases have the following meanings:

Tenant: Any person who occupies a dwelling unit for living or dwelling purposes with the landlord's consent.

2. Section 29-47 (a), "Commission action when violation found," of the County Code, states the following:

If, at the conclusion of the hearing, the Commission or panel finds, based on a preponderance of the evidence of record, that a violation of this Chapter has occurred or a **defective tenancy exists**, the Commission or panel must publish written findings of fact and conclusions of law based on the record and issue an order. The order may require the respondent to stop any unlawful conduct and take appropriate action to comply with this Chapter. The order may also contain a notice that if the Commission determines that the respondent has not, after 30 calendar days after service of the Commission's or panel's order, made a bona fide effort to comply with the order, the Department may take appropriate action and the Commission may refer the matter to the County Attorney for enforcement (emphasis added).

3. The Commission concludes that because the Respondents never allowed the Complainant to occupy the Property, the Complainant did not become a tenant, nor did a tenancy ever exist with respect to the parties to this dispute. In the absence of a landlord-tenant relationship, the dispute between the Complainant and Respondents does not fall within the scope of the Commission's jurisdiction. Consequently, the Commission can not conclude, under Section 29-47(a) of the County Code, that there was a defective tenancy.

#### **ORDER**

In view of the foregoing, it is the ruling of the Commission that based on the conclusion that a tenancy did not exist, this Commission does not have jurisdiction to adjudicate this matter; consequently, on this <u>10<sup>th</sup></u> day of <u>March 2015</u>, Case No. 34671 is hereby <u>DISMISSED</u> without prejudice.

The foregoing decision was concurred in unanimously by Commissioner Laura Murray, Commissioner William Roberts and Charles Marschke, Panel Chairperson.

Any party aggrieved by the action of the Commission may file an administrative appeal to the Circuit Court of Montgomery County, Maryland, within (30) days from the date of this Order, pursuant to the Maryland Rules governing administrative appeals.

Charles Marschke, Panel Chairperson Commission on Landlord-Tenant Affairs

Plante J. Menuckel