

31 January, 2023

For additional information, please contact:

Andrew D. Freeman  
Brown, Goldstein & Levy  
410-404-4888  
[adf@browngold.com](mailto:adf@browngold.com)

C. Matthew Hill  
Public Justice Center  
443-904-4263  
[hillm@publicjustice.org](mailto:hillm@publicjustice.org)

Chelsea Ortega  
Santoni, Vocci & Ortega, LLC  
443-921-8161  
[cortega@svolaw.com](mailto:cortega@svolaw.com)

**Maryland appeals court rejects Westminster Management’s arguments that it can charge illegal fees and pass on those fees to tenants as “rent.”**

**BALTIMORE** – In an opinion affecting tenants of residential rental properties across the state, the Appellate Court of Maryland has held that “rent” in a residential lease is solely the fixed periodic sum due for use and occupancy of the property – and not the myriad fees and charges claimed by Westminster Management under its form leases. The Court rejected Westminster’s arguments that attempted to justify its practice of charging both a 5% late fee – the maximum allowed by Maryland law – and a slew of illegal and excessive charges related to the late payment of rent and collection efforts by Westminster. Westminster then threatened tenants with eviction if tenants did not pay those additional, unawarded “agent fees,” “summons fees,” and excessive “writ fees.”

Westminster Management, which is owned by the Kushner family of New Jersey, had turned these illegal fees into a profit center at the over-9,000 rental units it operated in Maryland. While the individual fees may have seemed small, they were significant to the tenants. The court summarized the damages the tenants described as “emotional stress, fear of eviction, parents being forced to delay or deprive their children of educational and extracurricular opportunities in order to avoid eviction.”

In a 90-page opinion issued on January 30, 2023, the court rejected 27 separate defenses that Westminster attempted to raise in its effort to prevent the tenants from obtaining a full refund of all the illegal fees charged since September 20, 2014, and an injunction against future illegal fees.

In September 2022, Westminster agreed to pay \$3.25 million to settle similar claims brought by the Maryland Attorney General, but, as part of that settlement, Westminster continued to deny that it had violated Maryland law or the tenants' rights. In its opinion, the Appellate Court made clear that Westminster's actions defining its numerous fees as "rent" do indeed violate the law and rejected Westminster's arguments that Maryland landlords may impose any charges beyond a 5% late fee when a tenant is late in paying his or her rent.

The court's opinion allows the tenants to return to the trial court to seek a final determination of liability, damages, and an injunction on behalf of a class of all Westminster tenants who paid these illegal fees.

"After more than five years of litigation, I'm relieved that the Court rejected Westminster's convoluted reasons for charging renters illegal fees and calling all of those fees "rent," said Plaintiff Tenae Smith, "Westminster must be held accountable."

"When working people pay their rent a few days late in order to put food on the table for their families, landlords shouldn't take advantage by tacking on fees above the legal limit" said Andrew D. Freeman of Brown, Goldstein & Levy, one of the plaintiffs' lawyers.

According to Matt Hill, an attorney at Public Justice Center and co-counsel for plaintiffs: "This opinion rejects the numerous reasons that Westminster gave for charging excessive fees and calling such fees 'rent' and should serve as a warning to other landlords who engage in these practices."

"Even though this case is not over, we are pleased with the Court's findings for our clients, who have diligently sought justice on behalf of all of Westminster's tenants who were similarly charged excessive fees," said Chelsea Ortega of Santoni, Vocci & Ortega, co-counsel for plaintiffs.

The plaintiffs are represented by Andrew D. Freeman and Anisha S. Queen of Brown, Goldstein & Levy, C. Matthew Hill of the Public Justice Center, and Chelsea Ortega, Jane Santoni, and Matthew Vocci of Santoni, Vocci & Ortega.

A copy of the opinion is available at the following link: <https://browngold.com/wp-content/uploads/2023/01/Court-of-Special-Appeals-Opinion.01-30-23.pdf>