

CONSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL
OF MARYLAND
200 St. Paul Place, 16th Floor
Baltimore, Maryland 21202,

Proponent,

v.

HEATHER KAY DELANEY, formerly d/b/a
MARYLAND STATE DOULAS, LLC
2331 Seabury Drive
Crofton, Maryland 21114,

and

RYAN DELANEY, formerly d/b/a
MARYLAND STATE DOULAS, LLC
2331 Seabury Drive
Crofton, Maryland 21114,

Respondents.

* IN THE
* CONSUMER PROTECTION
* DIVISION
* OFFICE OF THE
* ATTORNEY GENERAL

CPD Case No.: 24-006-372478

Office of the Attorney General
Consumer Protection Division

FILED

MAR 8 2024

ADMINISTRATIVE HEARING PROCESS

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STATEMENT OF CHARGES

1. The Consumer Protection Division of the Office of the Attorney General of Maryland institutes this proceeding to enjoin Respondents, Heather Kay Delaney and Ryan Delaney, formerly d/b/a Maryland State Doulas, LLC, from engaging in unfair and deceptive trade practices in the course of offering and selling consumer goods and services, and to obtain relief for consumers harmed by these unfair and deceptive trade practices.

2. Respondents engaged in a pattern and practice of entering into contracts with consumers to provide doula-related goods and services in which Respondents promised a trained professional doula's support, guidance, and related services to consumers before, during, and/or after the birth of a child, collecting advanced payments and deposits for the doula-related goods or services, and then failing to provide the goods or services, failing to provide refunds for goods or

services not provided, and in some instances collecting additional, unauthorized payments for goods or services neither requested nor provided.

3. Selling consumer goods and services without the intent or ability to provide the goods or perform the services, collecting unauthorized funds, failing to deliver promised goods or services for which consumers paid, and failing to pay refunds owed to consumers are all unfair and deceptive trade practices that violate the Maryland Consumer Protection Act (“CPA”).

PARTIES

4. The Proponent in this proceeding is the Consumer Protection Division of the Office of the Attorney General of Maryland (the “Division”). This proceeding is brought by the Division to redress past violations and to prevent future violations of Maryland’s Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13-501.

5. Maryland State Doulas, LLC (“Maryland State Doulas”) was a Maryland limited liability company that was first formed on or around February 19, 2017. Maryland State Doulas’ principal office was located at 2304 Putnam Lane, Crofton, Maryland 21114, according to the Maryland State Department of Assessments and Taxation. Maryland State Doulas closed, filing Articles of Cancellation that cancelled the business effective October 30, 2023. Maryland State Doulas offered and sold doula-related goods and services from Maryland to consumers residing in Maryland and to consumers in nearby states.

6. Respondent Heather Kay Delaney is a Maryland resident. From Maryland, Respondent Heather Delaney offered and sold doula-related goods and services to consumers residing in Maryland and to consumers residing in other states under the former business entity Maryland State Doulas.

7. Respondent Heather Delaney, as an owner, director, operator, and officer of Maryland State Doulas, possessed and exercised the authority to control, and did control, the

policies and trade practices of Maryland State Doulas; was responsible for creating and implementing the unfair or deceptive policies and trade practices of Maryland State Doulas that are alleged herein; carried out the unfair or deceptive trade practices that are alleged herein; directed or supervised those employees, contractors and/or agents of Maryland State Doulas who participated in the unfair or deceptive trade practices that are alleged herein; and knew or should have known of the unfair or deceptive trade practices that are alleged herein and had the power to stop them, but rather than stopping them, promoted their use.

8. Respondent Ryan Delaney is a Maryland resident. From Maryland, Respondent Ryan Delaney offered and sold doula-related goods and services to consumers residing in Maryland and to consumers residing in other states under the former business entity Maryland State Doulas.

9. Respondent Ryan Delaney as an authorized person, officer, operator, and/or “accounts manager” of Maryland State Doulas, possessed and exercised the authority to control, and did control, the policies and trade practices of Maryland State Doulas; was responsible for creating and implementing the unfair or deceptive policies and trade practices of Maryland State Doulas that are alleged herein; carried out the unfair or deceptive trade practices that are alleged herein; directed or supervised those employees, contractors and/or agents of Maryland State Doulas who participated in the unfair or deceptive trade practices that are alleged herein; and knew or should have known of the unfair or deceptive trade practices that are alleged herein and had the power to stop them, but rather than stopping them, promoted their use.

STATEMENT OF FACTS

10. Respondents operated Maryland State Doulas. Maryland State Doulas offered and sold consumer goods and services in the State of Maryland, consisting of the offer and sale of doula-related goods and services.

11. The Respondents offered and sold doula-related goods and services and defined doulas as “trained professionals who offer new and expecting parents physical and emotional support before, during, and after childbirth, as well as conceivably during conception or throughout the early postpartum period;” and described a doula as “a trained pregnancy companion whose objective is to support families in having a secure, healthy, and satisfying childbirth.” The Respondents further explained the different types of doulas as “Birth doulas: They assist during childbirth, labor, and pregnancy. Postpartum doulas: They help the family during the first few weeks after the baby is born, usually referred to as the postpartum period. Fertility doulas: Families struggling to get pregnant can benefit from fertility doulas during the conception process.” Additionally, the Respondents described a labor doula as one who “supports a woman and her partner during pregnancy, birth, and the early hours of parenting,” and is by the mother’s side during her labor to provide support, affirmation, education, knowledge, and comfort measures to the laboring mother, and to communicate parents’ expectations more effectively to their caregivers.

12. The Respondents held Maryland State Doulas out to the public as “a comprehensive resource for prenatal, labor, and post-natal care and education,” describing its services as designed “to ease concerns, alleviate fears, and support parents during this emotional, transitional time of life.” The Respondents’ website advertised professional, customized services with 24/7 on-call support for parents during pregnancy, birth, and the newborn stage:

- a. “PREGNANCY, BIRTH, & NEWBORN support for modern, working parents;”
- b. “. . . help ease your worries, answer your questions, and provide you with caring, yet professional, support as you navigate pregnancy, birth, and the newborn days. Count on us to nurture and support you as you create your birth plan, experience labor and delivery, and navigate postpartum challenges.”
- c. “Professional and Experienced Birth Services in the DC Area. Guiding you through pregnancy and baby’s first year with doula support, education, and more. 24/7 On-Call Support.”
- d. “Professional, Caring Birth & Parenting Support. Anxiety, fear of the unknown,

and feeling overwhelmed by the whole idea of pregnancy, childbirth, and parenthood are common among soon-to-be parents, but it doesn't have to be that way. . . .”

- e. “PROFESSIONAL doula support throughout pregnancy and beyond - Our doulas are certified, insured, experienced, and caring, providing you with the emotional support, clinical advice, and fact-based education you need before, during, and after birth. . . .”
- f. “ESTABLISHED, trusted name in the Maryland medical community - Maryland State Doulas has earned a reputation for professional excellence with doctors, hospitals and clinics across the state. Count on our experience to find the resources you need as you inch closer to your due date”
- g. “CUSTOMIZED birthing support solutions no matter what your plan - There is no ‘best way’ to give birth. We will help you develop a plan that is right for you and we'll be there every step of the way, providing the support you need as you bring your baby into the world.”

13. The Respondents offered and sold to consumers labor and birth support, postpartum support, newborn care, sibling care, lactation support, virtual support, and childbirth education services. The Respondents offered and sold to consumers birth doula support packages that included prenatal visits; personalized backup support throughout pregnancy from a second doula in the agency; 24/7 on-call availability from the moment of contractual agreement; full, virtual access to a labor doula for questions, resources, and information to assist in planning for a baby’s arrival; labor support at home and hospital; 1-2 hours of postpartum support; lactation consultation services by phone, if breastfeeding; and a follow-up postpartum visit. The newborn care services that the Respondents offered and sold to consumers included one or more of the following services: infant care, meal preparation, light housekeeping and organizing, and overnight shifts to assist parents with sleep restoration and to provide the baby with nighttime feeding and sleep conditioning services.

14. The Respondents directed consumers to take the following steps to develop a personalized labor or newborn support plan: use the online form to explain the consumer’s needs and desired services; schedule a consultation call with the director of client care (who was usually Respondent Heather Delaney) to curate the consumer’s perfect support system; meet the doula

candidates; sign the contract and get paired with a doula.

15. Respondent Heather Delaney personally conducted most, if not all, of the initial, virtual consultations with consumers, establishing a rapport and connection with the consumers with promises of doula support, and inducing consumers to do business with her and Maryland State Doulas. Respondent Heather Delaney's initial communications with consumers, prior to contractual agreements and consumer payment, were often highly responsive and timely.

16. Respondent Heather Delaney repeatedly entered into contracts with consumers that promised to provide doula-related goods and services.

17. The Respondents collected an initial payment or deposit prior to providing any doula-related goods and services. The payments and deposits ranged from hundreds of dollars to thousands of dollars, depending on the goods or services.

18. The Respondents, after collecting payments and/or deposits from consumers, (1) failed to provide the contracted doula-related goods and services; (2) made unauthorized charges to or debits from consumers' financial accounts without consumers' knowledge and authorization; and/or (3) failed to provide full refunds for goods and services not provided or for unauthorized charges.

19. Many consumers found that Respondent Heather Delaney's and/or Maryland State Doulas' responsiveness significantly waned after consumers signed the contract and made the initial payments, despite Maryland State Doulas' promises to consumers that hiring the company would mean consumers would have "a professional in [their] pocket 24/7" and would have "24/7 On-Call Support."

20. In some circumstances, the Respondents themselves cancelled providing promised goods and services to consumers. In other cases, consumers, frustrated with the Respondents' lack of communication, failure to deliver goods and services, delay in providing goods or services, last-

minute rescheduled appointments, missed appointments, change in consumers' selected doula(s), and other challenging conduct, requested to cancel their contracts and receive refunds. In some instances, the Respondents even failed to have a doula show up for consumers' labor and delivery.

21. The Respondents also took additional money from consumers by charging them again, using consumers' original payment method, without authorization. These additional charges exceeded the agreed upon fees and were made without consumers' knowledge or consent.

22. Consumers made repeated attempts to contact the Respondents to request the doula-related goods and services they had purchased and/or refunds, to no avail.

23. The Respondents either provided consumers with false excuses for the failure to provide purchased doula-related goods and services and/or their failure to provide a refund, or they entirely ignored consumers' calls, text messages, and emails.

24. In numerous instances, the Respondents would either refuse to provide a refund or would promise a refund and then never provide one. At times, Respondents would undertake significant efforts to mislead consumers that a refund was forthcoming or had been processed. These misleading efforts included, but were not limited to, making false excuses for the delays, claiming that a refund was pending when it was not, providing fake documentation of refunds, and/or blaming the consumer and/or third-party entities for problems in the refund process when, in fact, it was the Respondents' actions or inactions that prevented consumers from receiving refunds. The Respondents would continue with these ruses by claiming they were "attempting" refunds by alternative methods and assuring consumers that checks were in the mail, but often, refunds never came by any method. The Respondents also fought consumers' efforts to obtain refunds and chargebacks with credit card companies and money processors by raising baseless challenges to consumers' requests. Many consumers attempted to contact Respondents multiple times regarding the status of their refunds, but the Respondents eventually stopped responding to

consumers' inquiries. Ultimately, the Respondents did not provide full refunds to consumers for the goods and services they failed to provide and unauthorized charges and instead issued no refund or only a partial refund or directed consumers to handle obtaining refunds themselves by initiating chargebacks with their credit card companies.

25. The Respondents also failed to pay doulas for services they provided to consumers on behalf of Maryland State Doulas.

26. The Respondents closed Maryland State Doulas and have no intent to provide consumers with refunds.

27. The Respondents' false and misleading representations to consumers, both implicit and explicit, regarding their willingness or ability to provide doula-related goods and services, their promises to refund consumers' payments, and their unauthorized charging or debiting additional monies from consumer accounts beyond the agreed fees had the capacity, tendency, or effect of deceiving or misleading consumers and, in fact, have misled consumers.

28. The Respondents' unwillingness and/or inability to provide promised doula-related goods and services, their refusal to pay refunds, and their unauthorized collection of consumers' money, are material facts that, if known to consumers, would likely impact consumers' decisions regarding whether to hire the Respondents. The Respondents' failure to disclose these facts tended to deceive and, in fact, did deceive consumers.

29. The Respondents' misrepresentations and omissions of material facts regarding their unwillingness or inability to provide goods and services, their taking of unauthorized, additional monies from consumers, their failure to provide requested or promised refunds, and the true status of promised services and refunds, along with Respondents' practice of taking payments from consumers for doula-related goods and services and failing to provide the promised goods and services, has caused substantial injury to consumers both financially and otherwise. The

injuries that consumers have suffered because of this conduct are not offset by any benefit to consumers or to competition. In addition to the financial harm consumers have suffered by the Respondents' failure to return their payments that were taken either without authorization or for goods and services that consumers never received, the Respondents forced consumers to experience undue stress during the extremely vulnerable time periods of pregnancy, labor and delivery, and post-partum.

30. Instead of consumers receiving aid and support during a critical life event for both the baby and baby's family, consumers suffered from the Respondents' imposition of stress and additional burdens on them, and they were forced to go without the doula-related goods and services for which they paid and expected, including during and after labor and delivery. Such stress and burdens included, but were not limited to, not receiving expected labor care, sibling care, postpartum care, sleep restoration for parents, and other newborn assistance; expending last-minute efforts to try to find back-up doula assistance; and being forced to spend significant time and effort to try and stop and/or reverse unauthorized money charges and/or seek refunds.

31. Consumers could not reasonably avoid the injuries caused by the Respondents, who misrepresented to consumers that they would provide promised doula-related goods and services.

32. The Respondents personally participated in each of the foregoing practices and/or knew of the foregoing practices and had the authority to stop them but rather than stopping them, helped to bring them about.

VIOLATIONS OF THE CONSUMER PROTECTION ACT

33. The Division incorporates paragraphs 1 through 32 as if they were fully alleged herein.

34. Respondents' practices, as set forth above, constitute unfair and deceptive trade practices in the sale and offer for sale of consumer goods and services that violate the CPA.

35. The doula-related goods and services that Respondents offered and sold to consumers are consumer goods and services pursuant to § 13-101(d)(1) of the CPA because they are used for personal, family, or household purposes.

36. Respondents acted as merchants as defined by § 13-101(g)(1) of the CPA.

37. Respondents engaged in unfair and deceptive trade practices in connection with the offer or sale of consumer goods and services that are generally prohibited by §§ 13-303(1) and (2) of the Consumer Protection Act.

38. The Respondents are personally liable for the unfair and deceptive trade practices committed by them and their agents, servants and/or employees, due to their own personal participation in the unfair or deceptive trade practices committed, and/or due to the fact that they knew or should have known about the unfair and deceptive trade practices and had the authority to stop them, but rather than stopping them, promoted their use.

Deceptive Trade Practices

39. Respondents' false and misleading statements to consumers, as set forth above, had the capacity, tendency, or effect of deceiving or misleading consumers, and are deceptive trade practices prohibited by § 13-303 of the CPA, as defined in § 13-301(1) of the CPA.

40. As set forth above, Respondents' omissions of material facts deceived or tended to deceive consumers and are therefore deceptive trade practices prohibited by § 13-303 of the CPA, as defined in § 13-301(3) of the CPA.

Unfair Trade Practices

41. The Respondents engaged in unfair trade practices in their offer and sale of doula-related goods and services to consumers.

42. The Respondents' practice of collecting payments for doula-related goods and services and failing to provide the purchased doula-related goods or services, making additional,

unauthorized charges beyond the agreed fees, failing to provide promised doula-related goods and services, and/or refusing to refund payments for goods and services not provided has caused substantial injury to consumers.

43. Consumers who purchased the Respondents' goods and services could not have known that the Respondents would accept their payments and not provide the promised and purchased doula-related goods and services, would not provide full refunds for goods or services not provided, and/or would collect unauthorized, additional funds from consumer accounts, and therefore, consumers could not reasonably avoid their injuries.

44. The injuries that consumers have suffered as a result of Respondents' actions are not offset by any benefit to consumers or to competition and are unfair trade practices that violate § 13-303 of the CPA.

CLAIM FOR RELIEF

WHEREFORE, the Proponent respectfully requests that the Consumer Protection Division issue an Order:

- a) requiring the Respondents to cease and desist from engaging in unfair and deceptive trade practices in violation of the CPA pursuant to § 13-403(b)(1)(i) of the CPA;
- b) requiring the Respondents to take affirmative action, including restitution of all monies Respondents or Maryland State Doulas collected for goods and services in connection with Respondents' unfair or deceptive practices pursuant to § 13-403(b)(1)(i) of the CPA;
- c) requiring the Respondents to take affirmative action, including the posting of a performance bond or other security pursuant to §§ 13-402(b)(1)(iv) and 13-403(b)(1)(ii) of the CPA;

- d) requiring the Respondents to pay economic damages pursuant to §§ 13-402(b)(1)(iii) and 13-403(b)(1)(ii) of the CPA;
- e) requiring Respondents to pay the costs of this proceeding, including the costs of investigation pursuant to § 13-409 of the CPA;
- f) requiring Respondents to pay a suitable civil penalty pursuant to § 13-410 of the CPA; and
- g) granting such other and further relief as is appropriate and necessary.

Respectfully submitted,



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