

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

Petitioner,

v.

JUST PUPPIES OF MARYLAND, INC.
2004 Veirs Mills Rd.
Rockville, MD 20851

and

JUST PUPPIES, INC.
1028 York Rd.
Towson, MD 21204

and

MITCHELL THOMSON


Respondents.

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

CPD Case No.: 21-015-338499

Office of the Attorney General
Consumer Protection Division

FILED

JUN 16 2021

ADMINISTRATIVE HEARING PROCESS

STATEMENT OF CHARGES

1. The Consumer Protection Division of the Office of the Attorney General institutes this proceeding to enjoin Just Puppies of Maryland, Inc. d/b/a Just Puppies Rockville, and Just Puppies, Inc. d/b/a Just Puppies Towson (collectively, "Just Puppies"), and Mitchell Thomson ("Thomson" and collectively, together with Just Puppies, "Respondents") from engaging in unfair and deceptive trade practices in the course of selling, offering, and providing consumer goods and services, and to obtain relief for consumers harmed by the Respondents' deceptive trade practices.

2. The Respondents have violated the Consumer Protection Act and Business Regulation § 19-703 by selling dogs from their retail pet stores.

THE PARTIES

3. The Proponent in this proceeding is the Consumer Protection Division of the Office of the Attorney General of Maryland. This proceeding is brought by the Proponent to redress violations, and to prevent future violations, of Maryland's Consumer Protection Act ("CPA"), Md. Code Ann., Com. Law §§ 13-101 through 13-501 (2013 Repl. Vol. and 2020 Supp.) and Md. Code Ann., Bus. Reg. §§ 19-701 through 19-707 (2015 Repl. Vol., and 2020 Supp.).

4. Respondent Just Puppies of Maryland, Inc. d/b/a Just Puppies Rockville is a Maryland corporation with its principal place of business in Rockville, Maryland. Just Puppies of Maryland, Inc., offers and sells dogs to consumers from its principal place of business at 2004 Veirs Mills Road, Rockville, Maryland, 20851.

5. Respondent Just Puppies, Inc. d/b/a Just Puppies Towson is a Maryland corporation with its principal place of business in Towson, Maryland. Just Puppies, Inc., offers and sells dogs to consumers from its principal place of business at 1028 York Road, Towson, Maryland, 21204.

6. Mitchell Thomson founded and owns Just Puppies of Maryland, Inc., and Just Puppies, Inc. At all times pertinent hereto and as the owner of Just Puppies, Thomson possessed or exercised the authority to control the unfair and deceptive policies and trade practices of Just Puppies; was responsible for creating and implementing the alleged unfair and deceptive policies and trade practices of Just Puppies that are described herein; participated in the alleged unfair, and deceptive trade practices that are described within; directed or supervised those persons who participated in the alleged unfair and deceptive trade practices that are described herein; and

knew or should have known of the alleged unfair and deceptive trade practices that are described herein and had the power to stop them, but rather than stop them, promoted their use.

STATEMENT OF FACTS

The Puppy Mill Act

7. The No More Puppy- and Kitten-Mills Act of 2018, Md. Code Ann., Bus. Reg. §§ 19-701 through 19-707 (2015 Repl. Vol., and 2020 Supp.) (the “Puppy Mill Act”) was introduced in response to evidence that Maryland’s then-existing regulatory provisions governing retail pet stores had failed to curb the sourcing of animals from sources that kept dogs in unsanitary conditions and treated them inhumanely.

8. The Puppy Mill Act was intended to eradicate the then-existing business practices of how dogs were sourced, maintained, and sold by retail pet stores.

9. At the time of the enactment of the Puppy Mill Act, the Respondents operated two of the remaining seven retail locations where dogs were offered and sold in Maryland whose practices were the focus of the Puppy Mill Act.

10. The Puppy Mill Act, which became effective on January 1, 2020, provides that, “[a] retail pet store may not offer for sale or otherwise transfer or dispose of cats or dogs.” Md. Code Ann., Bus. Reg. § 19-703(a) (2020 Supp.).

The Pet Stores

11. Just Puppies, Inc. has offered and sold dogs in Maryland since 1999. Just Puppies of Maryland, Inc. has offered and sold dogs in Maryland since 2004.

12. The Respondents do not breed the dogs they offer or sell. Rather, the Respondents order dogs from breeders and arrange to transport them so that Respondents may offer them for sale to consumers.

13. The Respondents offer and sell dogs to consumers from their retail pet stores in Rockville, Maryland and Towson, Maryland.

14. The Respondents' retail pet stores are "establishment[s] open to the public that sell[] or offer[] for sale domestic animals to be kept as household pets," pursuant to Md. Code Ann., Bus. Reg. § 19-701(g) (2015 Repl. Vol., and 2020 Supp.).

15. Following the enactment of the Puppy Mill Act, Respondents shifted to an appointment-only model, but did not otherwise alter their business practices. Respondents have not changed how they obtain dogs, how they transport dogs, how they maintain dogs, or how they sell dogs aside from changes necessitated by the shift to an appointment-only model.

16. In approximately February 2020, Respondent Just Puppies of Maryland, Inc. shifted to an appointment-only model, allowing consumers who make appointments to purchase dogs from the same retail location it utilized prior to the enactment of the Puppy Mill Act.

17. Respondent Just Puppies, Inc. ceased selling dogs at the beginning of 2020, but reopened in mid- to late- 2020 and offered and sold dogs using an appointment-only model, allowing consumers who make appointments to purchase dogs from the same retail location it utilized prior to the enactment of the Puppy Mill Act.

18. At some point in mid-2020, Respondents began requiring consumers to submit a refundable deposit to make an appointment. These deposits are refunded to the consumer if they choose not to purchase a dog.

19. Since at least September 2020, Just Puppies of Maryland, Inc. has operated in the City of Rockville without a city pet shop license as required by Rockville City Code, Ch. 12, Art. X.

20. The Respondents represent to consumers that they have a direct relationship with the breeders who supply their dogs, including advertising that “[h]aving a direct relationship with our breeders is what sets us apart. Most of our breeders have been working with us for over 10 years.” In fact, in some instances Respondents have purchased dogs from online pet exchanges from breeders with whom they have no direct or longstanding relationship.

21. The Respondents represent to consumers, expressly and impliedly, that they may lawfully sell dogs from their stores in the State of Maryland.

22. The Respondents’ misrepresentations regarding their ability under Maryland law to sell puppies and their relationships with their breeders had the capacity, tendency, or effect of deceiving or misleading consumers.

23. Respondents do not disclose to consumers that they are prohibited from selling dogs.

24. Respondents do not disclose to consumers that they offered for sale dogs from breeders with whom they have no prior relationship.

25. The Respondents’ failure to disclose to consumers facts which are material to consumers, the omission of which deceived or tended to deceive consumers, including their failure to disclose: (a) that the sale of dogs from retail pet stores such as Just Puppies was prohibited under Maryland law; (b) that the dogs they sold were sourced from breeders Respondents did not know or did not have any direct relationship; and (c) with respect to Just

Puppies of Maryland, Inc., that since September 2020, it has been operating without the pet store license as required by the City of Rockville.

Violations of Bus. Reg. § 19-701 et seq.

26. The Respondents' practices, as set forth above, constitute the offer and sale of dogs from a retail pet store in violation of Business Regulation § 19-703.

27. From January 1, 2020, Respondents violated the Puppy Mill Act every time they offered or sold a dog, which is prohibited by Business Regulation § 19-703.

28. A violation of the Puppy Mill Act is also as an unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article. *See* Bus. Reg. § 19-704(a)(1).

Violations of the Consumer Protection Act

29. The sale of dogs to consumers is a transaction involving a consumer good pursuant to §13-101(d)(1) of the CPA because they are used for personal, family, or household purposes.

30. Respondents are merchants as defined in the CPA. *See* Com. Law §13-101(g)(1).

31. Respondents have engaged in deceptive trade practices in connection with the offer or sale of consumer goods that are generally prohibited by §13-303(1) and (2).

32. The Respondents' false and misleading statements to consumers, as set forth above, have had the capacity, tendency or effect of deceiving or misleading consumers and constitute deceptive trade practices, as defined in § 13-301(1) of the CPA, that violate § 13-303 of the CPA.

33. Respondents made representations that their services had characteristics, benefits, or qualities that they did not have, each of which constitutes a deceptive trade practice, as

defined by § 13-301(2) of the CPA and prohibited under § 13-303 of the CPA, including by implicitly representing that they could legally sell dogs, that they have a direct relationship with all of the breeders they purchase from, and implicitly representing that they have pet shop license and that they complied with Rockville City Code Section 12, Article X.

34. The Respondents' failure to state material facts, as set forth above, the omission of which has deceived or tended to deceive consumers, constitutes deceptive trade practices as defined in § 13-301(3) of the CPA, that violate § 13-303 of the CPA.

35. Respondents have engaged in unfair and deceptive trade practices prohibited by § 13-301(14)(xxix) when they violated the Puppy Mill Act.

36. From January 2020, Respondents violated the CPA every time they made a false or misleading representation, every time they made representations that their services had characteristics, benefits, or qualities that they did not have, every time they omitted material facts, and every time they violated the Puppy Mill Act by offering a dog for sale.

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

- A. Finding that Respondents have engaged in unfair and deceptive trade practices in the offer and sale of puppies to consumers, in violation of § 13-303 of the Consumer Protection Act;
- B. Requiring the Respondents to cease and desist from engaging in unfair and deceptive trade practices in violation of Business Regulation § 19-701 *et seq.*;
- C. Requiring the Respondents to cease and desist from engaging in unfair and deceptive trade practices in violation of the Consumer Protection Act;

- D. Requiring the Respondents to take affirmative action, including disgorgement, of all moneys and property that the Respondents received in connection with Respondents' unfair and deceptive trade practices;
- E. Requiring the Respondents to pay the costs of this proceeding, including all costs of investigation pursuant to § 3-409 of the Consumer Protection Act;
- F. Requiring Respondents, jointly and severally, to pay civil penalties of \$10,000.00 for each of their violations of the Consumer Protection Act, pursuant to § 13-410 of the Consumer Protection Act;
- G. Granting such other and further relief as is appropriate and necessary.

Respectfully submitted,



HANNA ABRAMS
Assistant Attorney General
PHILIP D. ZIPERMAN
Deputy Chief
Office of the Attorney General
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, Maryland 21202
(410) 576-7296
habrams@oag.state.md.us

Attorneys for Proponent

Dated: June 16, 2021