

FILED

OCT 13 2021

ADMINISTRATIVE HEARING PROCESS

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

Petitioner,

v.

**JUST PUPPIES OF MARYLAND, INC.,
et al.,**

Respondents.

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

OAH Case No: OAG-CPD-04-21-13945
CPD Case No.: 21-015-338499

FINAL ORDER BY CONSENT

The Consumer Protection Division of the Office of the Attorney General (the “Agency”)¹ hereby orders Respondents Just Puppies of Maryland, Inc., Just Puppies, Inc., (together “Just Puppies”) and Mitchell Thomson (referred to collectively as the “Respondents”) to cease and desist from violating the Maryland Consumer Protection Act and Business Regulation § 19-701 *et seq.*, and take affirmative steps pursuant to § 13-403(b)(1) of the Consumer Protection Act as described herein.

THE PARTIES

1. The Consumer Protection Division of the Office of the Attorney General of Maryland is responsible for enforcement of Maryland consumer protection laws, including the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13-501 (2013 Repl. Vol, 2020 Supp.) (the “CPA”), and Md. Code Ann., Bus. Reg. §§ 19-701 through 19-707 (2015 Repl. Vol, 2020 Supp.) (the “Puppy Mill Act”).

¹ The Consumer Protection Division acting in its capacity as a quasi-judicial agency is referred to herein as the “Agency,” while the Consumer Protection Division acting as the Proponent in the instant matter is referred to as the “Division.”

2. Respondent Just Puppies of Maryland, Inc. is a Maryland corporation that offered and sold dogs to consumers from its principal place of business at 2004 Veirs Mills Road, Rockville, Maryland, 20851.

3. Respondent Just Puppies, Inc. is a Maryland corporation that offered and sold dogs to consumers from its principal place of business at 1028 York Road, Towson, Maryland, 21204.

4. Respondent Mitchell Thomson (“Mr. Thomson”) is an officer and an owner of Just Puppies of Maryland, Inc. and Just Puppies, Inc. (collectively referred to as “Just Puppies”). As an owner and officer of Just Puppies, Mr. Thomson possessed and exercised the authority to control the policies and trade practices of Just Puppies; was responsible for creating and implementing the policies and practices that allegedly violated the Puppy Mill Act that are described herein; was responsible for creating and implementing the alleged unfair or deceptive policies and trade practices of Just Puppies that are alleged herein; directed or supervised those employees of Just Puppies who participated in the alleged unfair or deceptive trade practices that are described herein and had the power to stop them, but rather than stopping them, promoted them. Mr. Thomson and Just Puppies deny such allegations.

PROCEDURAL HISTORY

5. On June 16, 2021, the Division filed its Statement of Charges alleging that the Respondents violated the Consumer Protection Act and the Puppy Mill Act, in connection with their offer and sale of dogs in the State of Maryland.

6. The Division’s Statement of Charges alleges that, in their offer or sale of dogs to consumers, the Respondents violated the Puppy Mill Act by offering and selling dogs.

7. The Respondents’ alleged violations of the Puppy Mill Act are also unfair and deceptive trade practices that are prohibited by the Consumer Protection Act.

8. The Division further alleged that the Respondents violated the Consumer Protection Act by committing deceptive trade practices that violate § 13-303 of the Act, as defined by §§ 13-301(1), (2), and (3) by: (i) making false and misleading statements to consumers that had the capacity, tendency, or effect of deceiving or misleading consumers; (ii) misrepresenting their status; and (iii) failing to state material facts, the omission of which deceived or tended to deceive consumers. Specifically, the Division alleged that the Respondents misled consumers concerning their ability to lawfully offer and sell dogs when, in fact, the Puppy Mill Act prohibited such sales and, at least in the Rockville store, Respondents Just Puppies of Maryland, Inc. and Mitchell Thompson offered and sold dogs when they lacked the required pet shop license. They also misled consumers by claiming that they had a direct, longstanding relationship with all of the breeders from whom they purchased dogs that they offered to consumers, yet when their supply from those breeders could not meet demand, they offered and sold dogs obtained from a website from breeders they did not know directly.

9. The Division contends that consumers were harmed as a result of the Respondents' unfair and deceptive trade practices in connection with their offer and sale of dogs.

10. The Respondents deny the Division's allegations and deny that they violated the Puppy Mill Act or the Consumer Protection Act. Nothing contained in this Final Order by Consent ("Final Order") shall be construed as an admission or concession that Respondents violated any law, rule, or regulation.

11. The Puppy Mill Act was changed by the Maryland General Assembly, effective July 1, 2021. The Respondents further contend that as of that date, they stopped offering and selling dogs.

12. The parties consent and agree to the terms of this Final Order to resolve the Division's allegations without the time and expense of trial or adjudication.

CEASE AND DESIST PROVISIONS

13. For purposes of resolving disputes concerning the above allegations, and without the admission of liability, the Respondents agree to the relief set forth below.

14. The Cease and Desist provisions of this Final Order shall apply to Respondents Just Puppies and their officers, employees, agents, successors, assignees, merged or acquired entities, parent or controlling entities, wholly-owned subsidiaries, and all other persons acting in concert or in participation with them, in the State of Maryland.

15. The provisions of this Final Order shall apply to Mr. Thomson and his agents, employees, and assigns, and any partnership, corporation or entity in which he either currently, or in the future, has an ownership interest, has authority to control, or has the authority to establish policy, in the State of Maryland.

16. The Respondents shall not offer, sell, or otherwise transfer dogs in or from the State of Maryland, or to a Maryland consumer.

17. The Respondents shall not make any misleading oral or written statements that have the capacity, tendency, or effect of deceiving or misleading consumers.

18. The Respondents shall not mislead consumers with respect to the legality of any transaction that they offer or enter into.

19. The Respondents shall not mislead consumers with respect to the source of any good that they offer or sell.

20. The Respondents shall not fail to state any material fact, the omission of which would have the capacity, tendency, or effect of deceiving or misleading consumers.

21. The Respondents shall not represent that they have a license or any other approval, status, affiliation, or connection that they do not have.

22. The Respondents shall cease and desist from committing any unfair or deceptive trade practices that violate the Consumer Protection Act.

23. If the Puppy Mill Act is amended to permit the sale of dogs or if the Puppy Mill Act is declared unconstitutional, the Respondents may petition the Agency to modify Paragraph 16 of this Final Order, so that it conforms to the new statute or the court ruling. If the Agency determines that this Final Order conflicts with the new statute or a final unappealable court order, the Agency shall enter a supplemental order to conform this Final Order to the new statute or court order.

RESTITUTION

24. The Respondents are jointly and severally liable for all restitution payments due under this Final Order.

25. Within sixty (60) days from the date of the Final Order, the Respondents shall provide the Division with a list of all consumers to whom they sold a dog since January 1, 2020. For each consumer, the Respondents shall provide the following information:

- a) the consumer's name;
- b) the consumer's address;
- c) the consumer's city, state and postal code;
- d) the consumer's telephone number(s) and email address(es);
- e) the date of the consumer's purchase(s);
- f) the amount paid by the consumer for each dog(s) purchased, including deposits, taxes, and other fees; and

g) the amount of any refund already paid to the consumer, if any.

26. The Respondents shall provide the information required under paragraph 25 to the Division, in electronic form, in the form of an Excel-compatible spreadsheet, with each item separately listed within Sixty (60) days of the date of this Final Order.

27. The Respondents shall provide the Division reasonable access to their business records upon request, including documentation of any of the information contained in the Consumer List.

28. Consumers are eligible to receive restitution equal to the amounts they paid the Respondents for a dog (including deposits, taxes, and fees), less any amounts already refunded to the consumer, if it has been discovered that the dog had a congenital disorder or hereditary condition or illness or disorder that was likely present at the time the dog was purchased by the consumer from the Respondents. If the condition, illness, or disorder was already cured, in lieu of a refund, consumers are eligible for reimbursement of the costs incurred for the treatment of the condition, illness, or disorder. Consumers shall submit documentation supporting their claims.

29. Within sixty (60) days after the Respondents provide the consumer list required by paragraph 25, the Proponent will send written notice to all consumers that have purchased a dog from the Respondents since January 1, 2020, and a claim form, offering a full refund for any dog that has been diagnosed with a congenital disorder or hereditary condition or illness or disorder that was likely present at the time the dog was purchased by the consumer, or if already cured, offering reimbursement of the costs incurred for the treatment of such a condition, illness, or disorder. Consumers shall have one hundred and twenty (120) days from the date of their mailing to return the claim forms to the Proponent. The written notice and claim form are attached as Appendix A.

30. The Proponent will provide copies of returned claim forms to the Respondents. The Respondents shall respond to any claim they receive within thirty (30) days of their receipt of the claim by either paying or denying the claim. If the Respondents deny the claim, they shall provide a written response to the consumer explaining the basis for their denial.

31. The Respondents may have the claim reviewed by a licensed veterinarian prior to paying or denying the claim. The Respondents shall submit to the Proponent a monthly written report on the last day of each month providing any responses by the Respondents to the claims that were pending during the prior month, and proof of any payments made by the Respondents.

32. The Respondents agree to submit to binding arbitration under the Rules of the Office of the Attorney General, Consumer Protection Division's Arbitration Program, including the Maryland Arbitration Act, any consumer request for restitution for a sale that occurred between January 1, 2020 and June 30, 2021 that the Respondents deny, or any complaint that is filed with the Consumer Protection Division against any Respondent by a consumer who has obtained a dog from the Respondents between January 1, 2020 and June 30, 2021.

33. Respondents agree to comply with any arbitration decision entered against them within thirty (30) days of either (i) the entry of such award, or (ii) the conclusion of any appeal of the Arbitrator's decision, whichever occurs later.

34. Respondents agree to pay the Division \$2,000 to cover the costs of the claims process. The \$2,000 shall be paid by the Respondents within one hundred and twenty (120) days after entry of this Final Order.

CIVIL PENALTY

35. The Respondents are jointly and severally liable for all penalty payments due under this Final Order.

36. Pursuant to the payment terms in paragraph 37, the Respondents shall pay to the Division a civil penalty in the amount of Five Hundred Thousand Dollars (\$500,000), which may be reduced to One Hundred Thousand Dollars (\$100,000) pursuant to the paragraph 37(e).

PAYMENT TERMS

37. The Respondents shall pay the penalty amount required under paragraph 36 as follows:

- a. At the time of the entry of this Final Order, the Respondents shall have paid the Division Ten Thousand Dollars (\$10,000.00).
- b. By December 1, 2021, the Respondents shall pay the Division an additional Ten Thousand Dollars (\$10,000.00).
- c. Respondents shall pay \$80,000.00 in 60 equal monthly payments in the amount calculated pursuant to subparagraph (d) of this paragraph (the "Installment Payments").
- d. Each monthly installment shall be in the amount of One Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$1,333.33), or in the case of the final payment, the remainder of the amount then due. The initial monthly installment shall be due on January 31, 2022, and the remaining payments shall be due on the last day of each succeeding month until the civil penalty has been paid in full. In the event that the Respondents pay all or a portion of the balance

ahead of this schedule, the Division will not impose or charge any prepayment penalty.

- e. If the Respondents fully comply with all provisions of the Final Order, and make timely payments pursuant to the restitution in paragraphs 27 through 33, the costs in paragraph 34, and the payment terms in paragraph 37, the Division shall waive Four Hundred Thousand Dollars (\$400,000.00) of the civil penalties that the Respondents are required to pay under paragraph 36 of this Order, and Respondents shall not owe any further monies to the Division under this Final Order.

38. In the event that Respondents fail to make a payment within thirty (30) days of the date such payment is required by paragraph 37 ("Payment Default"), all amounts due under the terms of this Final Order, including any unpaid amounts due under paragraphs 28 and 34 and the full amount of the Five Hundred Thousand Dollar (\$500,000) civil penalty under paragraph 36, shall be immediately due and owing to the Division, less any amounts already paid by the Respondents.

39. Upon the occurrence of a Payment Default, after written notice to Respondents and a ten (10) day opportunity to cure any default, the Respondents waive service of process and confess to the entry of a judgment against the Respondents, jointly and severally, for the entire unpaid sum of the amounts due pursuant to the terms of this Final Order.

40. No delay or failure by the Division in exercising any right, power, or privilege under this Final Order shall affect such right, power, or privilege; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such right, power, or privilege preclude any further exercise thereof, or of any other right, power, or privilege.

DISPUTES

41. The Chief of the Division, or his designee, shall resolve any disputes that arise concerning this Final Order and may enter any supplemental orders needed to effectuate its purpose.

NOTICE

42. Whenever notice is required under this Final Order, notice shall be provided in writing.

Notice to the Division shall be directed to:

Hanna Abrams
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
410-576-6585
habrams@oag.state.md.us

and to:

Chief, Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
consumer@oag.state.md.us

Notice to Respondents shall be directed to:

Jonathan P. Kagan
Kagan Stern Marinello & Beard, LLC
238 West Street
Annapolis, MD 21401
(410) 216-7900
kagan@kaganstern.com

Any party may change its designated notice recipients by written notice to the other parties.

ENFORCEMENT

43. The Respondents understand that this Final Order is enforceable by the Consumer Protection Division pursuant to the Consumer Protection Act and that any violation of this Final Order is a violation of the Consumer Protection Act.

44. The Respondents agree that any future violations of this Final Order or violations of the Consumer Protection Act or the Puppy Mill Act shall constitute a subsequent violation of the Consumer Protection Act for purposes of Com. Law § 13-410, and shall be subject to the penalty provisions for subsequent violations contained therein.

AGREED AS TO FORM AND SUBSTANCE,

Just Puppies of Maryland, Inc.
2004 Veirs Mills Road
Rockville, Maryland, 20851

By:


MITCHELL THOMSON


and

Just Puppies, Inc.
1028 York Road
Towson, Maryland, 21204

By:


MITCHELL THOMSON

and


MITCHELL THOMSON, INDIVIDUALLY
1028 York Road
Towson, Maryland, 21204

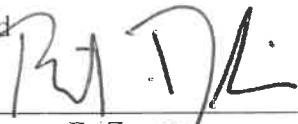
Consumer Protection Division
Office of the Attorney General

By:



HANNA ABRAMS
Assistant Attorney General

and



PHILLIP D. ZIPERMAN
Deputy Chief

SO ORDERED,
CONSUMER PROTECTION DIVISION

Entered: 10/13/21

By: 

WILLIAM D. GRUHN
Chief, Consumer Protection Division

Appendix A

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

DATE

Consumer Name
Consumer Address

Re: Notice of Claims Process for Health-Related Restitution
Consumer Protection Division v. Just Puppies of Maryland, Inc., et al.

Dear Consumer:

In June 2021, the Office of the Attorney General of Maryland, Consumer Protection Division ("Division") filed charges against Just Puppies of Maryland, Inc., Just Puppies, Inc., and Mitchell Thomson ("Just Puppies") alleging that they had violated the Consumer Protection Act and the Maryland Puppy Mill Act in connection with their offer and sale of dogs. Just Puppies denied the allegations.

Pursuant to a Final Order entered by the Division resolving the matter, consumers who purchased a dog from Just Puppies are eligible to receive restitution if the purchased dog was diagnosed with any of the following conditions that existed at the time the dog was purchased: a congenital disorder, a hereditary condition, or any other illness or disorder likely present at the time the dog was purchased.

Consumers who purchased any dogs with the above-listed conditions are eligible to receive a refund of the purchase price of their dog. If the condition, illness, or disorder was treated, in lieu of a refund, consumers may be eligible for reimbursement of the costs of the treatment incurred for the treatment.

To make a restitution claim, please fill out and return the enclosed Claims Form along with supporting documentation (documents, invoices, receipts, etc.) to:

Chris Waldt
Just Puppies Claims Processing
Consumer Protection Division
200 St. Paul Place, 16th Floor

Baltimore, Maryland 21202

*****Completed Claims Forms and Supporting Documents Must be Submitted by
<DATE>*****

After you submit your Claims Form to the Division, Just Puppies will contact you directly to attempt to resolve your claim. If your claim is not settled directly with Just Puppies, you may be eligible to present your claim to an arbitrator. If your claim qualifies, the arbitrator may order that you be refunded the purchase price of the dog or your veterinary bills.

If you have any questions about the Claims Process, you may contact Chris Waldt at cwaldt@oag.state.md.us or (410) 576-6569.

Sincerely,

<?>

Consumer Protection Division

Enclosure: Claims Form

**Consumer Protection Division v. Just Puppies of Maryland, Inc., et al.
Claim Form**

READ CAREFULLY

**Please retain Instructions and a copy of this Claim Form
and supporting documentation for your records**

If a dog you purchased from Just Puppies suffered from certain health conditions you may be entitled to receive a restitution payment pursuant to a Final Order by Consent entered into by the Office of the Attorney General, Consumer Protection Division and Just Puppies.

To make a restitution claim, please fill out and return this Claim Form, along with a copy of any documents, veterinary reports, invoices, receipts, or other documents that you have to support your claim, to:

**Chris Waldt
Just Puppies Claims Processing
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, Maryland 21202
(410) 576-6569**

****Deadline to mail this Claim Form is <date of mailing + 120 days>****

Section A. Personal Information

First Name: _____ M.I.: _____ Last Name: _____

Current Street Address: _____

City, State, Zip Code: _____

Email Address: _____ Phone Number: _____

Section B. Purchase Information

Date of Purchase: _____

Location of Purchase: ☐ Rockville ☐ Towson

Dog Breed: _____

Purchase Price (including taxes, deposits, and fees): \$ _____

Section C. Qualifying Conditions

Please check (✓) and describe all eligible health conditions:

- ☐ Congenital Disorder, description: _____
- ☐ Hereditary Condition, description: _____
- ☐ Illness, description: _____
- ☐ Other, description: _____

Additional information regarding the disorder, illness, or condition: _____

Date of diagnosis: _____

If dog was treated for any eligible the disorder, illness, or condition:

Description of treatment: _____

Date(s) of treatment: _____

Cost of treatment: _____

Section D. Additional Information

List the documentation you are submitting in support of this claim:

Provide any additional information in support of your claim:

Signature: _____

Date: _____

Printed Name: _____

**ATTACH ALL VETERINARY RECORDS, TREATMENT RECORDS,
AND/OR BILLS THAT SUPPORT YOUR CLAIM**