

IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a municipal corporation,
400 6th Street, N.W.
Washington, D.C. 20001,

Plaintiff,

v.

CURBIO, INC.
11325 Seven Locks Road, Suite 290
Potomac, MD 20854

Defendant.

Civil Action No.: _____

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff District of Columbia (“District”), by its Office of the Attorney General, brings this action against Defendant, Curbio, Inc. (“Curbio”), for violations of the District’s Abuse, Neglect and Financial Exploitation of Vulnerable Adults and the Elderly Act (“Financial Exploitation Act”), D.C. Code §§ 22-933.01 and 22-937, and Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.*, and seeks a permanent injunction, damages, restitution, civil penalties, and all other appropriate relief. In support of its claims the District states as follows:

Introduction

1. Curbio pitches itself as a pre-sale home renovation company that can fix up run-down properties 65% faster than the competition—with no risk, hassle, stress, interest, fees, or payments until the newly repaired home is sold. But the reality is that Curbio utilizes a collection

of low-cost subcontractors to deliver an over-priced, low-quality product—after locking consumers into a one-sided contract from which there is no escape.

2. Curbio has repeatedly violated the Financial Exploitation Act and CPPA by engaging in a scheme of deception, intimidation, and fraud. Curbio traps District of Columbia consumers—including the elderly and disadvantaged—into unconscionable contracts that strip those consumers of the equity they built in their homes over decades, while introducing hassle, stress, and hidden hazards for District homebuyers. In the process, Curbio has acted as an unlicensed lender and has clouded the title of more than one hundred District properties without making the mandatory lending disclosures required under District law.

3. The District brings this case to curb Curbio’s unfair and deceptive trade practices, to halt its financial exploitation of vulnerable and elderly District consumers, and to recover financial penalties and monetary damages as compensation for the harms Curbio’s illegal practices have caused.

Jurisdiction and Parties

4. This Court has jurisdiction over the subject matter of this action through D.C. Code § 11-921 and pursuant to the District’s Financial Exploitation Act, D.C. Code § 22-937(a), and Consumer Protection Procedures Act, D.C. Code § 28-3909.

5. This Court has personal jurisdiction over the Defendant pursuant to D.C. Code §§ 13-422 and 13-423.

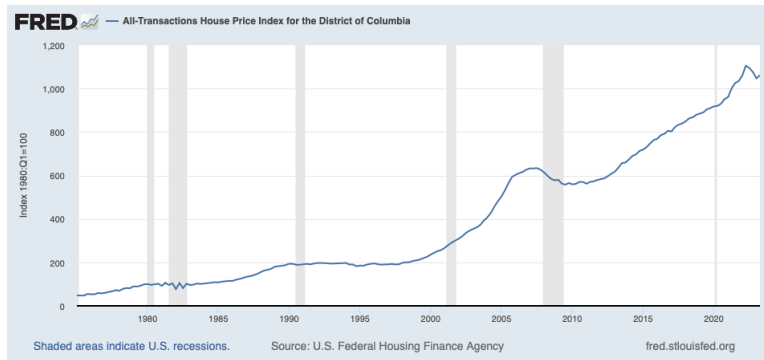
6. Plaintiff the District of Columbia is a municipal corporation empowered to sue and be sued and is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by its chief legal officer, the Attorney General for the District of Columbia, who has general charge to conduct of the legal

business of the District. The Attorney General is responsible for upholding the public interest and initiates suits on behalf of the District and its citizens. *See* D.C. Code § 1-301.81(a)(1).

7. Defendant Curbio Inc., a Delaware corporation, was originally formed in 2017 as a Maryland LLC, MaxSalePrice.com, and later incorporated under the laws of the State of Delaware as MaxSalePrice, Inc., before taking on its current form. Curbio has its headquarters at 11325 Seven Locks Road, Suite 290, Potomac, MD 20854. Curbio engages in the business of supplying pre-sale home renovations to consumers in the District of Columbia (and across the country) and makes both a marketing website and a mobile application available to those consumers.

The Opportunity

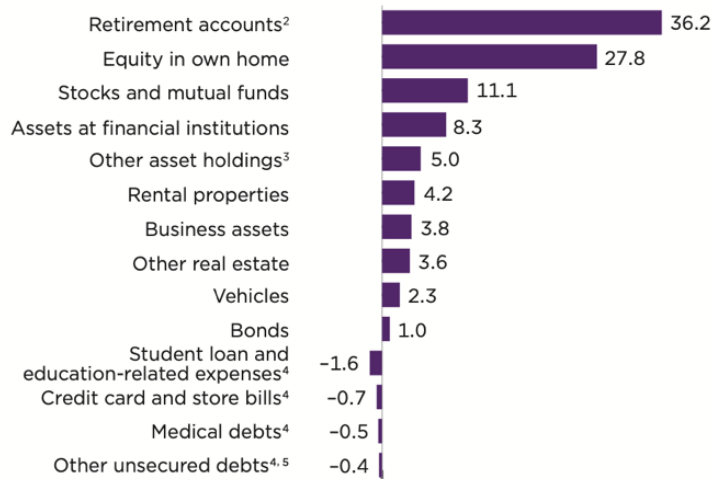
8. According to data compiled by the Federal Reserve Bank of St. Louis, home prices in the District of Columbia have increased by a staggering 10x over the past forty years.



9. District of Columbia homeowners—particularly elderly residents who have been long-term inhabitants of the nation’s capital—have built substantial equity in their properties as land and home values have steadily risen.

10. The US Census Bureau’s “The Wealth of Households: 2020” report shows that 27.8% of all US household wealth is held as equity in a primary residence.

Figure 1.
Composition of Wealth by Asset Type: 2020¹
(In percent)



11. These stores of wealth present a gilded opportunity for unscrupulous companies to take advantage of District residents—unfairly siphoning off wealth accumulated through decades of toil, investment, and resilience.

The Pitch

12. Curbio markets itself as a “fix now, pay when you sell” home improvement contractor. The company offers to refurbish homes while allowing homeowners to defer payment for the work and materials until the home is sold.

13. Across its marketing, Curbio claims that its services eliminate the hassle associated with pre-sale renovations and claims that Curbio projects are: “No Risk. All Reward.”

14. While Curbio requires homeowners to be represented by a real estate agent before signing a contract with the company, these real estate agents often have undisclosed, self-interested relationships with Curbio. Curbio advertises its services extensively to real estate agents—including signing cross-promotional contracts with large national real estate agencies. Under these agreements, some agencies receive incentive compensation of between 2-5% of every Curbio contract they facilitate. Curbio also provides direct compensation to individual real

estate agents in the form of incentive payments when the agent’s clients agree to receive a Curbio estimate or sign a Curbio contract.

15. Curbio knows that most home sellers—and a significant percentage of its customers—are seniors. In a July 2019 marketing email sent to real estate agents, Curbio notes that “76% of people who sold their home last year were seniors.” The email offered a “data-rich webinar” for agents showing them how Curbio can help seniors get “the best possible price” for their homes “without taking out a loan.”

16. Curbio also advertises directly to District consumers through its consumer-facing website and through high-production-value videos published and promoted via its YouTube channel.



17. Front-and-center on the 2023 version of Curbio’s consumer-facing website the company advertises: “\$0 due upfront. No interest. No fees. No catch.”



18. Curbio’s website claims that Curbio “Renovates 65% Faster than General Contractors” because “Curbio’s proprietary tech platform accelerates every step of the renovation.” On the same page Curbio recognizes that “for sellers who are ready to get their homes on the market, [delays and missed deadlines] can be a deal-breaker.”

19. In a presentation distributed to real estate agents, Curbio claims that sellers can “Renovate in Weeks, Not Months” because of Curbio’s “tech-enabled approach” and because “Curbio has curated a portfolio of materials that are high-quality and readily available.”

20. The “proprietary tech platform” facilitating Curbio’s “tech-enabled approach” is a mobile phone app and web portal that aims to facilitate communications between homeowners, real estate agents, subcontractors, and Curbio employees. Project updates, change orders, deadlines, material selections, deliveries, and work schedules are all purportedly centralized within the Curbio app. Each project has a dedicated app thread where the parties can interact and discuss the ongoing project.

21. In a Curbio website document titled, “Hesitant to Make Pre-Sale Updates?” Curbio explains how real estate agents can overcome the “3 common objections” sellers may have to making pre-sale renovations. Curbio claims that it can complete projects up to “60%

faster than the average general contractor” and that homes “updated by Curbio sell 50% faster than homes sold as-is.”

22. In a 2023 marketing email bearing the subject line, “We’ve heard the horror stories,” Curbio claims that Curbio customers will not have to “stress about unreliable contractors” because their “exclusive trade network is hand-picked and put through a rigorous vetting process” and will show up “on time” and get the job “done right.”

23. A Curbio website document titled, “Sell Your Sellers Curbio Packages,” outlines the expected timeframes for work to be completed on four different categories of improvements: from 1-2 weeks for “basic listing prep” to 7-12 weeks for “full-scale renovations” of “older, dated, or non-functional homes.” While full renovations take longer because the work will “require permits that extend the project time,” Curbio claims that this 12-week timeframe is still “50% faster than the national average.”

For older, dated, or non-functional homes - full-scale renovations are probably a good fit to maximize equity and potential from the home.

No matter how large the project, sellers don't pay a dime until they sell.

This allows home sellers to make the updates necessary to get their homes sold without sacrificing some of the value and equity that they've spent years building.

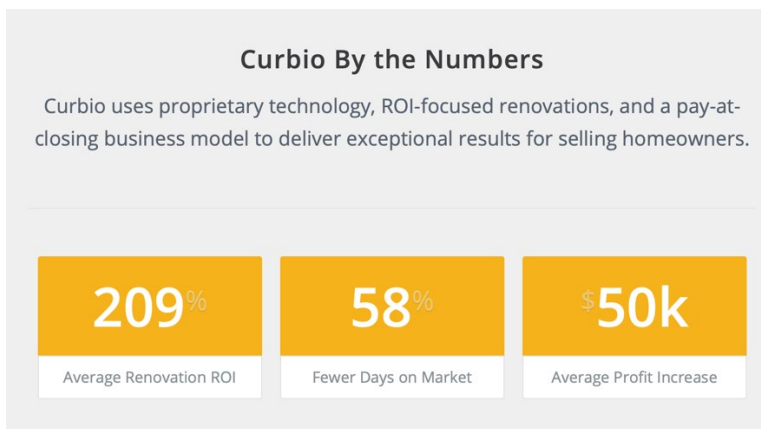
Renovations require more extensive work than a simple refresh or basic repairs and touch-ups. They typically require permits that extend the project timeline to two to three months - but that's still 50% faster than the national average.



24. In a Curbio website document titled “Benefits of Pre-sale Updates with Curbio,” Curbio advertises that consumers can expect to achieve stunning results by using the company’s services. An included graphic represents that a home “refreshed” by Curbio will sell weeks faster than an “identical” home undergoing a “traditional remodel” and for a sale price \$80,000 higher than the traditional remodel.



25. A Curbio mass marketing email sent to hundreds of real estate agents in February and March of 2019 noted the “dismal results” featured in a National Association of Realtors article which included data showing an average Return on Investment (“ROI”) of 62% and 50% for kitchen and bathroom renovations, respectively. The email claims that Curbio’s average ROI is 150%, and an eye-popping 201% for May through December of 2018. Elsewhere in its marketing materials this +200% ROI figure is stated as Curbio’s average result.



(Curbio.com homepage *circa* August 19, 2019)

26. Curbio claims that it makes money, not from lending, but from acting as a general contractor and making money “the same way a general contractor would.” Curbio claims that its pricing is “competitive to other general contractors in your market!”

27. In a 2021 marketing email to real estate agents from Curbio bearing the subject line, “Too good to be true,” Curbio states that: “the #1 question we get asked is ‘What’s the catch? This is too good to be true.’” The email claims that Curbio’s services include: “no deposits, progress payments, hidden fees, interest charges, credit checks, income requirements, liens, or premiums.” Curbio’s marketing claims, stated authoritatively as fact and without caveat or disclaimer, sound too good to be true—because they are not true.

28. Curbio leverages this vast array of promises and misrepresentations to gain consumers’ confidence—it then uses that confidence to ensnare consumers in its exploitative and unconscionable contract.

The Contract

29. After being exposed to a slew of grand and misleading claims in Curbio’s marketing materials, through their website, and through the real estate agents that Curbio uses as a proxy to spread their “no risk, all reward” message, District homeowners sign a standardized contract which locks them into an intractable no-win situation if, and when, Curbio fails to satisfactorily perform.

30. Buried twenty-five clauses into the twenty-eight-clause contract of adhesion that Curbio had in place from 2018-2020, is a blatantly false denial of reality: “Contractor has not made any representations to Owner, Owner’s Agent, or any third parties that the Services provided by Contractor will increase the value or selling price, or reduce the number of days on market, of the Home.” But given that Curbio absolutely does make such representations, the contract attempts to disclaim the misleading effects of those claims: “Notwithstanding the accuracy of the foregoing declaration and provision, Owner nonetheless has not relied on any

representations by the Contractor that the Services provided by Contractor will increase the value or selling price, or reduce the number of days on market, of the Home...”

31. Curbio’s contract wrests away homeowners’ control over their property and makes them entirely dependent on Curbio.

32. The Curbio contract forbids the property owner from directly or indirectly performing “any home repairs, updates, or improvements on the Home.”

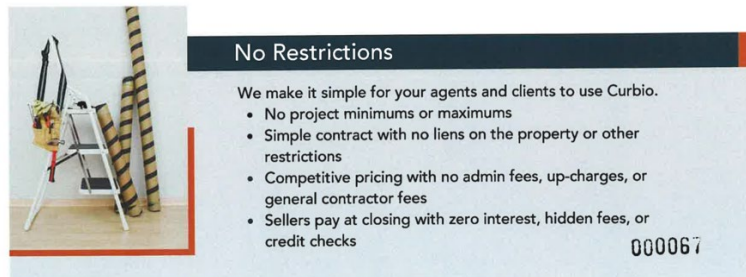
33. The Curbio contract forbids the property owner from borrowing against, or in any way encumbering, the property until such time that “all amounts owed by Owner to Contractor are paid in full.”

34. According to the terms of the 2018-2020 Curbio contract, a homeowner is in “material breach” of the terms of the contract if the homeowner has “direct communication” with any subcontractors working on the property related to “quality of workmanship issues, the status of the project, project costs, or for purposes of directly retaining the services of, or purchasing materials from, these labor and materials providers.”

35. An owner’s failure to adhere to “any of the terms of [the] contract” will “constitute an act of default.” In the event of a default, interest accrues on the full balance of the contract—whether or not the work has been completed—at a rate of 18% per year. If legal action is initiated, “Owner agrees to pay any and all outstanding amounts due plus counsel fees and costs of litigation which include but are not limited to filing fees, expert witness fees, arbitration fees and process serving fees.”

36. Hanging like a Sword of Damocles over District homeowners is the ever-present risk that Curbio will leverage the one-sided contractual terms and move the home into foreclosure.

37. When describing its standard contract in a marketing pitch deck distributed by Curbio to real estate agencies, the company states that Curbio’s “simple contract” creates “no liens on the property.”



38. However, in bold lettering on the first page of the 2018–2020 contract, Curbio claims that that the “contract creates a mortgage or lien against your (Owner’s) property to secure payment and may cause a loss of your property if you fail to pay the amount agreed upon.” In instances where Curbio records a mechanics lien, owners are required to “waive[] any right to claim that Contractor is not entitled to claim this mechanics lien *for any reason*” (emphasis added).

39. Curbio does not have a mortgage lending license as required by D.C. Code § 26-1103 and does not make the lending disclosures required by D.C. Code § 26-1113(a-1).

40. The Mortgage Lender and Broker Act of 1996 (“MLBA”), D.C. Code § 26-1101 *et seq.*, requires that any party offering “to make or procure a loan secured by a first or subordinate mortgage or deed of trust on a single to 4-family home” must make mandatory disclosures on a single page form in a manner prescribed by the statute, and requires that borrowers sign this clear disclosure before any loan is “consummated.” The one-page disclosure form requires, *inter alia*, that the lender clearly divulge the interest rate, payment schedule, and balloon payment and compare those obligations to the borrowers stated gross monthly income. Curbio makes no such disclosures.

41. On dozens of occasions since 2018, contemporaneous to a homeowner signing the Curbio contract—but before a single dollar’s worth of work had been completed—Curbio recorded a deed of trust for the full contract amount against the homeowner’s property with the District of Columbia Recorder of Deeds.

42. The Curbio deed of trust, like the Curbio contract, shifts the risk to the homeowner and empowers Curbio to charge the homeowner all fees—including attorney fees—associated with any purported default or foreclosure under the one-sided contract.

43. On at least twelve occasions from April to July 2019, Curbio “encountered difficulties in recording this interest” when attempting to cloud the title of District properties. Rather than remedy these “difficulties” through the normal process, Curbio repeatedly filed hastily drafted complaints for declaratory relief against the homeowners in the Superior Court for the District of Columbia. These complaints failed to comply with even the most basic pleading requirements—including naming multiple unrelated defendants to the same action and disclosing unredacted social security numbers and other personally identifiable information in violation of court rules. Even though each complaint was voluntarily dismissed by Curbio before the initial scheduling conference, Curbio used these actions to record a *lis pendens* on each property with the District of Columbia Recorder of Deeds.

44. While Curbio’s marketing repeatedly claims that the company’s services are provided with no interest and no fees, both the contract and the deed of trust make the full amount under the contract payable, plus fees and interest, upon any of the numerous conditions of default which are under Curbio’s sole discretion to declare.

45. Curbio routinely rolls what the company terms “passthrough” expenses—rental fees, mortgage payments, construction expenses incurred by consumers—into the Curbio

contract through change orders executed by the parties. Under this arrangement Curbio advances the costs of these expenses by paying for them contemporaneously while allowing consumers to temporarily defer payment.

46. But no version of the Curbio contract discloses that Curbio adds 20% to these expenses, an additional cost which Curbio misleadingly labels an “admin fee.” This 20% fee—in addition to running blatantly counter to Curbio’s “no fee” sloganeering—is nothing more than undisclosed interest in which consumers pay a percentage of the funds advanced in exchange for the ability to defer payment.

47. In 2021, Curbio added a clause to its contract requiring “payment in full” by the earlier of: “(i) the sale of the property; or (ii) twelve months from contract signing,” whether or not Curbio had actually completed the work during this time—directly undercutting its own “pay when you sell” promise.

48. According to a Curbio document distributed to real estate agencies titled “A Guide to White Labeling Curbio,” if a home does not sell within twelve months of contract signing a homeowner can “pay a small monthly admin fee to extend the payment deadline.” Neither the existence, nor the magnitude, of this monthly admin fee—which is yet another form of interest in return for deferred payment—is disclosed to the consumer in Curbio’s consumer marketing or adhesion contract.

49. The 2021-2022 version of the Curbio contract enabled the company to add a \$250 *per day* fee for any delays to Curbio’s work schedule allegedly caused by the homeowner. But the contract created no reciprocal rights for the homeowner when Curbio caused delays to the work schedule.

50. The current version of Curbio’s standardized contract defines “default” as the “failure of Owner to adhere to any of the terms of this Contract.” Upon default the homeowner is obligated to pay a \$1000 “administrative fee” plus all amounts outstanding under the contract and “counsel fees and costs of litigation.” The contract does not define any corresponding conditions under which Curbio could be considered in default under the contract, and instead disclaims responsibility related to:

a) Value: “Contractor ... makes no predictions, representations or guarantees of any kind related to the value of homes, either ‘as-is’ or after repair, or the impact that our Services may have on the value or final selling price of any homes. Owner agrees to hold Contractor harmless for any reliance on such information.”

b) Timeliness: “Any delays in the actual completion date will not be deemed a material breach of Contract.”

51. The current Curbio contract requires the homeowner to agree that a cancelation fee of “100% of the total contract value” is a “fair, reasonable, and accurate” fee if the homeowner decides to cancel the contract after the mid-point of the completion date projected by the Curbio contract, without regard to the actual progress Curbio has—*or has not*—made.

52. But Curbio has actual knowledge that, given its chronic inability to timely perform, it frequently does not even commence work on projects until after the mid-point of its projected completion date.

53. Although Curbio’s “rigorously vetted” subcontractors frequently fail to deliver the promised levels of workmanship, and its project managers often run more than a year overschedule on supposed three-month projects, Curbio’s contract prevents homeowners from taking the necessary steps to mitigate the harm: they are forbidden from doing the work

themselves, prevented from borrowing money against their equity to hire more qualified contractors, and prevented from canceling the Curbio contract without paying outrageous and unconscionable fees and penalties.

The Consequences

54. Curbio claims that its pricing is competitive with other contractors in the homeowner’s market—but the reality is that Curbio charges dramatically inflated prices which are not remotely competitive. Curbio hires local market contractors to perform all the work that it obligates itself to perform, and those contractors charge less than half—sometimes significantly less—than what Curbio charges consumers.

55. Relying on Curbio’s misleading claims, District consumers—including the elderly, the vulnerable, the disadvantaged, and families inheriting homes that, for many, represent the full store of inter-generational wealth—end up paying premium-grade prices for lowest-bidder work. And while every version of Curbio’s contract from 2018–2023 has claimed that its work will “meet or exceed” the standards set by the National Association of Home Builders, the reality is that Curbio frequently falls short of even basic layman standards.

56. Curbio promises to deliver rapid results without any of the stress and hassle that people frequently associate with home improvement projects—but instead, many Curbio projects devolve into a perpetual nightmare from which there is no waking.

Darrington Street, SW

57. On November 27, 2018, the 86-year-old homeowner (and her co-owner grandson) of a property located on Darrington Street in Southwest DC signed a contract with Curbio to complete a \$57,640 rehab of their property in an estimated 45 days. The elderly owner intended

to sell the property during the coming spring buying season, but Curbio failed to complete the work in a timely fashion.

58. On March 22, 2019, more than three months overschedule, Curbio claimed the work was complete and set up a final walkthrough of the property. But, in fact, much of the work remained incomplete. The homeowners sent a letter to Curbio complaining about the lack of progress; and about the company setting up a walkthrough on the “pretext that the project was finished.”

59. On June 24, 2019, Curbio recorded a mechanic’s lien against the property for the full amount of the contract, claiming the work had been completed on April 3, 2019.

60. On June 30, 2019, the homeowners sent another letter to Curbio complaining that the project was now “at least five months and one week (111 days) past the 45 days estimated to complete the project,” and that the project was still incomplete. The previous project manager had been removed and the new project manager had yet to even reach out to the homeowners. The elderly homeowner worried that due to Curbio’s delays they were going to miss both the spring and summer selling seasons, noting that “I... am elderly – in my 80’s – and was recently diagnosed and hospitalized for several days with a serious heart condition. This situation with Curbio is causing me great stress and I am increasingly concerned that it may very well exacerbate my heart condition... This situation has to end before my daily worry over it and the stress over it for months and months cause me to have a heart attack which could cause my death.” The letter sought the cancelation of the contract and a \$17,000 reduction for the work that Curbio had yet to perform. Curbio refused to mitigate the harm.

61. The property was not listed for sale until August 2019 and was not sold until the end of October. Despite the homeowners’ continued protestation regarding work that was never

performed, the quality of the work that was done, and Curbio's utter failure to complete the project in a timely manner, Curbio nevertheless leveraged its lien to collect the full contract price.

Seventh Street, NW

62. On April 25, 2022, the 74-year-old homeowner of a property located on Seventh Street in Northwest DC signed a contract with Curbio for \$136,267 to renovate her property in an estimated 126 days.

63. By July 1, 2022, the homeowner's son was inquiring within the Curbio app as to why progress on the project was not being updated in the app and "why no one has been there working lately?" On August 1, 2022, the homeowner's son noted in the Curbio app that "No work has been done at the house in over 3 weeks." On January 14, 2023, approximately five months after the work should have been completed, the homeowner's son detailed a laundry list of problems with workmanship, improper permitting, theft, and general lack of execution and noted that the "project is at 4% [completion] based on the 'Project Status' and we are approaching 9 months post the signing."

64. On February 6, 2023, Curbio noted that it wished to "avoid communicating" with the homeowner's son (who had power of attorney to deal with his aging mother's affairs) and claimed that he was "tortiously interfering" with Curbio's contract. Curbio threatened to "terminate the Contract for cause and accelerate due all amounts outstanding."

Taylor Street, NW

65. On June 13, 2022, a 75-year-old dealing with memory issues signed a \$127,331 contract with Curbio to rehab her home located on Taylor Street in Northwest DC in an estimated 84 days.

66. On March 30, 2023, after the project had been delayed by a serious medical procedure that prevented the homeowner from vacating the property, Curbio “offered an extension after project completion for the balance due.” The homeowner was convinced by Curbio and her real estate agent that she needed to move out of the property and was required to sign a change order for an additional \$38,640 covering 12 months’ rent in a rental unit (even though Curbio claimed it could complete the project in less than three months)—Curbio added its standard 20% lending fee to the cost of the rental, mislabeling this excessive interest rate as an “admin fee.”

67. On June 19, 2023, the homeowner’s son learned about the contract for the first time and found that his mother was to be moved from her property the following day. The homeowner was confused and could not remember the specifics of the transaction, but informed her son that she had been told by Curbio that if she did not move forward with the contract, she would owe Curbio tens of thousands of dollars.

68. On July 14, 2023, the homeowner was induced to sign a second change order adding an additional \$15,027 to the contract to cover some mortgage payments during the rehab. Curbio again included a 20% lending charge mislabeled as an “admin fee.” The elderly homeowner was led to believe that if she allowed Curbio to proceed with the renovations, the home would sell for at least \$1.3 million. She was not informed in advance of signing the Curbio contract that the company would be adding a 20% fee to all passthrough expenses.

69. As of the date of the Complaint, the project remains unfinished and the terms of the Curbio contract make it all but impossible for the elderly homeowner to extract herself from a situation where she feels that she is being scammed.

Fort Dupont Street, SE

70. On March 7, 2022, the owner of a home located on Fort Dupont Street in Southeast DC signed a contract with Curbio for \$57,631 to update the property in an estimated 91 days. The homeowner, assured that the project would be completed in a timely fashion, agreed to move her family into an extended stay hotel—the cost of which Curbio fronted for the homeowner while rolling the additional expense into the contract with an added 20% “admin fee.”

71. Ninety-three days later, on June 8, 2022, the homeowner signed the first of more than ten change orders that Curbio would ultimately induce her to agree to, adding an additional \$11,088 to the contract price to replace wastewater pipes, with Curbio estimating that this change would extend the completion date of the project by “approximately 0 days.”

72. On November 6, 2022, long after the project was scheduled to be finished, the homeowner noted in the Curbio app that she felt “completely taken advantage.” She wanted to sell the property quickly to permit her elderly mother to move into a new home so that she would “not pass away in a nursing facility.” But Curbio did not complete the project, and her mother passed away while the family waited, and waited, for Curbio to make good on its promises.

73. Over the ensuing months, although Curbio had claimed the project was completed, the homeowner and her real estate agent noted that the thermostat, light switches, and HVAC vents had been walled over by Curbio’s “vetted” subcontractors. Construction debris was clogging the drains. Water was leaking and staining the walls and ceiling of the master bedroom. The backsplash seam was coming apart and the breakfast bar was unsecured. According to Curbio’s app, many of these problems remained unremedied as of March 30, 2023—more than a year after the 91-day contract was signed.

74. On November 29, 2022, after the homeowner repeatedly notified Curbio about the extensive list of significant unresolved issues, the company placed a mechanics lien on the property for \$108,970, claiming the project was complete.

75. On February 7, 2023, while the home was still listed for sale, Curbio notified the homeowner that the full amount under the contract was due on March 7, 2023, and that the company would start charging interest of \$53.74 per day (18% per year) until the full amount was paid.

76. According to the homeowner, as of the date of this Complaint, many necessary repairs have yet to be completed and the home remains unsold.

Emerald Street, NE

77. On April 16, 2021, the owners of a home located on Emerald Street in Northeast D.C. signed a contract with Curbio to renovate their property in an estimated 14 weeks for \$197,744. On the same day, Curbio created a deed of trust for the full amount of the contract and recorded that encumbrance with the Recorder of Deeds on April 29, 2021.

78. On September 7, 2021, months after the expected completion date contemplated by the contract, almost nothing had been accomplished on the project other than an incomplete demolition which had rendered the home uninhabitable and unsellable.



79. As the months—then years—dragged on with the project still unfinished, Curbio required the homeowners to sign multiple change orders adding tens of thousands of dollars to the already excessive cost of the renovation. One of the change orders, dated August 11, 2022, notes that roof repairs were made by a roofer arranged by the homeowner’s real estate agent. Even though Curbio had little involvement in this repair, it still added its standard 20% “admin fee” to the cost as compensation for permitting the homeowner to defer payment.

80. On October 13, 2022, the homeowner’s experienced real estate agent complained that “it has now been 18 months and still no definitive date for completion,” insisting that Curbio take “full responsibility for this debacle.” Curbio’s project manager admitted that the continuous delays were “unacceptable to myself and Curbio” and blamed “some challenges in bandwidth with my trade partners.” Curbio set a new “realistic” completion date of November 3, 2022—but that date, like all the others, came and went with the project unfinished.

81. On November 28, 2022, after a long struggle to get the gas turned back on at the property, the homeowner was informed by Washington Gas that the service could not be restored because Curbio failed to obtain the necessary plumbing inspections and—alarmingly—because

the water heater had been installed without the flue required to safely discharge carbon monoxide.

82. On January 11, 2023, after Curbio assigned a new project manager to the property, the distraught homeowner noted that Curbio's continuous delays had "caused an undue burden on my family regarding the mortgage," and requested a 25% reduction in the total contract price. On January 13, 2023, the primary mortgage lender initiated foreclosure proceedings against the homeowner.

83. On March 16, 2023, after conducting a home inspection, the homeowner's real estate agent made a detailed entry in the Curbio app noting: extensive price inflation, poor workmanship, work conducted by "amateur contractors," and tens of thousands of dollars of work for which the family was being charged that had simply never been done. The agent remarked that multiple selling seasons had come and gone with the project unfinished while interest rates had continued to climb.

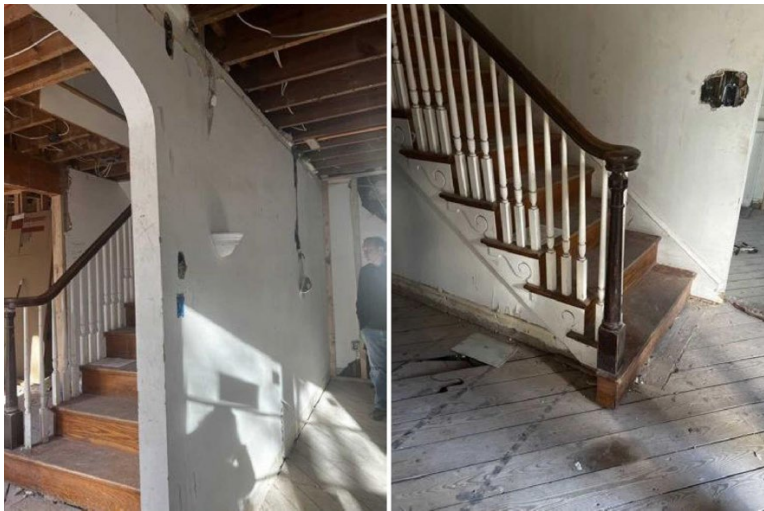
84. As of the date of this Complaint, there is no indication in the Curbio app that this project has been completed, and the home has still not been listed for sale.

Thirty-sixth Place, NW

85. On May 7, 2020, the owner of a home located on 36th Place in Northwest DC signed a contract with Curbio to complete a renovation for \$208,516. On May 12, 2020, Curbio recorded a deed of trust against the property for that amount. On December 17, 2020, Curbio and the homeowner signed a superseding contract for an \$828,635 renovation which was to be completed in an estimated six months.

86. Curbio recorded a second deed of trust for \$828,635 against the property on December 28, 2020, without releasing the previously recorded deed of trust.

87. Concerns over the quality and timeliness of the workmanship developed almost immediately. On March 10, 2023, the Curbio project manager noted some of the many outstanding issues with work to date: poor quality window installation, incomplete demolition, and large cracks in the newly poured foundation.



(Interior photo on March 10, 2023)

88. In 2023, after years of delays and deficiencies, the Department of Buildings classified the property as vacant, increasing the homeowners' property tax obligation by 588%.

89. As of the date of this Complaint, more than three years after the original contract was signed—and after cycling through multiple project managers—according to Curbio's own app the project remains less than 20% complete.

Fifty-fifth Street, SE

90. On June 11, 2019, the 99-year-old owner of a home located on 55th Street in Southeast DC signed a \$53,679 contract with Curbio to rehab her property—which had been in her family since 1952. That same day Curbio created a deed of trust for the full amount of the contract and recorded that encumbrance with the Recorder of Deeds on July 15, 2019.

91. But the homeowner had second thoughts. She was not sure she wanted to leave her home of decades and she informed Curbio that she did not want to proceed with any work

until after her 100th birthday party that September. After the birthday party, the homeowner decided that she did not want to leave her home.

92. Curbio insisted that its contract required the homeowner to proceed with the work. On January 6, 2020, Curbio sent a letter notifying the homeowner and her grandson that Curbio would begin charging interest on the contract beginning February 1, 2020.

93. Even though zero work had been performed on the property, Curbio demanded that the family pay \$15,000 to cancel the contract. A large law firm notified Curbio that they would be representing the now 100-year-old District homeowner in her dispute with the company. But Curbio sent a letter to the firm—approved by Curbio CEO Rick Rudman—stating that interest was accruing on the \$15,000 cancellation fee and that the company “still will perform the work.”

94. On June 3, 2020, the law firm sent a communication to Curbio alleging that Curbio’s practices violated D.C.’s Mortgage Lender and Broker Act. At that point, only when the homeowner’s family was represented by a large, multinational law firm, did Curbio CEO Rick Rudman direct the company to back down from its unreasonable insistence that the family pay a \$15,000 cancellation fee.

COUNT I

Violations of the Consumer Protection Procedures Act (D.C. Code §§ 28-3901, *et seq.*)

95. The District incorporates by reference the allegations set forth in the preceding paragraphs above as if fully set forth herein.

96. The CPPA is a remedial statute that is to be broadly construed. It establishes an enforceable right to truthful information from merchants regarding consumer goods and services that are, or would be, purchased or received in the District of Columbia.

97. Lending and home improvement services are offered and sold by Curbio to District consumers for household or family purposes and are, therefore, consumer goods or services as defined by the CPPA.

98. Curbio offers to sell these goods and services in the ordinary course of business and is a merchant as defined by the CPPA.

99. The CPPA prohibits unlawful and deceptive trade practices in connection with the offer, sale, and supply of consumer goods and services.

100. Curbio's representation, in every version of its contract between 2018 and 2023, that all work will be done "in a good and workmanlike manner" and will "meet or exceed" the standards set by the National Association of Home Builders are misrepresentations and an unfair or deceptive trade practice in violation the CPPA, D.C. Code § 28-3904(d).

101. Curbio's representations to consumers regarding: the lack of risk, the absence of fees, the absence of interest, average ROI, decreased time on market, the rigorous vetting of its subcontractors, the timeliness of its work relative to other contractors, and the time required to complete specific projects are all misrepresentations of material facts which have a tendency to mislead in violation of the CPPA, D.C. Code § 28-3904(e).

102. Curbio's failure to disclose that it significantly overcharges for construction services to compensate for its lending risk, failure to disclose that it has not attained a proper lending license, and failure to disclose that certain real estate agencies may receive incentive compensation for projects referred to Curbio are omissions of a material fact which would have a tendency to mislead consumers in violation of the CPPA, D.C. Code § 28-3904(f).

103. Curbio's repeated representation that its pricing is competitive to that of other competitors or general contractors is false or misleading in violation of the CPPA, D.C. Code § 28-3904(j).

104. Curbio's inclusion of, and efforts to enforce, multiple unconscionable terms in its one-sided sales contract—including but not limited to shifting all attorneys' fees and litigation costs to consumers, making the consumer liable for work not performed, and grossly unfair liquidated damages provisions—are unfair trade practices in violation of the CPPA, D.C. Code § 28-3904(r).

105. Curbio engages in the business of loaning money without having first attained, and maintained, a money lender's license pursuant to D.C. Mun. Regs. 16 § 201.1. This violation of Title 16 of the District of Columbia Municipal Regulations is in violation of the CPPA, D.C. Code § 28-3904(dd).

106. Curbio's failure to attain a proper mortgage lending license pursuant to D.C. Code § 26-1103, and its associated failure to make the proper lending disclosures required by D.C. Code § 26-1113(a-1) are unfair and deceptive trade practices in violation of the CPPA, D.C. Code § 28-3904(hh).

107. Curbio's failure to furnish borrowers with a separate statement which complies with the disclosure provisions of the Truth in Lending Act, as required by D.C. Code § 28-3301(f)(3), is an unfair and deceptive practice in violation of the CPPA, D.C. Code § 28-3904(ff).

COUNT II

Violations of the Abuse, Neglect, and Financial Exploitation of Vulnerable Adults and the Elderly Act (D.C. Code §§ 22-933.01 and 22-937)

108. The District incorporates by reference all allegations in the preceding paragraphs as if fully set forth here.

109. A person violates the Financial Exploitation Act if that individual:

(1) Uses deception, intimidation, or undue influence to obtain the property, including money, of a vulnerable adult or elderly person, with the intent to deprive the vulnerable adult or elderly person of the property or use it for the advantage of anyone other than the vulnerable adult or elderly person [...]

(3) Violates any provision of law proscribing theft, extortion, forgery, fraud, or identity theft against the vulnerable adult or elderly person, so long as the offense was undertaken to obtain the property, including money, of a vulnerable adult or elderly person, or to cause the vulnerable adult or elderly person to assume a legal obligation on behalf of, or for the benefit of, anyone other than the vulnerable adult or elderly person.

D.C. Code § 22-933.01(a).

110. At all times relevant to this Complaint, Curbio targeted marketing to elderly customers in the District through its network of associated real estate agents with the knowledge that seniors comprise the majority of sellers in the single-family home market.

111. Indeed, more than fifty of Curbio's customers were elderly persons and/or vulnerable adults as defined by D.C. Code § 22-932.

112. Curbio engaged in a scheme, or systematic course of conduct, with the intent to obtain the money or property of elderly and vulnerable adults through false or fraudulent pretense, representation, or promise.

113. As described above in detail, Curbio used deception to trick the vulnerable and elderly into signing contracts by misrepresenting competitive pricing, and low-balling the

expected duration of renovation projects, all while greatly exaggerating the likely return on investment—and did so with the knowledge that these material representations were not based in fact.

114. Curbio deliberately included, and threatened to enforce, certain unconscionable contract provisions in an effort to intimidate elderly and vulnerable customers, and to coerce them into taking actions that were against their financial interests. Most significantly, Curbio used the devastating threat of losing one’s home to induce unsatisfied elderly and vulnerable homeowners to follow through with contracts in which Curbio was the only beneficiary.

115. Curbio intentionally and knowingly obtained the money or property of vulnerable and elderly adults through misrepresentation, deception, and intimidation, with the intent to use those funds for the benefit of someone other than those vulnerable and elderly adults (i.e., Curbio) in violation of D.C. Code § 22-933.01(a)(1).

116. Curbio intentionally and knowingly obtained the money or property of elderly and vulnerable adults by fraud with the intent to use the funds for the benefit of someone other than those vulnerable and elderly adults (i.e., Curbio) in violation of D.C. Code § 22-933.01(a)(3).

117. Curbio’s actions violate D.C. Code §§ 22-933.01(a) and subject Defendant to the penalties prescribed pursuant to §§ 22-937 and 22-938.

Prayer for Relief

WHEREFORE, the District respectfully requests that the Court enter judgment in its favor and against Defendant, awarding the District the following relief:

- (1) Permanently enjoin Curbio, pursuant to D.C. Code § 28-3909(a), from violating the CPPA, including, but not limited to, preventing the company from:
 - a. Relying on unconscionable contract provisions which unfairly shift the costs and fees associated with any dispute to the consumer;

- b. Misrepresenting the value, speed, return on investment, or other metrics related to its renovation services that are not supported or corroborated by statistically significant District market data;
 - c. Lending money or creating mortgages without a license and without making the required consumer disclosures;
 - d. Creating or enforcing liens against District properties for work not performed;
 - e. Omitting material information during its marketing and sales process, including the non-disclosure of incentive payments to real estate agents;
 - f. Misrepresenting that its construction and renovation services are competitively priced;
- (2) Permanently enjoin Curbio, pursuant to D.C. Code § 22-937(a)(1), from violating the Financial Exploitation Act;
 - (3) Order Curbio to pay restitution, pursuant to D.C. Code §§ 28-3909(a) and 22-937(a)(2), for amounts collected in connection with the supply of services to District of Columbia consumers in violation of the CPPA and Financial Exploitation Act;
 - (4) Order Curbio to pay all damages consequent of its failure to timely and satisfactorily perform pursuant to its contracts;
 - (5) Award civil penalties of up to \$10,000 for each violation of the Financial Exploitation Act pursuant to D.C. Code § 22-937(a)(5);
 - (6) Award civil penalties of up to \$5,000 for each violation of the CPPA pursuant to D.C. Code § 28-3909(b);
 - (7) Declare Curbio's unconscionable District of Columbia contracts as void and unenforceable;

- (8) Void all liens, deeds of trust, or other encumbrances recorded by the company against properties located in the District of Columbia;
- (9) Award the District the costs of this action and reasonable attorneys' fees pursuant to D.C. Code §§ 28-3909(b) and 22-937(a)(3);
- (10) Grant other such relief as the Court deems just and proper.

Jury Demand

The District of Columbia hereby demands a trial by jury.

Date: November 19, 2023

Respectfully submitted,

BRIAN L. SCHWALB
Attorney General for the District of Columbia

JENNIFER C. JONES
Deputy Attorney General
Public Advocacy Division

/s/ Alicia M. Lendon
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Public Advocacy Division

/s/ Jason Jones
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Attorneys for the District of Columbia

Superior Court of the District of Columbia

CIVIL DIVISION - CIVIL ACTIONS BRANCH INFORMATION SHEET

Plaintiff(s)	Case Number: _____
vs	Date: <u>November 19, 2023</u>
Defendant(s)	One of the defendants is being sued in their official capacity.

Name: <i>(Please Print)</i>	Relationship to Lawsuit
Firm Name:	Attorney for Plaintiff
Telephone No.: _____ DC Bar No.: _____	Self (Pro Se)
	Other: _____

TYPE OF CASE: Non-Jury 6 Person Jury 12 Person Jury
 Demand: \$ _____ Other: _____

PENDING CASE(S) RELATED TO THE ACTION BEING FILED
 Case No.: _____ Judge: _____ Calendar #: _____
 Case No.: _____ Judge: _____ Calendar #: _____

NATURE OF SUIT: <i>(Check One Box Only)</i>			
CONTRACT	COLLECTION/INS. SUB	EMPLOYMENT DISPUTE	
Breach of Contract	Debt Collection	Breach of Contract	
Breach of Warranty	Insurance Subrogation	Discrimination	
Condo/Homeowner Assn. Fees	Motion/Application for Judgment by Confession	Wage Claim	
Contract Enforcement	Motion/Application Regarding Arbitration Award	Whistle Blower	
Negotiable Instrument		Wrongful Termination	
REAL PROPERTY	FRIENDLY SUIT		HOUSING CODE REGULATIONS
Condo/Homeowner Assn. Foreclosure	Ejectment	Other	QUI TAM
Declaratory Judgment	Eminent Domain	Quiet Title	STRUCTURED SETTLEMENTS
Drug Related Nuisance Abatement	Interpleader	Specific Performance	
ADMINISTRATIVE PROCEEDINGS	AGENCY APPEAL		
Administrative Search Warrant	Release Mechanics Lien	Dangerous Animal Determination	
App. for Entry of Jgt. Defaulted Compensation Benefits	Request for Subpoena	DCPS Residency Appeal	
Enter Administrative Order as Judgment	MALPRACTICE		Merit Personnel Act (OEA)
Libel of Information	Medical – Other		Merit Personnel Act (OHR)
Master Meter	Wrongful Death		Other Agency Appeal
Petition Other	APPLICATION FOR INTERNATIONAL FOREIGN JUDGMENT		

Information Sheet, Continued

CIVIL ASSET FORFEITURE Currency Other Real Property Vehicle		TORT Abuse of Process Assault/Battery Conversion False Arrest/Malicious Prosecution Libel/Slander/Defamation Personal Injury Toxic Mass Wrongful Death (Non-Medical Malpractice)	
NAME CHANGE/VITAL RECORD AMENDMENT Birth Certificate Amendment Death Certificate Amendment Gender Amendment Name Change			
GENERAL CIVIL Accounting Deceit (Misrepresentation) Fraud Invasion of Privacy Lead Paint Legal Malpractice Motion/Application Regarding Arbitration Award Other - General Civil		Product Liability Request for Liquidation Writ of Replevin Wrongful Eviction CIVIL I/COMPLEX CIVIL Asbestos MORTGAGE FORECLOSURE Non-Residential Residential	STATUTORY CLAIM Anti – SLAPP Consumer Protection Act Exploitation of Vulnerable Adult Freedom of Information Act (FOIA) Other TAX SALE FORECLOSURE Tax Sale Annual Tax Sale Bid Off
VEHICLE Personal Injury Property Damage		TRAFFIC ADJUDICATION APPEAL REQUEST FOR FOREIGN JUDGMENT	

 Filer/Attorney's Signature

Date



Superior Court of the District of Columbia
CIVIL DIVISION
Civil Actions Branch
500 Indiana Avenue, N.W., Suite 5000 Washington, D.C. 20001
Telephone: (202) 879-1133 Website: www.dccourts.gov

_____ Plaintiff

vs.

Case Number _____

_____ Defendant

SUMMONS

To the above named Defendant:

You are hereby summoned and required to serve an Answer to the attached Complaint, either personally or through an attorney, within twenty one (21) days after service of this summons upon you, exclusive of the day of service. If you are being sued as an officer or agency of the United States Government or the District of Columbia Government, you have sixty (60) days after service of this summons to serve your Answer. A copy of the Answer must be mailed to the attorney for the plaintiff who is suing you. The attorney's name and address appear below. If plaintiff has no attorney, a copy of the Answer must be mailed to the plaintiff at the address stated on this Summons.

You are also required to file the original Answer with the Court in Suite 5000 at 500 Indiana Avenue, N.W., between 8:30 a.m. and 5:00 p.m., Mondays through Fridays or between 9:00 a.m. and 12:00 noon on Saturdays. You may file the original Answer with the Court either before you serve a copy of the Answer on the plaintiff or within seven (7) days after you have served the plaintiff. If you fail to file an Answer, judgment by default may be entered against you for the relief demanded in the complaint.

Clerk of the Court

 Name of Plaintiff's Attorney

By _____
 Deputy Clerk

 Address

Date _____

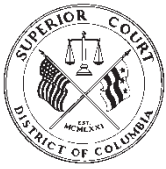
 Telephone

如需翻译,请打电话 (202) 879-4828 Veuillez appeler au (202) 879-4828 pour une traduction Để có một bản dịch, hãy gọi (202) 879-4828
 번역을 원하시면, (202) 879-4828로 전화하십시오. የአማርኛ ትርጉም ለማግኘት (202) 879-4828 ይደውሉ

IMPORTANT: IF YOU FAIL TO FILE AN ANSWER WITHIN THE TIME STATED ABOVE, OR IF, AFTER YOU ANSWER, YOU FAIL TO APPEAR AT ANY TIME THE COURT NOTIFIES YOU TO DO SO, A JUDGMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE MONEY DAMAGES OR OTHER RELIEF DEMANDED IN THE COMPLAINT. IF THIS OCCURS, YOUR WAGES MAY BE ATTACHED OR WITHHELD OR PERSONAL PROPERTY OR REAL ESTATE YOU OWN MAY BE TAKEN AND SOLD TO PAY THE JUDGMENT. IF YOU INTEND TO OPPOSE THIS ACTION, DO NOT FAIL TO ANSWER WITHIN THE REQUIRED TIME.

If you wish to talk to a lawyer and feel that you cannot afford to pay a fee to a lawyer, promptly contact one of the offices of the Legal Aid Society (202-628-1161) or the Neighborhood Legal Services (202-279-5100) for help or come to Suite 5000 at 500 Indiana Avenue, N.W., for more information concerning places where you may ask for such help.

See reverse side for Spanish translation
 Veá al dorso la traducción al español



TRIBUNAL SUPERIOR DEL DISTRITO DE COLUMBIA
DIVISIÓN CIVIL
Sección de Acciones Civiles
500 Indiana Avenue, N.W., Suite 5000, Washington, D.C. 20001
Teléfono: (202) 879-1133 Sitio web: www.dccourts.gov

_____ Demandante
 contra

Número de Caso: _____

_____ Demandado

CITATORIO

Al susodicho Demandado:

Por la presente se le cita a comparecer y se le requiere entregar una Contestación a la Demanda adjunta, sea en persona o por medio de un abogado, en el plazo de veintiún (21) días contados después que usted haya recibido este citatorio, excluyendo el día mismo de la entrega del citatorio. Si usted está siendo demandado en calidad de oficial o agente del Gobierno de los Estados Unidos de Norteamérica o del Gobierno del Distrito de Columbia, tiene usted sesenta (60) días, contados después que usted haya recibido este citatorio, para entregar su Contestación. Tiene que enviarle por correo una copia de su Contestación al abogado de la parte demandante. El nombre y dirección del abogado aparecen al final de este documento. Si el demandado no tiene abogado, tiene que enviarle al demandante una copia de la Contestación por correo a la dirección que aparece en este Citatorio.

A usted también se le requiere presentar la Contestación original al Tribunal en la Oficina 5000, sito en 500 Indiana Avenue, N.W., entre las 8:30 a.m. y 5:00 p.m., de lunes a viernes o entre las 9:00 a.m. y las 12:00 del mediodía los sábados. Usted puede presentar la Contestación original ante el Juez ya sea antes que usted le entregue al demandante una copia de la Contestación o en el plazo de siete (7) días de haberle hecho la entrega al demandante. Si usted incumple con presentar una Contestación, podría dictarse un fallo en rebeldía contra usted para que se haga efectivo el desagravio que se busca en la demanda.

SECRETARIO DEL TRIBUNAL

 Nombre del abogado del Demandante

Por: _____
 Subsecretario

 Dirección

Fecha _____

 Teléfono

如需翻译,请打电话 (202) 879-4828 Veuillez appeler au (202) 879-4828 pour une traduction Để có một bản dịch, hãy gọi (202) 879-4828
 반안유를 전화하십시오 (202) 879-4828 電話を掛かってください (202) 879-4828 የአማርኛ ትርጉም ለማግኘት (202) 879-4828 ይደውሉ

IMPORTANTE: SI USTED INCUMPLE CON PRESENTAR UNA CONTESTACIÓN EN EL PLAZO ANTES MENCIONADO O, SI LUEGO DE CONTESTAR, USTED NO COMPARECE CUANDO LE AVISE EL JUZGADO, PODRÍA DICTARSE UN FALLO EN REBELDÍA CONTRA USTED PARA QUE SE LE COBRE LOS DAÑOS Y PERJUICIOS U OTRO DESAGRAVIO QUE SE BUSQUE EN LA DEMANDA. SI ESTO OCURRE, PODRÍA RETENÉRSELE SUS INGRESOS, O PODRÍA TOMÁRSELE SUS BIENES PERSONALES O BIENES RAÍCES Y SER VENDIDOS PARA PAGAR EL FALLO. SI USTED PRETENDE Oponerse a esta acción, NO DEJE DE CONTESTAR LA DEMANDA DENTRO DEL PLAZO EXIGIDO.

Si desea conversar con un abogado y le parece que no puede pagarle a uno, llame pronto a una de nuestras oficinas del Legal Aid Society (202-628-1161) o el Neighborhood Legal Services (202-279-5100) para pedir ayuda o venga a la Oficina 5000 del 500 Indiana Avenue, N.W., para informarse sobre otros lugares donde puede pedirayuda al respecto.

Vea al dorso el original en inglés
 See reverse side for English original