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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

EBONIE GARNICA, individually and on
behalf of those similarly situated

Plaintiff,

v.

TECTON CORPORATION and I.Q. DATA
INTERNATIONAL, INC.,

Defendants.

No. 24-2-08848-2 KNT

CLASS ACTION COMPLAINT

Plaintiff claims against Defendants as follows:

I. PARTIES & JURISDICTION

1.1. Plaintiff Ebonie Garnica is a resident of Auburn, Washington, and a former tenant of “View at the Lake Apartments” (View Apartments) located in Federal Way, Washington, operated or managed by Defendant Tecton Corporation.

1.2. Defendant Tecton Corporation (Tecton) is a Washington Corporation with its principal place of business in Renton, Washington.

1 1.3. Tecton is a “landlord” as defined by Washington’s Residential Landlord Tenant
2 Act (RLTA), RCW 59.18, *et seq.*

3 1.4. Defendant I.Q. Data International, Inc., (I.Q. Data) is a Washington
4 Corporation with its principal place of business in Bothell, Washington.

5 1.5. I.Q. Data is a “collection agency” as defined by Washington’s Collection
6 Agency Act (CAA), RCW 19.16, *et seq.*

7 1.6. Tecton and I.Q. Data (together, Defendants) conduct “trade” and “commerce”
8 in Washington as defined by Washington’s Consumer Protection Act (CPA), RCW 19.86, *et*
9 *seq.*

10 1.7. The Superior Court of Washington has jurisdiction of Plaintiff’s claims
11 pursuant to RCW 2.08.010 and CR 23.

12 1.8. Venue in King County is appropriate pursuant to RCW 4.12.025 because one
13 or both Defendants reside in King County; and all or a significant portion of the acts and
14 omissions alleged here took place in King County.

15 **II. STATEMENT OF FACTS**

16 2.1. Tecton provides residential property management services to owners
17 throughout Puget Sound, including at the View Apartments in Tukwila.

18 2.2. Tecton contracts with I.Q. Data to collect or attempt to collect on the alleged
19 debts of Tecton’s former tenants.

20 Allegations of Plaintiff Garnica

21 2.3. On June 15, 2022, Ms. Garnica and her husband signed a 38-page lease with
22 Tecton for unit 58 at the View Apartments. The lease calls for a monthly rent of \$1,695 over
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1 the term of eleven (11) months plus a flat fee of \$150 per month for water, sewer, and garbage
2 utilities. The lease agreement is attached as **Exhibit A**.

3 2.4. Around the time of signing the lease, Tecton required the Garnicas to pay a
4 “security deposit” of \$800, which they did.

5 2.5. Tecton also charged the Garnicas a \$200 “hold” fee, which the Garnicas paid,
6 when it offered them the apartment. On information and belief, Tecton did not credit the \$200
7 hold fee towards the required \$800 security deposit or the Garnica’s first month’s rent but
8 instead added it to the deposits held by Tecton.

9 2.6. Tecton’s lease purports to require forfeiture of the security deposit in the event
10 the tenant ends the tenancy early (i.e., prior to the end of the lease’s term) regardless of the
11 reason. The lease states the tenant’s money “will be completely forfeited and not applied
12 against any amounts owing,” including rent payments.

13 2.7. On its face, such lease provision violates Washington law, which prohibits
14 retention of any portion of any security deposit absent the conditions set forth in RCW
15 59.18.280, none of which include a penalty or liquidated damages for ending a tenancy early.

16 2.8. The lease purports to require an additional fee for tenants who end tenancies
17 early; namely, a “cancellation fee” that Tecton states must accompany any notice to vacate.

18 2.9. The Garnicas and their children moved into unit 58 on or around July 1, 2022.

19 2.10. Among other problems, unit 58 was infested with cockroaches that Tecton’s
20 personnel either could not or would not remedy.

21 2.11. In October 2022, the Garnicas decided to find other housing. That month, they
22 gave written notice to Tecton that they intended to move out on or before December 31, 2022.
23 In their notice, the Garnicas mention, again, that the cockroach issue “persists.”

1 2.12. The Garnicas' notice of intent to vacate occurred well in advance of the twenty
2 (20) days required by their lease.

3 2.13. The Garnicas' notice of intent to vacate triggered Tecton's duty to make
4 reasonable efforts to mitigate losses, such as by re-renting the unit.

5 2.14. In late December, Tecton's Business Manager instructed Ms. Garnica to return
6 the keys to the unit on December 30 and pay a "termination fee" of \$2,542.50 by money order.

7 2.15. The Garnicas moved their family out of unit 58 at the end of December, returned
8 the keys to Tecton, and paid the "termination fee" as instructed, by money order purchased
9 through Western Union.

10 2.16. Tecton did not refund the Garnicas' security deposit nor provide a full and
11 specific statement explaining the basis for retaining it with documentation substantiating any
12 alleged damage charges.

13 2.17. On information and belief, Tecton leased unit 58 to another tenant starting
14 sometime in January 2023.

15 2.18. In April 2023, Tecton's collection agency, I.Q. Data, sent a collection letter to
16 Ms. Garnica, claiming she owed \$8,641.67 to View Apartments.

17 2.19. Alarmed, Ms. Garnica emailed Tecton's Business Manager expressing her
18 confusion at receiving a collections notice. The next day, on April 26, 2023, Tecton informed
19 Ms. Garnica that her "rent responsibility date" extended through the end of May 2023 and, for
20 the first time, stated that Tecton had not received the money order. Tecton's Manager said
21 nothing about unit 58 being re-rented or the status of the Garnicas' security deposit.

22 2.20. In other words, Tecton and its collection agency were, together, collecting (or
23 attempting to collect) rent and utilities from two tenants for the same unit at the same time.
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1 2.21. Unaware of her rights or options, Ms. Garnica started making payments to I.Q.
2 Data. In the end, she paid \$1,920.44, some of which I.Q. Data did not credit to her account,
3 before seeking help from counsel.

4 2.22. Defendants’ acts and omissions have harmed Plaintiff, including by paying
5 money she does not owe or for which she was not properly credited, suffering adverse credit
6 reporting, incurring the time and expense of retaining counsel to ascertain her legal rights, and
7 suffered financial uncertainty from improper collection efforts.
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9 Allegations Related to the Classes

10 2.23. On information and belief, Tecton uses the same or substantially the same lease
11 as Plaintiff’s, for all properties in Washington (hereafter, the “Lease”).

12 2.24. On information and belief, Tecton engages in a practice of collecting hold fees
13 from prospective tenants to secure their residency but does not credit those fees against the
14 tenants’ security deposit or their first months’ rent when they move in.
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16 2.25. When tenants, like Plaintiff, end their tenancy early, Tecton engages in a
17 practice of: (a) retaining some or all of the security deposit without providing a full and specific
18 statement and supporting documentation explaining the basis for retention; and/or (b)
19 collecting or attempting to collect a “cancellation fee.” Tecton engages in these practices,
20 regardless of whether it has or will exercise reasonable efforts to mitigate damages at some
21 point in the future (e.g., by re-renting the unit to another tenant) as required by law.
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23 2.26. In addition, Tecton engages in a practice of assigning tenants’ accounts to I.Q.
24 Data which, in turn, attempts to collect rent and utilities from former tenants in excess of
25 amounts recoverable by law and regardless of any moneys Tecton receives from re-renting the
26 unit or from retaining the tenant’s security deposit.

1 2.27. Plaintiff files this lawsuit on behalf of herself and similarly situated tenants and
2 former tenants, defined as follows:

- 3 a. Lease Class (Equitable Relief). All tenants who entered into a Lease
4 with Tecton that contains a term or clause that requires: (a) forfeiture of
5 a security deposit in the event of early termination and/or (b) payment
6 of a cancellation fee in the event of early termination.
- 7 b. Hold Fee Class. All tenants who paid a hold fee to Tecton to secure their
8 tenancy that Tecton did not credit against a required security deposit or
9 the tenants' first month rent after the tenants moved in.
- 10 c. Early Termination Class. All tenants who terminated their tenancy early
11 and from whom Tecton: (a) retained some or all of a security deposit
12 without providing a full and specific statement and supporting
13 documentation explaining the basis for such retention; and/or (b)
14 collected a cancellation fee; and/or (c) collected or sought to collect rent
15 for the full remaining term of the lease without crediting any mitigation
16 obtained by Tecton.
- 17 d. Collections Class. All former tenants of Tecton whose accounts were
18 assigned to I.Q. Data and from whom I.Q. Data collected or attempted
19 to collect principal amounts in excess of damages mitigated by Tecton,
20 including moneys Tecton received from re-renting the unit or retaining
21 the former tenant's security deposit.

22 Excluded from the classes is any entity in which one or more Defendants has a controlling
23 interest, officers or directors of Defendants, this Court and any employees assigned to work on
24 this case, and all employees of the law firms representing Plaintiff and the classes.

25 2.28. **Numerosity**. The classes described above are sufficiently numerous such that
26 joinder of all of them is impractical, as required by CR 23(a)(1).

27 2.29. **Commonality and Predominance**. There are questions of law and fact
28 common to each of the classes that predominate over individual issues, including, but not
29 limited to: whether Tecton has a practice of collecting hold fees from prospective tenants and
30 not crediting those fees against the tenants' security deposits or first months' rent after the

1 tenant moves in; whether Washington law permits Tecton to contract with tenants for non-
2 refundable, non-creditable security deposits as a penalty for early termination of the tenancy;
3 whether Washington law permits Tecton to retain security deposits without issuing a full and
4 specific statement explaining the basis for such retention along with documentation
5 substantiating any alleged damage charges; whether Washington law permits Tecton to
6 contract with tenants for “cancellation fees” in the event of early termination of the tenancy;
7 whether Tecton engages in an unfair or deceptive practice when it purports to contract for such
8 terms; whether Tecton has a practice of retaining some or all portions of security deposits when
9 tenants end their tenancy early; whether Tecton has a practice of retaining some or all portions
10 of security deposits without providing a full and specific statement and documentation
11 substantiating any alleged damage charges; whether Tecton has a practice of collecting or
12 attempting to collect a cancellation fee at or around the time a unit is vacated; whether Tecton
13 has a practice of not applying security deposits to rent and utilities that may be owing; whether
14 these practices violate the RLTA; whether I.Q. Data has a practice of collecting or attempting
15 to collect rent and utilities that are not owed to Tecton; whether Defendants have a practice of
16 engaging in double recovery of rent, utilities, and/or other charges; whether Tecton has been
17 unjustly enriched.
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20 2.30. **Typicality.** Plaintiff’s claims are typical of the claims of all class members of
21 all classes and of Defendants’ anticipated affirmative defenses thereto.
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23 2.31. **Adequacy.** Plaintiff will fairly and adequately protect the interests of the
24 classes and has retained competent and capable attorneys experienced in class action litigation,
25 including consumer class actions.
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1 3.2. In its Lease, Tecton contracts with tenants, including Plaintiff, for a non-
2 refundable “cancellation fee” in the event of early termination, without regard to whether this
3 amount exceeds or will exceed the amounts lawfully recoverable by Tecton for such early
4 termination. The Lease’s term violates the RLTA, including RCW 59.18.310, because, *inter*
5 *alia*, it conflicts with Tecton’s duty to mitigate and purports to waive tenants’ rights to limit a
6 landlord’s recovery. In addition, the inclusion of such term constitutes an unfair or deceptive
7 act in violation of the CPA, RCW 19.86, *et seq.*, including because Tecton characterizes the
8 fee as due and owing when, in fact, any obligation is not yet due or even known.
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10 3.3. Plaintiff and the Lease Class seek final declaratory and injunctive relief for such
11 terms.

12 **Count 2: Damages for Violations of the Residential Landlord Tenant Act**

13 3.4. Tecton collects a non-refundable hold fee from prospective tenants to secure
14 their tenancy. The RLTA requires that if the tenant moves in, “the landlord must credit the
15 amount of [such] fee or deposit to the tenant's first month's rent or to the tenant's security
16 deposit.” RCW 59.18.253(4)(a). However, Tecton does neither and instead adds the hold fee
17 to the deposits collected from the tenant, effectively obtaining an interest-free loan from the
18 tenant. Under RCW 59.18,253(5), Tecton may be liable to tenants for up to three times the
19 amount of the hold fee, plus attorneys’ fees and costs, for this violation of the RLTA.
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21 3.5. When tenants terminate their tenancy early, Tecton retains some or all of their
22 security deposits without regard to whether Tecton has or will exercise reasonable efforts to
23 mitigate and without providing a full and specific statement of the basis for retention and/or
24 documentation substantiating any alleged damage charges. Such practices violate the RLTA,
25 including RCW 59.18.280, .285.
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1 3.6. Tecton collects from its tenants, including Plaintiff, a cancellation fee in the
2 event of early termination of the tenancy, on or around the time the unit is vacated and without
3 regard to whether it has or will exercise reasonable efforts to mitigate damages at some point
4 in the future (e.g., by re-renting the unit to another tenant). Such practice is contrary to the
5 RLTA, including RCW 59.18.310.

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7 3.7. As a result of Tecton’s acts and omissions, Plaintiff and the Tenant Class have
8 been damaged in amounts as will be proven at trial, including by Tecton’s practice of engaging
9 in double recovery.

10 **Count 3: Damages for Violation of the Consumer Protection Act**

11 3.8. Defendant Tecton retains and collects nonrefundable “security deposits” and
12 “cancellation fees” from tenants who end their tenancy early. Retaining and collecting such
13 fees and representing the amounts as due and owing without regard to the landlord’s mitigation
14 efforts and/or before the landlord’s mitigation efforts are even known, constitute unfair or
15 deceptive practices that occur in commerce, harms the public interest, and injures Plaintiff and
16 the Tenant Class.

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18 3.9. Defendant I.Q. Data collects rent, utilities, and/or other charges that are not
19 owed, including because it represents to Tecton’s former tenants that the amounts are due and
20 owing without regard to Tecton’s mitigation efforts, including any moneys Tecton has already
21 received from re-renting the unit or retaining the former tenant’s security deposit. Such conduct
22 occurs in trade or commerce, is unfair or deceptive, harms the public interest, and injures
23 Plaintiff and the Collections Class.

24 3.10. As a result of Defendants’ acts and omissions, Plaintiff and the Tenant and
25 Collection Classes have been damaged in amounts as will be proven at trial.
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Count 4: Unjust Enrichment and/or Conversion

3.11. Plaintiff and the Tenant Class paid moneys to Tecton for early termination of their tenancies before any obligation for ongoing rental payments arose, before the extent of any obligation for rental payments was known, and/or in excess of the actual rental payments owed on the unit.

3.12. Tecton has been unjustly enriched by its practice of retaining and collecting nonrefundable security deposits and cancellation fees from Plaintiff and the Tenant Class and/or has intentionally interfered with and caused Plaintiff and the Tenant Class loss of property.

Count 5: Damages for Violations of the Washington Collection Agency Act and *per se* Violations of the Consumer Protection Act

3.13. Plaintiff is a “debtor” as defined by Washington’s CAA, RCW 19.16.100(4).

3.14. Defendant I.Q. Data assesses and collects rent, utilities, and/or other charges from Plaintiff and the Collections Class that are not owed, including because it fails to credit Class Members for Tecton’s mitigation efforts. Such practice is a violation of the CAA, RCW 19.16.250 and a *per se* unfair or deceptive act under the Washington CPA.

3.15. Because I.Q. Data engages in a prohibited practice under the CAA, neither it nor Tecton nor any other party is entitled to recover any interest, service charge, attorneys’ fees, collection costs, or other charge that might be owed, other than the original obligation, if any, pursuant to RCW 19.16.450.

3.16. As a result of I.Q.’s acts and omissions, Plaintiff and the Collections Class have been damaged in amounts as will be proven at trial.

1 **IV. PRAYER FOR RELIEF**

2 4.1. Plaintiff prays for relief as follows individually and on behalf of persons
3 similarly situated:

- 4 a. Certification of this case as a Class Action pursuant to CR 23.
- 5 b. Injunctive and declaratory relief as follows:
- 6 i. An injunction declaring Tecton’s Lease unenforceable as to (a)
- 7 any clause or term that calls for retention of a security deposit as
- 8 a penalty for early termination and/or (b) any clause or term that
- 9 imposes a cancellation fee for early termination;
- 10 ii. An injunction that prohibits Tecton from collecting or retaining
- 11 any security deposit until it fully complies with the RLTA and
- 12 the CPA;
- 13 iii. An injunction that prohibits Tecton from collecting or retaining
- 14 any cancellation fee until it fully complies with the RLTA the
- 15 CPA;
- 16 iv. An injunction that prohibits Defendants from collecting or
- 17 attempting to collect rent, utilities and/or other charges beyond
- 18 the original obligation;
- 19 c. Actual damages;
- 20 d. Statutory damages, including treble damages under the CPA; and
- 21 double or treble damages under the RLTA;
- 22 e. Disgorgement of interest, service charges, collection costs, and any
- 23 other fees or charges pursuant to RCW 19.16.450;
- 24 f. Disgorgement of hold, fees, security deposits, and cancellation fees to
- 25 prevent Defendants’ unjust enrichment;
- 26 g. Prejudgment interest;
- h. Attorneys’ fees and costs;
- i. For open I.Q. Data accounts, reduction of any amounts owing beyond
- the original obligation;
- j. Such other relief as the Court deems proper.

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DATED this 22nd day of April, 2024.

SCHROETER GOLDMARK & BENDER



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