LEONARD HARP, et al.

* IN THE CIRCUIT COURT
FOR
BALTIMORE CITY

v.

**
GOVERNOR LARRY HOGAN, et al.
STATE OF MARYLAND
100 State Circle
Annapolis, MD 21401

* Case No.:
Defendant

* Case No.:

VERIFIED CLASS ACTION COMPLAINT

Plaintiffs Leonard Harp, Njaki Wilson, Stephen Ceci, Lakeysha Pennix, Lyda Langford, and Roger Evans ("Named Plaintiffs"), on their own behalf and on behalf of all others similarly situated, and through their undersigned attorney, Alec Summerfield, file this complaint against Defendants, Governor Larry Hogan ("Governor Hogan"), and the Maryland Labor Secretary Tiffany P. Robinson ("Secretary Robinson").

I. INTRODUCTION

- Named Plaintiffs, on their own behalf and on behalf of all other similarly situated individuals, initiate this class action against Governor Hogan and Secretary Robinson for violating federal and state statutory obligations regarding unemployment insurance benefits.
- 2. Named Plaintiffs seek to recover declaratory and injunctive relief for themselves and for all those similarly situated.

II. JURISDICTION

3. This Court has jurisdiction over subject matter of this action pursuant to MD. CODE ANN., CTS. & JUD. PROC. §1-501 and § 3-403,

- 4. This Court has personal jurisdiction over Defendants Governor Hogan and Secretary Robinson pursuant MD. CODE ANN., CTS. & JUD. PROC. §6-102 as they regularly conduct the business of the State of Maryland in Annapolis and Baltimore City.
- 5. This Court has venue pursuant MD. CODE ANN., CTS. & JUD. PROC. § 6-201.

II. PARTIES

- 6. Plaintiff Leonard Harp is a resident of Baltimore City, Maryland.
- 7. Plaintiff Leonard Harp worked in the drywalling industry for thirty (30) years prior to September of 2020, when he was laid off because of the COVID-19 pandemic.
- 8. Plaintiff Leonard Harp has received zero unemployment insurance payments from the DOL. Plaintiff Harp was asked to provide proof of identity and did; nonetheless, he is locked out of his BEACON account and has still not received any benefits.
- 9. Plaintiff Njaki Wilson is a resident of Baltimore County, Maryland.
- 10. Plaintiff Wilson has been unemployed since November 20, 2020. Plaintiff Wilson's previous employer did not challenge her unemployment claim; however, Plaintiff Wilson has yet to receive any unemployment insurance payments.
- 11. Since February 2021, DOL representatives filed five different tickets for Plaintiff Wilson's claims, yet she is still incorrectly identified as PUA in the BEACON system. Plaintiff Wilson calls the DOL weekly but is continually told her case is pending adjudication and nothing more.
- 12. Plaintiff Lakeysha Pennix is a resident of Anne Arundel County, Maryland.
- 13. Plaintiff Pennix has worked a variety of service industry jobs since she was the age of 14. On March 20, 2020, Plaintiff Pennix resigned from her job at a "7-11" convenience store on the order of her primary care physician.

- 14. Since March 2020, 2020, Plaintiff Pennix has inconsistently received unemployment insurance payments. She has not received any benefits since March of 2021 and is locked out of her BEACON account.
- 15. Plaintiff Stephen Ceci is a resident of Baltimore City, Maryland.
- 16. Plaintiff Ceci has received no benefits since being forced to reapply through the BEACON system in June 2021.
- 17. Plaintiff Lyda Langford is a resident of Baltimore City, Maryland.
- 18. Plaintiff Langford has received unemployment insurance benefits consistently since November 2020. However, due to Governor Hogan's June 1, 2021 announcement, Plaintiff Langford will lose two months of three-hundred-dollar weekly federal unemployment insurance aid starting July 3, 2021.
- 19. Plaintiff Roger Evans has received unemployment insurance benefits consistently since March 17, 2021. However, due to Governor Hogan's June 1, 2021 announcement, Plaintiff Evans will lose two months of three-hundred-dollar weekly federal unemployment insurance aid starting July 3, 2021.
- 20. Defendant Larry Hogan is the Governor State of Maryland and is sued in his official capacity. Defendant Governor Hogan maintains a place of business at 100 State Circle, Annapolis, MD 21401.
- 21. Defendant Tiffany Robinson is the Secretary of the Maryland Department of Labor ("DOL") and is sued in her official capacity. Defendant Tiffany Robinson maintains a place of business at 500 N. Calvert Street, Baltimore, MD 21202.

III. STATEMENT OF FACTS

- 22. Starting in March of 2020, the United States has experienced an unprecedented public health crisis due to the COVID-19 Pandemic. The pandemic resulted in mass layoffs and business closures across the United States and the State of Maryland.
- 23. As a result of the pandemic, unemployment in the United States increased to its highest levels since 1948.
- 24. As a response to the economic effects of the pandemic, President Donald Trump signed the Coronavirus, Aid, Relief, and Economic Security Act (CARES) into law on March 27, 2020.
- 25. CARES codified a pandemic unemployment assistance program (PUA) and a pandemic emergency unemployment compensation (PEUC) program into federal statute. 15 U.S.C. §9021; §9025.
- The PEUC provided an additional thirteen weeks for individuals who had otherwise exhausted unemployment benefits. 15 U.S.C. §9025.
- 27. The PUA provided unemployment insurance with broader eligibility, including any worker who was unemployed due to the pandemic, including formerly self-employed, contract, and gig workers. 15 U.S.C. §9021.
- 28. The Unemployment Insurance Division of the Maryland Department of Labor processes individual claims for unemployment insurance and distributes payment to eligible individuals. MD. LABOR AND EMPLOYMENT CODE ANN. § 8-302 and § 8-901.
- 29. The Maryland Code establishes that economic insecurity due to unemployment is a serious menace to health, morals, and welfare of the people of Maryland. MD.

 LABOR AND EMPLOYMENT CODE ANN. § 8-902.

- 30. The State of Maryland enrolled in both the PUA and PEUC programs. The Unemployment Insurance Division of the DOL ("Unemployment Division") encouraged new claimants were encouraged to enroll through the BEACON online application.
- 31. The Unemployment Division of the DOL was and is responsible for distributing federal PUA and PEUC money and processing claims through the BEACON system.
- 32. Plaintiffs' experiences are not isolated or outlying occurrences. In recent months, community groups and government agencies have been inundated with complaints from unemployment insurance claimants unable to access their benefits.
- 33. Many claimants under the PUA or the PEUC through the DOL Unemployment Division were denied partial or complete access to the funds provided under these two programs.
- 34. Many claimants for PUA or PEUC benefits through the DOL Unemployment Division were commonly charged with attempting to defraud the unemployment insurance system of being overpaid by the DOL, without explanation or hearing.
- 35. Many claimants for PUA or PEUC benefits through the DOL Unemployment Division were disqualified from such benefits without explanation or hearing.
- 36. Many claimants for PUA or PEUC benefits through the DOL Unemployment Division were placed in an "on-hold" status for months at a time or indefinitely, without explanation or hearing.
- 37. Many claimants describe the possibility of home foreclosure, eviction, and car repossession due to the facts alleged in paragraphs 19-22.

- 38. Many claimants describe suicide attempts and mental health deterioration due to the facts alleged in paragraphs 19-22.
- 39. On March 11, 2020, President Joe Biden signed the American Rescue Law, which provided \$1.9 trillion to covid relief efforts. The American Rescue Law extended weekly three-hundred-dollar unemployment payments through state programs through September 2021. Pub. L. No 117-2.
- 40. On June 1, 2021, Governor Hogan announced that Maryland would opt out of all federal unemployment insurance programs, including the three-hundred-dollar payment under the American Rescue Law, as of July 3, 2021, two months prior to the federal deadline.
- 41. This sudden severance of two months of additional unemployment is a detriment to the livelihood, health, and stability of all individuals currently receiving the federal aid, many of whom are actively seeking employment.

IV. CLASS ACTION ALLEGATIONS

- 42. The members of the Plaintiffs' class are so numerous that their joinder is impracticable. The approximate size of the Plaintiffs' class is approximately fifty-thousand individuals who filed for unemployment insurance in the State of Maryland between March 18, 2020, and present day. The class is split into two subclasses.
- 43. The first sub-class ("Subclass A") is comprised of individuals who received three-hundred dollars a week in additional unemployment insurance through the \$1.9 trillion relief package signed into law by President Joe Biden on March 11, 2021.
- 44. The second subclass ("Subclass B") is comprised of individuals who filed for unemployment insurance under the Coronavirus Aid, Relief, and Economic Security

- Act (CARES) signed into law by President Trump on March 18, 2021, but without cause, never received all or any of the payments for which they applied.
- 45. Claims of Named Plaintiffs are typical of the claims of the respective members of the Class and are based on and arise out of similar facts constituting the wrongful conduct of Governor Hogan and Secretary Robinson, whether it was wrongful denial of partial or full benefits (Subclass B) or the decision to cease federal pandemic benefits on July 3 (Subclass A).
- 46. Named Plaintiffs will fairly and adequately protect the interests of the Class.
- 47. Named Plaintiff is committed to vigorously litigating this matter.
- 48. Neither Named Plaintiff nor her counsel have any interests which might cause them not to vigorously pursue this claim.
- 49. Common questions of law and fact enumerated above predominate over questions affecting only individual members of the Class. MD. RULE 2-231(b)(3).
- 50. A class action is the superior method for fair and efficient adjudication of the controversy. MD. RULE 2-231(b)(3).
- 51. The likelihood that individual members of the Class will prosecute separate actions is remote due to the time and expense necessary to conduct such litigation.
- 52. The likelihood that individual members of the Class will prosecute separate actions is remote because the allegations at the root of this action have rendered many indigent or borderline indigent.

V. <u>CAUSES OF ACTION</u>

COUNT I

(DECLARATORY JUDGMENT)

- 53. Named Plaintiffs reallege and incorporate herein by reference each and every allegation contained in paragraphs 1 through 52, inclusive.
- 54. Named Plaintiffs seek a declaration of their rights under MD. CODE ANN. LABOR AND EMPLOYMENT §8-101 and §8-102 pursuant to MD. CODE ANN. COURTS AND JUD. § 3-406.
- 55. Defendant Governor Hogan issued the order on June 1, 2021, that weekly unemployment insurance payments through the federal Pandemic Unemployment Assistance program would cease on July 3, 2021, two months prior to the federal extension of September 6, 2021.
- 56. There exists an actual controversy over whether Defendant Hogan has the right to unilaterally revoke Maryland claimants' rights to federal Pandemic Unemployment Assistance prior to the established deadline of September 6, 2021, under MD. CODE ANN. LABOR AND EMPLOYMENT §8-101 and §8-102.

COUNT II

(INJUNCTIVE RELIEF)

- 57. Named Plaintiffs incorporate by reference each and every allegation contained in paragraphs 1 through 56, inclusive.
- 58. This is an action for a temporary restraining order and preliminary and permanent injunctive relief pursuant to Maryland Rules 15-501 through 15-505.
- 59. By unilaterally revoking federal Pandemic Unemployment Assistance starting July 3, 2020, Defendant Governor Hogan has violated his obligation under Title 8 of the Labor and Employment Article of the Maryland Annotated code to provide unemployment benefit assistance and combat chronic joblessness during an unprecedented pandemic.

- 60. Further, Defendant Governor Hogan has violated his obligation under MD. CODE

 ANN. LABOR AND EMPLOYMENT §8-102 to combat economic insecurity caused by

 unemployment that is a serious threat to the health, morals, and welfare to the

 people of the state.
- 61. Unless Defendant Governor Hogan is restrained by this court from violating the above reference statutory provisions, Named Plaintiffs and all those similarly situated in "Subclass A" will suffer immediate, substantial, and irreparable injury.
- 62. The public interest is best served by granting this injunction as the general economic welfare of the state could be adversely impacted otherwise.

COUNT III

(VIOLATION OF MARYLAND UNEMPLOYMENT INSURANCE PROVISIONS)

- 63. Named Plaintiffs reallege and incorporate herein by reference each and every allegation contained in paragraphs 1 through 52, inclusive.
- 64. Named Plaintiffs seek a declaration of their rights under MD. CODE ANN. LABOR AND EMPLOYMENT §8-102, §8-806, and §8-809.
- 65. Defendant Secretary Robinson and the DOL, since the start of the COVID-19 pandemic in March 2020, have failed to fulfill their obligations to: adequately provide for the general welfare of the State of Maryland by distributing unemployment insurance consistently, promptly make unemployment insurance claim determinations, and establish the procedures and processes required under MD. CODE ANN. LABOR AND EMPLOYMENT § 8-809 to ensure equal access to unemployment insurance payment for *all* individuals.¹

¹ These obligations include but are not limited to status updates on claims every three weeks until paid or denied, customer service quality evaluation of independent vendors, and the establishment of a DOL point of contact to prioritize the resolution of claims that have not been completed within eight weeks.

66. There exists an actual controversy over whether Defendant Secretary Robinson has the right to de-facto deny thousands of unemployment insurance claims to Named Plaintiffs and those similarly situated in Subclass B through alleging fraud or overpayment or placing claimants on "hold" or "disqualified" status without demonstrating cause.²

VI. PRAYER FOR RELIEF

WHEREFORE, Named Plaintiffs, on behalf of themselves and all those similarly situated, demand:

- A. This Court issue an Order granting Named Plaintiffs a temporary restraining order restraining and enjoining Governor Hogan from revoking federal Pandemic Unemployment Assistance on July 3, 2021, pending a hearing scheduled by this court.
- B. This Court issue an Order granting Named Plaintiffs a preliminary injunction restraining and enjoining Governor Hogan from revoking federal Pandemic Unemployment Assistance on July 3, 2021.
- C. This Court issue an order granting Named Plaintiffs a permanent injunction restraining and enjoying Defendant Governor Hogan from revoking federal Pandemic Unemployment Assistance on July 3, 2021, thus allowing the initial deadline of September 6, 2021, to run.
- D. This Court declare Defendant Governor Hogan's order of June 1, 2021 illegal and in violation of Named Plaintiffs' statutory rights under MD. CODE ANN. LABOR AND EMPLOYMENT §8-101 and §8-802.

² It should be noted that the Maryland Court of Appeals has established that unemployment compensation laws should be read liberally in favor of eligibility and disqualification provisions are to be strictly construed. *Sinai Hospital of Baltimore, Inc. v. Department of Employment & Training*, 309 Md. 28 (1987).

- E. This Court declare Defendant Secretary Robinson violated Named Plaintiffs' rights under MD. CODE ANN. LABOR AND EMPLOYMENT §8-102, §8-806, and §8-809 when she refused to distribute unemployment insurance benefits for pretextual reasons without cause or explanation.
- F. This Court declare that Named Plaintiffs and all those similarly situated in Subclass B have a right under MD. CODE ANN. LABOR AND EMPLOYMENT §8-102, §8-806, and §8-809 to withheld unemployment insurance benefits, speedy adjudication of all unemployment insurance claims made to the DOL, and adequate communication from the DOL in the case of denial.
- G. That Named Plaintiffs be granted costs and such other and further relief as this court may deem just and proper, including but not limited to attorneys' fees and court costs.

VERIFICATION

I solemnly affirm under penalties of perjury that the contents of the foregoing Class Action Complaint_are true to the best of my knowledge, information, and belief.

ALEC SUMMERFIELD, Esq.

Pro Bono Attorney

Unemployed Workers Union

2011 N. Charles Street Baltimore, MD 21218

MOTION FOR TEMPORARY RESTRAINING ORDER AND EMERGENCY HEARING

Named Plaintiffs, Leonard Harp et. al., by their attorney, Alec Summerfield, pursuant to Maryland Rules 15-501 through 15-505, hereby moves for a Temporary Restraining Order accompanied with an emergency hearing prior to July 3, 2021. The grounds for this Motion are more particularly set forth in the accompanying Verified Complaint.

WHEREFORE, for the foregoing reasons, Named Plaintiffs demand that a Temporary Restraining Order be granted in their favor pending an adversary hearing in this matter.

ALEC SUMMERFIELD, Esq.

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Pro Bono Attorney

Unemployed Workers Union

2011 N. Charles Street

Baltimore, MD 21218

TEMPORARY RESTRAINING ORDER

Upon consideration of the foregoing Motion for a Temporary Restraining Order and the verified Bill of Complaint, the Court having found that Plaintiff's Leonard Harp, et al., will suffer irreparable harm if the Temporary Restraining Order is not issued in that Plaintiff's property will be irreparably damaged, and the Court having found that it is manifest that the harm to Plaintiff will be irreparable and is not susceptible to monetary compensation, it is, this day of, 20, at a.m./p.m., by the Circuit Court for Baltimore City.
ORDERED that Defendant Larry Hogan, Tiffany Robinson, and their agents, servants, and employees are enjoined and restrained from entered the premises leased by Plaintiffs Leonard Harp, et al., in the State of Maryland; and it is further;
ORDERED that this Temporary Restraining Order, unless extended by further court order, shall expire on this day of, 20; and it is further
ORDERED that a party or any person affected by this Order may apply for a modification or dissolution of this Order on two days' notice, or on such shorter notice as the Court may prescribe, to the party who obtained this Order; and it is further
ORDERED that bond be posted in the amount of \$
Judge Circuit Court for Baltimore City

CERTIFICATE OF ADMISSION

I hereby certify that I was admitted to practice law in the State of Maryland on June 6 2019, remain a member in good standing of the Bar of Maryland, and am authorized to practice before the Courts of this State, including the Circuit Court for Baltimore City, Maryland.

ALEC SUMMERFIELD, Esq.

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Pro Bono Attorney

Unemployed Workers Union

2011 N. Charles Street

Baltimore, MD 21218

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Class Action Complaint was mailed this 24th day of June, 2021, by certified, postage prepaid, United States Mail to the Defendants:

Governor Larry Hogan 100 State Circle Annapolis, MD 21401

Labor Secretary Tiffany P. Robinson 500 N. Calvert Street Baltimore, MD 21202

ALEC SUMMERFIELD, Esq.

Pro Bono Attorney

Unemployed Workers Union

2011 N. Charles Street Baltimore, MD 21218

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