

Circuit Court for Frederick County
Case No.: C-10-CV-22-000338

UNREPORTED
IN THE APPELLATE COURT
OF MARYLAND*

No. 1000

September Term, 2022

KAMAL MUSTAFA

v.

OMAHA PROPERTY MANAGER, LLC

Leahy,
Albright,
Woodward, Patrick L.
(Senior Judge, Specially Assigned),

JJ.

PER CURIAM

Filed: June 6, 2023

*At the November 8, 2022, general election, the voters of Maryland ratified a constitutional amendment changing the name of the Court of Special Appeals of Maryland to the Appellate Court of Maryland. The name change took effect on December 14, 2022.

**This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. Md. Rule 1-104.

Omaha Property Manager, LLC, appellee and a Delaware LLC, purchased a property in Maryland through a valid foreclosure sale. Several months later, Kamal Mustafa, appellant, formed at least three LLCs in as many states—Connecticut, Maryland, and Illinois—that, although entirely unrelated to Omaha, are identically named. Using one of these LLCs, Mustafa attempted to fraudulently convey the property Omaha purchased to NDF1, LLC, which Mustafa also owned. Upon learning of the attempted fraudulent conveyance, Omaha filed a quiet-title action in the Circuit Court for Frederick County. When Mustafa failed to answer or otherwise respond to the complaint, the court entered a default judgment against him. He appeals from that decision.

On appeal, Mustafa challenges Omaha’s standing to bring the underlying quiet-title action. Standing is a question of law, so our review is *de novo*. *Green v. Comm’n on Jud. Disabilities*, 247 Md. App. 591, 601 (2020).

Mustafa argues that under § 4A-1007 of the Maryland LLC Act, Omaha cannot maintain this lawsuit because it is a foreign LLC doing business in Maryland without being properly registered. Mustafa is correct that, “[i]f a foreign [LLC] is doing or has done any intrastate, interstate, or foreign business in [Maryland without registering] . . . it may not maintain suit in any court of this State[.]” Md. Code Ann., Corps. & Ass’ns § 4A-1007(a). But he ignores the statutory definition of “doing business”—and more specifically, its exceptions.

Here, Omaha has only taken three actions in Maryland related to the at-issue property. First, Omaha acquired title by participating in a foreclosure sale. Under § 4A-1009(a)(6), that is not doing business. Second, Omaha held the property to later sell

or rent it. Under § 4A-1009(a)(7), that is not doing business.¹ And third, Omaha initiated and maintained this quiet-title action. And under § 4A-1009(a)(1), that is not doing business. Consequently, Omaha was not required to register and had standing to bring this quiet-title action.²

**JUDGMENT OF THE CIRCUIT
COURT FOR FREDERICK
COUNTY AFFIRMED. COSTS TO
BE PAID BY APPELLANT.**

¹ Nor would it have been doing business to have actually rented or sold the property. Md. Code Ann., Corps. & Ass'ns §§ 4A-1009(7) & (8).

² Because we find that Omaha was not doing business in Maryland, and therefore not required to register here, we need not address Mustafa's contention that his registration of a Maryland LLC using Omaha's name barred them from registering.