

Maryland upholds squatter conviction.

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On January 24, 2014, the [Maryland Court of Appeals](#) decided [Hobby v. State](#), upholding the conviction of a squatter who entered a bogus lease and occupied a vacant house for seven months while it was being foreclosed.



The case combines real property law concepts and criminal law, two areas of focus for the firm. And it is a fascinating twist on the various schemes to take over vacant or foreclosed property. Only last month, two [California lawyers and their clients were arrested](#) for lying in court documents to manipulate adverse possession laws to acquire multiple homes. And last year, a Kansas lawyer was charged with [death by legal document](#) in order to acquire her father's property. And Maryland courts have convicted others for filing a [forged deed](#). But the latest case reads like a novel.

Dr. Braithwaite moved out of her Kirk Drive property and offered it for sale while the bank started foreclosure proceedings. Meanwhile, several miles away, Mr. Hobby and his wife were losing their own home to foreclosure.

Mr. Hobby used a realtor in an effort to sell his home before foreclosure, but it did not happen. Mr. Hobby and his wife then used that same realtor to make an offer to purchase the Kirk Drive property. Dr. Braithwaite's bank rejected the offer.

Dr. Braithwaite's bank, Severn, completed foreclosure on the Kirk Drive property but learned that there was a couple claiming to have a lease living in the house. The couple was Mr. and Mrs. Hobby.

What?

Mr. Hobby (and not Mrs. Hobby) was indicted for theft, burglary and related crimes involving the taking of property and depriving the owner. At trial, Mr. Hobby put on a defense that centered on a mysterious "Derek Williams" was the real culprit. Mr. Hobby's defense described Mr. Williams as the one who brought a proposed lease to Mr. Hobby, already bearing Dr. Braithwaite's signature. At lease signing, Mr. Williams accepted cash payment of \$7,000, and every month he appeared at the Kirk Drive property to collect another \$3,500.

It appears the jury did not believe "Derek Williams" existed, and Mr. Hobby was convicted. He did not have [Daniel Webster](#) to argue his case!

Mr. Hobby was sentenced to 10 years, with all but 59 days of the sentence suspended. He was also assessed a \$10,000 fine. He lost his intermediate appeal, and he lost again before Maryland's highest court which did send the case back

In simple terms, you can steal a house and be charged even if the true owner never knows of your actions. And you can commit a burglary, even if you have the keys, and even if you never intend to bar the true owner from entering the house. When it comes to the value of your crime (to determine if the felony thresholds are met), Maryland looks to the fair market value of the house during

The case is yet another alert for lawyers and real estate professionals to yet another manner of theft and deception in the purchase and sale of real estate. In this case, Mr. Hobby had the brass to forge Dr. Braithwaite's signature on a false

Court holds that burglary can be committed with a key and a door opener.

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The theft was laid bare by Mr. Hobby's hubris. When the bank delivered a letter announcing the foreclosure, Mr. Hobby and his wife protested and raised their tenancy in the house as a bar to the foreclosure or their eviction. This protest led the foreclosing bank to review the loan documents with Dr. Braithwaite to discover it had rights to receive any rent from the property after the foreclosure proceedings were started. The bank even suspected a scheme involving Dr. Braithwaite's intent to deprive the bank of its money. What happened next could not have been anticipated by Mr. Hobby.

The bank contacted Dr. Braithwaite and demanded that she turn over the rent collected from Mr. and Mrs. Hobby. Of course, Dr. Braithwaite knew nothing of the lease, and thus triggered the police investigation.



Had Mr. and Mrs. Hobby quietly packed up their things and departed the house, they would have enjoyed six months of free housing (they did, at least, pay for their utilities). Perhaps they would have worked the same scheme elsewhere.

We are often accused of being overly suspicious when presented with descriptions of real estate deals gone bad. It is our practice is to question everything, and everybody. Can you blame us?

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