

Circuit Court for Montgomery County  
Case No. C-15-CV-24-000361

UNREPORTED\*

IN THE APPELLATE COURT

OF MARYLAND

No. 0473

September Term, 2025

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CARROLL INDEPENDENT FUEL, LLC

v.

HFMP, LLC, ET AL.

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Wells, C.J.,  
Nazarian,  
Harrell, Glenn T.,  
(Senior Judge Specially Assigned),

JJ.

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Opinion by Wells, C.J.

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Filed: April 23, 2026

\* This is an unreported opinion. This opinion may not be cited as precedent within the rule of stare decisis. It may be cited for persuasive value only if the citation conforms to Maryland Rule 1-104(a)(2)(B).

Appellant Carroll Independent Fuel (“Carroll”) sued appellees HFMP, Busra Kutuk, and Tahir Mahmood (collectively, “HFMP”) to recover taxes Carroll paid to the State but never collected from HFMP. The Circuit Court for Montgomery County granted summary judgment in favor of HFMP. Carroll timely appealed and presents one question for our review:

- I. Did the circuit court err in granting summary judgment on Carroll’s claim for unjust enrichment?

For the following reasons, we answer in the affirmative and reverse.

### **FACTUAL AND PROCEDURAL BACKGROUND**

Carroll is a seller and distributor of petroleum and motor fuel products to over 300 retailers in the state of Maryland. HFMP is a Maryland company operating a retail service gas station in Montgomery County. The other two appellants, Busra Kutuk and Tahir Mahmood, are principals of HFMP. HFMP sublets its gas station premises from Carroll pursuant to two Management Fee Agreement Subleases (“the Management Agreements”) under which Carroll provides fuel products for HFMP to sell.

Under the Management Agreements, Carroll sets the fuel prices and HFMP pays Carroll commissions each day. HFMP is responsible for collecting all proceeds from the gasoline sales, including all applicable taxes, and depositing them into its account with Carroll. Carroll is responsible for invoicing HFMP for the relevant commissions as well as paying the taxes to the collections agencies.

In late 2019, Carroll moved its business to a different software system, according to them, working under “a very tight schedule.” During this large-scale conversion process,

one of Carroll’s team members made “a single errant keystroke” which erroneously marked HFMP’s account as “exempt” from the Maryland state excise tax on gasoline. This error went undetected until 2023, when Carroll hired outside help to undertake a detailed review of its system.

Throughout the interim period while HFMP was incorrectly exempted from the Maryland excise tax, Carroll continued paying the excise tax to the Maryland Comptroller while failing to invoice HFMP for it. Carroll alleges it paid a total of \$1,176,619.73 for the excise tax from early 2020 through 2023.

Carroll, after discovering this billing error, sued HFMP for unjust enrichment and indemnification<sup>1</sup> based on the uncollected excise tax amount from the period during which HFMP was marked as exempt. Carroll attached five exhibits to its complaint: the Management Agreements (Exhibits 1 and 2); an “Unpaid MD Excise Gas Tax Summary Report” from March 2020 through October 2023 (Exhibit 3); an invoice provided to HFMP by Carroll in January 2023 (Exhibit 4); and an invoice provided to HFMP by Carroll a year later in January 2024 (Exhibit 5). Both invoices show the breakdown of thirteen categories of taxes and fees charged to HFMP’s account at the end of each day.

HFMP moved to dismiss the Amended Complaint and the court granted the motion after a hearing. The court dismissed one of the original defendants with prejudice, but

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<sup>1</sup> Carroll included a count for quantum meruit in its original complaint. An Amended Complaint removed this count.

granted Carroll leave to amend its complaint as to the remaining defendants.<sup>2</sup> In its oral ruling, the court stated in relevant part:

Looking at the complaint and then looking at the agreements that are attached, as well as the other -- Exhibit 3, it doesn't show that they got the money, that they kept the money. So I'm dismissing the complaint without prejudice. Plaintiff may file an amended complaint, but based on the complaint that's in front of me with the attachments, it doesn't state a claim for unjust enrichment.

Carroll filed a Second Amended Complaint asserting the same claims and attaching the same five exhibits. This time, HFMP moved to dismiss for failure to state a claim under Maryland Rule 2-322(b)(2) and for statute of limitations violations under Maryland Code, Courts & Judicial Proceedings Article ("CJ") § 5-101, and in the alternative, moved for summary judgment under Maryland Rule 2-501; however, it did not provide any supporting affidavit(s) endorsing any factual allegations in its motion contravening Carroll's complaint and attachments. After a hearing, the court again granted HFMP's motion, making the following findings on the record:

Based on the pleadings and the exhibits that were submitted, [Carroll] has failed to establish a claim for unjust enrichment. There [is] no dispute of material facts . . . . It was a mistake by Carroll's employee, which wasn't discovered until years later when they hired someone to fix the problem. But there is no evidence that [HFMP] had an appreciation or knowledge of the benefit, or that they retain the benefit under such circumstances as to make it inequitable for them to retain the benefit without the payment of its value.

Two invoices were attached which [Carroll's] counsel indicates or believes that [HFMP] should have looked at the invoice for 2023 and before, and saw that no excise taxes were being retained for gasoline. But that was not [HFMP's] responsibility. That was [Carroll's] responsibility. And [Carroll]

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<sup>2</sup> The remaining defendants are those now appealing—HFMP, Busra Kutuk, and Tahir Mahmood.

hasn't established a claim for unjust enrichment. So therefore [HFMP's] motion for summary judgment is granted.<sup>3</sup>

Carroll filed a timely motion to amend the judgment, arguing the court misapplied the elements of unjust enrichment in granting HFMP's motion. The circuit court denied Carroll's motion to amend and Carroll noted this timely appeal.

### **STANDARD OF REVIEW**

Our role upon review “is substantially similar whether reviewing the grant of summary judgment or the grant of a motion to dismiss.” *Napata v. Univ. of Maryland Med. Sys. Corp.*, 417 Md. 724, 732 (2011). They are both legal determinations, and we review a circuit court's ruling on a legal question *de novo*, meaning “without deference” to the lower court's decision. *Rodriguez v. Cooper*, 458 Md. 425, 437 (2018). “[W]ith regard to both types of motions, ‘we accept all well-pled facts in the complaint, and reasonable inferences drawn from them, in a light most favorable to the non-moving party.’” *Napata*, 417 Md. at 732 (quoting *Sprenger v. Pub. Serv. Comm'n of Maryland*, 400 Md. 1, 21 (2007)) (further citation omitted).

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<sup>3</sup> The court also granted HFMP's motion as to the count for indemnification, which Carroll does not appeal.

## DISCUSSION

### I. The Court Erred When It Granted HFMP’s Motion.

#### A. Parties’ Contentions

Carroll argues it properly asserted a claim for unjust enrichment based on a theory of mistaken overpayment. Carroll contends the circuit court’s reasoning in granting summary judgment was contrary to Maryland precedent permitting recovery even when the plaintiff caused the mistake. Carroll also addresses three of HFMP’s specific arguments made below in its motion to dismiss and opposition to Carroll’s motion for reconsideration, arguing that “had the circuit court reached any of these additional issues, none would have supported its ruling.”

HFMP argues that even though the circuit court cited other reasons for granting summary judgment, the court’s decision was correct because the parties’ Management Agreements—enforceable express contracts—govern the subject matter of Carroll’s claim for unjust enrichment. Additionally, HFMP contends summary judgment was proper because Carroll was responsible for setting the gas prices, including any applicable taxes, and Carroll never charged the excise tax to end users of the gas in the first place. This means, according to HFMP, that HFMP received no benefit at all. HFMP maintains that Carroll was solely responsible for paying the tax; the alleged benefit to HFMP was due to Carroll’s mistake; and HFMP was under no duty to correct it. HFMP asserts it had “no reason to believe that [Carroll’s] failure to debit the excise tax was an error.”

## **B. Analysis**

As an initial matter, although the circuit court entered an order stating it was granting summary judgment, we conclude the decision was a *de facto* dismissal of the complaint. Based on the pleadings, we conclude dismissal was improper at this stage.

“[T]he object of a motion to dismiss is to argue that relief could not be granted on the facts alleged as a matter of law.” *Sprenger*, 400 Md. at 21. Dismissal for failure to state a claim is only proper when the alleged facts, viewed in the light most favorable to the plaintiff, if proven, would not suffice to afford relief to the plaintiff under the cause of action alleged. *Sprenger*, 400 Md. at 21 (quoting *Pendleton v. State*, 398 Md. 447, 459 (2007)) (further citation omitted).

Here, though granted as summary judgment, HFMP’s motion was treated in fact as a motion to dismiss on the pleadings because only the pleadings were considered. On the merits, we hold the pleadings were sufficient to state a claim for unjust enrichment. The alleged facts in Carroll’s Second Amended Complaint, viewed in the light most favorable to Carroll, if proven, would suffice to afford relief under the elements of unjust enrichment.<sup>4</sup>

Under Maryland law unjust enrichment has three elements:

1. A benefit conferred upon the defendant by the plaintiff;
2. An appreciation or knowledge by the defendant of the benefit; and

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<sup>4</sup> Carroll is not appealing the dismissal of its count for indemnification.

3. The acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the defendant to retain the benefit without the payment of its value.

*Hill v. Cross Country Settlements, LLC*, 402 Md. 281, 295 (2007) (citing *Berry & Gould, P.A. v. Berry*, 360 Md. 142, 151–152 (2000)) (further citation omitted). Carroll’s Second Amended Complaint pleads facts that, when viewed in the light most favorable to Carroll, establish each element of unjust enrichment.

As to element 1—a benefit conferred upon HFMP by Carroll—paragraphs 11 through 14 of the complaint explain the processes underlying their operations which, as Carroll alleges, led to an excess of \$1.17 million sitting in HFMP’s account. Taken in the light most favorable to Carroll, the facts as alleged show HFMP received money from daily transactions at the gas pumps, the money stayed in HFMP’s account until Carroll debited it, and Carroll did not debit the state excise tax. Such facts would establish HFMP received a benefit by Carroll’s omission.

For element 2—an appreciation or knowledge of the benefit by HFMP—paragraphs 15 through 19 of the complaint explain the ways in which HFMP should have known it had not been debited the excise tax by Carroll (including that HFMP’s manager was on-site each day overseeing the operations and “reviewing the invoices”). Along with the exhibits attached, taken in the light most favorable to Carroll, the complaint shows HFMP was aware of the benefit since it was invoiced \$0.00 for the state excise tax during the relevant period.

Finally, regarding element 3—HFMP’s retention of the benefit under circumstances making it inequitable—paragraph 21 of the complaint alleges Carroll has made demands for the payment of the \$1.17 million, but HFMP has refused to pay. Thus, Carroll has alleged that HFMP has retained the benefit. Further, Carroll alleges in paragraph 14 that it had paid the state excise tax to the Comptroller of Maryland throughout the period, leaving them with a \$1.17 million deficit, and in paragraph 15 that HFMP had unfairly profited from this mistake. If proven, these circumstances would support that HFMP has retained the benefit and doing so is inequitable.

For the foregoing reasons, we hold the pleadings were sufficient to survive a motion to dismiss on the unjust enrichment claim and the parties should be allowed to engage in further proceedings.

**THE JUDGMENT OF THE CIRCUIT COURT FOR MONTGOMERY COUNTY IS REVERSED. CASE REMANDED TO THE CIRCUIT COURT FOR FUTURE PROCEEDINGS. APPELLEE TO PAY THE COSTS.**