Vermont Superior Court
Filed 07/23/26
Windsor Unit

STATE OF VERMONT

SUPERIOR COURT
Windsor Unit

CIVIL DIVISION
Docket No. 26-CV-2085

MIDLAND CREDIT MANAGEMENT, INC.
Plaintiff–Appellee

v.

TERESA PRINCIPE
Defendant–Appellant

on appeal from

Small Claims
Docket No. 25-SC-1896

DECISION ON APPEAL

Defendant–Appellant Teresa Principe has appealed from a small claims judgment in favor of Plaintiff–Appellee Midland Credit Management, Inc. (hereinafter "Midland"). The Small Claims Court found that Midland had proved its claim for a credit card debt Midland purchased from the original creditor Synchrony Bank, and that Ms. Principe's counterclaim for damages for harassment based on the Federal Debt Collection Practices Act was barred by the one-year statute of limitations.

Ms. Principe asserts two claims of error on appeal: (1) she claims that she was entitled to prevail on her counterclaim for harassment under the Vermont Consumer Protection Act based on the facts found by the Small Clams Judge, and (2) she claims error in finding that she was liable on the debt because there was no signed cardholder agreement and the "account stated" doctrine as grounds for debt liability is inapplicable to modern credit card transactions.

Oral argument on the appeal was heard by the Honorable Dickson Corbett on June 23, 2026, and he took the matter under advisement. Unfortunately, he died suddenly before issuing a decision, and the undersigned has been assigned to complete the case. The parties both consented to the undersigned listening to the audio record of the oral argument on appeal rather than scheduling a new hearing for argument, and the undersigned has done so. During that hearing, after neither participant could clearly state whether or not the Vermont Consumer Protection Act was discussed during the original hearing before the Small Claims Judge, Judge Corbett stated that he would listen to the audio record of that hearing. The undersigned has done so.

An appeal from a small claims judgment is heard and decided "based on the record made in the small claims court." 12 V.S.A. § 5538. The "appeal is limited to questions of law." V.R.S.C.P. 10(d). If the small claims court has applied the correct law, this court will affirm its "conclusions if they are reasonably supported by the findings." *Maciejko v. Lunenburg Fire Dist. No. 2*, 171 Vt. 542, 543 (2000) (mem.).

The issues raised by Ms. Principe on appeal are addressed below.

Whether the Small Claims Court erred in denying Ms. Principe's counterclaim

The Small Claims Judge found that Midland:

> a debt collector, violated § 1692d(5) of the Fair Debt Collections Practices Act (FDCPA) in 2022 when it repeatedly called Ms. Principe at her home such that it interfered with her daily activities such as getting her child ready for school or preparing dinner. When Midland Credit Management, Inc. called Ms. Principe multiple times during one day in 2022 to collect on the credit card debt ending in 5707 was done so with the intent to harass her, in violation of the FDCPA.

Small Claims Decision, Docket # 25-SC-1895, March 10, 2026, page 3.

Based on the undisputed law that the FDCPA carries a one-year statute of limitations, the Small Claims Judge denied Ms. Principe's harassment counterclaim as a matter of law.

When Ms. Principe filed her Statement of Issues for appeal, she stated, "The court erred in finding that Plaintiff did not violate the VT Consumer Protection Act (VCPA). . . [The] findings were sufficient to establish liability under the VT Attorney General's Fair Debt Collection Rule CP 104.02 (Harassment). . . The one year statute of limitations under the FDCPA does not apply to the VCPA (See 12 V.S.A. § 511)."

She is thus arguing that the court should have concluded that her claim is not barred under state consumer protection law, and therefore the court should have found in her favor on the counterclaim. The audio record of the small claims hearing shows that she did not make that argument at any time before the Small Claims Judge.

She clearly based her counterclaim on the federal law and not on the state law. Her counterclaim cites the Fair Debt Collection Practices Act (FDCPA) twice, and does not mention the Vermont Consumer Protection Act. The audio record of the hearing in Small Claims Court reveals that there was no mention at any time of the Vermont Consumer Protection Act, whereas she specifically cited the FDCPA three times, specifically to 15 U.S.C. § 1692d 5, 15 U.S.C. § 1692d, and 15 U.S.C. § 1692k. She brought up the Vermont Act only when she appealed. Neither the Plaintiff nor the court had any notice at the time of the small claims hearing of the Vermont Act as a basis for liability on her claim.

While the federal and state laws have similar purposes, they provide different bases for liability and different statutes of limitations. Ms. Principe's counterclaim was based on the federal law only, both in her pleading and presentation of her case before the Small Claims Judge. "[I]ssues that are not presented to the trial court cannot be raised on appeal." *O'Rourke v. Lunde*, 2014 VT 88, ¶ 17, citing *Taylor v. Fletcher Allen Health Care,* 2012 VT 86.

The Small Claims Judge did not err in applying the one year FDCPA statute of limitations since Ms. Principe based her claim exclusively on the FDCPA in her pleadings, testimony, and arguments at the small claims hearing.

Whether the Small Claims Court erred in finding liability for the debt in the absence of a signed cardholder agreement

It is undisputed that Midland did not have evidence of a credit cardholder agreement signed by Ms. Principe. She now argues that the account stated doctrine is inapplicable in the context of modern credit cards although she cites no authority for that position. She does not dispute that she obtained and used the card and made payments on it until she stopped doing so.

:The court found as follows: "The Court finds that by a preponderance of the evidence, Plaintiff demonstrated a contract between Synchrony Bank and Ms. Principe that she breached and the charged off debt she owed to Synchrony Bank and the rights to collect it were then purchased and assigned to Midland Credit Management, Inc." Small Claims Decision, page 3.

Ms. Principe has made a generalized claim that the judge misapplied the law related to liability for credit card debt in the absence of a signed cardholder agreement but has not produced a substantive argument, either before the Small Claims Judge or on appeal, that her position represents the correct current state of the law applicable to the issue. The Vermont Supreme Court has ruled that "[t]o properly preserve an issue for appeal a party must present the issue with specificity and clarity in a manner which gives the trial court a fair opportunity to rule on it." *In re White*, 172 Vt. 335, 343 (2001). That was not done in the small claims hearing.

Moreover, the issue was also inadequately briefed on appeal. Accordingly, it need not be addressed. *Khan v. Alpine Haven Prop. Owners' Ass'n, Inc.*, 2020 VT 90, ¶ 29 (declining to address issue where plaintiffs failed to recite elements applicable to legal argument or discuss why they were not satisfied).

In sum, Ms. Principe has not presented a persuasive legal argument that a credit card creditor cannot collect on a debt when the defendant used the card and made payments on the debt.

Conclusion

For the foregoing reasons, the Small Claims Decision of March 10, 2026 is *affirmed.*

Electronically signed July 23, 2026 pursuant to V.R.E.F. 9 (d).



Mary Miles Teachout
Superior Judge (Ret.), Specially Assigned